

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

**A. PROJECT IDENTIFICATION**

**1. Applicant/CON Action Number**

**4-3 CON LLC/CON #10274**

10800 Biscayne Boulevard, Suite 600  
Miami, Florida 33161

Authorized Representative: Abraham Shaulson  
(305) 864-9191

**Dolphin Pointe Health Care, LLC/CON #10275**

2568 Regal River Road  
Valrico, Florida 33596

Authorized Representative: Sean Nelson  
(321) 202-4563

**LP Jacksonville II, LLC/CON #10277**

12201 Bluegrass Parkway  
Louisville, Kentucky 40299

Authorized Representative: John Harrison  
(502) 568-7800

**PruittHealth – Southeastern Duval County, LLC/CON #10278**

1626 Jeurgens Court  
Norcross, Georgia 30093

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

**Saint Johns SNF, LLC/CON #10279**

1447 West Bexley Park Drive  
Delray Beach, Florida 33445

Authorized Representative: Robert J. Greene  
(954) 684-3416

**2. Service District/Subdistrict**

District 4/Subdistrict 4-3 (St. Johns and Southeast Duval Counties)

**B. PUBLIC HEARING**

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

**Letters of Support**

**4-3 CON LLC (CON #10274):** The Agency received no letters of support nor did the applicant submit any letters of support for the proposed project.

**Dolphin Pointe Health Care, LLC (CON #10275):** The Agency received numerous letters of support submitted by the applicant and through mail delivery. The letters were composed by faculty and staff from Jacksonville University, local health care providers and associations, former patients of Clear Choice Health Care managed facilities, local business leaders and local elected officials. Some were form letters of support.

**LP Jacksonville II, LLC (CON #10277):** The Agency received a few letters of support submitted by the applicant. All letters were signed and dated during December 2014.

**PruittHealth – Southeastern Duval County, LLC (CON #10278):** The Agency received various letters of support submitted by the applicant. All were form letters of support signed by local health care providers and students.

**Saint Johns SNF LLC (CON #10279):** The Agency received a few letters of support submitted by the applicant. All letters were signed and dated during December 2014.

**C. PROJECT SUMMARY**

**4-3 CON LLC (CON #10274),** an affiliate of the principals E.M.I. Inc. and Millennium Management, LLC, proposes to establish a new 167-bed community nursing home in Subdistrict 4-3, Duval County.

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Millennium Management, LLC 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

The reviewer notes that in another application for the current batching cycle, 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
- 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

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- 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 \$23,954,624. 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.

**Dolphin Pointe Health Care, LLC (CON #10275)**, hereafter referred to as Dolphin Pointe or the applicant, an affiliate of Clear Choice Health Care (referred to as Clear Choice throughout this document), proposes to establish a new 120-bed community nursing home in District 4, Subdistrict 4-3, Duval County.

Clear Choice operates eight SNFs in Florida:

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

The project involves 98,255 GSF of new construction. The construction cost is \$14,502,643. Total project cost is \$22,550,369. Project costs 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 Jacksonville II, LLC (CON #10277)**, a wholly owned subsidiary of Signature Holdings II, LLC (referred to as Signature throughout this document), proposes to establish a new 120-bed community nursing home in Subdistrict 4-3, Duval County.

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Signature currently operates 25 facilities 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 – Southeastern Duval County, LLC (CON #10278)**, hereafter referred to as PruittHealth – Southeastern Duval or the applicant, an affiliate of PruittHealth, proposes to establish a new 120-bed community nursing home in Subdistrict 4-3, Duval County.

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

- PruittHealth – Santa Rosa

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The project involves 79,859 GSF of new construction. The construction cost is \$11,216,978. Total project cost is \$19,392,398. 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 61 percent private rooms/beds into the facility design
- Participate in an organization-wide Quality Assurance/Performance Improvement initiative that entails quarterly visits in regard to clinical, operational, pharmaceutical and reimbursement areas by corporate consultants to ensure compliance with all local, state and federal laws
- Implement the WanderGuard system as a management component of the Alzheimer program
- Implement Electronic Medical Records (EMR) at the facility and include Smart Charting or other similar bed side patient charting tool
- Implement Resident Safety Technology including Call Guard and WanderGuard into the facility
- Implement Clinical Kiosks in appropriate locations throughout the facility
- Implement Alzheimer, dementia and other special behavioral health management programs
- Implement the top five special amenities requested by existing health care providers in this subdistrict:
  - Specialized care staff, state of the art rehab suites, multiple dining options, custom meal planning and pool therapy
- Implement the top special operational initiatives requested by existing health care providers:
  - Specialized training programs for staff, programs designed to reduce readmissions and risk management and clinical performance programs
- Implement the top five clinical services requested by existing health care providers:
  - PT/OT/ST, chronic disease management, diabetes care, wound care and respiratory therapy
- 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

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- 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.

**Saint Johns SNF LLC (CON #10279)**, hereafter referred to as Saint Johns SNF or the applicant, an affiliate of Consulate Healthcare (referred to as Consulate throughout this document), proposes to establish a new 120-bed community nursing home in District 4, Subdistrict 4-3, St. Johns County.

The applicant operates 76 SNFs in Florida:

- Bay Breeze Health and Rehabilitation Center
- Baya Pointe Nursing and Rehabilitation Center
- Bayonet Point, Consulate Health Care Of
- Beneva Lakes Healthcare and Rehabilitation Center
- Bradenton Health Care
- Brandon Health and Rehabilitation Center
- Brandon, Consulate Health Care Of
- Brentwood, Health Center at
- Central Park Healthcare and Rehabilitation Center
- Colonial Lakes Health Care
- Coral Bay Healthcare and Rehabilitation Center
- Coral Trace Health Care
- Countryside Rehab and Healthcare Center
- Destin Healthcare and Rehabilitation Center
- Deltona Health Care
- Dolphins View, The Health and Rehabilitation Center
- Emerald Shores Health and Rehabilitation
- Englewood Healthcare and Rehabilitation Center
- Evans Health Care
- Fletcher Health and Rehabilitation Center
- Fort Pierce Health Care
- Franco Nursing and Rehabilitation Center
- Governors Creek Health and Rehabilitation Center

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- Grand Oaks Health and Rehabilitation Center
- Habana Health Care Center
- Harbor Beach Nursing and Rehabilitation Center
- Harts Harbor Health Care Center
- Heritage Healthcare and Rehabilitation Center
- Heritage Healthcare Center at Tallahassee
- Heritage Park Rehabilitation and Healthcare
- Heron Pointe Health and Rehabilitation
- Hillcrest Health Care and Rehabilitation Center
- Island Health and Rehabilitation Center
- Jacksonville, Consulate Health Care Of
- Keystone Rehabilitation and Health Center
- Kissimmee, Consulate Health Care Of
- Lake Mary Health and Rehabilitation Center
- Lake Parker, Consulate Health Care At
- Lakeland, Consulate Health Care Of
- Lakeside Oaks Care Center
- Largo Health and Rehabilitation Center
- Magnolia Health and Rehabilitation Center
- Marshall Health and Rehabilitation Center
- Melbourne, Consulate Health Care Of
- New Port Richey, Consulate Health Care Of
- North Florida Rehabilitation and Specialty Care
- North Fort Myers, Consulate Health Care Of
- Oakbridge Healthcare Center
- Oaktree Healthcare
- Orange Park, Consulate Health Care Of
- Osprey Point Nursing Center
- Palms Rehabilitation and Healthcare Center
- Parks Healthcare and Rehabilitation Center
- Pensacola, Consulate Health Care Of
- Plantation Bay Rehabilitation Center
- Port Charlotte, Consulate Health Care Of
- Renaissance Health and Rehabilitation
- Rio Pinar Health Care
- Rosewood Health and Rehabilitation Center
- Safety Harbor, Consulate Health Care Of
- San Jose Health and Rehabilitation Center
- Sarasota, Consulate Health Care Of
- Sea Breeze Health Care
- Seaview Nursing and Rehabilitation Center
- Shoal Creek Rehabilitation Center
- Spring Hill Health and Rehabilitation Center



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- St. Petersburg, Consulate Health Care Of
- Tallahassee, Consulate Health Care Of
- University Hills Health and Rehabilitation
- Vero Beach, Consulate Health Care Of
- Vista Manor
- Wedge Healthcare Center
- West Altamonte, Consulate Health Care At
- West Palm Beach, Consulate Health Care Of
- Winter Haven, Consulate Health Care of
- Wood Lake Health and Rehabilitation Center

The project involves 74,052 GSF of new construction. The construction cost is \$10,351,533. Total project cost is \$17,949,645. Project cost includes land, building, equipment, project development and financing costs.

The applicant proposes to condition the project as shown below:

- The facility will have space for conferences and classrooms in support of community and staff education and training goals
- An EMR system will be included in the new facility and in operation within three months of opening
  - The EMR system will meet Phase 1 of the meaningful use requirements within 24 months
- The applicant will provide all eligible employees the opportunity to complete educational courses that will support the care center's efforts of providing the highest level of quality care and achieve operational excellence
- The applicant care center will partner with Consulate and serve as a facility for health care professionals to obtain clinical rotations
- A nurse navigator will be employed at the care center and will be responsible for overseeing the management of patients' medical needs upon admission to the facility and for up to 60 days following discharge
- Free community health screenings will be offered at least four times per calendar year (CY) to community members, employees, residents and families
- Education programs at Dementia Awareness to improve the independence and quality of life of persons with dementia and their caregivers will be provided at no cost in accordance with state and federal laws
- The applicant will provide a combination of at least 28 percent the first year and 42 percent thereafter, of total patient days to patients who are reimbursed under traditional Medicaid, Managed Medicaid or Long-Term Medicaid or uncompensated care

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- The applicant will provide space and staffing to support the community’s need for adult day care services
- The applicant will provide in-house hemodialysis services
- The applicant will have the capability to operate up to 20 ventilator-capable beds
- The applicant will construct the facility to include Telehealth capabilities in each patient room

**Total GSF and Project Costs of Co-Batched Applicants**

<b>Applicant</b>	<b>CON #</b>	<b>Project</b>	<b>GSF</b>	<b>Costs \$</b>	<b>Cost Per Bed</b>
4-3 CON LLC	10274	New 167-Bed Facility	100,453	\$23,954,624	\$143,441
Dolphin Pointe	10275	New 120-Bed Facility	98,255	\$22,550,369	\$187,920
LP Jacksonville II	10277	New 120-Bed Facility	75,138	\$17,714,465	\$147,621
PruittHealth – SE Duval	10278	New 120-Bed Facility	79,859	\$19,392,398	\$161,603
Saint Johns SNF	10279	New 120-Bed Facility	74,052	\$17,949,645	\$149,580

Source; CON applications #10274-#10279, Schedule 1 and 9

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

**D. REVIEW PROCEDURE**

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

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

Rule 59C-1.010(3)(b), Florida Administrative Code, prohibits any amendments once an application has been deemed complete. The burden of proof to entitlement of a certificate rests with the applicant.

As such, the applicant is responsible for the representations in the application. This is attested to as part of the application in the Certification of the Applicant.

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

In Volume 40, Number 193 of the Florida Administrative Register dated October 3, 2014, a fixed need pool of 167 beds was published for Subdistrict 4-3 for the July 2017 Planning Horizon. Subdistrict 4-3 is comprised of St. Johns and southeast Duval Counties.

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

- Fannie E. Taylor Home for the Aged, Inc., to add 10 community nursing home beds (E140028)

As of November 19, 2014, Subdistrict 4-3 had 2,683 licensed and 87 approved community nursing home beds. During the 12-month period ending June 30, 2014, Subdistrict 4-3 experienced 90.29 percent utilization at 23 existing facilities. Below is a table illustrating nursing home patient days and occupancy within Subdistrict 4-3.

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**St. Johns and Southeast Duval Counties Nursing Home Patient Days and  
Occupancy July 1, 2013-June 30, 2014**

<b>Facility</b>	<b>Comm. Nursing Home Bed Inventory</b>	<b>Bed Days</b>	<b>Patient Days</b>	<b>Total Occupancy</b>	<b>Medicaid Occupancy</b>
Atrium Healthcare Center	84	30660	27932	91.10%	34.04%
Avante Villa at Jacksonville Beach Inc.	165	60225	48096	79.86%	66.14%
Bartram Crossing	100	35700	21812	61.10%	27.99%
Consulate Health Care of Jacksonville	116	42340	40378	95.37%	55.91%
Cypress Village	120	43800	42131	96.19%	29.21%
Fannie E. Taylor Home for Aged, Inc.	24	8760	8560	97.72%	69.87%
First Coast Health and Rehabilitation Center	100	36500	33072	90.61%	77.75%
Heartland Health Care Center of South Jacksonville	117	42705	39507	92.51%	30.94%
Life Care Center of Jacksonville	120	43800	38339	87.53%	17.02%
Palm Garden of Jacksonville	120	43800	39547	90.29%	62.33%
Regents Park of Jacksonville	120	43800	41770	95.37%	68.25%
River Garden Hebrew Home for the Aged	180	65700	62176	94.64%	58.96%
Riverwood Center	240	87600	78944	90.12%	85.71%
San Jose Health and Rehabilitation Center	120	43800	41826	95.49%	74.63%
Taylor Care Center	120	43800	34972	79.84%	54.80%
Terrace of Jacksonville, The	180	65700	61816	94.09%	56.08%
Woodland Grove Health and Rehab Center	120	43800	42604	97.27%	57.45%
Moultrie Creek Nursing and Rehab Center	120	43800	38862	88.73%	45.74%
Ponce Therapy Care Center, The	120	43800	38862	88.79%	64.64%
Samantha Wilson Care Center	120	43800	42274	96.52%	50.27%
San Marco Terrace Rehabilitation and Care*	0	884	259	29.30%	86.10%
St. Augustine Health and Rehabilitation Center	120	43800	41478	94.70%	65.08%
Westminster Woods on Julington Creek	57	20748	18986	91.51%	19.92%
<b>Total</b>	<b>2683</b>	<b>979322</b>	<b>884233</b>	<b>90.29%</b>	<b>55.97%</b>

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

\*This facility closed on 07/13/2013

The reviewer notes the current and projected population of the individual counties in Subdistrict 4-3, District 4 and the state for the planning horizon. Note that only a portion of Duval County is included in Subdistrict 4-3 although population estimates are for the entirety of Duval County due to the Agency's source for population estimates. Please see the table below.

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**Current and Projected Population Growth Rate  
St. Johns and Duval Counties, District 4, and Florida  
January 2014 and January 2017**

County/Area	January 1, 2014 Population			January 1, 2017 Population		
	0-64	65+	Total	0-64	65+	Total
St. Johns	170,087	34,976	205,063	184,341	41,316	225,657
Duval	770,113	110,370	880,483	780,535	123,795	904,330
Subdistrict 4-3	940,200	145,346	1,085,546	964,876	165,111	1,129,987
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/Area	2014-2017 Increase			2014-2017 Growth Rate		
	0-64	65+	Total	0-64	65+	Total
St. Johns	14,254	6,340	20,594	8.38%	18.13%	10.04%
Duval	10,422	13,425	23,847	1.35%	12.16%	2.71%
Subdistrict 4-3	24,676	19,765	44,441	2.62%	13.60%	4.09%
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+ cohort in the subdistrict are shown below.

**Beds per 1,000 Residents Age 65 and Older**

County/Area	Community Beds	2014 Pop. Aged 65+	2014	2017 Pop. Aged 65+	2017
			Beds per 1,000		Beds per 1,000
<b>St. Johns</b>	537	34,976	15	41,316	13
<b>Duval</b>	2146	110,370	19	123,795	17
<b>Subdistrict 4-3</b>	2683	145,346	18	165,111	16
<b>District 4</b>	9,355	325,353	29	365,672	26
<b>Florida</b>	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.

**4-3 CON LLC (CON #10274)** indicates that during the period April 2013 to March 2014, 9.3 percent of the total number of resident discharges from Southeast Duval County were discharged from short-term acute care hospitals in Florida to SNFs. The applicant analyzes discharges by service line, 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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**Southeast Duval 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	59,155	5,517	9.3%
Hip/Knee Replacement	1,734	636	36.7%
Septicemia	1,799	372	20.7%
Renal Failure	1,241	259	20.9%
Heart Failure	1,270	231	18.2%
Kidney/UTI	962	209	21.7%
Simple Pneumonia	1,360	190	14.0%
Stroke/CVA/TIA	1,024	179	17.5%
Respiratory Failure/COPD	1,537	171	11.1%

Source: CON application #10274, page 1-9, based on Agency inpatient discharge database and Legacy Consulting Group analysis

The applicant believes need for the proposed project is clearly demonstrated by these main points:

- The subdistrict has significant numbers of discharges in service lines and disease categories such as hip and knee repair and replacement, septicemia, respiratory failure/COPD, which will further increase demand for skilled nursing care
- The recent reversal of the long-standing moratorium on the new skilled nursing home beds means that new, more modern facilities are needed to keep pace with technological and clinical developments in health care delivery

**Dolphin Pointe Health Care, LLC (CON #10275)** states that the proposed facility will be located within ZIP code 32277, adjacent to Jacksonville University. Tim Cost, President of Jacksonville University, submitted a letter of support for the proposed project, “I have spent a great deal of time considering the impact a highly skilled sub-acute center would have on our expanded and highly successful School of Nursing and College of Health Sciences. I was pleased to find that the Dolphin Pointe Health Care Center submission will embrace a comprehensive level of services.” The reviewer notes that the applicant provided a proposed ZIP Code but no specific location for the proposed project has been secured.

The applicant believes the proposed project creates several types of community benefits, including:

- Improved access to long-term care within ZIP Code 32277
- Development of a retirement campus that emphasizes aging in place to support educational programs at Jacksonville University
- *Life-Long Learning Programs* targeted to retirees in Dolphin Pointe

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- Job growth to help revitalize the Arlington area experiencing 6.86 percent unemployment rate—the proposed project would add approximately 213 jobs with construction of the project creating approximately 350 jobs over a two to three-year period

Dolphin Pointe states that the proposed project will not adversely affect community nursing homes. The applicant provides a forecast on page 1-17 of CON application #10275 indicating that each existing facility within a 10-mile radius of Dolphin Pointe’s proposed site will experience growth in resident days from the baseline to year 2019.

**LP Jacksonville II, LLC (CON #10277)** believes that a new 120-bed skilled nursing facility would benefit the community and meet the growing demand in the 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 4-3.

The applicant 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. The applicant notes that in the letter of support tab, the Medical Director for Signature HealthCARE of Jacksonville, Dr. Shazrad Gray, writes, “Duval and Clay Counties need for bariatric units will not only provide a positive impact on the health care continuum, but quality of life and great clinical outcomes for those in need of this program.”

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 – Southeastern Duval County, LLC (CON #10278)** presented data regarding the 12,849 Subdistrict 4-3 seniors discharged from local hospitals who went to nursing facilities, for the 12 months ending March 30, 2014. PruittHealth – Southeastern Duval analyzed the discharges by service line, stating that PruittHealth has disease and condition-specific programming that will be implemented at the proposed facility to meet patients’ needs. See the table below.

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**Subdistrict 4-3 Hospital Discharges to Nursing Facilities  
by Service Line, 12 Months Ending March 30, 2014**

Service Line (MS-DRG)	65 and Older		All Ages	
	Cases	Percent	Cases	Percent
Orthopedics	3,041	23.7%	4,050	24.7%
Cardiology/Cardiac Surgery	1,368	10.6%	1,572	9.6%
Pulmonary	1,306	10.2%	1,567	9.6%
Nephrology	1,149	8.9%	1,307	8.0%
Neurology	914	7.1%	1,196	7.3%
Infections Disease	886	6.9%	1,178	7.2%
Gastroenterology	693	5.4%	822	5.0%
General Surgery	657	5.1%	952	5.8%
Endocrinology	322	2.5%	405	2.5%
Rehabilitation	349	2.7%	406	2.5%
General Medicine	279	2.2%	358	2.2%
Vascular	296	2.3%	421	2.6%
All Other	1,589	12.4%	2,148	13.1%
Total	12,849	100.0%	16,382	100.0%

Source: CON application #10278, page 79, based on Agency Inpatient Data Tapes and NHA Analysis

The applicant asserts that factors supporting the need for additional beds in the service area include:

- High historical occupancy rates of existing providers exceeding 91 percent on a trailing six-month basis
- Historical hospital discharges to nursing homes by service line
- The growing elderly population who are the most frequent users of nursing home services
- The changing dynamic in payers and the payer system

PruittHealth – Southeastern Duval states that it will incorporate each of the community’s strongest needs 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 Medicaid services
- Improve access to Medicare 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

PruittHealth – Southeastern Duval declares it will have no adverse impact on existing SNFs in Subdistrict 4-3 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.



**CON Action Numbers: 10274 through 10279**

**Saint Johns SNF LLC (CON #10279)** provides a detailed analysis of Saint Johns County resident discharges to SNFs by age cohort, by case mix index (CMI), by payer and as a percent of total discharges for the years 2011-2013 on pages 36 to 40 of CON application #10279.

Saint Johns County SNF reports that resident discharges to SNFs have declined by -0.6 percent over the last two years despite an increase of 2.1 percent in total discharges. The applicant believes the closure of a SNF in the county and the constraints of the supply of nursing home beds are likely to be responsible for this trend. See the table below.

**Discharges from Hospitals in Florida to Medicare and Medicaid SNFs  
St. Johns County Residents: 2011-2013**

<b>Year and Data Element</b>	<b>Discharges</b>	<b>Average CMI</b>
<b>Discharges to SNF</b>		
2011	8,297	1.7666
2012	8,044	1.8433
2013	8,198	1.8830
<b>Total Resident Discharges</b>		
2011	81,875	1.3282
2012	82,554	1.3596
2013	84,294	1.3768
<b>Discharges to SNFs as a percent of total discharges</b>		
2011	10.1%	133.0%
2012	9.7%	135.6%
2013	9.7%	136.8%
<b>Percent Change in Discharges to SNF</b>		
2011-2012	-3.0%	4.3%
2012-2013	1.9%	2.2%
Annual Average 2011-2013	-0.6%	3.3%

Source: CON application #10279, page 39, based on Florida Agency, "Inpatient Hospital Datafile," November 2014

Applicant's Note: Total facility discharges includes acute care, hospitals, psychiatric hospitals, rehabilitation hospitals, long-term acute care hospitals and children's hospitals

The applicant indicates that it has the interest, ability and commitment to provide effective solutions for the needs of the subdistrict. Consulate maintains that the proposed project is needed due to three factors:

- The demographic trends of an aging population whose numbers and growth rates are greater than the total population of other age groups
- The episodes of care requiring inpatient admission which are characterized by more chronic conditions and co-morbidities as well as a higher case mix which is indicative of a higher level of severity of illness
- The requirements of the major payers for SNF and health care services--namely government and managed care organizations--for cost-effective, high quality services

- b. **If no Agency policy exists, the applicant will be responsible for demonstrating need through a needs assessment methodology, which must include, at a minimum, consideration of the following topics, except where they are inconsistent with the applicable statutory or rule criteria:**

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

2. **Agency Rule Preferences**

**Please indicate how each applicable preference for the type of service proposed is met. Chapter 59C-1.036, Florida Administrative Code.**

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

- a. **Geographically Underserved Areas. In a competitive certificate of need review within the nursing home subdistrict as defined in 59C-2.200, Florida Administrative Code, the Agency shall award a certificate of need if the applicant meets all applicable criteria for a geographically underserved area as specified in subsection 408.032(18), Florida Statutes, and if the applicant meets the applicable statutory certificate of need review criteria specified in section 408.035, Florida Statutes, including bed need according to the relevant bed need formula contained in this rule. If the applicant is awarded a certificate of need based on the provisions of this paragraph, the applicant shall agree that the nursing facility will be located in a county without a nursing facility, or in the center of an area within the subdistrict of a radius of at least 20 miles which meets the definition of a geographically underserved area. The center of the geographically underserved area shall be the proposed nursing home location in the application.**

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

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

**4-3 CON LLC (CON #10274)** states that the proposed facility will be built, equipped and staffed to accommodate short-term rehabilitation and long-term skilled nursing care.

4-3 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 insists the physical plant will incorporate a neighborhood design that will promote a residential atmosphere and minimize the perception of an institutionalized environment. 4-3 CON LLC notes that patient services will include, but not be limited to:

- Behavioral health services
- Cardiac services
- Orthopedic services
- Outpatient rehabilitation
- Registered dietician services
- 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

**CON Action Numbers: 10274 through 10279**

4-3 CON LLC indicates 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 continuously improve and facilitate positive resident outcomes. The applicant insists 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 asserts that prior to admission to the proposed facility, residents will receive a detailed clinical assessment. The applicant states that upon admission, the Nursing Services Department will provide an orientation and the resident or representative will sign an Admissions Agreement.

4-3 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.

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 #10274, respectively.

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

4-3 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 167-bed facility.

**CON Action Numbers: 10274 through 10279**

**Projected Admissions, Patient Days, ALOS and ADC**

	<b>Year 1</b>	<b>Year 2</b>
Admissions	357	644
Patient Days	30,404	54,858
ALOS	85	85
ADC	83	150

Source: CON application #10274, page 2-5

Schedule 6 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.

<b>4-3 CON LLC (CON application #10274) Projected Year One and Year Two Staffing</b>		
	<b>Year One FTEs</b>	<b>Year Two FTEs</b>
<b>Administration</b>		
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
<b>Physicians</b>		
Unit/Program Director	1.00	1.00
Other	0.00	0.00
<b>Nursing</b>		
RNs	7.00	9.80
LPNs	9.80	19.60
Nurses' Aides	44.80	74.20
Other: Restorative Aides	3.00	5.00
<b>Dietary</b>		
Dietary Supervisor	2.00	2.00
Cooks	2.80	4.20
Dietary Aides	7.00	8.40
<b>Social Services</b>		
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
<b>Housekeeping</b>		
Housekeeping Supervision	1.00	1.00
Housekeepers	6.60	12.60
<b>Laundry</b>		
Laundry Supervisor	0.00	0.00
Laundry Aides	2.80	5.60
<b>Plant Maintenance</b>		
Maintenance Supervisor	1.00	1.00
Maintenance Assistance	1.40	2.00
<b>Total</b>	<b>109.90</b>	<b>172.90</b>

Source: CON application #10274, Schedule 6

**CON Action Numbers: 10274 through 10279**

**Dolphin Pointe Health Care, LLC (CON #10275)** states that it does propose to provide both short-term and long-term-care and beds will be dually certified. The applicant indicates on its Schedule 7 that the ALOS will be 39 days for years one and two of operation.

The applicant asserts that Agency hospital discharge data for CY 2013 was analyzed to document the types of discharges to nursing homes that occur for residents aged 65 years or older of the subdistrict. Dolphin Pointe reports that seven major diagnostic categories (MDCs) represented 84.4 percent of all discharges.

Dolphin Pointe provides a detailed data analysis of the diagnostic related groups that correspond to each of the seven major MDCs on pages 2-5 through 2-15 of CON application #10275. For each of these seven MDCs, the applicant explains the services and techniques it will offer at its facility to care for these conditions.

The applicant notes the major services expected to be provided:

- Palliative care
- Hospice care
- Wound care, including mist therapy, Talymed, etc.
- Therapeutic meals, special diets, assistance with dining
- 24-hour RN coverage
- On site X-rays and clinical lab testing
- Ostomy care
- Enteral care
- Foley catheter care, changes and teaching
- Diabetic care and management
- Medication management
- Bowel and bladder training
- Tracheotomy care
- HIV care
- IV therapy
- Structured activities seven days a week
- Transportation
- On site beauty/barber shop

Dolphin Pointe discusses its intention to provide a specialized program that was successfully implemented at Sun Towers in Sun City Center for those with dementia or related cognitive decline called *Never 2 Late*. The applicant maintains that its experience at Sun Towers and the ongoing “living laboratory” that the nursing home will have with Jacksonville University will provide ongoing development of techniques and programs for specialized care.

**CON Action Numbers: 10274 through 10279**

The applicant states that equipment that provides the best therapeutic milieu will be offered, including:

- HUR Equipment
- ACP Equipment
- Portable Biosway
- Kinesis Pulley System
- NuStep
- Alter G Anti-Gravity Treadmill
- Tricore
- Vitalstim

Dolphin Pointe indicates that admission will occur if the proposed facility has the clinical program and services to provide care and will also involve the potential resident and family in deciding if the environment of care is supportive. The applicant states that a combination of assessments results in a resident's care plan, which serves as a basis for developing the goals and objectives for each resident. Forms used in the process of comprehensive care planning can be found in Exhibit 2-1 of CON application #10275.

The applicant asserts that discharge planning will be initiated at the time of admission as the assumption will be that the individual will return home. Dolphin Pointe states that working collaboratively with staff in nursing, nutritional services and therapy, social services and case management linkages will be identified that would be required at discharge to assure that the individual receives support to maintain if not improve his or her health.

Schedule 6 illustrates that FTEs for year one (ending June 30, 2018) total 69.3 and total 120.7 for year two (ending June 30, 2019). The proposed project's year one and year two FTEs are shown in the table below.

**CON Action Numbers: 10274 through 10279**

<b>Dolphin Pointe Health Care, LLC (CON application #10275) Projected Year One and Year Two Staffing</b>		
	<b>Year One FTEs</b>	<b>Year Two FTEs</b>
<b>Administration</b>		
Administrator	1.00	1.00
Director of Nursing	1.00	1.00
Admissions	1.70	2.10
Bookkeeper	1.00	1.00
Secretary	0.00	0.00
Medical Records Clerk	1.70	2.10
Other: Receptionist	1.00	1.00
Other: Nursing Admin	2.10	4.20
Other: Administrative	0.00	0.00
<b>Physicians</b>		
Medical Director	0.50	0.50
Other:	0.00	0.00
<b>Nursing</b>		
RNs	3.60	7.00
LPNs	8.50	16.80
Nurses' Aides	24.70	48.60
Other	0.00	0.00
<b>Ancillary</b>		
Physical Therapist	2.90	4.70
Speech Therapist	0.90	1.30
Occupational Therapist	2.50	4.00
<b>Dietary</b>		
Dietary Supervisor	1.00	1.00
Cooks	2.90	5.60
Dietary Aides (including Servers)	2.90	5.60
Other	0.00	0.00
<b>Social Services</b>		
Social Service Director	1.50	1.90
Activity Director	1.00	1.00
Activities Assistant	0.50	0.90
<b>Housekeeping</b>		
Housekeeping Supervision	1.00	1.00
Housekeepers	2.40	4.60
<b>Laundry</b>		
Laundry Aides	1.50	1.90
<b>Plant Maintenance</b>		
Maintenance Supervisor	1.00	1.00
Maintenance Assistance	0.50	0.90
<b>Total</b>	<b>69.30</b>	<b>120.7</b>

Source: CON application #10275, Schedule 6



**CON Action Numbers: 10274 through 10279**

**LP Jacksonville II, LLC (CON #10277)** 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 maintains that it will implement an individual care plan, incorporating best practices and evidence-based clinical practice guidelines, for each patient.

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 rehabilitation
- 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 show 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 #10277.

**CON Action Numbers: 10274 through 10279**

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 SHC 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 is to be contracted with 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 #10277.

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**

	<b>Year One</b>	<b>Year Two</b>
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 #10277, page 40

**CON Action Numbers: 10274 through 10279**

Schedule 6 illustrates that FTEs for year one (ending December 31, 2017) total 36.1 and total 111.9 for year two (ending December 31, 2018). The proposed project's year one and year two FTEs are shown in the table below.

<b>LP Jacksonville II, LLC (CON application #10277) Projected Year One and Year Two Staffing</b>		
	<b>Year One FTEs</b>	<b>Year Two FTEs</b>
<b>Administration</b>		
Administrator	1.00	1.00
Director of Nursing	1.00	1.00
Asst. DON/Transitional Care	0.00	1.60
Admissions Director	0.70	1.00
Bookkeeper/Asst. BOM	0.00	0.90
Secretary/Admin Asst	0.00	0.60
Medical Records Clerk	0.70	1.00
MDS Coordinators	0.70	1.90
Staff Coordinators	0.80	1.00
Human Resources Coordinator	0.00	1.00
Marketing Director	1.00	1.00
Receptionist	2.10	2.10
Business Ofc Mgr	0.70	1.00
<b>Nursing</b>		
RNs	3.20	4.40
LPNs	4.80	15.80
Nurses' Aides	9.90	43.00
Nursing Admin, Central Supply	0.20	1.80
<b>Dietary</b>		
Dietary Supervisor	0.60	1.00
Cooks	0.20	0.90
Dietary Aides	1.30	3.60
Servers, etc.	1.80	7.90
<b>Social Services</b>		
Social Service Director	1.00	1.90
Activity Director	0.70	1.00
Activities Assistant	0.30	2.00
Chaplain	0.30	1.00
<b>Housekeeping</b>		
Housekeeping Supervision	0.00	1.00
Housekeepers	1.60	7.00
<b>Laundry</b>		
Laundry Aides	0.60	2.60
<b>Plant Maintenance</b>		
Maintenance Supervisor	1.00	1.00
Maintenance Assistance	0.00	0.90
<b>Total</b>	<b>36.1</b>	<b>111.9</b>

Source: CON application #10277, Schedule 6

**PruittHealth – Southeastern Duval County, LLC (CON #10278)**

indicates it has designed a facility that is responsive to existing health care providers in the area who completed surveys to address the needs of the subdistrict. The applicant notes 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 survey methodologies utilized by the applicant--including a copy of the survey, survey responses and how PruittHealth – Southeastern Duval will respond to these needs-- can be found on pages 42 through 83 of CON application #10278.

The applicant asserts that these providers have spoken, and responsively, PruittHealth's design and outlook for PruittHealth – Southeastern Duval includes the following:

- 20-bed secure Alzheimer's unit in the 120-bed facility
- Specialized Alzheimer's programming
- High percent of private rooms (61.6 percent)
- Enhancing Medicaid access at nine points greater than the subdistrict's current experience
- Specialized training programs for state
- High ratio of total nursing hours per patient day
- Risk management and clinical performance programs (PointRight)
- Specialized care staff
- State of the art rehab suites
- Therapy pool
- PT/OT/ST
- Wound care
- Diabetes care
- Respiratory therapy
- Chronic disease management

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

- 24-hour nursing services
- Physical therapy
- Occupational therapy
- Speech therapy
- IV therapy
- Tube feeding and total parental nutrition

**CON Action Numbers: 10274 through 10279**

- Wound care management
- Pain management
- Central lines
- Oxygen therapy
- Outpatient therapy

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 – Southeastern Duval discusses the programs and routine services to be offered at PruittHealth – Southeastern Duval on pages 94 through 117 of CON application #10278.

PruittHealth – Southeastern Duval 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.

The applicant asserts 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.

The applicant's Schedule 7 indicates that the ALOS will be 55 days for year one and 69 days for year two of operation.

Schedule 6 illustrates that FTEs for year one (ending June 30, 2018) total 63.75 and total 144.16 for year two (ending June 30, 2019). The proposed project's year one and year two FTEs are shown in the table below.

**CON Action Numbers: 10274 through 10279**

<b>PruittHealth – Southeastern Duval County, LLC (CON application #10278) Projected Year One and Year Two Staffing</b>		
	<b>Year One FTEs</b>	<b>Year Two FTEs</b>
<b>Administration</b>		
Administrator	1.00	1.00
Director of Nursing	1.00	1.00
Admissions Director	1.00	1.00
Bookkeeper	0.00	0.00
Secretary	1.40	1.40
Medical Records Clerk (CNA)	0.70	1.00
Other: Financial Counselor	1.00	1.00
<b>Physicians</b>		
Medical Director (Contracted)	0.20	0.20
Other: Physician Services (Contracted)	0.02	0.02
<b>Nursing</b>		
RNs	5.10	9.60
LPNs	10.00	23.80
Nurses' Aides	21.70	58.80
Nursing Admin, Central Supply	0.80	2.00
<b>Ancillary</b>		
Physical Therapist (Contracted)	0.96	2.78
Physical Therapist Assistant (Contracted)	1.13	3.26
Speech Therapist (Contracted)	0.46	1.33
Occupational Therapist (Contracted)	1.11	3.19
Therapy Assistant (Contracted)	0.41	1.18
<b>Dietary</b>		
Dietary Supervisor	1.00	1.00
Cooks	1.50	2.80
Dietary Aides	2.80	8.40
<b>Social Services</b>		
Social Service Director	1.00	1.00
Activity Director	1.00	1.00
Activities Assistant	0.00	0.00
		0.00
<b>Housekeeping</b>		
Housekeeping Supervision	0.00	0.00
Housekeepers	5.10	12.60
<b>Laundry</b>		
Laundry Aides	1.40	2.80
<b>Plant Maintenance</b>		
Maintenance Supervisor	2.00	2.00
Maintenance Assistance	0.00	0.00
<b>Total</b>	<b>63.75</b>	<b>144.16</b>

Source: CON application #10278, Schedule 6A

**CON Action Numbers: 10274 through 10279**

**Saint Johns SNF LLC (CON #10279)** states that the proposed facility will participate in both the Medicare and Medicaid programs to promote access to all patients.

The applicant asserts that given the need for higher acuity services for skilled nursing patients, the proposed facility will focus on several core programs and services as described below:

- Neurological and stroke care
- Orthopedic care
- Post cardiac care
- Pulmonary care
- Wound care
- Medically complex
- Physical therapy
- Occupational therapy
- Speech therapy
- respiratory therapy

Saint Johns County SNF asserts that its parent company Consulate has identified 13 of its SNFs as indicators of the need for this CON application based on the following rationale:

- Proximity to the applicable subdistrict for this application
- The distribution of patients in terms of severity or acuity represents a higher skill mix
- Higher levels of Medicare and Medicare Managed Care patients

The applicant notes earlier in the application that these 13 centers have enhanced their scope of services to respond to the current need of acute care hospital patients as reflected by case managers, discharge planners and physicians. Consulate notes that these 13 facilities have experienced a high patient acuity in terms of increased:

- Numbers of ventilator-dependent patients
- Numbers of patients on dialysis
- Hours per patient day for nursing and therapy
- Patient age

The reviewer notes that of the identified Consulate 13 facilities (Tab 5 of CON application 10279), only Franco Nursing and Rehabilitation lists “ventilator dependent” as a special program and service on FloridaHealthFinder.gov. In addition, the reviewer notes that there is no mention of ventilator-capable beds in the architectural narrative except to say that oxygen and medical gases will be plumbed into approximately 10 to 20 rooms (to be determined later). The reviewer also notes that while Schedule 6

**CON Action Numbers: 10274 through 10279**

denotes that therapy FTEs will be outsourced to a third-party and will be reflected in the appropriate department on Schedule 8, “respiratory and other ancillaries” are listed for \$43,160 for year one (approximately \$2 per patient day) and not specifically at all for year two.

Saint Johns SNF indicates that the ALOS used for the development of the projected patient days in Schedule 5 and 7 are based on the recent Consulate Florida 13 and listed below by the major payer categories. The reviewer notes that the applicant did not provide projected admissions in Schedule 7.

**Saint Johns SNF, ALOS by Payer**

<b>Payer</b>	<b>ALOS in Days</b>
Medicare	32.3
Managed Care: Commercial, Managed Medicare and Managed Medicaid	20
Private	49
Medicaid	284

Source: CON application #10279, page 26

The applicant notes that Consulate’s Interdisciplinary Team meets with the patient and family within 72 hours of admission to discuss and develop a plan to meet their health care and discharge goals. Saint John SNF indicates that the purpose of its Resident Centered Program is to educate the resident, family member or loved one on their specific clinical care plan and that goals are set with follow up meetings as needed.

Saint Johns SNF states that Journey Home, Consulate’s discharge planning program, begins on admission. The applicant asserts that Consulate realizes every patient is unique, requiring an individualized care plan.

Schedule 6 illustrates that FTEs for year one (ending 2017) total 87.50 and total 94.50 for year two (ending 2018). The proposed project’s year one and year two FTEs are shown in the table below. The applicant notes that therapy, dietary, housekeeping and laundry are outsourced to a third-party and not included in the facility FTE count.



**CON Action Numbers: 10274 through 10279**

<b>Saint Johns SNF, LLC (CON application #10279) Projected Year One and Year Two Staffing</b>		
	<b>Year One FTEs</b>	<b>Year Two FTEs</b>
<b>Administration</b>		
Administrator	1.00	1.00
Director of Nursing	1.00	1.00
Admissions Director	1.00	1.00
Bookkeeper	1.00	1.00
Secretary	1.50	1.50
Medical Records Clerk	1.00	1.00
Other: Central Supply	1.00	1.00
<b>Physicians</b>		
Medical director	1.00	1.00
Other: Nurse Practitioner	1.00	1.00
<b>Nursing</b>		
RNs	3.00	5.00
LPNs	10.00	11.00
Nurses' Aides	37.00	41.00
Nursing Admin	13.00	13.00
<b>Ancillary</b>		
Physical Therapist	0.00	0.00
Speech Therapist	0.00	0.00
Occupational Therapist	0.00	0.00
Other: Respiratory Therapist	0.00	0.00
<b>Dietary</b>		
Dietary Supervisor	0.00	0.00
Cooks	0.00	0.00
Dietary Aides	0.00	0.00
<b>Social Services</b>		
Social Service Director	2.00	2.00
Activity Director	2.00	2.00
Activities Assistant	2.00	4.00
Other Admissions Coord/Case Management	3.00	3.00
<b>Housekeeping</b>		
Housekeeping Supervision	0.00	0.00
Housekeepers	0.00	0.00
<b>Laundry</b>		
Laundry Aides	0.00	0.00
<b>Plant Maintenance</b>		
Maintenance Supervisor	1.00	1.00
Maintenance Assistance	3.00	3.00
Security	1.00	1.00
<b>Total</b>	<b>87.50</b>	<b>94.50</b>

Source: CON application #10279, 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** states that they are a newly created entity and therefore this criterion does not apply.

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

**Each co-batched applicant** states that they are a newly created entity and therefore this criterion does not apply.

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

**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 4-3 is composed of St. Johns and Southeast Duval Counties and has 23 licensed community nursing homes with a total of 2,683 community nursing home beds. The subdistrict averaged 90.29 percent total occupancy for the 12-month period ending June 30, 2014.

**4-3 CON LLC (CON #10274)** indicates that a specific location for the proposed facility has not been determined, but that it will be located within Southeast Duval County such that access and availability to care are key considerations.

4-3 CON LLC notes that the overall SNF occupancy rate in Southeast Duval County was 89.9 percent in the twelve 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 declares that as a result of growing population and a fixed bed supply, the bed rates for persons 65+ and 75+ 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 statistical evidence illustrating this trend.

The applicant asserts that the proposed facility will be constructed with 41 private rooms (including 28 private suites) and 63 semi-private rooms. 4-3 CON LLC provides data on page 3-3 of CON application #10274 illustrating the types of rooms (private, semi-private, three-bed and four-

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beds) offered at the community nursing homes in Subdistrict 4-3. The applicant states this data demonstrate that its proposed facility will have more private rooms than the majority of other SNFs in the subdistrict.

4-3 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, F.A.C., Minimum Standards for Nursing Homes. The applicant provides its mission statement on page 3-4 of CON application #10274: *"It is our mission is 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."*

4-3 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 provides maps of Subdistrict 4-3 illustrating the current population aged 65+ and delineating existing nursing homes and hospitals on pages 3-5, 3-6 and 3-7 of CON application #10274. 4-3 CON LLC insists these maps demonstrate the following:

- There are a number of SNFs in southeast Duval County, primarily concentrated around short-term acute care hospitals
- There is a noticeable lack of available skilled nursing care in southwestern and northwestern portions of southeast Duval County
- Senior population growth is expected to be heaviest in northern, central and southern portions of Duval County

4-3 CON LLC states that since hospitals are referral sources to nursing homes, proximity to area hospitals will be considered in determining an appropriate site. The applicant indicates that the six acute care hospitals in southeast Duval County hospitals discharged 5,833 patients to SNFs during the 12-month period ending March 2014. 4-3 CON LLC reports that the regions of southeast Duval County included within ZIP Codes 32207, 32216, 32225 and 32257 had the highest volume of cases, collectively accounting for 40 percent of all discharges during this period.

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.

4-3 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

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skilled nursing care is semi-private accommodation. 4-3 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 16 of the 27 SNFs in Subdistrict 4-3 (59 percent) have an occupancy rate of 90 percent or higher for the 12 months ending June 30, 2014. 4-3 CON LLC indicates that seven Millennium-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 #10274. The reviewer notes that occupancy rates have declined in all but one of these facilities over the past five years.

4-3 CON LLC believes that without the addition of skilled nursing beds to Subdistrict 4-3, occupancy rates would rise to overcapacity. The applicant states that the bed rate per capita (for persons 65+) in Subdistrict 4-3 is 9.02 for the baseline year of July 2014. 4-3 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 104.0 percent and 109.0 percent, respectively. See the table below.

**Forecast for Nursing Home Subdistrict 4-3  
in July 2017 and July 2018**

<b>Factor</b>	<b>Baseline July 2014</b>	<b>July 2017</b>	<b>July 2018</b>
65+ Population	97,990	112,917	118,272
Subdistrict 4-3 Days	884,233	1,018,930	1,067,252
Licensed SNF Beds	2,976	2,976	2,976
Licensed Bed Days	979,322	979,322	979,322
Occupancy	90.3%	104.0%	109.0%

Source: CON application #10274, page 3-13, based on Florida Population Estimates and Projections by Agency District, 2010 to 2030, published September 2013

The reviewer notes that the applicant's above assumptions cannot be verified because the cited population data source they are based from does not illustrate population totals at the subdistrict level.

4-3 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.

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**Forecast for 4-3 CON LLC  
Years One and Two of the Project**

<b>Factor</b>	<b>7/17 to 6/18</b>	<b>7/18 to 6/19</b>
Resident Days	30,404	54,858
Beds, Community	167	167
Bed Days	60,955	60,955
Medicaid Days	16,986	30,648
Occupancy	50.0%	90.0%
Medicaid Occupancy	55.9%	55.9%

Source: CON application #10274, page 3-14

**Dolphin Pointe Health Care, LLC (CON #10275)** indicates that the proposed facility will be constructed on a site that is adjacent to Jacksonville University and has frontage on the St. Johns River. The applicant provides maps on pages 1-4 through 1-7 of CON application #10275 illustrating its proposed site.

The applicant notes that Subdistrict 4-3's nursing homes' most recent occupancy rate for July 1, 2013 to June 30, 2014 was 90 percent. Dolphin Pointe believes that high occupancies can lead to delays in placement, which impacts a variety of factors. Dolphin Pointe states that the decline of a patient's condition while awaiting admission is most concerning as the patient has to wait to start treatments and therapies. The applicant indicates that decline is serious and can result in hospital readmissions.

The applicant declares that the proposed project promotes a higher level of quality of care in Subdistrict 4-3, southeast Duval and St. Johns County.

Dolphin Pointe asserts that the proposed project would add long-term care services where none exist, enhance higher educational opportunities to students and faculty at Jacksonville University and stimulate the economy of the Arlington area through job creation. The applicant maintains that the proposed project accomplishes several objectives that present benefits. Dolphin Pointe insists that among the beneficiaries are nursing home residents, their families, the neighborhood, the businesses that serve the area and Jacksonville University.

Dolphin Pointe provides a detailed analysis of the numbers of elderly within the subdistrict and those encompassed by a five-mile and a 10-mile radius on pages 1-8 through 1-10 of CON application #10275. The applicant states that increasing the bed supply within ZIP Code 32277 will enhance access. The applicant asserts that the proposed project does not over-bed the area as the rate remains below that for the subdistrict and for the state.

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Dolphin Pointe states that with respect to financial accessibility, the proposed nursing home will be dually certified and open to all persons. The applicant adds that as part of the new paradigm in health care, it will have third-party contracts to assure the widest coverage for the community.

The applicant provides a table illustrating nursing home utilization in Subdistrict 4-3 for the annual period of July 1, 2013 to June 30, 2014 on page 3-4 of CON application #10275. Dolphin Pointe reports that for this time period, the subdistrict's facility occupancy rate is higher than District 4 and the State and that Medicaid utilization is lower than District 4 and the State. The reviewer confirmed this statement.

The applicant believes that the expectation is that managed care will continue to drive Medicaid utilization down in nursing homes as diversions are preferred. Dolphin Pointe contends that recent information indicates an eight percent decline in Medicaid when looking overall at selected counties. The reviewer cannot confirm this information as the applicant did not provide which counties were included in calculating the eight percent decline.

The reviewer notes that Subdistrict 4-3 had a 55.97 percent Medicaid occupancy from July 1, 2013 to June 30, 2014 and a 55.98 percent Medicaid occupancy from July 1, 2012 to June 30, 2013--an increase of 0.17 percent (860 patient days) in fiscal year 2013. District 4 had a 61.52 percent Medicaid occupancy from July 1, 2013 to June 30, 2014 and a 61.08 percent Medicaid occupancy from July 1, 2012 to June 30, 2013--an increase of 1.05 percent (19,200 patient days) in fiscal year 2013. The state had a 62.05 percent Medicaid occupancy from July 1, 2013 to June 30, 2014 and a 61.58 percent Medicaid occupancy from July 1, 2012 to June 30, 2013--an increase of 1.02 percent (160,406 patient days).

Dolphin Pointe provided two methods for forecasting utilization of the proposed nursing home: one based upon the subdistrict and one based upon an area analysis. The applicant maintains that the assumption of 92 percent occupancy used in its methods may be optimistic in the short-term for a new provider. Hence, Dolphin Pointe states the occupancy rates for years one and two were lowered after looking at the occupancy rates of others within a circle circumscribed by the 10-mile radius of the site.

The reviewer created the following chart from the applicant's Schedule 7.

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**Dolphin Pointe Forecasted Utilization**

	<b>Year One</b>	<b>Year Two</b>
Total Admissions	498	979
Total Patient Days	19,642	38,655
Occupancy	44.84%	88.25%

Source: CON application #10275, Schedule 7

**LP Jacksonville II, LLC (CON #10277)** states that the proposed facility will be located in Duval County. The applicant notes that Duval County’s elderly population is expected to grow 21 percent between 2014 and 2019, three percent faster than the State (18 percent).

Signature reports that the total occupancy of the 27 SNFs in the Subdistrict (90.27 percent) slightly exceeds that of the entire district as a whole (88.35 percent) and that of the entire state (87.35 percent). The applicant indicates that it plans to locate the proposed facility in Duval County to serve the growing demand in the community.

The applicant points out that it currently operates two SNFs in the Jacksonville metropolitan area--Signature HealthCARE of Orange Park (SHOOP) and Signature HealthCARE of Jacksonville (SHOJ). Signature claims that SHOOP has “90 percent plus” occupancy, has an overall five-star rating from the Center for Medicare and Medicaid Services (CMS) and offers four specialized programs. The applicant indicates that SHOJ has “80 percent plus” occupancy, has an overall four-star rating from CMS and offers two specialized programs.

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 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



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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.

**Projected Admissions, Patient Days, ALOS and ADC**

	<b>Year One (2017)</b>	<b>Year Two (2018)</b>
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 #10277, page 40

**PruittHealth – Southeastern Duval County, LLC (CON #10278)**

indicates it has selected its home county to be Duval County. The applicant reports that southeast Duval County is home to 17 of the 23 community nursing homes in the subdistrict. PruittHealth – Southeastern Duval points out that southeast Duval County has eight of the 11 Duval hospitals, nearly 90 percent of the hospital discharges to nursing homes and more than 60 percent of the subdistrict senior population.

PruittHealth – Southeastern Duval 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 167 needed beds in Subdistrict 4-3, the beds per 1,000 population will decline from 27.5 in 2014 to 23.3 beds per 1,000 population in 2019. PruittHealth – Southeastern Duval points out a similar declining trend for the state overall.

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

<b>County/Area</b>	<b>2014</b>			<b>2019</b>		
	<b>Licensed Nursing Home Beds</b>	<b>Population</b>	<b>Beds per 1,000 Population</b>	<b>Licensed Nursing Home Beds</b>	<b>Population</b>	<b>Beds per 1,000 Population</b>
St. Johns	537	35,888	15.0	537	46,049	11.7
Southeast Duval	2,146	61,548	34.9	2,313*	76,228	30.3
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 167-beds will be developed in Duval County

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

Source: CON application #10278, page 119, based on Claritas, Inc. Florida Population Estimates and Projections, September 2013, Florida Nursing Home Bed Need Projections by District and Subdistrict, October 3, 2014 and NHA Analysis

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

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PruittHealth – Southeastern Duval includes an analysis of Subdistrict’s 4-3 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 two points, from 89.3 percent to 91.3 percent. PruittHealth – Southeastern Duval 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 homes beds, as they exist within the subdistrict today, are virtually unavailable to meet incremental demand based on respective occupancy rates. PruittHealth – Southeastern Duval states that at any given time the majority of the available beds at facilities in Subdistrict 4-3 are semi-private accommodations or other issues as to their lack of availability arise such as co-mingling genders or co-morbid conditions. PruittHealth – Southeastern Duval 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 – Southeastern Duval notes that three of the subdistrict’s 23 nursing facilities are on the Agency’s Watch List. The reviewer confirms St. Augustine Health and Rehab Center, Consulate Health Care of Jacksonville and Cypress Village are on the Watch List per Floridahealthfinder.gov, as reported by the applicant.

PruittHealth – Southeastern Duval 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 209 patients per month. The applicant provides the following forecasted utilization for the first two years of operation.

**PruittHealth – Southeastern Duval Forecasted Utilization**

	<b>Year One</b>	<b>Year Two</b>
<b>Medicare/Medicare HMO, Skilled Patients</b>		
Admissions	174	502
ADC	11.4	33.0
<b>Alzheimer’s Program and Long Term Patients</b>		
Admissions	119	100*
ADC	32.7	81.0
<b>Total</b>		
Admissions	293	602
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 #10278, page 84

**Saint Johns SNF LLC (CON #10279)** indicates that the service area for the proposed project is Saint Johns County. Saint Johns SNF states that there are five community nursing homes with 537 licensed beds in the county. The applicant states that Saint Johns County's ratio of 15 beds per 1,000 population 65+ is lower than the statewide average of 22.3 beds per 1,000 65+ by 49 percent.

Saint Johns SNF provides a comparative analysis of historical and projected growth for the population 65+ by age cohort, indicating the following major observations:

- Saint Johns County's population of elderly in the age cohorts 65-75, 75-84, and 85+ increased at a faster rate than District 4 and Florida for the 2010 to 2014 time frame
- Saint Johns County's population of elderly in the age cohorts 65-75, 75-84 and 85+ is also projected to increase at a greater rate than District 4 and Florida for the 2014-2019 time frame

The applicant notes that utilization data for community nursing home beds in the subdistrict, district and Florida is presented in Exhibit 3 (page 35) of CON application #10279, indicating the following major observations:

- Licensed beds in Saint Johns County have decreased by 11 percent over the last two years due to the closure of a facility (San Marco Terrace Rehabilitation and Care) in 2013.
- Patient days decreased by 7.3 percent in Saint Johns County due to the closure of San Marco.
- The occupancy rate in Saint Johns County was 92 percent in fiscal year 2014, compared to 90 percent in the subdistrict and 88 percent in the district.
- Medicaid occupancy in Saint Johns County was 53 percent; the Subdistrict has been steady for the last two years.
- The subdistrict's Medicaid occupancy rate is lower than the subdistrict, district and the state. The reviewer confirms that the chart shows that Medicaid occupancy is less in St. Johns County (52.7 percent) than in Subdistrict 4-3 (56.0 percent), District 4 (61.5 percent) or in the State (62.1 percent) for fiscal year 2013.

Saint Johns SNF insists that St. Johns County SNFs have experienced a higher patient acuity. The applicant states that the Consulate Florida 13 that have taken the lead in responding to these recent trends already have some of the elements of resources required to care for the higher acuity patients. The applicant indicates that as such, their utilization experience is valuable in assessing the need for new skilled nursing beds in this area as well.

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Saint Johns SNF reports that total occupancy rates at the Consulate Florida 13 SNFs range from 90 to 95 percent.

The applicant states that ALOS for Medicare patients at the Consulate Florida 13 is slightly lower than the overall average for all SNFs in the respective “home county.” The applicant contends that although such patients generally have a higher acuity level upon admission to a SNF compared to all patients, the Florida Consulate 13 are able to discharge such patients 13 to 14 percent sooner than other nursing homes. See the table below.

**ALOS for Medicare Patients at the Consulate Florida 13 SNFs**

Primary Condition at Admission	Consulate Florida 13	Average for all SNFs in the “Home” County	All SNFs in Florida	Variance of the Consulate Florida 13 to	
				Average for all SNFs in “Home” County	All SNFs in Florida
Alzheimer’s Disease	30.27	33.38	33.59	-10.3%	-11.0%
Back Problems	25.67	28.44	26.52	-10.8%	-3.3%
Infectious Diseases	26.90	27.84	26.88	-3.5%	0.1%
Major Joint Replacement	30.50	31.98	32.05	-4.9%	-5.1%
Neurological Disorders	29.05	29.32	28.72	-0.9%	1.1%
Pulmonary Disease	24.33	26.78	25.90	-10.1%	-6.4%
Stroke	29.29	33.22	33.55	-13.4%	-14.6%

Applicant’s Note: “Home County” refers to the county in which the Consulate Florida 13 facility is located  
 Source: CON application #10279, page 45, based on Avalere, Inc. “Vantage Care Positioning System,” December 2014

Saint Johns SNF includes an analysis of Medicare readmission rates to acute care hospitals for the Consulate Florida 13. The applicant concludes that the Consulate Florida 13 had an all-cause readmission rate of 21.2 percent compared to a 21.6 percent rate statewide for all SNFs in Florida. Saint Johns SNF notes that seven of the 13 reported readmission rates are lower than the state rate leaving five that had readmission rates higher than the state rate. The applicant noted that Franco Nursing and Rehabilitation Center in Miami-Dade County was excluded from the Consulate Florida 13 group because of the unique characteristics of patients in its ventilator-assistance program. The reviewer notes that the applicant conditioned approval of the project to “the capability to operate up to 20 ventilator-capable rooms”—it is unclear whether this analysis provided by the applicant is applicable to the proposed project.

The applicant provides a comparative analysis of key demographic and resident hospital utilization metrics for Subdistrict 4-3 by county. Saint Johns SNF insists that the data demonstrate that there is an

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insufficient number of SNF beds in St. Johns County based on the distribution of population aged 65+ within the subdistrict, total resident discharges and total discharges from hospitals to SNFs. The applicant notes the following points:

- Of the 2,638 licensed community nursing home beds in 2014, 492 (19 percent) are located in the Saint Johns portion of Subdistrict 4-3. However, Saint Johns County has 37 percent of the subdistrict's population of residents aged 65+.
- In terms of SNF bed to population ratios for persons aged 65+, Saint Johns County has a current ratio of only 13.6 whereas the Duval County portion of Subdistrict 4-3 has a ratio of 34.9.
- The CMI of Saint Johns County residents is 3.5 percent higher than the subdistrict average.
- Sixty-six percent of all Saint Johns County residents who were discharged from a hospital and admitted to a SNF were discharged from Flagler Hospital (the only hospital in Saint Johns County)—confirming the trend of localized care for elderly residents.

Saint Johns SNF indicates that the ALOS used for the development of the projected patient days in Schedule 5 and 7 are based on the recent Consulate Florida 13 and listed below by the major payer categories. The reviewer notes that the applicant did not provide projected admissions in Schedule 7.

**Saint Johns SNF, ALOS by Payer**

<b>Payer</b>	<b>ALOS in Days</b>
Medicare	32.3
Managed Care: Commercial, Managed Medicare and Managed Medicaid	20
Private	49
Medicaid	284

Source: CON application #10279, page 26

- 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.**

**4-3 CON LLC (CON #10274)** 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 4-3 CON LLC claims has significant experience, will select a qualified administer and other key staff positions to manage the new facility.

The applicant reports that four of its SNFs in District 4 have received the Bronze Quality American Health Care Association/National Center for Assistive Living (AHCA/NCAL) award.

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4-3 CON LLC states that through Millennium Management's expertise and skills, it will develop quality initiatives and improvement programs consistent with the Center for Medicare and Medicaid Services' Quality Assurance and Performance Improvement (QAPI) programs. A full copy of the applicant's Quality Assessment and Assurance (QAA) plan is provided Exhibit 4-1 of CON application #10274.

4-3 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 #10274.

The applicant feels it is important to promote resident participation and optimal quality standards. 4-3 CON LLC indicates that the proposed facility will allow a balance of private and common areas for residents. The applicant maintains that resident staff communication systems increase the efficiency of operations and quality of care.

4-3 CON LLC discusses its goal of offering services targeted to resident's needs. 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. 4-3 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 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 3-4 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 38 facilities. A single complaint can encompass multiple complaint categories. The substantiated complaint categories are listed below:

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<b>Nursing Homes affiliated with Millennium Management</b>	
<b>Complaint Category</b>	<b>Number Substantiated</b>
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 of its facilities. See below.

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<b>Nursing Homes affiliated with E. M. I. Inc.</b>	
<b>Complaint Category</b>	<b>Number Substantiated</b>
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

**Dolphin Pointe Health Care, LLC (CON #10275)** asserts that the proposed project will employ a systematic program to assure compliance with standards of care, referenced as QAPI.

Dolphin Pointe maintains that its QAPI program will include the departments, services, committees or teams that are involved in resident care. The applicant indicates that the Quality Assurance (QA) Committee will meet monthly--the "Quality Assurance and Improvement Meeting Minutes" form to be used by the QA Committee can be found in Exhibit 4-1 of CON application #10275.

The applicant states that although it is a new company, it will be managed by Clear Choice Health Care. Dolphin Pointe provides the STAR ratings as provided by the Nursing Home Guide (located on FloridaHealthFinder.gov) for Clear Choice's eight Florida nursing homes. The system is one to five star system, with five stars being the highest. While detailed inspection components by categories--nutrition and hydration, restraints and abuse, pressure ulcers, decline and dignity--were provided by the applicant, just overall inspection scores are illustrated in the table below.



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**Clear Choice Health Care’s Florida Nursing Homes  
Occupancy and Overall Inspection Scores**

<b>Facility</b>	<b>Location</b>	<b>Occupancy Rate</b>	<b>Overall Inspection</b>
Belleair Health Care	Clearwater	92.07%	Three Stars
Centre Pointe Health	Tallahassee	95.83%	Four Stars
Conway Lakes Health	Orlando	92.24%	Four Stars
East Bay Rehab	Clearwater	93.43%	Two Stars
Melbourne Terrace Rehab	Melbourne	94.89%	Five Stars
Port Charlotte Rehab	Port Charlotte	89.41%	Two Stars
Spring Lake Rehab	Winter Haven	96.12%	One Star
Sun Terrace Health	Sun City Center	93.51%	Four Stars

Source: CON application #10275, page 4-2 to 4-3, based on FloridaHealthFinder.gov/facility locator/Facility Profile

Dolphin Pointe declares that all of Clear Choice managed facilities are highly occupied, and for the most recent reporting period, have no deficiency or few deficiency surveys, indicating the high quality of care offered to residents.

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

- Clear Choice Health Care Mission and Values Statements
- Interdisciplinary Care Plans and Discharge Policies
- Customer Focused Delivery System
- Residents’ Rights
- Activities
- Clear Choice Health Care and Rehabilitation Programs

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

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

Source: Florida Agency for Health Care Administration Complaint Records

**LP Jacksonville II, LLC (CON #10277)** 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.

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Signature notes that within the past year, two dozen facilities were named to *U.S. New & 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 reports that 59 percent of the 25 facilities Signature operates in Florida are either four or five star rated by the CMS five-star quality rating system. See the table below.

**Signature HealthCARE Florida Facilities**

<b>Subdistrict</b>	<b>5-Star</b>	<b>4-Star</b>	<b>3-Star</b>	<b>2-Star</b>	<b>1-Star</b>	<b>Total</b>
All Florida Facilities	234	182	110	128	33	687
Signature Florida Facilities	34%	26%	16%	19%	5%	100%
	10	4	3	6	1	24
Florida Percentage	42%	17%	13%	25%	4%	100%
Subdistrict 1-3	1	0	0	0	0	1
Subdistrict 2-1	3	0	0	0	0	3
Subdistrict 2-3	1	0	0	0	0	1
Subdistrict 3-1	0	0	1	0	0	1
Subdistrict 3-2	0	0	0	1	0	1
Subdistrict 4-2	1	1	0	0	0	2
Subdistrict 4-4	0	0	0	1	0	1
Subdistrict 5-1	1	0	0	0	0	1
Subdistrict 5-2	2	0	0	0	1	3
Subdistrict 6-2	0	0	0	1	0	1
Subdistrict 6-4	0	0	0	1	0	1
Subdistrict 7-1	1	0	0	0	0	1
Subdistrict 7-2	0	1	0	0	0	1
Subdistrict 8-1	0	0	0	1	0	1
Subdistrict 8-5	0	0	0	1	0	1
Subdistrict 9-4	0	0	1	0	0	1
Subdistrict 10	0	0	1	0	0	1
Subdistrict 11-1	0	2	0	0	0	2
<b>Totals</b>	<b>10</b>	<b>4</b>	<b>3</b>	<b>6</b>	<b>1</b>	<b>24</b>

Source: CON application #10277, page 51

Signature states that the proposed facility will implement the same corporate policies, procedures and quality assurance program 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 (QAPP) 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.

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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:

<b>Nursing Homes affiliated with Signature Holdings II, LLC</b>	
<b>Complaint Category</b>	<b>Number Substantiated</b>
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 – Southeastern Duval County, LLC (CON #10278)** 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 PruittHealth 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.

PruittHealth – Southeastern Duval asserts that it will develop all policies and procedures as well as the quality assurance program based on its other PruittHealth affiliated facilities throughout the southeastern United

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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
- 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

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.

**Saint Johns SNF LLC (CON #10279)** states it is a newly created entity developed for the purpose of submitting this CON application and does not hold a license for a nursing facility. The applicant indicates its response is submitted in regard to its ultimate management company Consulate.

The applicant maintains that at the core of all its policies, procedures and programs are Quality Assurance and Quality Improvement (QAQI) structures as well as Root Cause Analysis (RCA). Saint Johns SNF declares that Consulate’s efforts to continuously improve quality of care

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and patient outcomes have been incorporated into nine best practice programs. The applicant provides Exhibit 12: Best Practices At-A-Glance on pages 52 to 53 of CON application #10279.

Saint Johns SNF insists that four of Consulate’s care centers in Florida have met the criteria and are eligible to submit an application to the Agency to become a Gold Seal Facility. The reviewer notes these four facilities are not currently Gold Seal Facilities per Floridahealthfinder.gov.

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

- Consulate is organized to focus on quality of care
- Policies and procedures affecting quality of care
- The use of quality of care data at Consulate
- Quality of care for patients
- Quality initiatives in programs and services
- Awards and recognition of Consulate’s Care Centers
- Quality of Consulate’s staff

Agency complaint records indicate that the affiliated nursing homes associated with the parent company, for the three-year period ending November 19, 2014, had 411 substantiated complaints at 76 facilities. A single complaint can encompass multiple complaint categories. The substantiated complaint categories are listed below:

<b>Nursing Homes affiliated with Consulate or CMC III</b>	
<b>Complaint Category</b>	<b>Number Substantiated</b>
Quality of Care/Treatment	221
Resident/Patient/Client Rights	83
Administration/Personnel	64
Nursing Services	48
Resident/Patient/Client Assessment	45
Physical Environment	35
Infection Control	25
Admission, Transfer, and Discharge Rights	24
Dietary Services	22
Resident/Patient/Client Abuse	13
Resident/Patient/Client Neglect	8
Physician Services	6
Falsification of Records/Reports	4
Misappropriation of Property	4
State Licensure	4
Billing/Refunds	2
Life Safety Code	1
Quality of Life	1
Unqualified Personnel	1

Source: Florida Agency for Health Care Administration Complaint Records

- 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.**

**4-3 CON LLC (CON #10274):**

**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 \$23,954,624 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 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.

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 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.

**Dolphin Pointe Health Care, LLC (CON #10275):**

**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.

**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 no revenue. The applicant indicates on Schedule 2 capital projects totaling \$22,550,369 which includes this project. The applicant indicates on Schedule 3 of its application that funding for the project will be provided by cash on hand (\$262,500) and non-related company financing (\$22,287,869). Fifth Third Bank provided a letter of interest in financing this project. A letter of interest does not constitute a firm commitment to lend.

Given that the funding is supported by a letter of interest, we have no basis to conclude that funding will be available for this project.

**Conclusion:**

Funding for this project is in question.

**LP Jacksonville II, LLC (CON #10277):**

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

<b>Omega Healthcare Investors, Inc.</b>		
	<b>Dec-13</b>	<b>Dec-12</b>
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	<b>\$1,300,103,000</b>	<b>\$1,011,329,000</b>
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
<b>Short-Term Analysis</b>		
Current Ratio (CA/CL)	30.0	N/A
Cash Flow to Current Liabilities (CFO/CL)	5598.98%	N/A
<b>Long-Term Analysis</b>		
Long-Term Debt to Net Assets (TL-CL/NA)	165.9%	194.9%
Total Margin (ER/TR)	41.20%	34.44%
<b>Measure of Available Funding</b>		
Working Capital	<b>\$145,120,000</b>	<b>\$126,891,000</b>



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<b>Position</b>	<b>Strong</b>	<b>Good</b>	<b>Adequate</b>	<b>Moderately Weak</b>	<b>Weak</b>
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 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 31, 2017.

**Conclusion:**

Funding for this project should be available as needed.

**PruittHealth – Southeastern Duval County, LLC (CON #10278):**

**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

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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.

<b>United Health Services, Inc. and Subsidiaries</b>		
	<b>Jun-14</b>	<b>Jun-13</b>
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	<b>\$136,867,603</b>	<b>\$135,677,803</b>
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
<b>Short-Term Analysis</b>		
Current Ratio (CA/CL)	0.8	0.8
Cash Flow to Current Liabilities (CFO/CL)	24.70%	34.12%
<b>Long-Term Analysis</b>		
Long-Term Debt to Net Assets (TL-CL/NA)	275.1%	242.1%
Total Margin (ER/TR)	0.57%	3.30%
<b>Measure of Available Funding</b>		
Working Capital	(\$27,019,120)	(\$29,349,555)

<b>Position</b>	<b>Strong</b>	<b>Good</b>	<b>Adequate</b>	<b>Moderately Weak</b>	<b>Weak</b>
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 \$19,392,398 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 \$13,650,000 (based on an estimated \$18,200,000 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.

**Saint Johns SNF LLC (CON #10279):**

**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 cash on hand.

**Capital Requirements and Funding:**

The applicant lists total capital projects in the amount of \$17,949,645 which consists solely of this CON currently under review. The applicant's parent company currently has six CON applications under review including this one. The applicant provided a letter from Mainstreet Investments indicating a commitment to fund this project. The applicant provided audited financial statements of Mainstreet affiliates (Mainstreet Asset Management, Inc. and Mainstreet Property Group, LLC). The letter was specific to this project and in general mentioned funding 50 projects in 2015. Mainstreet is cited as a funding source for several CONs in this batching cycle. Mainstreet is not a traditional bank or lender but rather is in the business of funding and acquiring funding from various investors, lenders, and various Real Estate Investment Trusts (REITs) to build facilities and lease and or sell them to operators of health care facilities. To that point, a letter of interest was provided by PNC Real Estate to provide funding for upcoming Mainstreet projects (it should be noted that a letter of interest is not considered a firm commitment to lend).

The structure and nature of these type of entities makes it difficult to determine ability to fund any given project due to both the complexity and variety of funding options and the turnover of projects. However, this is not an uncommon method of funding skilled nursing facility construction and operation. We reviewed the Mainstreet affiliated audits and the primary entity appears to be sound and has been in existence for over 10 years. While the letter of interest from PNC cannot be relied on as a commitment, the letter did acknowledge a preexisting lending relationship that supports the business conducted by Mainstreet as described in its commitment letter and audits. Based on that analysis, it is likely that Mainstreet would be able to fund this project.

**Conclusion:**

Funding for this project is not guaranteed but appears likely.

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

**4-3 CON LLC (CON #10274):**

**Analysis:**

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

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

	PROJECTIONS PER APPLICANT		COMPARATIVE GROUP VALUES PPD		
	Total	PPD	Highest	Median	Lowest
Net Revenues	17,210,622	314	520	336	244
Total Expenses	15,882,985	290	412	324	232
Operating Income	1,327,637	24	129	7	-70
Operating Margin	7.71%		<b>Comparative Group Values</b>		
	Days	Percent	Highest	Median	Lowest
Occupancy	54,858	90.00%	99.48%	89.52%	55.98%
Medicaid/MDCD HMO	30,648	55.87%	69.96%	63.26%	49.95%
Medicare	9,792	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.

**Dolphin Pointe Health Care, LLC (CON #10275):**

**Analysis:**

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

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

	PROJECTIONS PER APPLICANT		COMPARATIVE GROUP VALUES PPD		
	Total	PPD	Highest	Median	Lowest
Net Revenues	13,807,000	357	605	383	265
Total Expenses	13,354,700	345	586	375	279
Operating Income	452,300	12	112	9	-64
Operating Margin	3.28%		<b>Comparative Group Values</b>		
	Days	Percent	Highest	Median	Lowest
Occupancy	38,655	88.25%	99.58%	92.71%	75.37%
Medicaid	15,462	40.00%	50.02%	41.97%	29.95%
Medicare	15,462	40.00%	61.01%	35.64%	3.48%

**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 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 based on the projections provided by the applicant.

**LP Jacksonville II, LLC (CON #10277):**

**Analysis:**

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

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

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	PROJECTIONS PER APPLICANT		COMPARATIVE GROUP VALUES PPD		
	Total	PPD	Highest	Median	Lowest
Net Revenues	11,556,245	334	515	347	260
Total Expenses	11,242,115	325	422	338	233
Operating Income	314,130	9	112	8	-64
Operating Margin	2.72%		<b>Comparative Group Values</b>		
	Days	Percent	Highest	Median	Lowest
Occupancy	34,622	79.05%	99.58%	92.40%	68.34%
Medicaid/MDCD HMO	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 – Southeastern Duval County, LLC (CON #10278):**

**Analysis:**

The immediate and long-term financial feasibility of the project is tied to expected profitability. The purpose of our analysis for this section is to evaluate the reasonableness of the applicant’s profitability projections and, ultimately, whether profitability is achievable for this project. Our analysis includes an evaluation of net revenue per patient day (NRPD), cost per patient day (CPD), nurse staffing ratios and profitability. We compared the NRPD, CPD and profitability to actual operating results from SNFs as reported on Medicaid cost reports (2012 and 2013 cost report years). For our comparison group, we selected SNFs with similar Medicaid utilizations to the utilization projected by the applicant on a per patient day basis (PPD).



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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	14,357,768	345	401	313	235
Total Expenses	13,019,085	313	398	306	215
Operating Income	1,338,683	32	36	7	-34
Operating Margin	9.32%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	41,610	95.00%	98.01%	92.50%	62.90%
Medicaid	28,470	68.42%	79.92%	68.44%	60.17%
Medicare	12,045	28.95%	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.

**Saint Johns SNF LLC (CON #10279):**

**Analysis:**

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

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

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

	PROJECTIONS PER APPLICANT		COMPARATIVE GROUP VALUES PPD		
	Total	PPD	Highest	Median	Lowest
Net Revenues	14,451,404	353	575	364	252
Total Expenses	14,319,021	350	557	356	265
Operating Income	132,383	3	112	9	-64
Operating Margin	0.92%		<b>Comparative Group Values</b>		
	Days	Percent	Highest	Median	Lowest
Occupancy	40,882	93.34%	99.58%	92.71%	75.37%
Medicaid/MDCD HMO	17,157	41.97%	50.02%	41.97%	29.95%
Medicare	18,980	46.43%	61.01%	35.64%	3.48%

**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, neither the nursing assistant staffing, nor the nursing staffing meet this requirement. The projected nursing assistant staffing is 2.09 hours in year two, which is less than the 2.5 hour requirement. The projected nursing staffing is 0.82 hours in year two, which is less than the 1.0 hour requirement.

The projected NRPD, CPD and profit fall within the group range and are considered reasonable. However, the total cost appears to be slightly understated due to the lack of sufficient staffing as outlined above. Therefore, the overall profitability of the nursing home appears to be overstated.

**Conclusion:**

This project appears to be financially feasible.

- 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.**

**4-3 CON LLC (CON #10274):** 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.

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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.

**Dolphin Pointe Health Care, LLC (CON #10275):** 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.

It should be noted project summary proposal is to develop a 120-bed SNF. However architectural drawings and narrative propose to develop a 144-bed SNF.

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 Jacksonville II, LLC (CON #10277):** 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

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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 – Southeastern Duval County, LLC (CON #10278):** 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.

**Saint Johns SNF LLC (CON #10279):** 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.

**Medicaid Patient Days and Medicaid Occupancy in Subdistrict 4-3, District 4 and Florida**

<b>Medicaid Patient Days</b>					
<b>Facility/Area</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Subdistrict 4-3	532,158	528,472	509,906	504,599	489,709
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
<b>Medicaid Occupancy</b>					
<b>Facility/Area</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Subdistrict 4-3	57.46%	57.35%	57.13%	56.80%	55.76%
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

**4-3 CON LLC (CON #10274)** states that it was recently created to develop a new 167-bed facility and therefore, has no history of utilization. The applicant indicates however that its affiliated SNFs 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 60.7 percent for the 12-month period ending June 2014. The reviewer confirms these data in the Agency’s *Florida Nursing Home Bed Need Projections by District and Subdistrict*, published October 3, 2014. Additionally, 4-3 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.

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

<b>Facility</b>	<b>Medicaid Days</b>	<b>Total Days</b>	<b>Medicaid Occupancy</b>
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%
<b>Total</b>	<b>329,083</b>	<b>573,170</b>	<b>56.78%</b>

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

4-3 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 4-3 CON LLC**

<b>Payer</b>	<b>Year One</b>		<b>Year Two</b>	
	<b>Patient Days</b>	<b>Percent</b>	<b>Patient Days</b>	<b>Percent</b>
Private Pay	2,219	7.3%	4,004	7.3%
Medicaid	16,986	55.9%	30,648	55.9%
Medicare	5,427	17.8%	9,792	17.8%
Other Payers	5,772	19.0%	10,414	19.0%
<b>Total</b>	<b>30,404</b>	<b>100.0%</b>	<b>54,858</b>	<b>100.0%</b>

Source: CON application #10274, page 9-3

4-3 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. 4-3 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.

4-3 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 4-3. 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. 4-3 CON LLC asserts that it will also collaborate with the chosen

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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 available Medicaid SMMC LTC plans operating in Region 4 (Baker, Clay, Duval, Flagler, Nassau, St. Johns and Volusia Counties).

**Dolphin Pointe Health Care, LLC (CON #10275)** indicates that as a new entity, it has no experience on which to report. However, Dolphin Pointe provides the following payer forecast for the first two years of operation.

**Forecasted Nursing Home Resident Days by Payer  
for Dolphin Pointe**

<b>Payer</b>	<b>Year One: FY 2018 Days</b>	<b>Year Two: FY 2019 Days</b>	<b>Percent of Days</b>
Medicare	4,911	9,664	25%
Medicare Managed Care	2,946	5,798	15%
Medicaid Managed Care	7,857	15,462	40%
Self-Pay	3,928	7,731	20%
<b>Total</b>	<b>19,642</b>	<b>38,655</b>	<b>100%</b>
<b>Occupancy</b>	<b>44.8%</b>	<b>88.3%</b>	

Source: CON application #10275, page 9-4

The applicant’s Schedule 7 indicates that Medicaid represents 40 percent of year one and two annual total patient days. Dolphin Pointe specifies that an assumption for Schedule 8 includes 240 and 473 days of total charity care for years one and two based on industry average.

The applicant provides an overview of changes to long-term care including the advent of SMCC Plans. In this discussion, Dolphin Pointe includes information on the available plans and services in Region 4. The applicant contends that the expectation is that SMCC Plans will continue a downward trend in nursing home placements.

Dolphin Pointe states that their payer forecast reflects a change in the way in which nursing homes function and the programs and services provided. The applicant indicates that the emphasis will be placed on rehabilitation and restorative care where short- term or long-term, to the objective of helping residents reach the highest functional capabilities.

While the applicant discusses the facilities operated by their managing company, Clear Choice Health Care, in their quality section, they do not disclose Medicaid data for these facilities.

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



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

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

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

**LP Jacksonville II, LLC (CON #10277)** 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.

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

<b>Facility Name</b>	<b>Medicaid Days</b>	<b>Total Days</b>	<b>Medicaid Occupancy</b>
Anchor Care and Rehabilitation Center	25,195	37,961	66.67%
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%
<b>Total</b>	<b>630,985</b>	<b>939,817</b>	<b>67.14%</b>

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 notes that it 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.

**Projected Admissions and Patients Days  
LP Jacksonville II, LLC  
Year One (2017) and Year Two (2018) of Operations**

<b>Payer</b>	<b>Year One</b>			<b>Year Two</b>		
	<b>Admissions</b>	<b>Patient Days</b>	<b>Percent of Days</b>	<b>Admissions</b>	<b>Patient Days</b>	<b>Percent of Days</b>
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%
<b>Total</b>	<b>180</b>	<b>7,944</b>	<b>100.0%</b>	<b>572</b>	<b>34,621</b>	<b>100.0%</b>

Source: CON application #10277, page 61

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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 – Southeastern Duval County, LLC (CON #10278)** maintains that given it is a newly established entity, it has no Medicaid history. The applicant indicates that however, PruittHealth – Southeastern Duval is part of the PruittHealth of providers which include one SNF in Florida and currently 93 such facilities throughout the southeastern United States.

PruittHealth – Southeastern Duval indicates that all of these facilities have demonstrated a history and commitment to the Medicaid population. The applicant provides the following table displaying PruittHealth-affiliated facilities’ commitment to Medicaid.

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

	<b>CY 2011</b>	<b>CY 2012</b>	<b>CY 2013</b>
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 #10278, page 156, based on PruittHealth

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**

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

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

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

PruittHealth – Southeastern Duval provides the following payer forecast for the first two years of operation.

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**PruittHealth – Southeastern Duval Forecasted Utilization**

	<b>Year One</b>	<b>Year Two</b>
Medicare	3,934	11,680
Medicare HMO	242	365
Medicaid	10,996	28,470
VA	242	365
Private Pay	699	730
<b>Total</b>	<b>16,113</b>	<b>41,610</b>

Source: CON application #10278, page 85

The applicant's Schedule 7 indicates that Medicaid and self-pay represent 68.2 percent and 4.3 percent, respectively, of year one and 68.4 percent and 1.8 percent, respectively, of year two annual total patient days.

**Saint Johns SNF LLC (CON #10279)** asserts that it is a newly created entity and does not hold a license for a nursing facility.

Saint Johns SNF states that utilization data from the Agency's fixed need pool back-up reports for the aforementioned Consulate Florida 13 are presented as Attachment 5 and a summary of the data regarding occupancy rates for total patients and Medicaid patients is shown as Exhibit 8 of CON application #10279. The reviewer confirms this data in the Agency's *Florida Nursing Home Bed Need Projections by District and Subdistrict* publications for the October 2012, 2013 and 2014 Batching Cycles. However, the applicant includes annual change columns that cannot be confirmed by the reviewer.

The applicant summarizes the major observations of this data:

- The total occupancy rate at the Consulate Florida 13 SNFs of 96.2 percent is higher than the state's rate of 87.3 percent
- The Medicaid occupancy rate of eight of the 13 Consulate care centers is higher than the state's rate of 62.1 percent, but on a total basis, Medicaid occupancy at the Consulate Florida 13 of 52.9 percent is lower than the state's figure
- For the 11 months of January to November 2014, the 80 consulate care centers<sup>1</sup> provided approximately 2 million days of care to Medicaid patients
- Nevertheless, the utilization data documents that Consulate care centers are available, and utilized by Medicaid and medically indigent persons

The reviewer compiled the following Medicaid occupancy data for the Consulate 13 facilities for July 1, 2013 through June 2014. The reviewer notes that for these facilities, the average Medicaid occupancy percentage was 52.99 percent. See the table below.

<sup>1</sup> The reviewer notes that 76 of Consulate's 80 care centers are SNFs.

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**Consulate 13, Florida Medicaid Occupancy  
July 1, 2013-June 30, 2014**

<b>Facility Name</b>	<b>Medicaid Days</b>	<b>Total Days</b>	<b>Medicaid Occupancy</b>
Baya Pointe Nursing and Rehabilitation Center	17,060	30,261	56.38%
Brandon Health and Rehabilitation Center	14,957	42,669	35.05%
Consulate Health Care of Brandon	23,437	42,520	55.12%
Consulate Health Care of Jacksonville	22,577	40,378	55.91%
Fletcher Health and Rehabilitation Center	27,427	42,084	65.17%
Grand Oaks Health and Rehabilitation Center	17,800	42,347	42.03%
Consulate Health Care of Kissimmee	27,222	43,116	63.14%
Lake Mary Health and Rehabilitation	16,138	42,313	37.14%
Franco Nursing and Rehabilitation	30,127	41,198	73.13%
Oakbridge Health Care	19,338	42,364	45.65%
Osprey Point Nursing Home	11,269	20,649	54.57%
Consulate Health Care at West Altamonte	24,501	41,355	59.25%
North Florida Rehabilitation and Specialty Care	41,933	19,439	46.36%
<b>Total</b>	<b>293,786</b>	<b>490,693</b>	<b>52.99%</b>

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

Saint Johns SNF projects that the two key payer groups identified by this Agency rule preference are self-pay and managed Medicaid. The reviewer notes that the applicant incorrectly added year one totals, which should sum 37.6 percent. See the table below.

**Saint Johns SNF, LLC Medicaid**

<b>Payer</b>	<b>Percent of Total Patient Days</b>	
	<b>Year One</b>	<b>Year Two</b>
Medicaid Managed Care	28.7%	42.0%
Self-Pay	8.9%	11.6%
<b>Total</b>	<b>47.6%</b>	<b>53.6%</b>

Source: CON application #10279, page 82

The applicant's Schedule 7 indicates that Medicaid and self-pay represent 28.7 and 8.9 percent, respectively, of year one and 42.0 percent and 11.6 percent, respectively, of year two annual total patient days.

**F. SUMMARY**

**4-3 CON LLC (CON #10274)**, an affiliate of the principals E.M.I. Inc. and Millennium Management, LLC, proposes to establish a new 167-bed community nursing home in Subdistrict 4-3, Duval County.

Millennium Management, LLC operates seven SNFs in Florida. Tuskawilla Nursing and Rehab Center, a Gold Seal Facility 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 \$23,954,624. Project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant proposes no conditions on its Schedule C.

**Dolphin Pointe Health Care, LLC (CON #10275)**, an affiliate of Clear Choice Health Care, proposes to establish a new 120-bed community nursing home in Subdistrict 4-3, Duval County.

Clear Choice operates eight SNFs in Florida.

The project involves 98,255 GSF of new construction. The construction cost is \$14,502,643. Total project cost is \$22,550,369. Project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant proposes no conditions on its Schedule C.

**LP Jacksonville II, LLC (CON #10277)**, a wholly owned subsidiary of Signature Holdings II, LLC (referred to as Signature throughout this document), proposes to establish a new 120-bed community nursing home in Subdistrict 4-3, Duval 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 proposes no conditions on its Schedule C.

**PruittHealth – Southeastern Duval County, LLC (CON #10278)**, an affiliate of PruittHealth, proposes to establish a new 120-bed community nursing home in Subdistrict 4-3, Duval County.

The applicant operates one SNF in Florida.

The project involves 79,859 GSF of new construction. The construction cost is \$11,216,978. Total project cost is \$19,392,398. Project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant proposes 17 conditions on its Schedule C.

**Saint Johns SNF LLC (CON #10279)**, an affiliate of Consulate Healthcare, proposes to establish a new 120-bed community nursing home in Subdistrict 4-3, St. Johns County.

The applicant operates 76 SNFs in Florida.

The project involves 74,052 GSF of new construction. The construction cost is \$10,351,533. Total project cost is \$17,949,645. Project cost includes land, building, equipment, project development and financing costs.

The applicant proposes 12 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 167 beds was published for Subdistrict 4-3 for the July 2017 Planning Horizon.

As of November 19, 2014, Subdistrict 4-3 had 2,683 licensed and 87 approved community nursing home beds. During the 12-month period ending June 30, 2014, Subdistrict 4-3 experienced 90.29 percent utilization at 23 existing facilities.

**4-3 CON LLC (CON #10274)** believes need for the proposed project is clearly demonstrated by these main points:

- The subdistrict has significant numbers of discharges in service lines and disease categories such as hip and knee repair and replacement, septicemia, respiratory failure/COPD, which will further increase demand for skilled nursing care
- The recent reversal of the long-standing moratorium on the new skilled nursing home beds means that new, more modern facilities are needed to keep pace with technological and clinical developments in health care delivery

4-3 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 contends that facilities with high occupancy rates reduce access to needed beds because beds that are occupied are not available to those in need.

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4-3 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.

**Dolphin Pointe Health Care, LLC (CON #10275)** believes the proposed project creates several types of community benefits, including:

- Improved access to long-term care within ZIP code 32277
- Development of a retirement campus that emphasizes aging in place to support educational programs at Jacksonville University
- *Life-Long Learning Programs* targeted to retirees in Dolphin Pointe
- Job growth to help revitalize the Arlington area experiencing a 6.86 percent unemployment rate

The applicant states that the proposed facility will be located within ZIP Code 32277, adjacent to Jacksonville University.

Dolphin Pointe asserts that the proposed project will not adversely affect community nursing homes in the area. The applicant provides a forecast indicating that each existing facility within a 10-mile radius of Dolphin Pointe's proposed site will experience growth in resident days from baseline to year 2019.

The applicant predicts that the proposed facility will have 498 admissions and an ADC of 39.44 in year one (2018) and 979 admissions and an ADC of 39.49 in year two (2019).

**LP Jacksonville II, LLC (CON #10277)** 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 4-3.

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.



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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 – Southeastern Duval County, LLC (CON #10278)** states that it will incorporate each of the community’s strongest needs 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 Medicaid services
- Improve access to Medicare 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 asserts it will have no adverse impact on existing SNFs in Subdistrict 4-3 given the demand for more beds presented in this application.

The applicant predicts that the proposed facility will have 293 admissions and an ADC of 44.1 in year one (ending June 30, 2018)) and 602 admissions and an ADC of 114.0 in year two (ending June 30, 2019).

**Saint Johns SNF LLC (CON #10279)** indicates there are three significant factors underlying the fixed need pool projection:

- The demographic trends of an aging population whose numbers and growth rates are greater than the total population of other age groups
- The episodes of care requiring inpatient admission are characterized by more chronic conditions and co-morbidities as well as a higher case mix which is indicative of a higher level of severity of illness
- The requirements of the major payers for SNF and health care services, namely government and managed care organizations, for cost-effective, high quality services

The applicant provides a comparative analysis of key demographic and resident hospital utilization metrics for Subdistrict 4-3 by county. Saint Johns SNF insists that the data demonstrates that there is an insufficient number of SNF beds in St. Johns County based on the distribution of population aged 65+ within the subdistrict, total resident discharges and total discharges from hospitals to SNFs.

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Saint Johns SNF indicates that the ALOS used for the development of the projected patient days in Schedule 5 and 7 are based on the recent Consulate Florida 13 and listed below by the major payer categories. The reviewer notes that the applicant did not provide projected admissions in Schedule 7.

**Saint Johns SNF, ALOS by Payer**

<b>Payer</b>	<b>ALOS in Days</b>
Medicare	32.3
Managed Care: Commercial, Managed Medicare and Managed Medicaid	20
Private	49
Medicaid	284

Source: CON application #10279, page 26

**Quality of Care:**

All five applicants described their ability to provide quality care.

**4-3 CON LLC (CON #10274):** 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.

**Dolphin Pointe Health Care, LLC (CON #10275):** The applicant’s controlling interest had 24 substantiated complaints at its eight Florida SNFs during November 19, 2011 to November 19, 2014.

**LP Jacksonville II, LLC (CON #10277):** 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 – Southeastern Duval County, LLC (CON #10278):** The applicant’s controlling interest had one substantiated complaint at its one Florida SNF during November 19, 2011 to November 19, 2014.

**Saint Johns SNF LLC (CON #10279):** The applicant’s controlling interest had 411 substantiated complaints at its 76 Florida SNFs during November 19, 2011 to November 19, 2014.

**Financial Feasibility/Availability of Funds:**

**4-3 CON LLC (CON #10274):** Funding for this project is in question. Based on the information provided in Schedule 6, the applicant’s projected staffing meets the requirement. This project appears to be financially feasible.

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

**Dolphin Pointe Health Care, LLC (CON #10275):** Funding for this project is in question. Based on the information provided in Schedule 6, the applicant's projected staffing meets the requirement. This project appears to be financially feasible based on the projections provided by the applicant.

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

**LP Jacksonville II, LLC (CON #10277):** Funding for this project should be available as needed. Based on the information provided in Schedule 6, the applicant's projected staffing meets the requirement. This project appears to be financially feasible based on the projections provided by the applicant.

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

**PruittHealth – Southeastern Duval County, LLC (CON #10278)** Funding for this project should be available as needed. Based on the information provided in Schedule 6, the applicant's projected staffing meets the requirement. This project appears to be financially feasible based on the projections provided by the applicant.

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

**Saint Johns SNF LLC (CON #10279)** Funding for this project is not guaranteed but appears likely. Based on the information provided in Schedule 6, neither the nursing assistant staffing, nor the nursing staffing meet the requirement. The projected nursing assistant staffing is 2.09 hours in year 2, which is less than the 2.5 hour requirement. The projected nursing staffing is 0.82 hours in year 2, which is less than the 1.0 hour 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.

**Medicaid/Charity Care:**

**4-3 CON LLC (CON #10274)** does not propose to condition project approval to a percentage of Medicaid days.

**CON Action Numbers: 10274 through 10279**

The applicant's Schedule 7 indicates that Medicaid represents 55.87 percent of year one and two annual total patient days. 4-3 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.

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 4-3.

**Dolphin Pointe Health Care, LLC (CON #10275)** does not propose to condition project approval to a percentage of Medicaid days.

The applicant's Schedule 7 indicates that Medicaid represents 40 percent and of year one and two annual total patient days, respectively. Dolphin Pointe specifies that an assumption for Schedule 8 includes 240 and 473 days of total charity care for years one and two based on industry average.

**LP Jacksonville II, LLC (CON #10277)** does not propose to condition project approval to a percentage of Medicaid days.

The applicant's Schedule 7 indicates that Medicaid and self-pay represent 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 – Southeastern Duval County, LLC (CON #10278)** 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 68.2 percent and 4.3 percent, respectively, of year one and 68.4 percent and 1.8 percent, respectively, of year two annual total patient days.

**Saint Johns SNF LLC (CON #10279)** proposes to condition project approval to 28.0 percent in the first year and 42.0 annually thereafter of the 120-bed facility's total annual patient days being provided to Medicaid patients.

The applicant's Schedule 7 indicates that Medicaid and self-pay represent 28.7 and 8.9 percent, respectively, of year one and 42.0 percent and 11.6 percent, respectively, of year two annual total patient days.

**Architectural:**

**4-3 CON LLC (CON #10274):** The cost estimate 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.

**Dolphin Pointe Health Care, LLC (CON #10275):** The cost estimate 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 Jacksonville II, LLC (CON #10277):** The cost estimate 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 – Southeastern Duval County, LLC (CON #10278):** The cost estimate 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.

**Saint Johns SNF LLC (CON #10279):** The cost estimate 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 #10275 to establish a 120-bed community nursing home in District 4, Subdistrict 3, Duval County. The total project cost is \$22,550,369. The project involves 98,255 GSF of new construction and a construction cost of \$14,502,643.

Deny CON #10274, CON #10277, CON #10278 and CON #10279.

**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**