

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

A. PROJECT IDENTIFICATION

1. Applicant/CON Action Number

Oak Hammock at the University of Florida, Inc. /CON #10356
4250 Lakeside Drive, Suite 214
Jacksonville, Florida 32210

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

Palm Garden of Gainesville, LLC/CON #10357
2033 Main Street, Suite 300
Sarasota, Florida 34237

Authorized Representative: Robert Greene
(941) 952-9411

2. Service District/Subdistrict

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

B. PUBLIC HEARING

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

Letters of Support

Oak Hammock at the University of Florida, Inc. (CON #10356): The applicant submitted a few letters of support for the proposed project composed by medical professionals at the University of Florida (UF) and Digestive Disease Associates. Each supporter expresses their experience working with Oak Hammock's Board of Directors and each offer their full endorsement for the applicant.

Palm Garden of Gainesville, LLC (CON #10357): The applicant submitted a few letters of support for the proposed project composed by local health care providers and organizations, faith establishments and patients and their families. The interim president of Haven Hospice offers his support, indicating that Haven's Gainesville office works closely with the applicant to provide end-of-life care and support for some of Palm Garden's long-term patients. The CEO of Select Specialty Hospital of Gainesville, Kris C. Kitzke, also submitted a letter of support.

C. PROJECT SUMMARY

Oak Hammock at the University of Florida, Inc. (CON #10356), hereafter referred to as Oak Hammock or the applicant, managed by Praxeis, LLC, proposes to add 17 community nursing home beds to its existing facility through conversion of 17 existing sheltered beds.

Oak Hammock is a 42-bed sheltered nursing home in Subdistrict 3-2, Alachua County, Florida. The facility is located in a continuing care retirement community (CCRC). The facility was awarded CON #10227 for the addition of 31 sheltered beds on May 21, 2014 and CON #10253 to add 17 community nursing beds through the conversion of 17 sheltered nursing home beds on March 18, 2015. Currently, the applicant has 42 sheltered beds with 14 approved sheltered beds and 17 approved community beds.

Praxeis operates two skilled nursing facilities (SNFs) in Florida:

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

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

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

Palm Garden of Gainesville, LLC (CON #10357), hereafter referred to as Palm Garden or the applicant, 100 percent owned by Palm Garden Healthcare Holdings, LLC (PGHH), is seeking the addition of 30 community nursing home beds to its current facility's complement of 120 beds located in Subdistrict 3-2, Alachua County, Florida.

PGHH operates 14 SNFs and one assisted living facility (ALF) in Florida:

- Palm Garden of Clearwater
- Palm Garden of Gainesville (this facility)
- Palm Garden of Jacksonville
- Palm Garden of Largo
- Palm Garden of Ocala
- Palm Garden of Orlando
- Palm Garden of Pinellas
- Palm Garden of Port St. Lucie
- Palm Garden of Sun City Center
- Palm Garden of Tampa
- Palm Garden of Vero Beach
- Palm Garden of West Palm Beach
- Palm Garden of Winter Haven
- Grand Palms Assisted Living

The project involves 17,255 GSF of new construction. The construction cost is \$3,617,250. Total project cost is \$5,654,551. Project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant proposes the following conditions of its Schedule C:

- Specific site within the subdistrict. The parcel or address is as follows: Palm Garden of Gainesville, 227 SW 62nd Boulevard, Gainesville, Alachua County, Florida 32607
- Thirty new private skilled nursing beds/rooms in wing addition to Palm Garden
- Partnership with Select Respiratory Services--Palm Garden will have a full respiratory therapist from Select Respiratory Services at the facility
- Chaplain/spiritual services--Palm Garden of Gainesville offers spiritual care and guidance for all patients and family members every day at the facility. The chaplain currently ministers to over 24 patients a week at the facility. By September 1, 2015, Palm Garden will work with the chaplain so that at least 50 percent of all Palm Garden patients will receive weekly spiritual visits, if the patients so desire

CON Action Numbers: 10356 and 10357

- Educational opportunities at Palm Garden for students--Palm Garden's therapy department has for several years mentored UF and other students--particularly students to be speech-language pathologists and occupational therapy assistants. The UF has an ongoing relationship with Palm Garden to allow students every semester to study and work with Palm Garden's full time speech-language pathologists. An integral part of this ongoing program is to educate the students and equip them with the requisite knowledge to evaluate and treat the geriatric population. Palm Garden has established a contract with the UF to build on this opportunity. Additionally, Palm Garden has worked with students from Keiser University to help students gain skills needed to care for elderly patients and to expose them to new ideas and current trends in the industry. Palm Garden is committed to continuing these educational programs
- Working relationship and ACO Partnership with Southeastern Integrated Medical (SIMED)--Palm Garden's medical director is an internal medicine physician with SIMED. As well, Palm Garden has contracted with another SIMED physician to act as Palm Garden's Transitional Care Program Director. Palm Garden has an excellent working relationship with SIMED and its physicians and is in active negotiations to officially partner with SIMED

Total GSF and Project Costs of Co-Batched Applicants

Applicant	CON #	Project	GSF	Costs \$	Cost Per Bed
Oak Hammock	10356	Convert 17 sheltered beds to community beds	0	\$60,750	\$3,573.53
Palm Garden	10357	Add 30 community beds	17,255	\$5,654,551	\$188,485

Source: CON applications #10356 and #10357, and their respective Schedules 1 and 9

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

D. REVIEW PROCEDURE

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

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

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

As part of the fact-finding, the consultant, Lucy Frederick analyzed the application with consultation from the financial analyst, Derron Hillman of the Bureau of Central Services, who evaluated the financial data and Said Baniahmad of the Office of Plans and Construction, who reviewed the application for conformance with the architectural criteria.

E. CONFORMITY OF PROJECT WITH REVIEW CRITERIA

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

1. Fixed Need Pool

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

In Volume 41, Number 65 of the Florida Administrative Register dated April 3, 2015, a fixed need pool of 47 beds was published for Subdistrict 3-2 for the January 2018 Planning Horizon. Subdistrict 3-2 is comprised of Alachua, Bradford, Dixie, Gilchrist, Lafayette, Levy and Union Counties.

As of May 20, 2015, Subdistrict 3-2 had 1,615 licensed and 167 approved community nursing home beds. During the 12-month period ending December 31, 2014, Subdistrict 3-2 experienced 92.92 percent utilization at 14 existing facilities.

CON Action Numbers: 10356 and 10357

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

- CON #10350 to replace and relocate Park Meadows Health and Rehabilitation Center within 30 miles from Subdistrict 3-2 to Subdistrict 3-4, approved May 11, 2015
- E150022 to add 30 community nursing home beds to Gainesville Health Care Center replacement facility, approved May 28, 2015
- E150024 to add 30 community nursing home beds to Park Meadows Health and Rehabilitation Center replacement facility approved via CON #10350, approved June 5, 2015

Below is a table illustrating nursing home patient days and occupancy within Subdistrict 3-2:

Subdistrict 3-2 Nursing Home Patient Days and Occupancy January 1, 2014-December 31, 2014

Facility	Comm. Nursing Home Bed Inventory	Bed Days	Patient Days	Total Occupancy	Medicaid Occupancy
Gainesville Health Care Clinic	180	65,700	63,337	96.39%	80.38%
North Florida Rehab and Specialty Care	120	43,800	41,424	94.58%	46.06%
Palm Garden of Gainesville	120	43,800	40,224	91.84%	47.07%
Park Meadows Health and Rehab	154	56,210	48,652	86.55%	66.82%
Parklands Rehab and Nursing Center	120	43,800	41,618	95.02%	70.65%
Signature Healthcare of Gainesville	120	43,800	38,562	88.04%	57.38%
Terrace Health and Rehab Center	120	43,800	42,597	97.25%	47.93%
Riverwood Health and Rehab Center	120	43,800	40,973	93.55%	70.46%
Windsor Health and Rehabilitation	120	43,800	39,995	91.31%	70.86%
Cross City Rehab and Health Care Center	60	21,900	19,613	89.56%	68.38%
Ayers Health and Rehabilitation Center	120	43,800	42,198	96.34%	63.69%
Tri-County Nursing Home	81	29,565	27,532	93.12%	71.71%
Lafayette Health Care Clinic	60	21,900	19,395	88.56%	76.85%
Williston Rehab and Nursing Center	120	43,800	41,626	95.04%	73.85%
Total	1,615	589,475	547,736	92.92%	65.04%

Source: Florida Nursing Home Bed Need Projections by District and Subdistrict, April 2015 Batching Cycle

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

CON Action Numbers: 10356 and 10357

**Current and Projected Population Growth Rate
Counties of Subdistrict 3-2, District 3, and Florida
January 2015 and January 2018**

County/Area	January 1, 2015 Population			January 1, 2018 Population		
	0-64	65+	Total	0-64	65+	Total
Alachua	219,764	32,154	251,918	222,477	37,322	259,799
Bradford	22,872	4,618	27,490	22,839	5,059	27,898
Dixie	13,060	3,499	16,559	13,273	3,905	17,178
Gilchrist	13,875	3,257	17,132	14,049	3,721	17,770
Lafayette	7,557	1,184	8,741	7,730	1,298	9,028
Levy	32,503	8,617	41,120	33,358	9,604	42,962
Union	14,175	1,802	15,977	14,493	2,037	16,530
Subdistrict 3-2	323,806	55,131	365,348	328,219	62,946	391,165
District 3	1,265,354	409,689	1,675,043	1,307,646	460,579	1,768,225
Florida	16,044,019	3,635,347	19,679,366	16,510,025	4,013,237	20,523,262
County/Area	2015-2018 Increase			2015-2018 Growth Rate		
	0-64	65+	Total	0-64	65+	Total
Alachua	2,713	5,168	7,881	1.23%	16.07%	3.13%
Bradford	-33	441	408	-0.14%	9.55%	1.48%
Dixie	213	406	619	1.63%	11.60%	3.74%
Gilchrist	174	464	638	1.25%	14.25%	3.72%
Lafayette	173	114	287	2.29%	9.63%	3.28%
Levy	855	987	1,842	2.63%	11.45%	4.48%
Union	318	235	553	2.24%	13.04%	3.46%
Subdistrict 3-2	4,413	7,815	25,817	1.36%	14.18%	7.07%
District 3	42,292	50,890	93,182	3.34%	12.42%	5.56%
Florida	466,006	377,890	843,896	2.90%	10.39%	4.29%

Source: Florida Agency for Health Care Administration Population Estimates, February 2015

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

Beds per 1,000 Residents Age 65 and Older

County/Area	Community Beds	2015 Pop. Aged 65+	2015 Beds per 1,000	2018 Pop. Aged 65+	2018 Beds per 1,000
Alachua	934	32,154	29	37,322	25
Bradford	240	4,618	52	5,059	47
Dixie	60	3,499	17	3,905	15
Gilchrist	201	3,257	62	3,721	54
Lafayette	60	1,184	51	1,298	46
Levy	120	8,617	14	9,604	12
Union	0	1,802	0	2,037	0
Subdistrict 3-2	1,615	55,131	29	62,946	26
District 3	7,558	409,689	18	460,579	16
Florida	80,508	3,635,347	22	4,013,237	20

Source: Florida Agency for Health Care Administration Population Estimates, February 2015 and Florida Nursing Home Bed Need Projections by District and Subdistrict, April 2015 Batching Cycle

Oak Hammock at the University of Florida, Inc. (CON #10356) states that the proposed project achieves benefits through converting existing sheltered nursing home beds at a quality facility, saving time and resources needed to implement the project. The applicant believes that with such a small number of beds needed, projects that can be

implemented quickly are more cost-effective and can be placed into service sooner than those requiring new construction.

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

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

Palm Garden of Gainesville, LLC (CON #10357) states that the Agency concluded that the net bed need for this multicounty area for community SNF beds is 47. Palm Garden notes that the Agency, in naming this assessment of bed need, did not differentiate between the need for long-term care beds or for post-acute short-term rehabilitative beds.

The applicant declares that it will document in its application that its project best meets the identified need based on the following factors:

- Palm Garden is the best location to serve the population center and growth in the subdistrict
- Palm Garden has high occupancy rates and demand for services that it cannot meet due to both physical capacity constraints and the demand for specialized patients needing private rooms
- Palm Garden offers a range of medically complex and rehabilitation services that cannot be met by other existing providers
- The demand for short-stay, post-acute patients with these medically complex and rehabilitation service needs is growing in the industry as well as locally and is tied to the tertiary nature of services offered by the regional health care providers in Gainesville
- Palm Garden has relationships with referral sources for post-acute, complex patients and will best meet the needs for these patients

- 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.**

Oak Hammock at the University of Florida, Inc. (CON #10356) asserts it is Medicare-certified to allow maximum benefits to its life care residents and the general population it serves. The applicant reports that the facility of 42 sheltered beds averages eight Medicare beneficiaries daily, based on the facility's 2014 payer data.

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

Oak Hammock notes that the following services are provided:

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

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

- 24-hour RN coverage
- On-site x-rays and clinical lab testing
- Ostomy and enteral care, diabetic care and management
- Medication management
- Bowel and bladder training
- I.V. therapy
- Structured activities seven days a week
- Pet therapy and pet friendly
- Veterinary clinic
- Security system
- Daily transportation
- Beauty/barber shop
- Podiatry services

CON Action Numbers: 10356 and 10357

- Massage therapy
- On-site UF health senior care primary clinic
- On-site full-service dental suite
- Resident centered nutritional and dining services
- Fitness center
- Audiology clinic

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

The applicant states that a multidisciplinary team evaluates the needs of each resident. Oak Hammock provides a copy of the Skilled Nursing Admission Checklist in Exhibit 2-1 of CON #10356.

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

The applicant maintains that the facility provides care for both short and long-term patients, primarily for life care residents, while also accepting Medicare. The reviewer notes that with the current exemption, approval of the proposed project, 31-bed sheltered beds added through the expedited CON process in May of 2014 (CON #10227) and the approval of CON #10253 to convert 17 sheltered beds to community beds, Oak Hammock would have 73 total licensed beds--64 will be open to the public until August 31, 2019. The applicant declares that the proposed project allows the facility to continue functioning as a community resource while maintaining its primary focus of long-term care for residents of the retirement community.

CON Action Numbers: 10356 and 10357

Oak Hammock includes the following table illustrating utilization, average length of stay (ALOS) and average daily census (ADC) for the first two years.

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

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

Source: CON application #10356, page 2-7

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

Schedule 6A illustrates that FTEs for year one (ending June 30, 2017) total 57.40 and total 72.59 for year two (ending June 30, 2018). The applicant explains that since the beds to be “added” are already allocated under the current staff and those approved for the bed addition under CON #10227, no additional staff hires are necessary to implement the project. The reviewer notes that proposed project’s year one and year two FTEs shown in the table below match those indicated in the applicant’s approved CON #10253 to convert 17 sheltered beds to community beds.

CON Action Numbers: 10356 and 10357

Oak Hammock at the University of Florida (CON application #10356) Projected Year One and Year Two Staffing				
	Year One FTEs (17-bed conversion)	Year One Total Facility FTEs	Year Two FTEs (17-bed conversion)	Year Two Total Facility FTEs
Administration				
Administrator		1.00		1.00
Director of Nursing		1.07		1.23
Secretary		1.00		1.00
Other: IT/PR/Mkt/HR		1.17		1.37
Other: MSD Coordinator		2.45		3.16
Physicians				
Medical Director		0.20		0.20
Nursing				
RNs		2.47		3.17
LPNs		9.87		12.68
Nurses' Aides		28.06		36.07
Dietary				
Dietary Supervisor		1.00		1.00
Cooks		1.15		1.48
Dietary Aides		1.93		2.49
Social Services				
Activity Director		1.25		1.56
Housekeeping				
Housekeepers		1.92		2.48
Laundry				
Laundry Aides		1.15		1.48
Plant Maintenance				
Maintenance Assistance		1.72		2.22
Total	0.00	57.40	0.00	72.59

Source: CON application #10356, Schedule 6A

Palm Garden of Gainesville, LLC (CON #10357) states that it serves a mix of both Medicare short-term rehabilitation patients (37 percent with an ALOS of 29 days in 2014) as well as long-term patients covered by Medicaid (42.4 percent with an ALOS of 531 days in 2014).

The applicant reports that it has maintained a high occupancy over the past five years, having not had a yearly occupancy rate lower than 90 percent and has at times turned patients away for the lack of a private bed. Palm Garden currently has 116 semi-private rooms and four private rooms. The 30 additional beds sought will be private, providing the applicant with a complement of 34 private rooms and 116 semi-private rooms for a total of 150 beds.

Palm Garden plans to add a wing to accommodate the proposed project including 380-foot new private rooms, a new satellite dining room, activity room and patient courtyards. The applicant notes that it provides the most advanced, modern, state-of-the-art

CON Action Numbers: 10356 and 10357

medical equipment and modalities. Among other equipment, the applicant offers:

- ACP Virtual Rehabilitation System
- Biodex's latest computerized balance assessment machine
- HUR smart-zone trainers
- Alter G anti-gravity treadmill
- DJO clinical program equipment
- Well-equipped activities of daily life suite

The applicant describes its model of care, indicating that it provides the following services, among others:

- Cardiac and pulmonary care
- Orthopedic, physical, speech and occupational therapy
- Pain, nutritional and medication management

Palm Garden indicates that it offers a full range of services:

- Short-term comprehensive rehabilitation program
- Twenty-four hour, seven days a week skilled nursing
- Physical, occupational and speech therapies
- Wound management (including care for complex wound conditions--one of a kind in the Alachua/Gainesville area)
- Intravenous, orthopedic and enteral/parenteral therapies
- Tracheotomy and long-term care
- Cardiac and pulmonary therapies (including Breathe at Ease Program)
- Skilled nursing care for those with cancer diagnoses and comorbidities and care for dialysis patients with comorbidities
- Pulmonary rehabilitation

The applicant includes a detailed discussion of its rehabilitation process on pages 72 to 77 of CON #10357.

Palm Garden believes that its staff members are critical components of the highest quality care in all of its facilities and provides a comprehensive overview of its staffing, staffing education and advancement and policies and procedures on pages 77 to 85 of CON #10357.

Schedule 6A illustrates that FTEs for year one (ending December 31, 2018) total 153.13 with 25.12 added by the proposed project and total 161.65 for year two with 33.64 added by the proposed project (ending December 31, 2019).

CON Action Numbers: 10356 and 10357

Palm Garden of Gainesville (CON application #10357) Projected Year One and Year Two Staffing				
	Year One FTEs (30-bed addition)	Year One Total Facility FTEs	Year Two (30-bed addition) FTEs	Year Two Total Facility FTEs
Administration				
Executive Director		1.00		1.00
Payroll/HR	1.00	1.00	1.00	1.00
Business Office Manager (BOM)		1.00		1.00
Assistant BOM		1.00		1.00
Receptionist-Weekday		1.50		1.50
Receptionist-Weekend		0.40		0.40
Nursing Administration				
DON		1.00		1.00
ADON		1.00		1.00
MDS Coordinator		3.00		3.00
In-service Director	1.00	1.00	1.00	1.00
Risk Manager		1.00		1.00
Ward Clerk	0.92	2.92	1.00	3.00
Central Supply		1.00		1.00
Medical Records		2.00		2.00
Nursing				
RNs	6.57	11.53	7.56	12.52
LPNs		20.82	0.46	21.28
Aides	9.56	61.12	14.80	66.35
Transportation				
Driver-Weekday		0.60		0.60
Driver-Weekend		0.40		0.40
Dietary				
Director		2.00		2.00
Cooks-Weekday		2.83	0.17	3.00
Cooks-Weekend		1.13	0.07	1.20
Server-Weekday	2.20	5.75	2.45	6.00
Server-Weekend	0.30	2.30	0.40	2.40
Activities and Recreation				
Director		1.00		1.00
Assistant	0.87	2.88	1.00	3.00
Social Services/Admissions				
Social Service Director		1.00		1.00
Social Service Assistant	0.92	1.92	1.00	2.00
Admissions Director		1.00		1.00
Admissions Assistant		2.00		2.00
Housekeeping				
Director	0.01	1.00	0.01	1.00
Staff	1.31	8.25	2.06	9.00
Laundry				
Staff		3.83	0.17	4.00
Plant Maintenance				
Director		1.00		1.00
Assistant	0.46	1.96	0.50	2.00
Total	25.12	153.13	33.64	161.65

Note: The applicant indicates that physical, speech and occupational therapies will be contracted
Source: CON application #10357, Schedule 6A

- c. **Quality of Care. In assessing the applicant's ability to provide quality of care pursuant to ss. 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 it has not had a nursing home license denied, revoked or suspended.

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

Each co-batched applicant states it has not had a nursing home placed into receivership.

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

Each co-batched applicant indicates that because there have been no violations/conditions, this provision does not apply.

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 asserts that because there have been no violations/conditions, this provision does not apply.

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.

Oak Hammock at the University of Florida, Inc. (CON #10356) does not respond to this criterion but the reviewer notes that it is not applicable since the applicant has not identified any such conditions.

Palm Garden of Gainesville, LLC (CON #10357) states that because there have been no conditions, this provision does not apply.

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

There are 63 licensed community nursing homes with a total of 7,558 community nursing home beds in District 3. Subdistrict 3-2 is composed of Alachua, Bradford, Dixie, Gilchrist, Lafayette, Levy and Union Counties and has 14 licensed community nursing homes with a total of 1,615 community nursing home beds. The subdistrict averaged 92.92 percent total occupancy for the 12-month period ending December 31, 2014.

Oak Hammock at the University of Florida, Inc. (CON #10356) notes that it is the only sheltered facility within Subdistrict 3-2. The applicant indicates that with the approval of the proposed project, the facility's total licensed and approved bed count will not change, but rather the bed mix will change to 39 sheltered and 34 community beds, thereby permanently expanding its service to the general population.

Oak Hammock provides an analysis of community nursing home beds per 1,000 elderly on page 1-17 of CON #10356. The applicant finds that Alachua County is the representative of the subdistrict, with a use rate in excess of 10,000 patient days per 1,000 residents for the subdistrict. Oak Hammock believes that given that Alachua is the population center of the planning area, with hospitals, diagnostic and other support services available, it becomes a preferred location for added capacity.

The applicant states that considering the projected population growth--especially for the population 65+ which will continue to grow at 4.4 percent over the next five years for the subdistrict and 5.0 percent for Alachua--nursing home utilization, already at over 92 percent, is expected to increase and could exceed 100 percent capacity by as early as 2016. Oak Hammock provides a data analysis using projected patient days then applying the 65+ annual growth rate for the subdistrict to illustrate this point on page 3-3 of CON #10356. The applicant asserts that therefore, the importance of having an available bed when needed is concerning for discharge planners and residents throughout the planning area.

The applicant states that quality is also impacted by environment of care. Oak Hammock provides a table illustrating nursing home bed count by room configuration in Alachua County on page 3-6 of CON #10356. The applicant indicates that nearly 82 percent of rooms are double occupancy, with only 74 beds in private rooms--including the 42 private rooms at Oak Hammock. Oak Hammock believes that the facility's modern design, with all private rooms, is unparalleled within the subdistrict and reflects current industry trends.

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

CON Action Numbers: 10356 and 10357

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

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

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

Source: CON application #10356, page 3-9, based on The Nielson Company

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

Oak Hammock indicates its current proposal results in a total of 34 sheltered beds being converted to community status, allowing placement of either life care members or outside admissions to the beds. The applicant insists that in this way, no one will be excluded and financial access will improve. The reviewer notes that the applicant does not state that it will have Medicaid-certified beds or project any Medicaid or Medicaid Managed Care admissions in Schedule 7. The applicant does note that charity care and related uncollected amounts are projected to be 1.22 percent of gross revenues (or 255 resident days in year one and 329 resident days in year two).

The applicant provides a detailed data analysis of the top medical diagnostic categories for acute care discharges from hospitals to SNFs for July 2013 to June 2014 within Subdistrict 3-2 on page 3-11 of CON #10356. Oak Hammock insists that its ability to add community nursing home beds--designed and equipped with rehabilitation in mind--will provide a place closer to home for many of the area's residents recovering from the identified common ailments.

CON Action Numbers: 10356 and 10357

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

Oak Hammock notes that 10 of the 14 community nursing homes within the subdistrict have occupancy rates over 90 percent and half of those have occupancy rates exceeding 95 percent for the most recent 12-month period ending December 31, 2014. The applicant asserts that this indicates that many facilities are at full capacity and need for additional beds is imminent.

The applicant includes monthly utilization for the Subdistrict 3-2 community facilities and for Oak Hammock’s life care and non-life care residents for the most recent year in the table below. Oak Hammock reports that members attributed 11,066 patient days to the 42-bed facility while non-member bed days totaled 2,070. The applicant insists that these bed days further support the need for additional beds within the county, as almost six beds, on average were in use by community members at Oak Hammock during calendar year (CY) 2014. See below.

**Oak Hammock Monthly Utilization for Members and Non-Members, and Subdistrict 3-2
Monthly Utilization, 12 Months ending December 31, 2014**

Days in Months	31	28	31	30	31	30	31	31	30	31	30	31
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Members	913	800	840	817	836	947	1,011	966	1,010	1,070	948	908
Non-members	164	217	246	272	212	181	151	124	126	114	138	125
Total	1,077	1,017	1,089	1,089	1,048	1,128	1,162	1,090	1,136	1,184	1,086	1,033
Subdistrict 3-2	46,249	41,962	45,247	46,895	46,130	45,730	46,416	46,593	45,693	46,834	44,409	45,578

Source: CON application #10356, page 3-13

Oak Hammock reports that several CCRCs have community SNF beds (only 18 of the licensed 62 SNFs on CCRC campuses throughout Florida are sheltered only) and more than half (33 out of 62) have a greater number of community than they have sheltered beds. The applicant asserts that since no licensure and care differences exist between a sheltered and a community bed, greater flexibility results within the CCRC as demand rises or falls.

Oak Hammock states that when demand among continuing contract holders falls, the SNF has unfilled beds that are not productive and costs rise when maintaining staff levels in order to respond when admissions occur. The applicant feels that these admissions can come from the general public when contract holders are not using the bed--presenting the best use of available resources. Oak Hammock indicates that it strikes a balance in affording enhanced access with the resulting 34 community beds and 39 sheltered beds--it is this balanced strategy that promotes access to the general public while assuring sufficient capacity

for contract holders. The reviewer notes that the applicant, through approved extensions, has been able to provide 30 beds to the community since November 16, 2011.

The applicant concludes that Oak Hammock gains greater flexibility to use the resource of the SNF productively by opening admissions rather than acting exclusively and the public gains access to a highly rated SNF.

Palm Garden of Gainesville, LLC (CON #10357) presents an analysis of population growth in Subdistrict 3-2 using data from both the Agency and Claritas. The applicant finds that the Agency's projections are that the subdistrict will grow by 5.25 percent over the next five years while Claritas projects that it will grow by 2.66 percent during the same time frame. Palm Garden concludes that regardless of the differences in the population estimates, the themes are clear:

- The population of the subdistrict is growing
- The 65-74 and 75 and over populations are growing much faster than the rest of the subdistrict
- As the subdistrict population grows older, the need for more health care services targeted to the elderly population becomes more significant

The applicant discusses the location of the population in Subdistrict 3-2, noting that it covers a large geographic area consisting of seven counties, but that Alachua County represents 67 percent of the total population in 2015. Palm Garden, centrally located in Alachua County and adjacent to Interstate 75, believes that it is strategically located to provide the SNF needs of the Subdistrict 3-2 residents.

Palm Garden includes a detailed analysis of the racial breakdown of Subdistrict 3-2, coming to the following conclusions:

- Whites compose 73 percent, African Americans compose 17 percent and the remaining 10 percent of the subdistrict population are mostly Asian or classified as "two or more races" based on Claritas data
- Over the next five years, the African American population is expected to increase by 0.54 percent while the population of other races (excluding Caucasians) is expected to increase by 12 percent
- Additionally 76 percent, 83 percent and 76 percent of the African American, other races and Hispanic population respectively, resides in Alachua County
- In 2015 the Hispanic population represented 8.3 percent of the total subdistrict population, which will increase to 9.3 percent by 2020

- Over the five-year time horizon the total Hispanic population in the subdistrict is expected to increase by 14 percent--the highest increase of any demographic in the subdistrict

Palm Garden notes that it has policies in place that accept and promote the SNF care of all races and groups of diverse backgrounds. The applicant also asserts that it has policies in place as well as staffing which are sensitive to the needs of the growing Hispanic population in Alachua and the subdistrict, including interpretive services.

The applicant believes that Subdistrict 3-2 lacks an adequate number of community nursing home beds located in private rooms--finding that there are currently only 65 private rooms in the entire subdistrict out of a total of 1,615 beds (or only four percent). Palm Garden notes that only three percent of its rooms and 3.4 percent of rooms in Alachua County are private. The applicant declares that as the demand for these private rooms grows SNFs will have no option but to either expand with private beds, divert patients or underutilize their facility by treating semi-private rooms as private rooms.

Palm Garden states that its yearly occupancy has been as high as 99 percent in 2013 and was 92 percent in 2014. The applicant explains that these occupancy figures are reporting the percentage over an entire year and there are fluctuations during the year--there are many times when Palm Garden has had to turn patients away due to lack of bed availability or place patients on a waiting list. Palm Garden feels that one component driving these diversions is its lack of private beds--on many occasions, discharging physicians request that their patients have a private room, often driven by the fact that their patients are at high risk for infection due to their medical condition.

The applicant reports that occupancy rates are increasing in the entire subdistrict (from 89 percent in 2010, 2011 and 2012 up to 92 percent for 2013 and 2014) and slightly in Alachua County (from 91 percent to 93 percent from 2010 to 2014).

Palm Garden asserts that its trend is towards caring for more Medicare patients. The applicant provides the following table, which illustrates that its non-Medicaid percentage (which a significant percentage of is Medicare) has increased by over seven percent over a five-year period.

CON Action Numbers: 10356 and 10357

Subdistrict 3-2 Nursing Homes Non-Medicaid Percentage

	2010	2011	2012	2013	2014	Change
<i>Alachua County</i>						
Gainesville Health Care Center	29.53%	28.33%	23.18%	22.354%	19.62%	-9.91%
North Florida Rehab	54.95%	53.21%	56.00%	54.91%	53.94%	-1.01%
Palm Garden of Gainesville	45.67%	46.85%	41.24%	43.38%	52.93%	7.26%
Park Meadows Health and Rehab	24.71%	25.62%	29.77%	34.03%	33.18%	8.47%
Signature Healthcare of Gainesville	39.22%	37.29%	36.12%	37.07%	42.62%	3.40%
Terrace Health and Rehab	56.29%	47.76%	46.53%	44.03%	52.07%	-4.22%
<i>Bradford County</i>						
Riverwood Health and Rehab	22.98%	23.71%	26.26%	30.05%	29.54%	6.56%
Windsor Health and Rehab	25.58%	24.44%	24.68%	26.75%	29.14%	3.56%
<i>Dixie County</i>						
Cross City Rehab and Health	34.74%	21.52%	28.38%	38.12%	31.62%	-3.14%
<i>Gilchrist County</i>						
Ayers Health and Rehab Center	37.19%	39.53%	41.38%	34.28%	36.31%	-0.88%
Tri County Nursing Home	30.84%	24.39%	20.66%	27.09%	28.29%	-2.55%
<i>Lafayette County</i>						
Lafayette Health Care Center	16.43%	14.00%	15.68%	27.69%	23.15%	6.72%
<i>Levy County</i>						
Williston Rehab and Nursing	26.40%	27.23%	27.49%	27.14%	26.15%	-0.25%
Total	34.17%	32.42%	32.53%	33.60%	34.96%	0.79%

Source: CON application #10357, page 56

The applicant reports that Florida's Winstat database shows that the number of discharges from hospitals in Subdistrict 3-2 to SNF care under Medicare has increased by 6.10 percent from 2010-2014. Palm Garden states that the largest growth was in Alachua County--with a 6.75 percent change between 2010 and 2014 and a yearly change of 1.65 percent. The applicant further reports that comparing different age groups shows that the greatest growth in Medicare SNF discharges has been in the population ages 65-74. Palm Garden feels that this trend is indicative of the developments in the SNF industry--shorter, Medicare skilled nursing stays focused on rehabilitation. See the table below.

Percentage Change in Hospital Discharges to SNF (2010-2014)

	45-64	65-74	75+	Total
Alachua	3.74%	28.33%	3.78%	6.75%
Subdistrict 3-2	6.22%	26.60%	1.11%	6.09%

Source: CON application #10357, page 58

Palm Garden states that based on its 2014 internal data, approximately 79 percent of its patients came from Alachua County, with four percent coming from Levy County and four percent from other Subdistrict 3-2 counties, leaving the remaining 14 percent coming from patients outside of Subdistrict 3-2 and out of state. The applicant feels that this is due in large part to the wide variety of hospital services and provisions of care offered at the Gainesville hospitals, North Florida Regional Medical Center and the UF's Health Shands Hospital. Palm Garden notes that residents from all across Florida come to these hospitals for care and often stay in the area for subsequent rehabilitative care at a SNF.

The applicant provides the following table illustrating discharges to Medicare SNFs by patient origin, pointing out that the most recent data illustrate that over 50 percent of Shands discharges to Medicare skilled nursing were residents of Subdistrict 3-2. Palm Garden states that over 30 percent of discharges came from the remaining counties in District 3, a vast region that extends from the Georgia border south to the Villages and the outskirts of Tampa/St. Petersburg. The applicant insists that even more remarkable is that close to 16 percent of Shands discharges came from counties outside of District 3. Palm Garden asserts that while North Florida’s in-migration is not as large, it is still worth highlighting that 9.5 percent of the hospitals’ discharges to Medicare SNF came from all parts of Florida. See the table below.

**Discharges to Medicare SNF (Patient Origin)
Fourth Quarter 2013 to Third Quarter 2014**

	UF Shands Hospital	Percentage of Shands Discharges	N. Florida Regional Medical Center	Percentage of N. Florida Discharges
Subdistrict 3-2	1,280	50.6%	1,904	69.39%
Other District 3 Counties	776	30.6%	521	18.99%
Other Florida Counties	421	16.6%	261	9.51%
Other/Unknown	55	2.2%	58	2.11%
Total	2,532	100.0%	2,744	100.0%

Source: CON application #10357, page 59

The applicant explains that using Claritas data for population and Winstat Agency Patient Database data for the number of Medicare discharges to SNF for annualized 2014, Palm Garden obtained use rates for Alachua County alone and then for the other subdistrict counties combined--the 2014 use rates (discharges/population per 1,000 persons) are shown in the table below. The applicant points out that the utilization of post-acute discharge to SNF has increased significantly particularly for the age group 65-75. See below.

Projected Use Rates, Alachua County and Other Subdistrict Counties SNFs

	18-44 Alachua	18-44 Other	45-64 Alachua	45-64 Other	65-74 Alachua	65-74 Other	75+ Alachua	75+ Other
2014	0.34	0.60	7.07	6.79	28.25	31.15	113.34	89.43
Actual Annual Rate	-9.69%	7.44%	0.77%	2.26%	1.43%	3.11%	-1.88%	-1.63%
Projected Annual Rate	0.00%	2.00%	0.75%	2.25%	1.40%	3.00%	-1.75%	-1.50%
2015	0.34	0.62	7.13	6.94	28.64	32.09	111.35	88.09
2016	0.34	0.63	7.18	7.10	29.04	33.05	109.40	86.77
2017	0.34	0.64	7.23	7.26	29.45	34.04	107.49	85.47
2018	0.34	0.65	7.29	7.42	29.86	35.06	105.61	84.18
2019	0.34	0.67	7.34	7.59	30.28	36.11	103.76	82.92

Source: CON application #10357, page 60

Palm Garden maintains that the utilization of SNF care is increasing for the population between the ages of 45-74, while utilization is declining for those 75+ in the subdistrict--indicative of the industry trend of utilizing SNFs for more rehabilitative care and as a “step-down” from a hospital stay to home.

Palm Garden provides projected utilization for its proposed 30 private beds, noting that 2018 will be the first year that the beds should be available, Palm Garden expects to serve 137 Alachua patients, 62 other Subdistrict patients and 21 patients from outside the subdistrict with an occupancy of 61 percent for these beds. By year two (2019), the applicant expects to serve 341 total patients for over 90 percent occupancy of the 30 new private beds.

The applicant includes the following projected patient days for the full 150 beds upon completion of the proposed project, indicating that it is important to note that the number of yearly patient days is an historical average for Palm Garden for the years 2010 to 2014. Palm Garden’s total patient days went down in 2014, partly due to the increased demand for private rooms for complex patients and other necessities. See below.

Projected Patient Days

	2018	2019
Projected patients (30 new beds)	232	341
ALOS (30 new beds)	29	29
Projected patient days (30 new beds)	6,725	9,893
Historic average patient days (120 beds)	41,245	41,245
Total projected patient days (150 beds)	47,970	51,138
Projected occupancy (150 beds)	87.6%	93.4%
Projected ADC (150 beds)	131	140

Source: CON application #10357, page 62

- 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.**

Oak Hammock at the University of Florida, Inc. (CON #10356)

asserts that in a CCRC with high standards such as itself, the provider is closely monitored and held accountable for the delivery of all levels of services by the residents and families. The applicant provides a detailed overview of each of the 12 members on its Board of Directors and its mission statement on pages 4-1 to 4-9 of CON #10356.

CON Action Numbers: 10356 and 10357

Oak Hammock reports that it received an overall five-star rating on its most recent survey and that no other facility did the same in Subdistrict 3-2. The applicant points out that five of the facilities received a one-star rating on their most recent licensure inspection, one received a two-star rating and one received a three-star rating.

Oak Hammock insists that it is certainly of the same caliber as Gold Seal Facilities although it has not applied to become one. Further, Oak Hammock discusses the awards it has achieved, noting that award documentation is provided in Exhibit 4-2 of CON #10356.

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

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

Oak Hammock describes its Quality Assurance Program, noting that an outline of the program policies is provided in Exhibit 4-3 of CON #10356. The applicant declares that the objective of the Quality Assurance Program focuses on improving organizational performance with a collaborative approach that crosses organization boundaries with an emphasis on empowering staff.

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

- Physical services
- Preadmission screening, admission review and care planning
- Nursing services
- Dietary services
- Activities

Oak Hammock is not a Gold Seal Program nor is it on the Nursing Home Watch List. The most recent Agency inspection indicates Oak Hammock received an overall five-star rating out of a possible five stars. The Agency's Nursing Home Guide was last updated May 2015. Oak

Hammock had one substantiated complaint during the three-year period ending May 20, 2015 in the complaint category of quality of care/treatment.

Agency complaint records indicate that the affiliated nursing home associated with the parent company (Glenridge on Palmer Ranch, Inc.), for the three-year period ending May 20, 2015, had two substantiated complaints in the complaint categories of unqualified personnel and resident/patient/client rights.

Palm Garden of Gainesville, LLC (CON #10357) asserts that its corporate parent has operated 14 SNFs and one ALF in Florida for years. The applicant insists that all of these facilities have been providing high quality of care since that time. Palm Garden states having been in operation since 1987 and has not lost its licensure or reduced its quality of care in that time frame.

Palm Garden notes that it has in place a Quality Assurance and Performance Improvement (QAPI) plan and includes a detailed overview on pages 33 to 38 of CON #10357. The applicant includes Attachments I-1 to I-4 on its quality assurance policy, the QAPI committee, the quality assessment and survey documentation as well as the risk management process.

The applicant maintains that it is not currently accredited with any entity and is deliberately choosing not to participate in such accreditation pursuits. Palm Garden concludes that with the advent of CMS' star rating system for quality and the more current model of care for skilled nursing, accreditation by various entities has become less valuable and is costly.

Palm Garden is not a Gold Seal Program and is currently on the Nursing Home Watch List with a Watch List Timeline of 02/1/2013 to 8/1/2015¹ according to FloridaHealthFinder.gov as examined by the reviewer on August 1, 2015. The applicant's sister facilities--Palm Garden of Vero Beach and of Winter Haven--are also on the Watch List. The most recent Agency inspection indicates Palm Garden received an overall two-star rating out of a possible five stars. The Agency's Nursing Home Guide was last updated May 2015. Palm Garden had two substantiated

¹ Palm Garden of Gainesville's conditional timeframe lasted from April 4, 2013 to May 4, 2013 due to deficiency tag N0201 pursuant to Chapter 400.022 (1) (l), Florida Statutes the right to receive adequate and appropriate health care and protective and support services, including social services; mental health services, if available, planned recreational activities; and therapeutic and rehabilitative services consistent with the resident care plan, with established and recognized practice standards within the community, and with rules as adopted by the Agency.

CON Action Numbers: 10356 and 10357

complaints during the three-year period ending May 20, 2015 in the complaint categories in the complaint categories of administration/personnel and resident/patient/client rights.

Agency complaint records indicate that the affiliated nursing homes associated with the parent company, for the three-year period ending May 20, 2015, had 48 substantiated complaints at 13 facilities. A single complaint can encompass multiple complaint categories. The substantiated complaint categories are listed below:

Nursing Homes affiliated with Palm Garden Group	
Complaint Category	Number Substantiated
Quality of Care/Treatment	21
Administration/Personnel	11
Resident/Patient/Client Assessment	6
Resident/Patient/Client Rights	6
Physical Environment	5
Resident/Patient/Client Abuse	4
Nursing Services	3
Infection Control	2
Unqualified Personnel	2
Admission, Transfer & Discharge Rights	1
Billing/Refunds	1
Dietary Services	1
Falsification of Records/Reports	1
Physician Services	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.**

Oak Hammock at the University of Florida, Inc. (CON #10356):

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 on 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.

CON Action Numbers: 10356 and 10357

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

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

Oak Hammock at the University of Florida, Inc.		
	Dec-14	Dec-13
Current Assets	\$12,301,995	\$13,839,352
Total Assets	\$104,370,313	\$107,488,678
Current Liabilities	\$4,926,401	\$3,791,538
Total Liabilities	\$169,801,633	\$169,826,064
Net Assets	(\$65,431,320)	(\$62,337,386)
Total Revenues	\$26,160,624	\$25,167,972
Excess of Revenues Over Expenses	(\$3,143,184)	\$1,040,152
Cash Flow from Operations	\$5,200,721	\$5,849,481
Short-Term Analysis		
Current Ratio (CA/CL)	2.5	3.7
Cash Flow to Current Liabilities (CFO/CL)	105.57%	154.28%
Long-Term Analysis		
Long-Term Debt to Net Assets (TL-CL/NA)	-252.0%	-266.3%
Total Margin (ER/TR)	-12.01%	4.13%
Measure of Available Funding		
Working Capital	\$7,375,594	\$10,047,814

CON Action Numbers: 10356 and 10357

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

Capital Requirements and Funding:

The applicant lists \$9,226,500 for capital projects which include CON #10227, CON #10253, renovating an existing skilled nursing unit, and adding nine assisted living units. This project is relatively small at \$60,750; however, it is linked to the ability to fund CON #10227 and the renovations indicated in the application. Our conclusion in CON #10227 explained that funding for the project was dependent on obtaining debt financing. In support of that, the applicant provided an executed copy of a revenue bond agreement to fund CON #10227 and the renovations.

Conclusion:

Funding for this project should be available as needed.

Palm Garden of Gainesville, LLC (CON #10357):

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 on the likelihood that funding will be available. The stronger the short-term position, the more likely cash on hand or cash flows could be used to fund the project. The stronger the long-term position, the more likely that debt financing could be achieved if necessary to fund the project. We also calculate working capital (current assets less current liabilities) a measure of excess liquidity that could be used to fund capital projects.

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

CON Action Numbers: 10356 and 10357

Parkwood Properties, Inc. and Subsidiaries, its parent company, where the short-term and long-term measures fall on the scale (highlighted in gray) for the most recent year.

Parkwood Properties, Inc. & Subs	
	Dec-14
Current Assets	\$50,360,278
Total Assets	\$105,708,813
Current Liabilities	\$3,110,517
Total Liabilities	\$93,784,818
Net Assets	\$11,923,995
Total Revenues	\$28,788,044
Excess of Revenues Over Expenses	\$12,671,011
Cash Flow from Operations	\$5,641,514
Short-Term Analysis	
Current Ratio (CA/CL)	16.2
Cash Flow to Current Liabilities (CFO/CL)	181.37%
Long-Term Analysis	
Long-Term Debt to Net Assets (TL-CL/NA)	760.4%
Total Margin (ER/TR)	44.01%
Measure of Available Funding	
Working Capital	\$47,249,761

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

Capital Requirements and Funding:

The applicant provided a development stage audit. The audit indicates that the applicant has no assets, liabilities, net worth, or revenue. The applicant indicates on Schedule 2 capital projects totaling \$6,957,082 which includes this project and capital budget. The applicant provided a letter from UBS Financial Services, Inc. showing over \$10 million in a securities account and \$14.5 million available from a revolving credit

line. Additionally, the applicant provided letters of interest from Capital One Bank and Regions Bank to provide financing for the project (both have an existing or prior lending relationship with the parent). Although not a firm commitment to lend, these letters of interest document a history of lending to the parent organization. Based on the table above, the applicant also has sufficient working capital and operating cash flow to fund the entire capital budget. The parent has letters of financial commitment to fund or acquire funding on four CONs in this batching cycle (10357, 10367, 10369, and 10377). The combined capital projects for these four CONs totals \$23.4 million. Although leveraged, the parent has strong operating ratios making debt repayment more likely.

Conclusion:

Funding for all CONs is likely but not guaranteed.

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

Oak Hammock at the University of Florida, Inc. (CON #10356): The immediate and long-term financial feasibility of the project is tied to expected profitability. The purpose of our analysis for this section is to evaluate the reasonableness of the applicant's profitability projections and, ultimately, whether profitability is achievable for this project. Our analysis includes an evaluation of net revenue per patient day (NRPD), cost per patient day (CPD), nurse staffing ratios, and profitability. We compared the NRPD, CPD, and profitability to actual operating results from skilled nursing facilities as reported on Medicaid cost reports (2012 and 2013 cost report years). For our comparison group, we selected skilled nursing facilities with similar Medicaid utilizations to the utilization projected by the applicant on a per patient day basis (PPD). Comparison group data was adjusted for inflation to match the second year projection (inflation factor was based on the New CMS Market Basket Price Index as published in the 1st Quarter 2015, 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.

CON Action Numbers: 10356 and 10357

	PROJECTIONS PER APPLICANT		COMPARATIVE GROUP VALUES PPD		
	Total	PPD	Highest	Median	Lowest
Net Revenues	6,033,000	261	1,880	542	284
Total Expenses	5,630,100	244	1,800	513	337
Operating Income	402,900	17	176	24	-173
Operating Margin	6.68%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	23,075	86.60%	97.64%	91.27%	33.72%
Medicaid	0	0.00%	29.81%	20.22%	0.00%
Medicare	8,483	36.76%	98.02%	36.70%	6.50%

Staffing:

Section 400.23(3)(a)(1), Florida Statutes, specifies a minimum certified nursing assistant staffing of 2.5 hours of direct care per resident per day and a minimum licensed nursing staffing of 1.0 hour of direct resident care per resident day. Based on the information provided in Schedule 6, the applicant’s projected staffing meets this requirement.

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

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

Conclusion:

The project appears reasonably profitable.

Palm Garden of Gainesville, LLC (CON #10357):

Analysis:

The immediate and long-term financial feasibility of the project is tied to expected profitability. The purpose of our analysis for this section is to evaluate the reasonableness of the applicant’s profitability projections and, ultimately, whether profitability is achievable for this project. Our analysis includes an evaluation of net revenue per patient day (NRPD), cost per patient day (CPD), nurse staffing ratios, and profitability. We compared the NRPD, CPD, and profitability to actual operating results from skilled nursing facilities as reported on Medicaid cost reports (2012, 2013, and 2014 cost report years). For our comparison group, we selected skilled nursing facilities with similar Medicaid utilizations to the utilization projected by the applicant on a per patient day basis (PPD). Comparison group data was adjusted for inflation to match the second year projection (inflation factor was based on the New CMS Market Basket Price Index as published in the 1st Quarter 2015, 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	19,832,302	388	477	370	287
Total Expenses	18,505,414	362	473	362	301
Operating Income	1,326,888	26	29	10	-29
Operating Margin	6.69%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	51,138	93.40%	99.48%	88.96%	62.35%
Medicaid/MDCD HMO	22,303	43.61%	50.03%	45.97%	30.87%
Medicare	24,090	47.11%	58.06%	36.42%	17.01%

The projected NRPD, CPD, and profit fall within the group range and are considered reasonable. Therefore, the overall profitability appears achievable.

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 meets this requirement.

Conclusion:

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

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

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.

Oak Hammock at the University of Florida, Inc. (CON #10356): The Office of Plans and Construction notes that the codes and standards regulating the design and construction of SNFs are the same for beds licensed as sheltered beds and community beds.

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

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

Palm Garden of Gainesville, LLC (CON #10357): 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.**

Oak Hammock at the University of Florida, Inc. (CON #10356) indicates that as a sheltered nursing home facility, it does not have a history of providing health services to Medicaid recipients. The applicant asserts that the facility was designed to provide long-term care to residents of the retirement community in accordance with the provisions of the continuing care contract. The reviewer notes that the applicant has had an exemption to open 30 of its 42 beds to the public (71.4 percent of beds) since November 11, 2011.

CON Action Numbers: 10356 and 10357

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

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

Source: CON application #10356, page 9-2

Oak Hammock states its Schedule 8 indicates that charity care and related uncollected amounts are 1.22 percent of gross revenues, or equivalent to 255 resident days of care in year one and 329 resident days of care in year two. The applicant believes its proposal ensures access to residents of Subdistrict 3-2.

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

Palm Garden of Gainesville, LLC (CON #10357) asserts that like its “sister” facilities operating throughout Florida, it has a long history of providing skilled nursing services to all patients that require SNF care without regard to age, sex, race, ethnic group, diagnosis or ability to pay. The applicant believes that the following chart showing Medicaid payer percentage highlights its strong record of serving lower income patients covered by Medicaid.

Palm Garden Historic Medicaid Provision of Care					
	2010	2011	2012	2013	2014
Total Medicaid Days	22,630	21,864	24,679	24,541	18,935
Total Patient Days	41,652	41,139	42,146	43,344	40,224
Medicaid Days/Total Patient Days	54.33%	53.15%	58.56%	56.62%	47.07%

Source: CON application #10357, page 98

Palm Garden declares that the dedication to serving all appropriate and eligible patients in Subdistrict 3-2 will continue after the new private beds become available. The applicant notes that while the shift in the skilled nursing industry is moving toward more Medicare short-term rehabilitative care, it will continue to be a provider of health care for all those patients in the subdistrict.

Palm Garden points out that for example, in 2014, it admitted 35 Medicaid patients, 555 Medicare patients, 12 private pay patients and 72 patients with insurance coverage.

The applicant's Schedule 7 indicates that Medicaid and self-pay represent 52.8 percent and 4.0 percent, respectively, of year one and year two annual total patient days.

F. SUMMARY

Oak Hammock at the University of Florida, Inc. (CON #10356), managed by Praxeis, LLC, proposes to add 17 community nursing home beds to its existing facility through conversion of 17 existing sheltered beds.

Oak Hammock is a 42-bed sheltered nursing home in Subdistrict 3-2, Alachua County, Florida. The facility is located in a CCRC. The facility was awarded CON #10227 for the addition of 31 sheltered beds on May 21, 2014 and CON #10353 to add 17 community nursing beds through the conversion of 17 sheltered nursing home beds on March 18, 2015.

Praxeis operates two SNFs in Florida. Currently, the applicant has 42 sheltered beds with 14 approved sheltered beds and 17 approved community beds.

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

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

Palm Garden of Gainesville, LLC (CON #10357), 100 percent owned by PGHH, is seeking the addition of 30 community nursing home beds to its current facility's complement of 120 beds located in Subdistrict 3-2, Alachua County, Florida.

PGHH operates 14 SNFs and one ALF in Florida.

The project involves 17,255 GSF of new construction. The construction cost is \$3,617,250. Total project cost is \$5,654,551. Project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant proposes five conditions on its Schedule C.

Need:

In Volume 41, Number 65 of the Florida Administrative Register dated April 3, 2015, a fixed need pool of 47 beds was published for Subdistrict 3-2 for the January 2018 Planning Horizon. Subdistrict 3-2 is comprised of Alachua, Bradford, Dixie, Gilchrist, Lafayette, Levy and Union Counties.

As of May 20, 2015 Subdistrict 3-2 had 1,615 licensed and 167 approved community nursing home beds. During the 12-month period ending December 31, 2014, Subdistrict 3-2 experienced 92.92 percent utilization at 14 existing facilities.

Oak Hammock at the University of Florida, Inc. (CON #10356) states that the proposed project provides the following advantages:

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

Oak Hammock asserts that the proposed project promotes access to the general public while assuring sufficient capacity for contract holders.

Palm Garden of Gainesville, LLC (CON #10357) declares that it will document in its application that that its project best meets the identified need based on the following factors:

- Palm Garden is the best location to serve the population center and growth in the subdistrict
- Palm Garden has high occupancy rates and demand for services that it cannot meet due to both physical capacity constraints and the demand for specialized patients needing private rooms
- Palm Garden offers a range of medically complex and rehabilitation services that cannot be met by other existing providers
- The demand for short-stay, post-acute patients with these medically complex and rehabilitation service needs is growing in the industry as well as locally and is tied to the tertiary nature of services offered by the regional health care providers in Gainesville
- Palm Garden has relationships with referral sources for post-acute, complex patients and will best meet the needs for these patients

Palm Garden feels that one component driving its diversions is its lack of private beds--on many occasions, discharging physicians request that their patients have a private room, often driven by the fact that their patients are at high risk for infection due to their medical condition.

Quality of Care:

Both applicants described their ability to provide quality care.

Oak Hammock at the University of Florida, Inc. (CON #10356): For the most recent rating period, the existing facility had five out of a possible five-star quality inspection rating.

Oak Hammock had one substantiated complaint with one complaint category during the three-year period ending May 20, 2015.

Agency complaint records indicate that the affiliated nursing home associated with the parent company (Glenridge on Palmer Ranch, Inc.), for the three-year period ending May 20, 2015, had two substantiated complaints with two complaint categories.

Palm Garden of Gainesville, LLC (CON #10357): For the most recent rating period, the existing facility had two out of a possible five-star quality inspection rating.

Palm Garden had two substantiated complaints with two complaint categories during the three-year period ending May 20, 2015.

Agency complaint records indicate that the affiliated nursing homes associated with the parent company, for the three-year period ending May 20, 2015, had 48 substantiated complaints at 13 facilities with 14 complaint categories.

Financial Feasibility/Availability of Funds:

Oak Hammock at the University of Florida, Inc. (CON #10356):

Funding for this project should be available as needed. Based on the information provided in Schedule 6, the applicant's projected staffing meets the requirement. The project appears reasonably profitable.

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

Palm Garden of Gainesville, LLC (CON #10357): Funding for all CONs is likely but not guaranteed. Based on the information provided in Schedule 6, the applicant's projected staffing meets the requirement. This project appears to be financially feasible based on the projections provided by the applicant.

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

Medicaid/Charity Care:

Oak Hammock at the University of Florida, Inc. (CON #10356) does not propose to condition project approval to a percentage of Medicaid days.

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

Palm Garden of Gainesville, LLC (CON #10357) 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 52.8 percent and 4.0 percent, respectively, of year one and year two annual total patient days.

Architectural:

Oak Hammock at the University of Florida, Inc. (CON #10356): The Office of Plans and Construction notes that the codes and standards regulating the design and construction of SNFs are the same for beds licensed as sheltered beds and community beds.

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

Palm Garden of Gainesville, LLC (CON #10357): The cost estimate and the project completion forecast appear to be reasonable. A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have a significant impact on either construction costs or the proposed completion schedule.

G. RECOMMENDATION

Approve CON #10356 to add 17 community nursing home beds through the conversion of 17 sheltered nursing home beds in Alachua County, District 3, Subdistrict 2. The total project cost is \$60,750. The project involves no construction.

Approve CON #10357 to add 30 community nursing home beds in Alachua County, District 3, Subdistrict 2. The total project cost is \$5,654,551. The project involves 17,255 GSF of new construction and a construction cost of \$3,617,250.

CONDITIONS:

- Specific site within the subdistrict. The parcel or address is as follows: Palm Garden of Gainesville, 227 SW 62nd Boulevard, Gainesville, Alachua County, Florida 32607
- Thirty new private skilled nursing beds/rooms in wing addition to Palm Garden
- Partnership with Select Respiratory Services--Palm Garden will have a full respiratory therapist from Select Respiratory Services at the facility

CON Action Numbers: 10356 and 10357

- Chaplain/spiritual services--Palm Garden of Gainesville offers spiritual care and guidance for all patients and family members every day at the facility. The chaplain currently ministers to over 24 patients a week at the facility. By September 1, 2015, Palm Garden will work with the chaplain so that at least 50 percent of all Palm Garden patients will receive weekly spiritual visits, if the patients so desire
- Educational opportunities at Palm Garden for students--Palm Garden's therapy department has for several years mentored UF and other students--particularly students to be speech-language pathologists and occupational therapy assistants. The UF has an ongoing relationship with Palm Garden to allow students every semester to study and work with Palm Garden's full time speech-language pathologists. An integral part of this ongoing program is to educate the students and equip them with the requisite knowledge to evaluate and treat the geriatric population. Palm Garden has established a contract with the UF to build on this opportunity. Additionally, Palm Garden has worked with students from Keiser University to help students gain skills needed to care for elderly patients and to expose them to new ideas and current trends in the industry. Palm Garden is committed to continuing these educational programs
- Working relationship and ACO Partnership with Southeastern Integrated Medical (SIMED)--Palm Garden's medical director is an internal medicine physician with SIMED. As well, Palm Garden has contracted with another SIMED physician to act as Palm Garden's Transitional Care Program Director. Palm Garden has an excellent working relationship with SIMED and its physicians and is in active negotiations to officially partner with SIMED

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