

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

**A. PROJECT IDENTIFICATION**

**1. Applicant/CON Action Number**

**Alachua County HRC, LLC/CON #10397**

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

Authorized Representative: Geoff Fraser  
(321) 288-0171

**PruittHealth – Alachua County, LLC/CON #10400**

1626 Jeurgens Court  
Norcross, Georgia 30093

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

**2. Service District/Subdistrict**

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

**B. PUBLIC HEARING**

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

**Letters of Support**

**Alachua County HRC, LLC (CON #10397):** The applicant submitted numerous letters of support. Letters in the application were from local healthcare providers, Clear Choice providers, Gainesville community leaders, select Kindred at Home professionals and local elected officials.

**PruittHealth – Alachua County, LLC (CON #10400):** The Agency received various letters of support submitted by the applicant. All were form letters of support signed by local health care providers, business leaders and community members.

**C. PROJECT SUMMARY**

**Alachua County HRC, LLC (CON #10397)**, hereafter referred to as Alachua HRC or the applicant is owned by SBK Capital LLC but to be managed by Clear Choice Health Care (referred to as Clear Choice throughout this document), proposes to establish a new 103-bed community nursing home or a partial request to establish a 94-bed in District 3/Subdistrict 3-2, Alachua County. Alachua HRC states that the 103-bed need was achieved by aggregating nine beds from Subdistrict 3-3, Putnam County, and adding this aggregation to the 94-bed published need in Subdistrict 3-2.

The applicant emphasizes that Clear Choice is a Florida entity, operating eight skilled nursing facilities (SNFs) in Florida:

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

The project involves 75,641 gross square feet (GSF) of new construction. The construction cost is \$12,586,662. Total project cost is \$19,675,000. Project cost includes land, building, equipment, project development, financing and start-up costs.

The partial project involves 73,706 GSF of new construction. The construction cost is \$12,264,678. Total project cost is \$19,250,000. Project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant proposes to condition the project as shown below:

- The applicant will provide an array of unique high-intensity sub-acute care rehabilitative programs and services for residents in its nursing home, including the following:
  - Left Ventricular Assist Device (LVAD) Program
  - Lee Silverman Voice Treatment (LSVT) Loud Program
  - Lee Silverman Voice Treatment (LSVT) Big Program
  - Infusion Therapy Services including: Peritoneal Dialysis; and Total Peritoneal Nutrition
  - Aquatic therapy, through development of two hydrotherapy pools

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- Rehabilitative therapy for patients unable to perform 100 percent weight-bearing ambulation, through purchase and use of an Anti-Gravity Treadmill
- Rehabilitative Therapy for patients who would benefit from compressed-air equipment designed specifically for the aging population, through purchase and use of HUR Equipment
- Sunshine/Wellness Check Program
- Home assessments: Medication Reconciliation; and Rehabilitation therapy team assessment, as appropriate
- Transportation program to transport outpatients from their home environment to therapy sessions when medically necessary
- The applicant will ensure highly skilled clinical staff members provide care to residents in its nursing home, evidenced by special training and/or certification as follows:
  - Lee Silverman Voice Treatment Loud certified
  - Lee Silverman Voice Treatment BIG Certified
  - Aquatic Therapy Certification
  - Certified Stroke Rehabilitation Specialist (CSRS)
  - Lymphedema Certification
  - Vital Stim Therapy Certification
  - Neurodevelopmental Treatment (NDT) Certification
  - Fiberoptic/Flexible Endoscopic Evaluation of swallowing (FEES) Certification
- Community Give-Back programs: annual funding of at least \$150,000:
  - The applicant commits to a total annual Community Give-Back programs amount of at least \$150,000 comprised of the following components:
    - Unreimbursed indigent/charity care provided to patients requiring services at its facility
    - Donations of goods, services and/or direct funding to local charities selected by residents
    - Scholarship programs, which pay the cost of staff member to enroll in academic programs to further their formal education

**PruittHealth – Alachua County, LLC (CON #10400)**, hereafter referred to as PruittHealth or the applicant proposes to establish a new 94-bed community nursing home in District 3/Subdistrict 3-2, Alachua County.

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

- PruittHealth – Santa Rosa

In addition, PruittHealth has three valid CONs for new nursing homes:

- PruittHealth – Bay County, a 77-bed community nursing home in Subdistrict 2-2 (CON #10245)
- PruittHealth – Leon County, an 86-bed community nursing home in Subdistrict 2-4 (CON #10248P)
- PruittHealth – Southwestern Duval County, a 97-bed community nursing home in Subdistrict 4-2 (CON #10273P)

The project involves 66,077 GSF of new construction. The construction cost is \$9,449,739. Total project cost is \$15,873,409. Project cost includes land, building, equipment, project development and financing costs.

The applicant proposes to condition the project as shown below:

- Location: Alachua County, Subdistrict 3-2, Florida
- 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 62 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 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 the top five special amenities requested by existing health care providers in this subdistrict:
  - Specialized care staff, state of the art rehab suites, therapy pool, dining options and custom meal planning
- Implement the top special operational initiatives requested by existing health care providers:
  - High percentage of private rooms, providing programs to reduce hospital readmissions, EMR and resident safety technology

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- Implement the top five clinical services requested by existing health care providers:
  - Mental/behavioral health program, diabetes care, medication management, Hospice and HIV/AIDS care
- Assure all staff maintains ongoing training and continuing education credits utilizing Pruitt University and at no cost to employees
- Participate in a company-wide Annual Quality Report to demonstrate transparency in operations and make this Quality Report available to the public
- Adopt the PruittHealth patient model of care including the UniPath Programs appropriate for this facility and described in the CON application and Supporting Documents
- Implement PointRight Technology (or a future similar technology) in ongoing operation

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 second condition listed) will not be cited as a condition to approval.

**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>
Alachua County HRC, LLC	10397	New 103-Bed Facility	75,641	\$19,675,000	\$191,019
Alachua County HRC, LLC (Partial)	10397P	New 94-Bed Facility	73,706	\$19,250,000	\$204,787
PruittHealth-Alachua County LLC	10400	New 94-Bed Facility	66,077	\$15,873,409	\$168,866

Source: CON applications #10397 through 10400, 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, Robert Douin analyzed the application with consultation from the financial analyst, Brian Shoemaker, of the Bureau of Central Services, who evaluated the financial data and Gregory Register of the Office of Plans and Construction, who reviewed the application for conformance with the architectural criteria.

**E. CONFORMITY OF PROJECT WITH REVIEW CRITERIA**

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

**1. Fixed Need Pool**

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

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In Volume 41, Number 192 of the Florida Administrative Register dated October 2, 2015, a fixed need pool of 94 beds was published for Subdistrict 3-2 for the 2018 Planning Horizon. Subdistrict 3-2 is comprised of Alachua, Bradford, Dixie, Gilchrist, Lafayette, Levy and Union Counties.

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

As of November 18, 2015, Subdistrict 3-2 had 1,615 licensed and 102 approved community nursing home beds. During the 12-month period ending June 30, 2015, Subdistrict 3-2 experienced 92.13 percent utilization at 14 existing facilities. Below is a table illustrating nursing home patient days and occupancy within Subdistrict 3-2.

**Subdistrict 3-2 Nursing Home Patient Days and Occupancy July 1, 2014- June 30, 2015**

<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>
Gainesville Health Care Clinic	180	65,700	63,151	96.12%	81.72%
North Florida Rehab and Specialty Care	120	43,800	40,932	93.45%	43.92%
Palm Garden of Gainesville	120	43,800	40,457	92.37%	45.01%
Park Meadows Health and Rehab	154	56,210	48,170	85.70%	64.59%
Parklands Rehab and Nursing Center	120	43,800	41,455	94.65%	67.86%
Signature Healthcare of Gainesville	120	43,800	39,298	89.72%	56.26%
Terrace Health and Rehab Center	120	43,800	41,237	94.15%	41.84%
Riverwood Health and Rehab Center	120	43,800	39,517	90.22%	78.68%
Windsor Health and Rehabilitation	120	43,800	39,369	89.95%	74.61%
Cross City Rehab and Health Care Center	60	21,900	19,848	90.63%	67.81%
Ayers Health and Rehabilitation Center	120	43,800	41,440	94.61%	62.78%
Tri-County Nursing Home	81	29,565	27,738	93.82%	73.91%
Lafayette Health Care Clinic	60	21,900	18,786	85.78%	77.08%
Williston Rehab and Nursing Center	120	43,800	41,660	95.11%	71.75%
<b>Total</b>	<b>1,615</b>	<b>589,475</b>	<b>543,085</b>	<b>92.13%</b>	<b>64.67%</b>

Source: Florida Nursing Home Bed Need Projections by District and Subdistrict, October 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.

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

County	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	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+ population in the subdistrict are shown below, as compiled by the reviewer.

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

County	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	80,130	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, October 2015 Batching Cycle

**Alachua County HRC, LLC (CON #10397)** states that in addition to the Agency-identified need, Clear Choice has identified a high-intensity, sub-acute care service gap in the local community for patients that need high-intensity rehabilitative services in a SNF as proposed by the



applicant. The applicant states that the proposed 103-bed facility—aggregated from Subdistrict 3-2 and 3-3—will serve residents of Alachua County and Putnam County. The applicant provides a map on page 50 of CON #10397 showing the proposed locations and the preferred location (2901 SE Hawthorne Road—between Gainesville and Putnam County).

Alachua HRC insists that the identified gap in sub-acute care services is evident from the various letters of support received in the application. Dr. Rajiv Chandra and Dr. Mark Mendolla, both board certified cardiologists, suggest that Clear Choice will bring a “unique, high quality skilled nursing facility model” and “they will fill the gap in care that currently exist.” Mayor Ed Braddy, City of Gainesville and Laresa Box share the same concerns and state they have noticed a “significant gap” in preventive and follow-up care for people with pulmonary disease. The applicant notes that these letters demonstrate a gap in sub-acute care services in the Alachua County area.

Alachua HRC contends that the proposed project is best positioned to address the needs of residents in Alachua County, as demonstrated by:

1. An experienced, local community nursing home management team, with headquarters and a training facility in Florida, will establish and operate the proposed project.
2. Comprehensive continuity of care provided for nursing home residents, including the sub-acute level of high-intensity rehabilitative services, provided by certified clinical staff using advanced equipment and facilities to ensure optimal patient outcomes and recover, including:
  - a) Specialized and high-intensity rehabilitative programs and services available to all residents
  - b) Advanced rehabilitative equipment necessary for high-intensity rehabilitative care
  - c) Certified staff members ensure high quality, specialized rehabilitative services are provided
  - d) Low hospital readmission rates document success of subacute care services
  - e) Specialty rehab services are a critical component in the continuity of care
  - f) Proposed project will address an identified gap in services in Alachua County
3. The proposed facility is designed and will be managed by a community-focused organization that tailors its facility, programs and services and community giveback programs to the local communities’ needs – all with the goals of ensuring resident choices, independence and dignity.

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4. Proven programs and services will be provided to ensure that the highest quality nursing home services are available to the residents in Alachua County, evidenced by three Governor's Gold Seal facilities and six facilities with four or five-star rankings based on the Centers for Medicare & Medicaid Services ("CMS") national standards.

The applicant states the proposed project will meet the identified gap, enhancing geographic access for medically complex post-acute patients by providing a local alternative for patients to remain close to home for care.

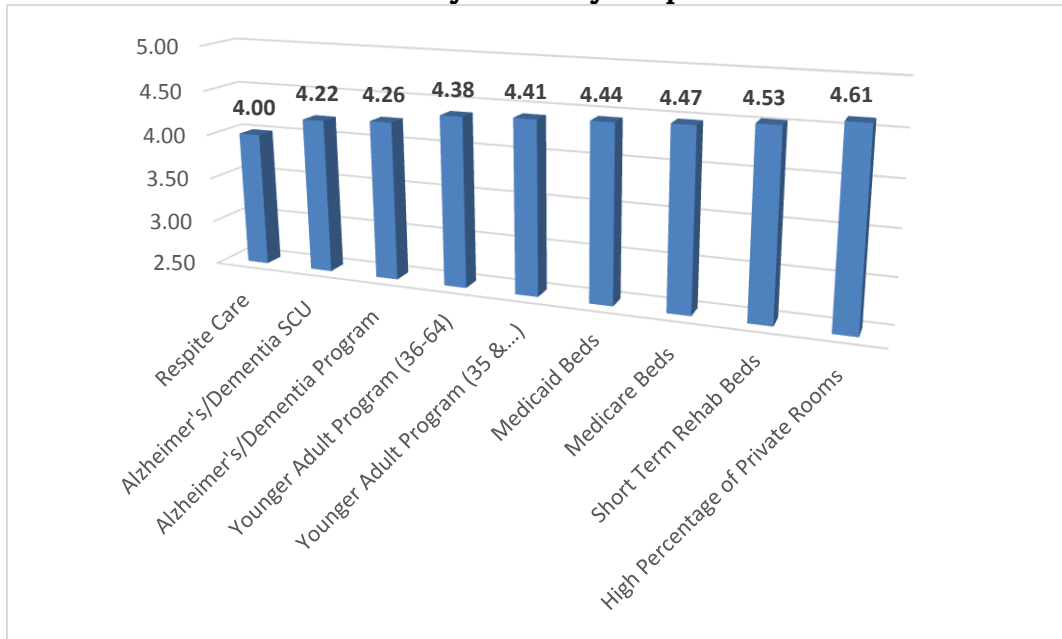
**PruittHealth – Alachua County, LLC (CON #10400)** states its application is being submitted in response to the Agency's fixed need pool publication on October 2, 2015. The applicant states that the proposed 94-bed facility will serve residents of Alachua, Bradford, Dixie, Gilchrist, Lafayette, Levy and Union Counties.

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

- Bed and program mix were possessing a high percentage of private rooms and providing Medicare and short-term rehabilitation beds
- Special operational initiatives were possessing a high percentage of private rooms, implementing a program designed to reduce hospital readmissions, providing EMR, possessing resident safety technologies and maintaining a high ratio of total nursing hours per patient day
- Clinical services were for one that could provide mental/behavioral health, diabetes care, medication management, hospice, HIV/AIDS care and physical, occupational and speech therapies
- Special amenities include providing specialized care staff, possessing state of the art rehab suites and a therapy pool and offering custom meal planning and multiple dining options (page 83 of CON #10400)

The following chart ranks the results of the surveys and interviews in order from lowest to highest, see table below.

**Bed/Unity Programs Most Needed in Subdistrict 3-2 (Lowest to Highest)  
Summary of Survey Respondents**



Source: CON application #10400, page 51

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

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

The applicant notes that its parent has affiliated providers, including a pharmacy office/distribution center, in Lowndes County, Georgia (proximate to north Florida) to ensure timely availability of pharmacy, medical and nutritional supplies to expeditiously meet the needs of residents, including admissions that may occur during a weekend.

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

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

2. **Agency Rule Preferences**

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

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

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

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

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

**Alachua County HRC, LLC (CON #10397)** states the proposed project will meet the identified gap (need for high intensity sub-acute service) as it is essential for the patient's recovery for them to receive intensive post-acute care rehabilitation services close to their family support. Alachua HRC indicates that it anticipates the needs of each unique patient--treating those concerns as if they were their own. The applicant asserts that it will embrace the preferences of each patient with a collaborative approach including families' inputs during the plan of care consistent with other Clear Choice managed facilities. Alachua HRC states that the overall design feature will be a "town center concept" allowing for a community atmosphere and allowing for patients to thrive in their environment.

The applicant proposes to offer an array of unique high-intensity sub-acute care rehabilitative programs and services for residents in its nursing home, including the following:

- Left Ventricular Assist Device (LVAD) program
- Lee Silverman Voice Treatment (LSVT) Loud program
- Lee Silverman Voice Treatment (LSVT) Big program
- Infusion therapy services including peritoneal dialysis and total peritoneal nutrition
- Aquatic therapy, through development of two hydrotherapy pools
- Rehabilitative therapy for patients unable to perform 100 percent weight-bearing ambulation, through purchase and use of an Anti-Gravity Treadmill
- Rehabilitative therapy for patients who would benefit from compressed-air equipment designed specifically for the aging population, through purchase and use of HUR equipment
- Sunshine/Wellness Check program
- Home assessments including medication reconciliation and rehabilitation therapy team assessment
- Transportation program to transport outpatients from their home environment to therapy sessions when medically necessary

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Alachua HRC also notes that services will include, but not be limited to the following:

- Cardiovascular patient rehabilitative programs and services
- Neurological patient rehabilitative programs and services
- Parkinson's Disease rehabilitation
- Pulmonary care (respiratory) rehabilitative programs and services
- Cutting edge therapy facilities
- Fully trained, professional and courteous staff
- Personalized care plan based on patients' goals
- Amenities like full service café bistro and movie theater
- Medication management and reconciliations
- Palliative care and collaborative hospice care
- Nutritional support and management
- Case management
- Patient and resident education
- Physical, occupational, speech and respiratory therapies
- Wound care
- Peritoneal dialysis
- Social services
- Concierge services
- WOW factor program
- Guardian angel program
- 72-Hour Meeting

The reviewer notes that there is not a specific admission or discharge policy or procedure. The applicant offers a table of contents for each of what the applicant states are policies and procedures in places at each Clear Choice managed nursing home (CON #10397, Appendix I). These policies and procedures are as follows:

- Rehabilitation Guidelines Manual
- Dietary Guidelines Manual
- Clinical Operations Guidelines Manual
- Staff Development Manual

Alachua HRC's Schedule 7 indicates that the ALOS will be 39 days for year one and 40 days for year two of operation for the full award. Schedule 7 indicates that the ALOS will be 41 days for year one and 39 days for year two of operation for the partial award.

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Schedule 6A illustrates that the FTEs for year one (ending February 28, 2019) total 108.0 and total 165.0 for year two (ending February 28, 2020) for the full award. The proposed project's year one and year two FTEs are shown in the table below.

<b>Alachua HRC, LLC (CON application #10397)</b>		
<b>Projected Year One and Year Two Staffing (103-bed Facility)</b>		
	<b>Year One Ending 2/28/2019</b>	<b>Year Two Ending 2/28/2020</b>
<b>Administration</b>		
Administrator	1.0	1.0
Director of Nursing	1.0	1.0
Admissions Director	1.0	1.0
Business Office Manager	1.0	1.0
Collections Coordinator	-	1.0
Secretary	1.0	3.0
Medical Records Clerk	1.0	1.0
Marketing	2.0	2.0
Nursing Administrative	4.0	6.0
Other Administrative	2.0	2.0
<b>Nursing</b>		
RNs	9.0	9.0
LPNs	19.0	21.0
Nurses' Aides	30.5	52.5
<b>Ancillary</b>		
Physical Therapist	3.0	6.5
PTA	4.0	7.0
Speech Therapist	1.5	4.0
Occupational Therapist	3.0	5.0
COTA	-	7.0
Respiratory Therapist	4.0	1.0
<b>Dietary</b>		
Dietary Manager	1.0	1.0
Cooks	3.0	7.0
Food Service Aides	4.0	8.5
<b>Social Services</b>		
Social Service Director	1.0	1.0
Activity Director	1.0	1.0
Activities Assistant	-	1.5
Other: Transportation	1.0	2.0
<b>Housekeeping</b>		
Housekeeping Supervision	1.0	1.0
Housekeepers	4.0	6.0
<b>Laundry</b>		
Laundry Supervisor	2.0	2.0
<b>Plant Maintenance</b>		
Maintenance Supervisor	1.0	1.0
Maintenance Assistance	1.0	1.0
<b>Total</b>	<b>108.0</b>	<b>165.0</b>

Source: CON application #10397, Schedule 6A

Schedule 6A illustrates that FTEs for year one (ending February 28, 2019) total 108.0 and total 144.0 for year two (ending February 28, 2020) for the partial award. The proposed project's year one and year two FTEs are shown in the table below.

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<b>Alachua HRC, LLC (CON application #10397) Projected Year One and Year Two Staffing (94-bed Facility)</b>		
	<b>Year One Ending 2/28/2019</b>	<b>Year Two Ending 2/28/2020</b>
<b>Administration</b>		
Administrator	1.0	1.0
Director of Nursing	1.0	1.0
Admissions Director	1.0	1.0
Business Office Manager	1.0	1.0
Collections Coordinator	-	1.0
Secretary	1.0	2.0
Medical Records Clerk	1.0	1.0
Marketing	2.0	2.0
Nursing Administrative	4.0	4.0
Other Administrative	2.0	2.0
<b>Nursing</b>		
RNs	9.0	9.0
LPNs	19.0	21.0
Nurses' Aides	30.5	45.0
<b>Ancillary</b>		
Physical Therapist	3.0	6.0
PTA	4.0	5.0
Speech Therapist	1.5	3.0
Occupational Therapist	3.0	4.0
COTA	-	6.0
Respiratory Therapist	4.0	1.0
<b>Dietary</b>		
Dietary Manager	1.0	1.0
Cooks	3.0	6.0
Food Service Aides	4.0	6.0
<b>Social Services</b>		
Social Service Director	1.0	1.0
Activity Director	1.0	1.0
Activities Assistant	-	1.0
Other: Transportation	1.0	2.0
<b>Housekeeping</b>		
Housekeeping Supervision	1.0	1.0
Housekeepers	4.0	5.0
<b>Laundry</b>		
Laundry Supervisor	2.0	2.0
<b>Plant Maintenance</b>		
Maintenance Supervisor	1.0	1.0
Maintenance Assistance	1.0	1.0
<b>Total</b>	<b>108.0</b>	<b>144.0</b>

Source: CON application #10397, Schedule 6A

**PruittHealth – Alachua County, LLC (CON #10400)** indicates that it has designed a facility that is responsive to surveys from existing health care providers. The survey methodologies utilized by the applicant--including a copy of the survey, survey responses and how PruittHealth will respond to these needs--can be found on pages 47 through 88 of CON #10400.



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

- High percent of private rooms (66 percent)
- Enhancing Medicaid access at up to seven points greater than the current subdistrict experience
- Short-term rehab and Medicare beds
- Hospital Readmission Reduction Program
- EMR
- Resident safety technology
- Clinical Care Kiosks
- High ratio of nursing hours per patient day
- Specialized care staff
- State of the art rehab suites
- Therapy pool
- Mental/behavioral health program
- Diabetes care
- Medication management
- Hospice
- HIV/AIDS care
- Physical, occupational and speech therapy

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

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

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

- UniPath specialty care programs
- Clinic oversight teams
- Mandatory daily interdisciplinary team meetings
- Electronic medical records
- Medication monitoring
- Dedicated quality staff
- Clinical and general kiosks

**CON Action Numbers: 10397 and 10400**

PruittHealth notes the following services will be readily available:

- Dietetic programming and nourishment care
- Recreational activities programming
- Counseling services
- Religious services
- Laundry services
- Beauty/barber services
- Pharmacy services
- Volunteer services
- Medication management
- Chronic disease management
- Alzheimer's/dementia programming
- Bariatric programming (specialized training and design features)

PruittHealth discusses the programs and routine services to be offered at the proposed facility on pages 100 through 127 of CON #10400.

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

PruittHealth's Schedule 7 indicates that the ALOS will be 48 days for year one and 66 days for year two of operation.

Schedule 6A illustrates that FTEs for year one (ending June 30, 2018) total 53.70 and total 113.07 for year two (ending June 30, 2019). The proposed project's year one and year two FTEs are shown in the table below.

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<b>PruittHealth-Alachua County, LLC (CON application #10400) Projected Year One and Year Two Staffing</b>		
	<b>Year One Ending 6/30/2018</b>	<b>Year Two Ending 6/30/2019</b>
<b>Administration</b>		
Administrator	1.0	1.0
Director of Nursing	1.0	1.0
Admissions Director	1.0	1.0
Secretary	1.4	1.4
Medical Records Clerk (CNA)	0.7	1.0
Other: Financial Counselor	1.0	1.0
<b>Physicians</b>		
Medical Director (Contracted Services)	0.2	0.2
Other: Physician Svcs (Contracted Services)	0.02	0.02
<b>Nursing</b>		
RNs	3.6	10.0
LPNs	7.6	16.8
Nurses' Aides	17.2	43.4
Other: RN MDS Nurse	0.8	2.0
<b>Ancillary</b>		
Physical Therapist (Contracted Services)	0.93	2.19
PTA (Contracted Services)	1.09	2.57
Speech Therapist (Contracted Services)	0.44	1.05
Occupational Therapist (Contracted Services)	1.07	2.51
COTA (Contracted Services)	0.39	0.93
<b>Dietary</b>		
Dietary Supervisor	1.0	1.0
Cooks	1.4	2.8
Dietary Aides	2.6	5.6
<b>Social Services</b>		
Social Service Director	1.0	1.0
Activity Director	1.0	1.0
<b>Housekeeping</b>		
Housekeeping Supervision	-	-
Housekeepers	4.9	9.8
<b>Laundry</b>		
Laundry Aides	1.4	2.8
<b>Plant Maintenance</b>		
Maintenance Supervisor	1.0	1.0
<b>Total</b>	<b>53.7</b>	<b>113.07</b>

Source: CON application #10400, Schedule 6A

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

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

**Alachua County HRC, LLC (CON #10397)** does not respond to the criterion, but is a newly created entity and therefore this criterion does not apply.

**PruittHealth – Alachua County, LLC (CON #10400)** states 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?**

**Alachua County HRC, LLC (CON #10397)** does not respond to the criterion, but is a newly created entity and therefore this criterion does not apply.

**PruittHealth – Alachua County, LLC (CON #10400)** states 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.**

**Alachua County HRC, LLC (CON #10397)** does not respond to the criterion, but is a newly created entity and therefore this criterion does not apply.

**PruittHealth – Alachua County, LLC (CON #10400)** states this criterion 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.**

**Alachua County HRC, LLC (CON #10397)** does not respond to the criterion, but is a newly created entity and therefore this criterion does not apply.

**PruittHealth – Alachua County, LLC (CON #10400)** states this criterion 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.**

**Alachua County HRC, LLC (CON #10397)** does not respond to the criterion, but is a newly created entity and therefore this criterion does not apply.

**PruittHealth – Alachua County, LLC (CON #10400)** states this criterion does not apply.

- c. **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.**

**Alachua County HRC, LLC (CON #10397)** does not respond to the criterion. Although, the reviewer notes that the eight Clear Choice facilities mentioned by the applicant do currently provide the required data to the appropriate Agency designee.

**PruittHealth – Alachua County, LLC (CON #10400)** states that it will provide the required data within 45 days after the end of each calendar quarter.

**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 92.13 percent total occupancy for the 12-month period ending June 30, 2015.

**Alachua County HRC, LLC (CON #10397)** states that there is an identifiable gap in skilled nursing services in Alachua County – specialized, sub-acute care high-intensity rehabilitation. The applicant states their state-of-the-art facility will fill this gap in Alachua County. Clear Choice maintains that they have developed a unique set of special programs which differentiate their services from those typically offered at other nursing homes, because the programs and services provide high-intensity rehabilitation services. The applicant states this will improve the access and availability in Alachua County. Multiple letters of support attest to this statement and are quoted in CON #10397.

The applicant states they have identified three potential sites for the Clear Choice facility to be located in Alachua County including the following factors:

- Ease of patient and family access to the site
- Elderly population within close proximity to the potential site
- Absence of existing SNFs in close proximity to the potential location
- Proximity of the potential location to acute care hospitals
- The significant volume (1,762) of the two most-proximate acute care hospitals' patients ages 65+ who were discharged to a SNF

Alachua HRC maintains when further analyzing the target demographic of the following nine Zip Codes (32601, 32603, 32605, 32606, 32607, 32608, 32609, 32641 and 32640) a total of 5,650 patients aged 65+ were discharged. The applicant states that the nine Zip Codes have a 65+ population totaling 17,768, including Zip Code 32640 which crosses into neighboring Putnam County. The applicant states that the optimal

proposed location will provide convenient access for all of Alachua County and is a convenient 16-mile drive down State Road 20 from Putnam County.

The applicant provides the following table displaying discharges to SNFs from North Florida Regional Medical and UF Shands Hospital top three inpatient origin Zip Codes. The top three zip codes for each hospital are as follows; UF Health Shands Hospital, 32608, 32609 and 32641; North Florida Regional Medical, 32606, 32608 and 32605. Thus the applicant states the two hospitals discharged patients within zip codes that are within close proximity to the optimal site location for the Clear Choice Facility.

**CY 2014 Discharges to Skilled Nursing for Hospital's  
Top 3 Inpatient Origin Zip Codes**

<b>Hospital</b>	<b>SNF Discharges</b>	<b>Target Demographic Discharges</b>
North Florida Regional Medical	1,032	3,283
UF Shands Hospital	730	2,367
<b>Total</b>	1,762	5,650

Source: CON application #10397, Table 5, page 52

Alachua HRC contends that Clear Choice's programs work toward prolonging a person's independence and enhancing their quality of life which in turn lowers the potential cost to Medicaid and Medicare programs. The applicant states that their low hospital readmission rates document success of proven high-intensity rehabilitation programs.

The applicant notes that the UF Health Shands at Gainesville is one of a handful of hospitals in Florida that performs LVAD surgery. Alachua HRC insists that Clear Choice currently manages the only SNF in Florida that is trained to rehabilitate LVAD patients and that Alachua HRC staff will be trained to successfully do so.

The reviewer created the following chart from the applicant's Schedule 7 regarding the estimated utilization of the proposed facility.

<b>Alachua County HRC Forecasted Utilization</b>		
	<b>Year One</b>	<b>Year Two</b>
Total Admissions	558	915
Total Patient Days	21,554	36,621
Occupancy	57.3%	97.4%

Source: CON application #10397, Schedule 7 (103 beds)

The reviewer created the following chart the applicant Schedule 7 regarding the estimated utilization of the proposed facility if it was awarded the partial request.

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<b>Alachua County HRC Forecasted Utilization</b>		
	<b>Year One</b>	<b>Year Two</b>
Total Admissions	511	863
Total Patient Days	20,949	33,365
Occupancy	61.1%	97.2%

Source: CON application #10397, Schedule 7 (94 beds)

**PruittHealth – Alachua County, LLC (CON #10400)** indicates that Alachua County is home to seven of the service area’s 14 SNFs and is also the most populated county in the subdistrict--including 59 percent of the elderly population.

PruittHealth provides an analysis of current room configurations of nursing homes in District 3 Subdistrict 3-2. The applicant states that the annual occupancy rate for the subdistrict was nearly 92 percent in 1,615 beds, with only 4.4 percent private room composition, indicating a lack of available nursing home beds, and that a greater lack of availability arises due to co-mingling genders and/or co-morbid conditions. The applicant maintains that the proposed facility will fulfill the incremental demand in the subdistrict. See table below.

**Subdistrict 3-2 Community Nursing Homes Bed Configuration**

<b>Facility/County</b>	<b>Licensed Nursing Home Beds</b>	<b>Private Beds</b>	<b>Beds in Multiple Bed Rooms</b>	<b>Percent Private Beds</b>
<i>PruittHealth-Alachua</i>	94	62	32	66.0%
Alachua County	934	38	896	4.1%
Bradford County	240	10	230	4.2%
Dixie County	60	2	58	3.3%
Gilchrist County	201	19	182	9.5%
Lafayette County	60	0	60	0.0%
Levy County	120	2	118	1.7%
<b>Subdistrict 3-2</b>	<b>1,615</b>	<b>71</b>	<b>1,544</b>	<b>4.4%</b>

Source: CON application #10400, page 52

PruittHealth provides the estimated growth of residents in the service area age 65+, noting the 21.6 percent increase in population supports the need for additional skilled nursing home beds to accommodate incremental demand for such services. See the table below.



<b>Subdistrict 3-2 Growth in 65+ Population July 2015 to January 2020</b>				
<b>County</b>	<b>2015</b>	<b>2020</b>	<b>Change 2015-2020</b>	<b>Percent Change 2015-2020</b>
Alachua	32,919	41,065	8,146	24.7%
Bradford	4,679	5,383	704	15.0%
Dixie	3,562	4,176	615	17.2%
Gilchrist	3,329	4,041	712	21.4%
Lafayette	1,203	1,367	164	13.6%
Levy	8,766	10,262	1,496	17.1%
Union	1,846	2,163	317	17.2%
<b>Subdistrict 3-2</b>	<b>56,304</b>	<b>68,457</b>	<b>12,153</b>	<b>21.6%</b>

Source: CON application #10400, page 38

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. The applicant states there are no existing Agency Gold Seal Award nursing facilities in the service area. The reviewer confirms this statement. PruittHealth also emphasizes that they currently have 37 deficiency free facilities aggregating to 40 percent of its facilities in the southeast. The reviewer notes that PruittHealth currently has 94 facilities, one Florida facility with the rest are spread out through Georgia, North Carolina and South Carolina.

The applicant provides survey results indicating that of the top special operational initiatives, the highest ranked result is the need for a high percentage of private rooms (4.61) and the second ranked result is the need for programs to reduce hospital readmissions (4.44). The applicant states Alachua County accounts for 87 percent of the service areas hospital beds (1,307 beds out of 1,505). PruittHealth gives an example of PruittHealth- Santa Rosa keeping the facility readmission rate below ten percent monthly, suggesting the new facility will operate under the same operational pattern: development of a coalition with service area hospitals, facility wide education, community and hospital education, determination, and consistency with INTERACT 3.0. The applicant maintains that reducing hospital readmissions will reduce overall healthcare cost and improve quality through measures taken to decrease patient re-hospitalizations.

PruittHealth declares that implementation of state of the art facilities, top notch amenities and quality programs and services will foster competition. PruittHealth suggests that the proposed facility will bring a refreshing and much needed level of care and quality to the residents of Subdistrict 3-2. The applicant asserts that existing providers will have to repair deficiencies if they want to effectively compete in the market, this in turn will have a positive impact on the overall quality of the service area nursing homes.

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

**PruittHealth – Alachua Forecasted Utilization**

	Year One	Year Two
<b>Medicare/Medicare HMO, Skilled Patients</b>		
Admissions	168	395
ADC	11.0	26.0
<b>Long-Term Patients</b>		
Admissions	101	97(*)
ADC	24.5	63.0
<b>Total</b>		
Admissions	269	492
Occupancy Rate	38%	95%
ADC	35.5	89.0

Source: CON application 10400 page 92

\*The applicant notes given the long term nature of these patients, annual admissions are based on replacement of long term residents

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

**Alachua County HRC, LLC (CON #10397)** asserts that it is a new entity, however, Clear Choice is a health care management company specializing in the rehabilitation model for SNFs. The applicant states its proven quality and unique programs and services are evidenced by recognition of the Governor’s panel on excellence in Long Term Care Gold Seal Award at three Clear Choice-operate facilities: Centre Point Health and Rehabilitation, Conway Lakes Health and Rehabilitation Center and Melbourne Terrace Rehabilitation Center. The applicant emphasizes that it has achieved a 38 percent Gold Seal facility complement compared to the statewide average of only four percent of all facilities achieving a Gold Seal status.

The reviewer confirms that as of February 2, 2015, according to the Agency’s <http://www.floridahealthfinder.gov> website, Centre Pointe Health and Rehab, Conway Lakes Health & Rehabilitation Center and Melbourne Terrace Rehabilitation Center are Gold Seal facilities.

Alachua HRC provides a table (Table 2) on page six of CON #10397 illustrating that compared to the other co-batched applicant, Alachua HRC has the highest percentage of Gold Seal Awards (38 percent) and the highest percentage of Florida five star ratings (50 percent).

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

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

The applicant states that quality is also evidenced by the CMS, receiving four or five-star rankings at six of its eight Florida facilities. Alachua HRC asserts that in the Florida star rating system (AHCA ratings) Clear Choice has five of its eight facilities receiving a four or five-star ranking. The applicant contends that seven out of eight of Clear Choice’s facilities received a five-star rating from the Agency in at least one of the identified inspection components, meaning that Clear Choice’s facilities consistently are ranked in the top 20 percent of facilities in their respective regions.

The following table provides a breakdown of Clear Choice managed facilities in Florida, including Gold Seal, CMS Star Rating, Florida Star Rating, city and county.

**Florida Nursing Home Facilities Managed by Clear Choice Health Care**

Facility	Quality Ratings			City	County
	Governor’s Gold Seal	CMS Star Rating	Florida Star Rating		
Belleair Health Care Center		5-star	4-star	Clearwater	Pinellas
Centre Pointe Health & Rehab Center	✓	5-star	5-star	Tallahassee	Leon
Conway Lakes Health & Rehab Center	✓	5-star	5-star	Orlando	Orange
East Bay Rehabilitation Center		4-star	2-star	Clearwater	Pinellas
Melbourne Terrace Rehabilitation Center	✓	5-star	5-star	Melbourne	Brevard
Port Charlotte Rehabilitation Center		3-star	3-star	Port Charlotte	Charlotte
Spring Lake Rehabilitation Center		2-star	1-star	Winter Haven	Polk
Sun Terrace Health Care Center		5-star	5-star	Sun City Center	Hillsborough

Source: CON application #10397, Table 1 and 6, page 6 and 58

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The reviewer confirms that as of December 30, 2015, according to the CMS' Nursing Home Compare website at <https://www.medicare.gov/nursinghomecompare/search.html>, the eight nursing homes listed by the applicant have the stated CMS star rating, as shown.

Agency complaint records indicate, for the three-year period ending November 18, 2015, Clear Choice had 23 substantiated complaints at eight facilities. A single complaint can encompass multiple complaint categories. The substantiated complaint categories are listed below:

<b>Alachua HRC, LLC Substantiated Complaint Categories for the Past 36 Months</b>	
<b>Complaint Category</b>	<b>Number Substantiated</b>
Quality of Care/Treatment	11
Nursing Services	4
Dietary Services	2
Resident Abuse	1
Resident Assessment	1
Misappropriation of Property	1
Physical Environment	1
Administration/Personnel	1
Physician Services	1

Source: Agency for Healthcare Administration Complaint Records.

**PruittHealth – Alachua County, LLC (CON #10400)** states that it does not have a history of providing quality of care because it is a newly formed entity. However, the applicant notes that its parent company is committed to the appropriate provision of comprehensive, high quality, safe and cost-effective nursing care facility services. PruittHealth states that compared to other co-batched applicants they have the highest percentage of private rooms (66 percent) and the fewest substantiated complaints.

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

- American Health Care Association Silver Award Winner for Healthcare Centers
- Deficiency free CMS survey
- Named as one of the "Best Nursing Homes in the U.S." by *U.S. News and World Report*

The reviewer notes that PruittHealth – Santa Rosa received a four-star rating on [floridahealthfinder.gov](http://floridahealthfinder.gov).

The applicant states the quality program at PruittHealth – Alachua will consist of assigned patient care managers, care transition program, corporate standards, leadership and training, external benchmarking and awards, continuous process improvement, customer service and transparency. The applicant notes that PruittHealth - Alachua will follow PruittHealth’s mission and vision statement in the Commitment to Caring Campaign which are found on pages 134-136 of CON application 10400. PruittHealth asserts that a key element in delivery of quality care is the quality of the facility staff and home office staff. The applicant maintains that all staff members will be highly educated in their fields, participate in continuing education and maintain current certification and licensure.

Agency complaint records indicate, for the three-year period ending November 18, 2015, PruittHealth had one substantiated complaint at one facility. A single complaint can encompass multiple complaint categories. The substantiated complaint categories are listed below:

<b>Pruitt Health Substantiated Complaint Categories for the Past 36 Months</b>	
<b>Complaint Category</b>	<b>Number Substantiated</b>
Unqualified Personnel	1

Source: Agency for Healthcare 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.**

**Alachua County HRC, LLC (CON #10397):** The purpose of our analysis for this section is to determine if the applicant has access to the funds necessary to fund this and all capital projects. Our review includes an analysis of the short and long-term position of the applicant, parent, or other related parties who will fund the project. The applicant is a development stage company, meaning there is no operational data to be analyzed for the purposes of this review. The applicant indicated that funding will be provided by a third-party source.

**Capital Requirements and Funding:**

The applicant indicates on Schedule 2 capital projects totaling \$19,249,500 which includes this project. The applicant also indicates on Schedule 3 of its application that funding for the project will be provided by non-related company financing. The applicant provided a letter of interest from BB&T indicating an interest to fund up to 85 percent of the total project costs. The applicant also indicated that the remaining 15 percent of the project expenditures would be financed by SBK Capital,

LLC (parent company). An investment account (\$7,167,703) and a checking account (\$1,740,931) for SBK were provided with a total value of \$8,908,634 as of 11/30/15 to substantiate the availability of funds. While a letter of interest does not constitute a firm commitment to lend, the letter from BB&T does indicate a strong level of interest to lend based upon the existing financial relationship with the applicant's affiliates.

**Conclusion:**

Funding for this project should be available to the applicant but is not guaranteed.

**PruittHealth – Alachua County, LLC (CON #10400):** 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 below is an analysis of the audited financial statements of United Health Services, Inc. (parent company) and where the two short-term and long-term measures fall on the scale (highlighted in gray) for the most recent year.

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<b>United Health Services, Inc.</b>		
	<b>Current Year</b>	<b>Previous Year</b>
Current Assets	\$136,192,122	\$112,327,439
Total Assets	\$679,969,670	\$652,711,670
Current Liabilities	\$171,740,036	\$139,346,559
Total Liabilities	\$535,001,237	\$515,844,067
Net Assets	\$144,968,433	\$136,867,603
Total Revenues	\$928,096,033	\$867,051,915
Excess of Revenues Over Expenses	\$8,975,763	\$4,638,027
Cash Flow from Operations	\$24,172,384	\$34,425,289
<b>Short-Term Analysis</b>		
Current Ratio (CA/CL)	0.8	0.8
Cash Flow to Current Liabilities (CFO/CL)	14.07%	24.70%
<b>Long-Term Analysis</b>		
Long-Term Debt to Net Assets (TL-CL/NA)	250.6%	275.1%
Total Margin (ER/TR)	0.97%	0.53%
<b>Measure of Available Funding</b>		
Working Capital	(\$35,547,914)	(\$27,019,120)

<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 audited financial statements of the parent company for the years 2014 and 2015. The audit indicates that the applicant has a weak to moderately weak financial position. The applicant indicates on Schedule 2 capital projects totaling \$15,923,409 which includes this project. The applicant also indicates on Schedule 3 of its application that funding for the project will be provided by operating cash flows (\$4,802,715) and non-related company financing (\$11,070,693). The applicant provided a letter from the parent company committing to fund this project as needed. The applicant also provided a letter from Synovus Financial Corp. indicating an interest to fund the project subject to CON approval and final approval of loan documents.

While a letter of interest does not constitute a firm commitment to lend, the letter of interest does indicate that Synovus has a long standing relationship with the parent company increasing the likely hood that debt financing will be available for this project.

**Conclusion:**

Funding for this project is probable but not guaranteed.

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

**Alachua County HRC, LLC (CON #10397):** 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 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.



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	PROJECTIONS PER APPLICANT		COMPARATIVE GROUP VALUES PPD		
	Total	PPD	Highest	Median	Lowest
Net Revenues	15,513,139	465	749	415	265
Total Expenses	14,860,268	445	730	394	239
Operating Income	652,871	20	95	16	-113
Operating Margin	4.21%		<b>Comparative Group Values</b>		
	Days	Percent	Highest	Median	Lowest
Occupancy	33,365	96.98%	96.71%	90.25%	70.42%
Medicaid/MDCD HMO	11,680	35.01%	49.81%	44.74%	30.05%
Medicare	18,521	55.51%	62.12%	32.93%	0.00%

**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. Total Occupancy is slightly higher than the highest comparative group value. This raises questions about the applicant’s occupancy projections. However, overall profitability appears achievable.

**Conclusion:**

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

**PruittHealth – Alachua County, LLC (CON #10400):** 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

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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 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	11,248,624	346	545	353	263
Total Expenses	10,290,398	317	446	350	246
Operating Income	958,226	29	112	8	-64
Operating Margin	8.52%		<b>Comparative Group Values</b>		
	Days	Percent	Highest	Median	Lowest
Occupancy	32,485	94.68%	99.58%	91.36%	72.08%
Medicaid/MDCD HMO	21,535	66.29%	79.68%	54.78%	40.10%
Medicare	9,490	29.21%	47.76%	22.72%	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. Therefore, the overall profitability appears achievable.

**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.**

**Alachua County HRC, LLC (CON #10397) and PruittHealth – Alachua County, LLC (CON #10400):** 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.**

*The plans submitted with this application were schematic in detail with the expectation that they will necessarily be revised and refined during the Design Development (Preliminary) and Contract Document Stages. The architectural review of the application shall not be construed as an in-depth effort to determine complete compliance with all applicable codes and standards. The final responsibility for facility compliance ultimately rests with the owner.*

**Alachua County HRC, LLC (CON #10397):** 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.

**PruittHealth – Alachua County, LLC (CON #10400):** 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.**

**Alachua County HRC, LLC (CON #10397)** states Clear Choice provides care on a non-discriminatory basis accepting all SNF-appropriate patient referrals without regard to payer source. The applicant states that it is a new entity with no operational history. Alachua HRC maintains that Medicaid and medically indigent residents/patients within other Clear Choice managed facilities represent 50 percent of the total population. The reviewer notes the applicant did not provide a data source or detailed report on Medicaid and charity care provided at its current facilities. Alachua County HRC insists that Clear Choice instills a culture of caring and giving back to the community.

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

The applicant provides the following table suggesting the high percentages demonstrate the level of care and commitment provided by the Clear Choice to Medicaid residents, including those who utilize the high-intensity rehabilitative services as well as the residential care. See table below.

**Proposed Project Medicaid Percent Patient Days**

<b>Medicaid Patient Type (Description)</b>	<b>Percent of Patient Days</b>	
	<b>Project Year One</b>	<b>Project Year Two</b>
“Residential” Medicaid	37%	41%
“Community/Skilled” Dual-Eligible Medicaid	13%	18%
Total Medicaid % of PT Days	50%	59%

Source: CON application #10397, page 63

The reviewer compiled the following Medicaid occupancy data for Clear Choice operated Florida facilities for July 1, 2014 to June 30, 2015. See the table below.

**Clear Choice Operated Facilities, Florida Medicaid Occupancy  
July 1, 2014 to June 30, 2015**

<b>District/ Subdistrict</b>	<b>Facility</b>	<b>Medicaid Days</b>	<b>Total Days</b>	<b>Medicaid Occupancy</b>
5-2	Belleair Health Care	21,005	40,191	52.26%
2-4	Centre Pointe Health	16,648	40,690	40.91%
7-2	Conway Lakes Health	12,091	39,653	30.49%
5-2	East Bay Rehab	19,039	40,220	47.34%
7-1	Melbourne Terrace Rehab	12,756	43,475	29.34%
8-1	Port Charlotte Rehab	20,757	40,176	51.67%
6-5	Spring Lake Rehab	10,507	41,798	25.14%
6-1	Sun Terrace Health	8,330	35,688	23.34%
	<b>Total</b>	<b>121,133</b>	<b>321,891</b>	<b>37.63%</b>

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

The applicant’s Schedule 7 indicates for the 103-bed facility that Medicaid HMO and self-pay represent 30.1 percent and 5.5 percent, respectively, of year one and 36.5 percent and 3.0 percent, respectively, year two annual total patient days. The reviewer created the following chart from the applicant’s Schedule 7 regarding the proposed facility.

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**Alachua HRC, Payer Mix (103-bed Facility full award)**

	<b>Year One (Ending 02/28/2019)</b>	<b>Year Two (Ending 02/28/2020)</b>
Medicare	51.1%	36.5%
Medicaid HMO	30.1%	52.5%
Other Managed Care	7.1%	4.0%
Other Payers	6.2%	4.0%
Self-Pay	5.5%	3.0%
Total	100.0%	100.0%

Source: CON application #10397, Schedule 7

The applicant's Schedule 7 indicates for the partial award (94-bed facility) that Medicaid HMO and self-pay represent 39.1 percent and 3.6 percent, respectively, of year one and 35.0 percent and 2.2 percent, respectively, year two annual total patient days. The reviewer created the following chart from the applicant's Schedule 7 regarding the proposed facility.

**Alachua HRC, Payer Mix (94-bed Facility partial award)**

	<b>Year One (Ending 02/28/2019)</b>	<b>Year Two (Ending 02/28/2020)</b>
Medicare	45.7%	55.5%
Medicaid HMO	39.1%	35.0%
Other Managed Care	6.0%	2.9%
Other Payers	5.6%	4.4%
Self-Pay	3.6%	2.2%
Total	100.0%	100.0%

Source: CON application #10397, Schedule 7

**PruittHealth – Alachua County, LLC (CON #10400)** maintains that given it is a newly established entity, it has no Medicaid history. The applicant indicates that its parent company does include one SNF in Florida as well as 93 other facilities throughout the southeastern United States. PruittHealth indicates that all of these facilities have demonstrated a history and commitment to the Medicaid population. The applicant provides the following table displaying its affiliated facilities' commitment to Medicaid. The reviewer notes that the only source provided for this data is PruittHealth.

**PruittHealth Affiliated Facilities Historical Commitment to the Medicaid Patients Medicaid Percent of Total Patient Days Calendar Years 2012 through 2014 and Year to Date 2015**

<b>PruittHealth Facilities, Company Wide</b>	<b>CY 2012</b>	<b>CY 2013</b>	<b>CY 2014</b>	<b>YTD 2015</b>	<b>Annualized 2015</b>
Percent Days	1,805,084	1,907,180	2,143,023	1,583,752	2,111,669
Percent of Patient Days	61.6%	63.0%	64.8%	63.6%	63.6%

Source: CON application #10400, page 173

The applicant notes the table demonstrates that affiliated SNFs have provided nearly 7.5 million patient days during the past three CYs and three quarters of CY 2015. The applicant states its total commitment

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has increased approximately 17 percent over the three-year period having increased from 1.8 million to 2.1 million.

The reviewer compiled the following Medicaid occupancy data for PruittHealth operated Florida facilities for July 1, 2014 to June 30, 2015. See the table below.

**PruittHealth Operated Facilities, Florida Medicaid Occupancy  
July 1, 2014 to June 30, 2015**

District/ Subdistrict	Facility	Medicaid Days	Total Days	Medicaid Occupancy
1-1	PruittHealth-Santa Rosa	27,495	40,575	67.76%
	<b>Total</b>	<b>27,495</b>	<b>40,575</b>	<b>67.76%</b>

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

The applicant’s Schedule 7 indicates for the 94-bed facility that Medicaid and self-pay represent 60.7 percent and 5.4 percent, respectively, of year one and 66.3 percent and 2.2 percent, respectively, year two annual total patient days. The reviewer created the following chart from the applicant’s Schedule 7 regarding the proposed facility.

**PruittHealth – Alachua, Payer Mix**

	Year One (Ending 06/30/2018)	Year Two (Ending 06/30/2019)
Medicaid	60.7%	66.3%
Medicare	29.2%	28.1%
Self-Pay	5.4%	2.2%
Other Payers	3.0%	2.2%
Medicare HMO	1.9%	1.1%
Total	100.2%	99.9%

Source: CON application #10400, Schedule 7

**F. SUMMARY**

**Alachua County HRC, LLC (CON #10397)** is owned by SBK Capital LLC but to be managed by Clear Choice Health Care, proposes to establish a new 103-bed community nursing home or a partial request to establish a 94-bed community nursing home in District 3/Subdistrict 3-2, Alachua County.

Alachua HRC operates eight SNFs in Florida.

The project involves 75,641 GSF of new construction. The construction cost is \$12,586,662. Total project cost is \$19,675,000. Project cost includes land, building, equipment, project development, financing and start-up costs.

The partial project involves 73,706 GSF of new construction. The construction cost is \$12,264,678. Total project cost is \$19,250,000.

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Project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant proposes multiple conditions on its Schedule C.

**PruittHealth – Alachua County, LLC (CON #10400)** proposes to establish a new 94-bed community nursing home in District 3/Subdistrict 3-2, Alachua County.

The applicant operates one SNF in Florida

The project involves 66,077 GSF of new construction. The construction cost is \$9,449,739. Total project cost is \$15,873,409. Project cost includes land, building, equipment, project development and financing costs.

The applicant proposes multiple conditions on its Schedule C.

**Need**

In Volume 41, Number 192 of the Florida Administrative Register dated October 2, 2015, a fixed need pool of 94 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. In addition, a fixed need pool of 9 was published for Subdistrict 3-3 (Putnam County) for the January 2018 Planning Horizon.

As of October, 2015 Subdistrict 3-2 had 1,615 licensed and 102 approved community nursing home beds. During the 12-month period ending June 30, 2015, Subdistrict 3-2 experienced 92.13 percent utilization at 14 existing facilities.

**Alachua County HRC, LLC (CON #10397)** declares that Clear Choice has identified a sub-acute care service gap in the local community for patients that need high-intensity rehabilitative services in SNFs. Clear Choice states that it will fill that gap.

Alachua HRC insists that the identified gap in sub-acute care services is evident from the various letters of support received in the application. There were various letters of support that were quoted that suggest a gap in sub-acute care services in the Alachua County area.

The applicant states the proposed project will meet the identified gap, enhancing geographic access for medically complex post-acute patients by providing a local alternative for patients to remain close to home for care.



Alachua HRC's Schedule 7 indicates that the ALOS will be 39 days for year one and 40 days for year two of operation for the full award. Schedule 7 indicates that the ALOS will be 41 days for year one and 39 days for year two of operation for the partial award.

**PruittHealth – Alachua County, LLC (CON #10400)** 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 in need of short rehab
- Improve access for Medicaid services
- Improve access for Medicare services
- Improve access to private rooms
- Provide a modern design that supports independence and choice
- Provide state of the art rehabilitation programming
- Provide extensive clinical programming focused on reducing hospital readmissions

PruittHealth's Schedule 7 indicates that the ALOS will be 48 days for year one and 66 days for year two of operation.

### **Quality of Care**

**Alachua County HRC, LLC (CON #10397)** describes how they will provide quality care to the identified gap to high-intensity sub-acute care patients demonstrated through the history of Clear Choice facilities. Clear Choice operates three Gold Seal Facilities. The applicant's controlling interest had 23 substantiated complaints at its eight Florida SNFs during November 18, 2012 to November 18, 2015.

**PruittHealth – Alachua County, LLC (CON #10400)** describes how they will provide quality care with a high percentage of private rooms to the service area. The applicant's controlling interest had one substantiated complaints at its one Florida SNF during November 18, 2012 to November 18, 2015.

### **Financial Feasibility/Availability of Funds**

**Alachua County HRC, LLC (CON #10397):** 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 – Alachua County, LLC (CON #10400):** Funding for this project should be available as needed. Based on the information provided in Schedule 6, the applicant’s projected staffing meets the requirement. This project appears to be financially feasible based on the projections provided by the applicant.

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

### **Medicaid/Charity Care**

**Alachua County HRC, LLC (CON #10397)** does not propose to condition project approval to a percentage of Medicaid days.

The applicant’s Schedule 7 indicates for the 103-bed facility (full award) that Medicaid HMO and self-pay represent 30.1 percent and 5.5 percent, respectively, of year one and 36.5 percent and 3.0 percent, respectively, year two annual total patient days.

The applicant’s Schedule 7 indicates for the 94-bed facility (partial award) that Medicaid HMO and self-pay represent 39.1 percent and 3.6 percent, respectively, of year one and 35.0 percent and 2.2 percent, respectively, year two annual total patient days.

**PruittHealth – Alachua County, LLC (CON #10400)** does not propose to condition project approval to a percentage of Medicaid days.

The applicant’s Schedule 7 indicates for the 94-bed facility that Medicaid and self-pay represent 60.7 percent and 5.4 percent, respectively, of year one and 66.3 percent and 2.2 percent, respectively, year two annual total patient days.

### **Architectural**

**Alachua County HRC, LLC (CON #10397):** The cost estimate and the project completion forecast appear to be reasonable. A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have a significant impact on either construction costs or the proposed completion schedule.

**PruittHealth – Alachua County, LLC (CON #10400):** 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 #10397 to establish a new 103-bed community nursing home in District 3, Subdistrict 2, Alachua County, using 94 beds from the fixed need pool and aggregating nine beds from District 3, Subdistrict 3, Putnam County. The total project cost is \$19,675,000. The project involves 75,641 GSF of new construction and a construction cost of \$12,586,662.

**CONDITIONS:**

- The applicant will provide an array of unique high-intensity sub-acute care rehabilitative programs and services for residents in its nursing home, including the following:
  - Left Ventricular Assist Device (LVAD) Program
  - Lee Silverman Voice Treatment (LSVT) Loud Program
  - Lee Silverman Voice Treatment (LSVT) Big Program
  - Infusion Therapy Services including: Peritoneal Dialysis; and Total Peritoneal Nutrition
  - Aquatic therapy, through development of two hydrotherapy pools
  - Rehabilitative therapy for patients unable to perform 100 percent weight-bearing ambulation, through purchase and use of an Anti-Gravity Treadmill
  - Rehabilitative Therapy for patients who would benefit from compressed-air equipment designed specifically for the aging population, through purchase and use of HUR Equipment
  - Sunshine/Wellness Check Program
  - Home assessments: Medication Reconciliation; and Rehabilitation therapy team assessment, as appropriate
  - Transportation program to transport outpatients from their home environment to therapy sessions when medically necessary

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- The applicant will ensure highly skilled clinical staff members provide care to residents in its nursing home, evidenced by special training and/or certification as follows:
  - Lee Silverman Voice Treatment Loud certified
  - Lee Silverman Voice Treatment BIG Certified
  - Aquatic Therapy Certification
  - Certified Stroke Rehabilitation Specialist (CSRS)
  - Lymphedema Certification
  - Vital Stim Therapy Certification
  - Neurodevelopmental Treatment (NDT) Certification
  - Fiberoptic/Flexible Endoscopic Evaluation of swallowing (FEES) Certification
- Community Give-Back programs: annual funding of at least \$150,000:
  - The applicant commits to a total annual Community Give-Back programs amount of at least \$150,000 comprised of the following components:
    - Unreimbursed indigent/charity care provided to patients requiring services at its facility
    - Donations of goods, services and/or direct funding to local charities selected by residents
    - Scholarship programs, which pay the cost of staff member to enroll in academic programs to further their formal education

Deny CON #10397P and CON #10400.

**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 Administration Services Manager**  
**Certificate of Need**