

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

## **A. PROJECT IDENTIFICATION**

### **1. Applicant/CON Action Number**

#### **PruittHealth – Escambia County, LLC/CON #10505**

1626 Jeurgens Court  
Norcross, Georgia 30093

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

### **2. Service District/Subdistrict**

District 1/Subdistrict 1-1 (Escambia and Santa Rosa Counties)

## **B. PUBLIC HEARING**

A public hearing was not held or requested regarding the proposed project.

### **Letters of Support**

#### **PruittHealth–Escambia County, LLC (CON application #10505)**

includes letters of support from local health providers and governmental organizations. Themes included in the letters are summarized as follows:

- The facility need to increase private rooms at PruittHealth – Santa Rosa and referring physician preferences for private rooms for privacy/HIPAA concerns, room sizes, bedside treatment and quality enhancement for residents
- Recruitment needs of lesser skilled workers, including transportation issues
- PruittHealth’s historical legacy as a quality provider that will greatly improve access to skilled nursing in Escambia County

- Patient acuity needs that cannot be appropriately managed in semi-private rooms
- The introduction of PruittHealth as a provider that will increase competition to improve quality
- Patient and family satisfaction with PruittHealth as a provider within the community

Duplicate testimonial excerpts are present among the letters of support.

Letters are noted from:

- R. Carlton Ulmer, President and Chief Executive Officer, West Florida Hospital
- Adam Principe, PharmD, MBA, Chief Executive Officer, Select Specialty Hospital – Pensacola
- Michelle Hill, Public Health Services Manager, Florida Department of Health in Santa Rosa County
- Janet Lewis, M.D., Gulf Coast Physician Partners & Medical Director, PruittHealth – Santa Rosa
- Wynell Clary, RN, Lead Case Manager, Select Specialty Hospital – Pensacola
- Elias Banuelos, M.D., Banuelos Family Medicine
- John E. Reble, Chief, City of Milton Fire Department
- Brad Baker, Director, Santa Rosa County Emergency Management

### **C. PROJECT SUMMARY**

**PruittHealth – Escambia County, LLC (CON application #10505)**, is a newly-formed entity which will be referred to as PruittHealth–Escambia (PHE) or the applicant. PHE proposes to establish a new 92-bed community nursing home in District 1, Subdistrict 1, Escambia County. The applicant is an affiliate of PruittHealth, an existing skilled nursing facility (SNF) provider in Santa Rosa County, Florida which currently operates PruittHealth-Santa Rosa, a community nursing home facility of 120 beds.

The proposed project includes 77,206 gross square feet (GSF) of construction, all of which is new construction. The construction cost is \$12,738,990. The total project cost is \$21,966,461. The total project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant expects issuance of licensure in November 2020 and initiation of service in January 2021 (CON application #10505, Schedule 10).

PHE conditions approval of the proposal to the following Schedule C conditions:

Location:

- Escambia County, Subdistrict 1-1, Florida

Programming/Operational Conditions:

- Delicense 40 existing beds at PruittHealth – Santa Rosa upon their transfer to and licensure at PruittHealth - Escambia
- Seek Joint Commission accreditation or accreditation from some other similarly recognized accrediting body
- Implement a program designed to reduce hospital readmissions; the current program utilized by PruittHealth affiliated facilities is INTERACT 3.0. The program to be implemented will be this program or other similarly designed program based on the most recent quality driven program PruittHealth determines to be available at the time of implementation
- 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
- Assure all staff maintains ongoing training and continuing education credits utilizing Pruitt University and at no cost to the 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 applicable PerfectPath Programs appropriate for this facility and described in the CON application and Supporting Documents
- Implement PointRight Technology (or a future similar technology) in the ongoing operations

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 will not be cited as a condition to approval. Should the project be approved, the applicant's proposed conditions would be reported in the annual condition compliance report as required by Rule 59C-1.013 (3) Florida Administrative Code.

<b>PruittHealth - Escambia County, LLC: Total GSF and Project Cost</b>					
<b>Applicant</b>	<b>CON #</b>	<b>Project</b>	<b>GSF</b>	<b>Cost (\$)</b>	<b>Cost Per Bed (\$)</b>
PruittHealth-Escambia County, LLC	10505	New 92-bed facility	77,206	21,966,461	238,766

**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, Bianca Eugene analyzed the application, with consultation from the financial analyst, Eric West, of the Bureau of Central Services, who evaluated the financial data and Scott Waltz 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 43, Number 189, of the Florida Administrative Register dated September 29, 2017, need for 52 community nursing home beds was published in the fixed need pool for Subdistrict 1-1 for the July 2020 Planning Horizon.

After the application deadline for the October 2017 Other Beds and Programs Batching Cycle, November 15, 2017, there were no exemption requests or expedited certificate of need applications submitted to add community nursing home beds or establish new community nursing home facilities. Although, the reviewer notes that PruittHealth-Santa Rosa did apply for and was approved to add 12 community nursing home beds on August 17, 2017 due to high occupancy levels at the existing facility<sup>1</sup>. In addition, there are two new nursing homes approved for Escambia County, NF Escambia, LLC (90 beds) and NF Nine Mile, LLC (90 beds).

Below is a table illustrating utilization in Subdistrict 1-1, Escambia County from July 2016 – June 2017.

<sup>1</sup> The reviewer notes that Pruitt-Health Santa Rosa reported 94.84 percent occupancy for July 1, 2016 through June 30, 2017. The reduction of 40 beds at the current facility would displace existing residents to another county. The additional 12 beds added by exemption alongside the reduction of 40 beds proposed in the existing application would result in 10,220 less bed days in Santa Rosa County increasing the annual occupancy for the county from 92.29 percent to 99.06 percent.

Escambia and Santa Rosa Counties (Subdistrict 1-1): July 2016 – June 2017				
Facility	Community Beds	Bed Days	Patient Days	Utilization
<b>Escambia County</b>				
Arcadia Health & Rehabilitation Center	170	62,050	51,408	82.85%
Bayside Health and Rehabilitation Center	120	43,800	40,247	91.89%
Century Health and Rehabilitation Center	88	32,120	30,203	94.03%
Consulate Health Care of Pensacola	120	43,800	41,833	95.51%
Haven of our Lady of Peace	120	43,800	41,733	95.28%
Life Care Center of Pensacola	120	43,800	39,221	89.55%
Rehabilitation Center at Park Place	118	43,070	40,288	93.54%
Rosewood Healthcare and Rehabilitation Center	155	56,575	51,851	91.65%
Solaris Healthcare Pensacola	180	65,700	62,503	95.13%
Southern Oaks Rehabilitation and Nursing Center	210	76,650	69,290	90.40%
Specialty Health and Rehabilitation Center	120	43,800	41,106	93.85%
University Hills Health and Rehabilitation	120	43,800	40,547	92.57%
Willowbrooke Court at Azalea Trace	47	17,155	13,053	76.09%
<b>Santa Rosa County</b>				
Bay Breeze Senior Living and Rehabilitation Center	120	43,800	39,642	90.51%
PruittHealth-Santa Rosa	120	43,800	41,540	94.84%
Sandy Ridge Health and Rehabilitation	60	21,900	20,900	95.43%
Santa Rosa Health & Rehabilitation Center	110	40,150	36,033	89.75%
<b>Total</b>	<b>2,098</b>	<b>765,770</b>	<b>701,398</b>	<b>91.59%</b>

Source: Florida Nursing Home Bed Need Projections by District and Subdistrict, October 2017 Batching Cycle

During the 12-month period ending on June 30, 2017, Subdistrict 1-1 had 2,098 licensed and 143 approved community nursing home beds.

The reviewer notes the current and projected population of each county within the subdistrict, the subdistrict overall, the district in total and Florida for the planning horizon. The projected population growth is provided in the following table.

Escambia and Santa Rosa Counties, Population Change Comparisons						
County/Area	July 1, 2017 Population			July 1, 2020 Population		
	0-64	65+	Total	0-64	65+	Total
Escambia	253,297	51,763	305,060	252,564	55,949	308,513
Santa Rosa	143,975	25,346	169,321	150,080	28,758	178,838
Subdistrict 1-1	397,272	77,109	474,381	402,644	84,707	487,351
District 1	612,814	120,064	732,878	622,423	131,998	754,421
Florida	16,436,222	3,946,081	20,382,303	16,878,676	4,339,190	21,217,866
County/Area	2017-2020 Increase			2017-2020 Growth Rate		
	0-64	65+	Total	0-64	65+	Total
Escambia	-733	4,186	3,453	-0.29%	8.09%	1.13%
Santa Rosa	6,105	3,412	9,517	4.24%	13.46%	5.62%
Subdistrict 1-1	5,372	7,598	12,970	1.35%	9.85%	2.73%
District 1	9,609	11,934	21,543	1.57%	9.94%	2.94%
Florida	442,454	393,109	835,563	2.69%	9.96%	4.10%

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

The community nursing home beds per 1,000 residents for ages 65+ cohort in the subdistrict are shown below.

<b>Subdistrict 1-1 Bed: Population Ratio</b>					
<b>County/Area</b>	<b>Community Beds</b>	<b>2017 Pop Age 65+</b>	<b>2017 Beds per 1,000</b>	<b>2020 Pop Age 65+</b>	<b>2020 Beds per 1,000</b>
Escambia	1,688	51,763	33	55,949	30
Santa Rosa	410	25,346	16	28,758	14
Subdistrict 1-1	2,098	77,109	27	84,707	25
District 1	3,274	120,064	27	131,998	25
Florida	80,412	3,946,081	20	4,339,190	19

Source: Florida Agency for Health Care Administration Population Estimates, February 2015 and Florida Nursing Home Bed Need Projections by District and Subdistrict, October 2017 Batching Cycle

**PruittHealth – Escambia County, LLC (CON application #10505)** will rely upon 52 beds from the fixed need pool and 40 beds transferred from an affiliate facility, PruittHealth – Santa Rosa in order to establish the proposed project. PruittHealth states that in addition to responding to the fixed need pool, the project is warranted due to the high historical occupancy rates of existing providers, historical hospital discharges to nursing homes by service line, a growing elderly population which consists of the most frequent users of nursing home services and the changing dynamics in payers and the payer system. The applicant expects for the parent company’s existing knowledge of the market and relationships among affiliate providers with local health care providers to respond to the unique needs of the service area.

PHE states the proposal is warranted for the following reasons:

- Improve access for persons in need of short-term rehab
- Improve access of Medicaid services
- Improve access of Medicare services
- Improve access to private rooms
- Provide a modern design that supports independence and choice
- Provide state-of-the-art rehabilitation programming; and
- Provide extensive clinical programming focusing on reducing hospital readmissions
- All private rooms
- State-of-the-art rehab suite, extensively equipped to include a Hydroworx therapy pool
- Programs to reduce hospital readmissions that have already been successfully introduced in other PruittHealth facilities
- A commitment to technology, including PointRight, Smart Charting, Wanderguard, Careguard, EMR and extensive rehabilitation equipment (Hydroworx therapy pool)

- The facility will be built to include the following:
  - All private rooms enhancing Medicaid access
  - Short-term rehab and Medicare beds
  - Hospital readmission reduction program
  - EMR
  - Resident safety technology
  - Clinical Care Kiosks
  - Specialized care staff
  - State-of-the-art rehab suites
  - Therapy pool
  - Diabetes care
  - Medication management
  - PT/OT/ST

The applicant does not expect for any residents at PruittHealth – Santa Rosa to be displaced as the parent company has planned for natural attrition while Pruitt-Health Escambia is under construction.

The applicant provides the following forecast for the proposed project.

<b>PruittHealth - Escambia, LLC Forecasted Utilization</b>		
	<b>Year 1: Ending December 31, 2021</b>	<b>Year 2: Ending December 31, 2022</b>
<b>Medicare/Medicare HMO, Skilled Patients</b>		
Admissions	176	436
Patient Days	4,302	10,768
Average Daily Census	11.8	29.5
<b>Medicaid, Long Term Patients</b>		
Admissions	32	82
Patient Days	7,745	19,710
Average Daily Census	21.2	54.0
<b>All Other Payers</b>		
Admissions	19	26
Patient Days	1,066	1,460
Average Daily Census	2.9	4.0
<b>Total</b>		
Admissions	227	544
Patient Days	13,113	31,938
Occupancy Rate	39.0%	95%
Average Daily Census	35.9	87.5

Source: CON application #10505, Page 73, \*Given the long-term nature of these patients, annual admissions are based on replacement of long-term residents

- 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:**



The 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.**

The applicant did not submit CON application #10505 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.**

PruittHealth – Escambia provides the following list of identified essential services:

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

Additional services intended to be offered at the facility will include:

- 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
- Bariatric programming (specialized training and design features)

Other service offerings and programs to be made available at the proposed facility are documented on pages 85 – 111 of CON application #10505.

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

PruittHealth Escambia's proposed staffing model for the first two years of operation are included in the following table:

<b>PruittHealth – Escambia County, LLC (CON application #10505) Projected Year One and Year Two Staffing</b>		
<b>Position</b>	<b>Year One FTEs</b>	<b>Year Two FTEs</b>
<b>Administration</b>		
Administrator	1	1
Director of Nursing	1	1
Admissions Director	1	1
Secretary	1.4	1.4
Medical Records Clerk (CNA)	0.7	1
Other: Financial Counselor	1	1
<b>Physicians</b>		
Medical Director (Contracted)	0.2	0.2
Other: Physician Services (Contracted)	.02	.02
<b>Nursing</b>		
RNs	4.3	7.2
LPNs	6.9	15.4
Nurses’ Aides	16.7	43.4
Nursing Admin, Central Supply	0.7	2
<b>Ancillary</b>		
Physical Therapist (Contracted)	1.53	3.67
Physical Therapist Assistant (Contracted)	0.48	1.15
Speech Therapist (Contracted)	0.56	1.36
Occupational Therapist (Contracted)	1.85	4.44
Occupational Therapy Assistant (Contracted)	0.1	0.22
Other: Rehab Aide	1.0	1.0
<b>Dietary</b>		
Dietary Supervisor	1	1
Cooks	1.4	2.4
Dietary Aides	2.6	6
<b>Social Services</b>		
Social Service Director	1.0	1
Activity Director	1.0	1
<b>Housekeeping</b>		
Housekeepers	4.9	9.8
<b>Laundry</b>		
Laundry Aides	1.4	2.8
<b>Plant Maintenance</b>		
Maintenance Supervisor	1	1
<b>Total</b>	<b>54.71</b>	<b>111.46</b>

Source: CON application #10505, Schedule 6

PHE’s Schedule 7 indicates that the average length of stay will be 57.76 days for year one and 58.71 days for year two of operation.

**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.**

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

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

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

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

The applicant indicates that this criteria is not applicable as neither the applicant nor its affiliated nursing facilities through its parent corporation have ever had a license denied, revoked, suspended or placed into receivership within the past 36 months.

- 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.**

The applicant indicates that this provision is not applicable as there have not been violations.

5. **Rule 59C-1.036 (4) (f) Harmful Conditions. The Agency shall question the ability of the applicant to provide quality of care within any nursing facility when the conditions identified in the subparagraph (e) 1 and (e) 2 result in the direct, significant harm to the health, safety or welfare of a nursing facility resident, and were not corrected within the time frames allowed by the appropriate state agency in each respective state and in a manner satisfactory with the Agency.**

The applicant indicates that this provision is not applicable as there have not been violations.

- d. **Rule 59C-1.036 (5) Utilization Reports. Within 45 days after the end of each calendar quarter, facilities with nursing facility beds licensed under Chapter 400, Florida Statutes shall report to the Agency, or its designee, the total number of patient days, which occurred in each month of the quarter, and the number of such days that were Medicaid patient days.**

The applicant indicates that it will provide the required data in compliance with this provision.

### 3. **Statutory Review Criteria**

- a. **Is need for the project evidenced by the availability, quality of care, accessibility and extent of utilization of existing health care facilities and health services in the applicants' service area? ss. 408.035 (1)(b) and (e), Florida Statutes.**

Subdistrict 1-1 consists of Escambia and Santa Rosa Counties and has 17 licensed community nursing homes with a total of 2,098 community nursing home beds. The subdistrict averaged 91.59 percent total occupancy for the 12-month period ending on June 30, 2017.

On page 3 of CON application #10505, the applicant states that approval of the proposed project will result in the following outcomes:

- Improve access for persons in need of short-term rehab
- Improve access of Medicaid services
- Improve access of 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 focusing on reducing hospital readmissions

The proposed facility will consist of 52 beds from the fixed need pool and 40 beds shifted from PruittHealth – Santa Rosa. The applicant expects for the transfer of beds to allow for PruittHealth – Santa Rosa to offer additional private rooms after the licensure of 12 community nursing home beds approved through exemption #E170020, both facilities will have 92 community nursing home beds.

PHE maintains that shifting 40 beds from PruittHealth – Santa Rosa will enhance the quality of life for residents of the nursing facility. As PruittHealth – Santa Rosa historically operates at greater than 94.0 percent occupancy with 3.0 percent of its beds in private rooms, the applicant concludes that the facility is functionally full based on gender, disease and other isolation needs of its residents.

The applicant maintains that physicians and family members have expressed a desire for more private beds in Santa Rosa County as the current private bed complement in Santa Rosa County, including PruittHealth – Santa Rosa is just 6.0 percent. The shifting of 40 beds to the proposed facility in Escambia County is expected to result in an increase of the private-bed room configuration proportion at the facility to 60.0 percent and the overall private-bed room configuration proportion in the county to 20.0 percent.<sup>2</sup>

The applicant provides the following table depicting changes at PruittHealth – Santa Rosa:

<sup>2</sup> Per FloridaHealthFinder accessed 12:40 pm 1/2/18, PruittHealth – Santa Rosa has 120 licensed community beds with a configuration of 58 2-bed rooms and 4 private rooms. The configuration of the 12 beds approved in exemption #E170020 is stated to include 12 private rooms on page 9 of CON application #10505:  
<http://www.floridahealthfinder.gov/facilitylocator/FacilityProfilePage.aspx?id=142068>

<b>PruittHealth - Santa Rosa Licensed and Approved Beds</b>			
	<b>Existing</b>		
	<b>Private</b>	<b>Semi-Private</b>	<b>Total</b>
<b>Rooms</b>	4	58	62
<b>Beds</b>	4	116	120
<b>Facility Addition</b>			
<b>New Beds, New Construction</b>	<b>Private</b>	<b>Semi-Private</b>	<b>Total</b>
	12	0	12
<b>Post Construction</b>			
	<b>Private</b>	<b>Semi-Private</b>	<b>Total</b>
<b>Rooms</b>	16	58	74
<b>Beds</b>	16	116	132

Source: CON application #10505, page 9

Based on the table and prior to construction, the reviewer notes that 116 of 120 beds (96.67 percent) and 58 of 62 rooms (93.55 percent) are in the semi-private configuration, the post construction configuration prior to delicensing of 40 community nursing home beds will result in 21.6 percent of rooms being in the private configuration and 12.12 percent of beds in the private configuration. Assuming that the delicensing of 40 beds in Exemption #E170020 will occur from semi-private rooms, 82.6 percent of beds will remain in the semi-private configuration and 70.37 percent of rooms will remain in the semi-private configuration.

The applicant maintains that nursing home beds, as distributed within the service area are not available to meet incremental demand based on historical occupancy rates. PruittHealth also details how the majority of the available beds at these facilities are within semi-private accommodations which are attributed to issues such as the co-mingling of genders or co-morbid conditions.

PruittHealth expects for the proposed project to fulfill incremental demand within the subdistrict in addition to offering 40 additional private rooms and beds shifted from PruittHealth – Santa Rosa. The reviewer does not see how the proposed project would fulfill incremental demand in Santa Rosa County, only that it would increase incremental demand. The applicant expects for the proposed project to foster competition within the subdistrict as a result of the implementation of “state of the art facilities, top-notch amenities and quality programs and services”. PHE also describes how the 100.0 percent private room configuration will exceed the private room configuration average of the



state by 16.0 percent. The applicant also anticipates that the parent-company’s expansion, which includes three CON projects in neighboring subdistricts,<sup>3</sup> will benefit the communities it services as a result of market knowledge, significant services and amenities, lifestyle enhancement experience and high quality programming. A list of deluxe amenities and programs is also included on page 26 of CON application #10505.

Enhancing accessibility and availability to private room accommodations is also identified as an area of focus that the proposal is expected to remedy. The applicant provides the following table which reflects the licensed community bed inventory and the number of beds in private and multiple-bed rooms by volume and percentage:

<b>Subdistrict 1-1 Community Nursing Home Bed Configuration</b>				
<b>Facility</b>	<b>Licensed Nursing Home Beds</b>	<b>Number of Private Beds</b>	<b>Beds in Multiple-Bed Rooms</b>	<b>Percentage of Private Beds</b>
<b>Escambia County</b>				
Arcadia Health & Rehabilitation Center	170	8	162	4.7%
Bayside Health and Rehabilitation Center	120	8	112	6.7%
Century Health and Rehabilitation Center	88	6	82	6.8%
Consulate Health Care of Pensacola	120	8	112	6.7%
Haven of Our Lady of Peace	120	24	96	20.0%
Life Care Center of Pensacola	120	6	114	5.0%
Rehabilitation Center at Park Place	118	6	112	5.1%
Rosewood Healthcare and Rehabilitation Center	155	7	148	4.5%
Solaris Healthcare Pensacola	180	10	170	5.6%
Southern Oaks Care Center	210	0	210	0.0%
Specialty Health and Rehabilitation Center	120	4	116	3.3%
University Hills Health and Rehabilitation	120	16	104	13.3%
Willowbrooke Court at Azalea Trace (*)	82	10	72	12.2%
<b>Escambia County Total</b>	<b>1,723</b>	<b>113</b>	<b>1,610</b>	<b>6.6%</b>
<b>Santa Rosa County</b>				
Bay Breeze Senior Living and Rehabilitation Center	120	16	104	13.3%
PruittHealth - Santa Rosa (**)	120	4	116	3.3%
Sandy Ridge Health and Rehabilitation	60	2	58	3.3%
Santa Rosa Health and Rehabilitation Center	110	4	106	3.6%
<b>Santa Rosa County Total</b>	<b>410</b>	<b>26</b>	<b>384</b>	<b>6.3%</b>
<b>Subdistrict 1-1 Average/Total</b>	<b>2,133</b>	<b>139</b>	<b>1,994</b>	<b>6.5%</b>

Source: [www.FloridaHealthFinder.gov](http://www.FloridaHealthFinder.gov) and NHA Analysis, (\*) Facility has a mix of community and sheltered beds but does not distinguish between community and sheltered beds in its bed configuration statistics, (\*\*) PruittHealth – Santa Rosa has 12 CON approved beds; these will be implemented as private beds, increasing that facility to a 12 percent private rate, and increasing Santa Rosa County to a 9 percent rate when licensed. These 12 beds will also increase the subdistrict average to 7.1 percent, CON application #10505, page 49

<sup>3</sup> PruittHealth – Bay County, LLC, Subdistrict 2-2 (CON #10245), PruittHealth – Southwestern Duval County, Subdistrict 4-2 (CON #10273P) and PruittHealth – Leon County, LLC, Subdistrict 2-4 (CON #10248P)

PHE maintains that the bed and program mix a SNF offers can often have a significant impact on a host of considerations important to patients including quality, affordability and access. Furthermore PruittHealth maintains that the private:semi-private configuration is often a relevant metric to be analyzed as patient rooms containing only one bed are often linked to a higher quality of care and greater patient satisfaction. The reviewer notes that outcome data supporting these claims were not provided.

Moreover, the applicant reiterates that the 12 beds approved through Exemption #E170020 will increase the percentage of private beds to 9.0 percent in Santa Rosa County. PHE concludes that with the addition of PruittHealth – Escambia, the subdistrict’s private bed inventory will increase by 104 percent from 139 private beds to 283 private beds, including the 12-bed addition at PruittHealth – Santa Rosa. The applicant states that the private bed count in Santa Rosa County will be 78 beds of which 56 will be located at PruittHealth – Santa Rosa (CON application #10505, pages 50 – 51).

The reviewer notes that CON application #10505 is conditioned to the delicensing of 40 beds from PruittHealth – Santa Rosa in Santa Rosa County that will be relocated to Escambia County upon implementation of CON application #10505. Assuming that the licensed inventory and bed configuration remains the same across all facilities with the exception of the changes indicated in this application, following the licensing of 12 beds approved through Exemption #E170020 at PruittHealth – Santa Rosa and the transfer of 40 beds from the facility, the total number of beds in private rooms in Subdistrict 1-1 will be 243 (205 beds in private rooms in Escambia County: 38 beds in private rooms in Santa Rosa County). Sixteen of 38 beds in private rooms in Santa Rosa County will be at PruittHealth – Santa Rosa County. The reviewer provides a table summarizing those changes is included below:

**CON Action Number: 10505**

<b>Subdistrict 1-1 Community Nursing Home Bed Configuration: Implementation of CON application #10505 and Exemption #E170020</b>				
<b>Facility</b>	<b>Licensed Nursing Home Beds</b>	<b>Number of Private Beds</b>	<b>Beds in Multiple- Bed Rooms</b>	<b>Percentage of Private Beds</b>
<b>Escambia County</b>				
Arcadia Health & Rehabilitation Center	170	8	162	4.7%
Bayside Health and Rehabilitation Center	120	8	112	6.7%
Century Health and Rehabilitation Center	88	6	82	6.8%
Consulate Health Care of Pensacola	120	8	112	6.7%
Haven of Our Lady of Peace	120	24	96	20.0%
Life Care Center of Pensacola	120	6	114	5.0%
Rehabilitation Center at Park Place	118	6	112	5.1%
Rosewood Healthcare and Rehabilitation Center	155	7	148	4.5%
Solaris Healthcare Pensacola	180	10	170	5.6%
Southern Oaks Care Center	210	0	210	0.0%
Specialty Health and Rehabilitation Center	120	4	116	3.3%
University Hills Health and Rehabilitation	120	16	104	13.3%
Willowbrooke Court at Azalea Trace (*)	82	10	72	12.2%
PruittHealth - Escambia, LLC	92	92	0	100.0%
<b>Escambia County Total</b>	<b>1,815</b>	<b>205</b>	<b>1,610</b>	<b>11.3%</b>
<b>Santa Rosa County</b>				
Bay Breeze Senior Living and Rehabilitation Center	120	16	104	13.3%
PruittHealth - Santa Rosa (**)	92	16	76	17.4%
Sandy Ridge Health and Rehabilitation	60	2	58	3.3%
Santa Rosa Health and Rehabilitation Center	110	4	106	3.6%
<b>Santa Rosa County Total</b>	<b>382</b>	<b>38</b>	<b>344</b>	<b>9.9%</b>
<b>Subdistrict 1-1 Average/Total</b>	<b>2,197</b>	<b>243</b>	<b>1,954</b>	<b>11.1%</b>

Source: FloridaHealthFinder, Exemption #E170020, Florida Nursing Home Bed Need Projections by District and Subdistrict, July 2020

Furthermore, PruittHealth expects for the relocation of 40 SNF beds to have a positive impact on the labor pool as Santa Rosa County health care providers are stated to be regularly challenged with finding unskilled labor for nursing home positions. PHE notes that Santa Rosa County lacks public transportation which impedes access to nursing homes (CON application #10505, page 4). The relocation of 40 beds to Escambia County is expected to remedy these issues for the labor pool as issues of proximity and public transportation will be attenuated.

The applicant does not expect for any residents at PruittHealth – Santa Rosa to be displaced as the parent-company has planned for natural attrition while Pruitt-Health Escambia is under construction.

PHE additionally expects for its health resources and infrastructure in Lowndes County, Georgia to be accessible to residents that will be targeted for the proposal in Escambia County. A map of the applicant’s existing, approved and proposed facilities is provided on page 15 of CON application #10505.

PruittHealth discusses the population and distribution of individuals aged 65+ across the subdistrict and notes that within Escambia County, adults 65+ account for 67.1 percent of Subdistrict 1-1 while Santa Rosa contains 32.9 percent of the 65+ population within the subdistrict (CON application #10505, Page 36). The applicant provides forecasted increases in the 65+ population within the service area for July 2021 and 2022 as operations are anticipated to commence on January 1, 2021. The table summarizing population changes in this age cohort is included below:

<b>Subdistrict 1-1 Growth Rate: 65+ Population, July 2017 - July 2022</b>				
<b>County</b>	<b>July (2017)</b>	<b>July (2022)</b>	<b>Change, (2017 - 2022)</b>	<b>Percentage Change (2017 - 2022)</b>
Escambia	51,763	58,813	7,050	13.6%
Santa Rosa	25,346	31,025	5,679	22.4%
Subdistrict 1-1	77,109	89,838	12,729	16.5%

Source: CON application #10505, page 37

Based on forecasted changes in the 65+ population, the applicant determines that need is supported for additional SNF beds to accommodate incremental demand for such services. PHE maintains that the proposed facility will be located in southeast Escambia County, where the 65+ population is most dense. PruittHealth maintains that intended sites are also located in eastern Escambia County near Interstate 10 and US-90 in order to be highly accessible to Pace in Santa Rosa County, a densely populated area of the county. A map of the distribution of nursing homes in subdistrict 1-1 in relation to 65+ population clusters is provided on page 38 of CON application #10505.

In description of how the proposed project is needed in light of the availability, quality of care, accessibility and extent of utilization of existing health care facilities and services in the service area, PHE discusses the existing distribution of licensed and approved community nursing home beds.

Across both subdistricts, PruittHealth notes that Escambia County, the proposed location of the facility, has 13 of the 17 licensed nursing home beds and 1,688 of the 2,098 licensed community beds within subdistrict 1-1. From July 2016 – June 2017 the applicant notes that 11 of 13 facilities in Escambia County had occupancy rates that exceeded 90 percent and six of 13 facilities exceeded 94.0 percent. In Santa Rosa County, PHE notes all facilities exceeded 90.0 percent occupancy and two of four facilities exceeded 94.0 percent including PruittHealth – Santa Rosa which experienced an occupancy of 95.17 percent. The applicant also notes that 131 beds currently approved within Subdistrict 1-1 are located in Escambia County and issued to the same affiliate licensee, Gulf Coast Health Care, LLC.

PruittHealth reiterates that Escambia County is more populated than Santa Rosa County and discusses how Escambia County contains 67.0 percent of the subdistrict's elderly population and accounts for 85.0 percent of hospital discharges to nursing homes. In comparison, the applicant notes that four of the 17 nursing homes in Subdistrict 1-1 are located in Santa Rosa, Santa Rosa has 410 of 2,098 total licensed community nursing home beds within the subdistrict and Santa Rosa County has 12 approved community nursing home beds. The applicant expects for the proposal to foster competition in the subdistrict. PHE provides a map of the existing distribution of nursing homes and hospitals in Subdistrict 1-1.

The applicant provides a table depicting the distribution of discharges from hospitals to nursing homes in the following table:

<b>Escambia and Santa Rosa County Hospitals Discharges to Skilled Nursing Facilities by Hospital</b>						
<b>Hospital</b>	<b>Discharges to SNF</b>			<b>Percent Discharges by Hospital</b>		
	<b>12 Mos Ending 3/31/2015</b>	<b>12 Mos Ending 3/31/2016</b>	<b>12 Mos Ending 3/31/2017</b>	<b>12 Mos Ending 3/31/2015</b>	<b>12 Mos Ending 3/31/2016</b>	<b>12 Mos Ending 3/31/2017</b>
Sacred Heart Hospital of Pensacola	2,062	2,124	2,043	31.3%	31.5%	31.9%
West Florida Hospital	1,514	1,636	1,610	23.0%	24.3%	25.1%
Baptist Hospital	1,772	1,717	1,439	26.9%	25.5%	22.5%
Gulf Breeze Hospital	512	512	543	7.8%	7.6%	8.5%
Santa Rosa Medical Center	423	418	373	6.4%	6.2%	5.8%
Select Specialty Hospital - Pensacola	269	275	320	4.1%	4.1%	5.0%
Jay Hospital	26	58	80	0.4%	0.9%	1.2%
<b>Grand Total</b>	<b>6,578</b>	<b>6,740</b>	<b>6,408</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: CON application #10505, page 44

PruittHealth states that acute care discharges are important for the development of relationships between hospital discharge planners, leadership and social workers in order to ensure referrals for patients seeking nursing home care for post-acute rehabilitation and long-term care. The applicant notes that PruittHealth – Santa Rosa has maintained relationships that will support the applicant’s capacity to build the same partnerships. PHE states that some of the facilities above were consulted in order to address the needs of patients needs when transitioning from either short-term or long-term acute care to skilled nursing. PHE maintains that hospitals were unanimous in their interest in private rooms as transitional spaces. The reviewer notes that support letters were not present from representatives of all District 1 hospitals. PHE maintains that treatment needs of patients were discussed with health providers. Support letters from area providers and community health planners are included in Tab 4 of CON application #10505.

In addition to evaluating the volume of discharges from area hospitals, PHE considers Medicare requirements for reimbursement in noting that patients admitted to short-term/skilled beds within SNFs must be transferred from the hospital setting after a qualifying stay as opposed to being referred from home or another facility type. The applicant notes that Medicare is the dominant payer for short-term care within the SNF environment. For this reason an analysis of the volume of patients admitted to SNFs for individuals all ages and 65+ is included and provided below:

<b>Hospital Discharges to Nursing Facilities by Hospital County: 12 Months Ending March 30, 2017</b>				
<b>Hospital County</b>	<b>Ages 65+</b>		<b>All Ages</b>	
	<b>Discharges/Transfers to Nursing Facilities</b>	<b>Percent of Total to Nursing Facilities</b>	<b>Discharges/Transfers to Nursing Facilities</b>	<b>Percent of Total to Nursing Facilities</b>
Escambia	4,440	83.4%	5,412	84.5%
Santa Rosa	884	16.6%	996	15.5%
Subdistrict 1-1	5,324	100.0%	6,408	100.0%

Source: AHCA inpatient Data Tapes and NHA Analysis, CON application #10505, page 45

The applicant concedes that the data does not reveal which nursing homes patients were discharged to, but concludes that it is reasonable to assume that some of these out of area patients who were discharged from service area hospitals to nursing homes remained within the service area for access to their medical team and post-acute treatment. PHE concludes that volume of discharges to Escambia County reflects need in Escambia County. This data is contextualized with an analysis of the volume of discharges by resident county which is reproduced in the following table:

<b>Subdistrict 1-1 Hospital Discharges to Nursing Facilities by Resident County: 12 Months Ending March 30, 2017</b>				
<b>Hospital County</b>	<b>Ages 65+</b>		<b>All Ages</b>	
	<b>Discharges/Transfers to Nursing Facilities</b>	<b>Percent of Total to Nursing Facilities</b>	<b>Discharges/Transfers to Nursing Facilities</b>	<b>Percent of Total to Nursing Facilities</b>
Escambia	3,183	59.8%	3,885	60.6%
Santa Rosa	1,478	27.8%	1,730	27.0%
Subdistrict 1-1	4,661	87.5%	5,615	87.6%
In-Migration	663	12.5%	793	12.4%
Total	5,324	100.0%	6,408	100.0%

Source: AHCA inpatient Data Types and NHA Analysis, highlighted values are incorrect, CON application #10505, page 46

As this data does not reveal the destination of each patient or the primary diagnosis which is indicated and inferred from the patient’s primary diagnosis during a hospital stay, the applicant includes a table of the top 11 primary service line groups for those who were discharged from the hospital to nursing facilities which is included below:

Subdistrict 1-1 Hospital Discharges to Nursing Facilities by Service Line: 12 Months Ending March 30, 2017				
Service Line (MS-DRG)	Age 65+		Total	
	Cases	Percent of Total	Cases	Percent of Total
Orthopedics	1,241	23.3%	1,471	23.0%
Pulmonary	522	9.8%	622	9.7%
Cardiology	555	10.4%	608	9.5%
Nephrology	489	9.2%	560	8.7%
Neurology	458	8.6%	546	8.5%
Infectious Disease	439	8.2%	540	8.4%
General Surgery	257	4.8%	358	5.6%
Gastroenterology	224	4.2%	265	4.1%
General Medicine	138	2.6%	184	2.9%
Endocrinology	128	2.4%	168	2.6%
Vascular	97	1.8%	134	2.1%
All Other	776	14.6%	952	14.9%
<b>Total</b>	<b>5,324</b>	<b>100.0%</b>	<b>6,408</b>	<b>100.0%</b>

Source: AHCA Inpatient Data Tapes and NHA Analysis, CON application #10505, page 47

While the data is not delineated by county or hospital, the applicant states that between 83 and 85 percent of the discharges included in the analysis are from Escambia County hospitals. PHE states to maintain disease and condition specific programming that will be implemented at the proposed facility to meet patient needs. PruittHealth expects for the proposed facility to be advantageous for those residents seeking skilled rehabilitation and/or long-term nursing care. PHE also anticipates that the proposed project will feature a host of unmatched quality metrics that will enhance overall competition in the market by raising the standard across all Subdistrict 1-1 nursing homes. PHE determines that the parent-company’s existing facility in Santa Rosa and expansions will benefit the communities it services. PruittHealth’s existing relationships and health infrastructure are intended to be used for referral relationships. PHE intends to target hospital readmissions as an area of need for the proposal with the use of technology like INTERACT. PruittHealth describes INTERACT (Interventions to Reduce Hospital Readmissions (INTERACT program) as a program integrated between different levels of care to reduce hospital admissions by addressing clinical symptoms before they escalate to need of a transfer of a resident to the hospital. PHE indicates that INTERACT supports the goals of the nation’s health care system and industry advocates in reducing overall health care cost and improving quality through measures taken to decrease patient re-hospitalizations.

In explanation of the decision to establish a 92-bed facility, PruittHealth-Escambia cites financial challenges in operating a 52-bed facility. PHE expects for the relocation of 40 beds from PruittHealth-Santa Rosa, an



affiliate facility, to remedy this shortcoming. PHE also states that since the beds will be certified as skilled rehabilitation or long-term care, flexibility will exist for patient programming and utilization. The applicant maintains that the entire facility will meet Medicare’s Conditions of Participation. As Medicare enrollees are indicated to be the vast majority of residents admitted to any SNF, regardless if Medicare is the actual payer at the SNF the applicant states that those admitted as short-term residents are generally covered by Medicare and those admitted as long-term residents are generally covered by private means or Medicaid. PHE provides the following table demonstrating the number of Medicare enrollees residing in Subdistrict 1-1:

<b>Medicare Enrollment by County: September 2017</b>			
<b>Region</b>	<b>Fee for Service Medicare</b>	<b>Medicare Advantage &amp; Other Medicare Health Plans</b>	<b>Total Medicare Enrollment</b>
Escambia County	45,865	20,965	66,830
Santa Rosa County	22,561	9,673	32,234
<b>Subdistrict 1-1</b>	<b>68,426</b>	<b>30,638</b>	<b>99,064</b>

Source: Centers for Medicare and Medicaid Services, Medicare Enrollment Dashboard and NHA Analysis, CON application #10505, page 52

As of November 2017, PHE notes that there were 91,095 Medicaid enrollees in Subdistrict 1-1 and 4,608 of these enrollees were enrolled in Medicaid Long Term Care Fee for Service. PruittHealth notes a disparity between the number of Medicare and Medicaid enrollees and the number of nursing home beds per 1,000 Medicare/Medicaid enrollees (<21 per 1,000 Medicare/Medicaid LTC enrollees). Given the occupancy rates and bed need, the applicant determines that the proposed project will add significant value to Escambia and Santa Rosa residents in need of skilled and long-term care. The reviewer notes that the benefits to Escambia residents is apparent with the proposed project but not the benefits to Santa Rosa residents as the number of beds available to Santa Rosa residents will decrease upon implementation. As the proposed facility will also include short-term rehabilitation beds and Medicare beds, the applicant states that there must be beds available for short-term rehabilitation and skilled nursing patients as well. PHE provides a narrative description of programming for short-term rehabilitation and skilled patients (i.e. PruittHealth PerfectPath Specialty Care programs) on pages 53 – 55 of CON application #10505. PruittHealth states that care paths are used for the following:

- A care path is designed for the patient immediately upon admission
- Ongoing real time feedback for patients and families about clinical milestones and achievements
- Increased coordination with patients and their primary caregivers to return them home quickly, while minimizing the risk of re-hospitalization
- Improved interdisciplinary communication

PerfectPath literature is included in the Supporting Documents supplement provided in CON application #10505.

The applicant provides a historical summary of the provision of Medicaid in Subdistrict 1-1, 66.4 percent. PruittHealth - Escambia notes that 67.8 percent of patient days at PruittHealth – Santa Rosa were provided to Medicaid patients, a facility operated by its parent-company PruittHealth. PHE maintains that all of PruittHealth – Escambia’s beds will be dually certified to accommodate Medicare or Medicaid patients in addition to any other payers. PruittHealth maintains that the proposal is budgeted to provide 61.7 percent of total patient days as Medicaid upon stabilization in the second year of the project. The applicant states that PHE will accommodate its fair share to meet the needs of the area’s Medicaid patients and all residents will reside in private rooms which is not the standard or expectation in Subdistrict 1-1.

The applicant includes narrative descriptions of other measures to be implemented on pages 58 - 66 at the proposed facility which include:

- Licensed and total nursing hours per patient day to exceed subdistrict average
- Implement programs to reduce hospital readmissions
- Install and maintain resident safety technologies
- Utilize electronic medical records
- Provide top notch PruittHealth, Physical, Occupational and Speech Therapy
- Incorporate Diabetic Care Clinical Pathway
- Medication management
- Provide special amenities

The applicant provides the following tables to reflect the forecasted admissions for the project in the first two years of operations:

<b>PruittHealth - Escambia, LLC Forecasted Utilization</b>		
	<b>Year 1: Ending December 31, 2021</b>	<b>Year 2: Ending December 31, 2022</b>
<b>Medicare/Medicare HMO, Skilled Patients</b>		
Admissions	176	436
Patient Days	4,302	10,768
Average Daily Census	11.8	29.5
<b>Medicaid, Long Term Patients</b>		
Admissions	32	82
Patient Days	7,745	19,710
Average Daily Census	21.2	54.0
<b>All Other Payers</b>		
Admissions	19	26
Patient Days	1,066	1,460
Average Daily Census	2.9	4.0
<b>Total</b>		
Admissions	227	544
Patient Days	13,113	31,938
Occupancy Rate	39.0%	95%
Average Daily Census	35.9	87.5

Source: CON application #10505, page 73, \*Given the long-term nature of these patients, annual admissions are based on replacement of long-term residents

<b>PruittHealth - Escambia, LLC Forecasted Utilization</b>		
<b>Payer Group</b>	<b>Year 1: Ending December 31, 2021</b>	<b>Year 2: Ending December 31, 2022</b>
Medicare	4,057	10,403
Medicare HMO	245	365
Medicaid	7,745	19,710
VA	367	730
Private Pay	699	730
<b>Total</b>	<b>13,113</b>	<b>31,938</b>

Source: CON application #10505, page 74

Moreover, the applicant does not anticipate adverse impact from the proposal as a result of published need for the project. PHE determines that additional nursing home beds in the community will alleviate current incremental demand for those who seek nursing home admission but lack beds available to them locally.

The applicant does not expect for recruiting efforts to adversely impact staffing at existing nursing homes in the area. PHE maintains that the proposal is forecasted to have a positive impact on the local health care infrastructure as it will serve as an additional post-acute discharge destination for hospitals and physicians to refer patients, post-hospitalization. Quality of life improvements are also expected from the proposal as a result of the addition of private rooms.

- 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.**

PHE is a newly-formed entity and therefore does not have a historical quality record available to document in this CON proposal. The applicant states that implementation of this proposal will involve the development of all quality policies and procedures and a quality assurance program based on its other PruittHealth affiliated facilities nationally. PHE expresses a commitment to adhere to any and all State and Federal nursing home regulations and statutes in addition to Medicare's Conditions of Participation. The applicant states that the application is conditioned on the provision that it will seek Joint Commission Accreditation, which the reviewer has previously noted is prohibited by Section 408.043 (4) Florida Statutes.

PHE describes its historical provision of administrative services to more than 90 skilled nursing and rehabilitation centers in Georgia, North Carolina and Florida. The applicant additionally states a commitment to provide the appropriate level of comprehensive, high-quality, safe and cost-effective nursing care facility services to persons in need of such care. PruittHealth maintains that its organizational experience and expertise in providing quality skilled nursing services is evidenced by the number of successful programs and quality assurance practices. The applicant describes how the quality program at PHE will consist of assigned patient care managers, a care transition program, corporate standards, leadership and training, external benchmarking and awards, continuous process improvement, customer service and transparency.

PruittHealth includes narrative descriptions of quality assurance initiatives currently in place at its existing facilities within and outside of the State of Florida which are to be implemented as quality mechanisms as a part of this proposal and distinctions on pages 118 – 141 of CON application #10505. Bulleted subheadings of these descriptions are included below:

- Commitment to Caring campaign
- Corporate standards
- Memberships and awards
- CMS five-star rating (including deficiency-free CMS surveys)
- The Joint Commission Accreditation
- U.S. News & World Report – Best Nursing Homes in the US (PruittHealth – Santa Rosa)
- State awards (Georgia Health Care Association)

- External benchmarking
- PruittHealth consulting services
- PruittHealth pharmacy
- Benchmarking tools
- CMS Quality Improvement Organization (QIO)
- Satisfaction surveys
- Care transitions and clinical pathways
- Interventions to Reduce Hospital Readmissions (INTERACT Program)
- Performance improvement program
- Peer review program
- Specialist consultants
- Care guard
- PointRight
- Staffing, training and career development
- Customer service and transparency
- Senior Care Partner program
- Care Ambassador program
- Green Sweep program

Specific to pertinent areas of its quality initiatives, PHE discusses how PruittHealth's affiliated facilities and agencies participate in multiple external benchmarking studies in order to be abreast of contemporary quality care practices. PHE also describes the use of ABAQIS quality indicator program which provides reports targeted to quality assurance and improvement in 26 different care areas linked to Federal and State regulations.

Internal reports (e.g. Monthly Quality Indicator Reports) are also used at PruittHealth to provide a systematic means of collecting data on quality indicators from individual facilities in order to determine patterns, trends and resource allocation as a part of the overall performance improvement process.

The applicant states that LTC TrendTracker is also used as a data collection and benchmarking tool across its facilities to compare staffing levels, resident characteristics, survey findings, revenue and cost, Medicare patient days and quality measures with its peers. LTC TrendTracker collects data from CMS, CASPER and NH Quality Measure Report.

PruittHealth also discusses its Performance Improvement Process (PIP) which it states demonstrates its strong commitment to continuous quality improvement by providing an avenue to continuously improve care and services to the residents, family members and staff of its facilities. PHE states that the process is coordinated by the facility

administrator and designed to initiate positive improvements through a strategic change process. The applicant maintains that PIP is derived from company policies and procedures, standards for licensure and certification, identify standards and quality benchmarks. PHE asserts that PIP also monitors and obtains information from the reports of various facility committees, consultant reviews, surveys, monthly quality assurance key indicator data and internal staff audits.

PruittHealth states that reducing hospital admissions is the top priority of hospitals throughout the nation and its targeted subdistrict. For this reason, the applicant states that a major emphasis will be placed on safely reducing hospital readmissions at PruittHealth – Escambia. In order to address hospital readmissions, the applicant states that PruittHealth has adopted INTERACT 3.0, a comprehensive program with tools specifically designed to decrease 30-day patient re-hospitalizations. PHE indicates that INTERACT supports the goals of the nation’s health care system and industry advocates in reducing overall health care cost and improving quality through measures taken to decrease patient re-hospitalizations. Descriptions of tools used in the INTERACT program are included on page 28 of CON application #10505, Supporting Documents to the application also include samples of forms and tools used.

In supporting documents included with CON application #10505, the applicant includes descriptions of the following quality areas:

- 2017 Quality Report, PruittHealth
- ABAQIs user manual
- Admission and discharge planning policies and procedures
- Care Guard program
- INTERACT forms
- INTERACT overview
- PerfectPath Program (and UniPath Clinical Pathways)
- PointRight QAPI
- PointRight user manual
- UniPath specialty care programs
- UniRes program policy
- CallGuard and WanderGuard system

PruittHealth currently operates PruittHealth – Santa Rosa in Santa Rosa County (Subdistrict 1-1). For the three-year period between December 27, 2014 and December 27, 2017, the provider had three substantiated complaints which are summarized in the table below:

<b>PruittHealth - Santa Rosa, Three Year Substantiated Complaint History</b>	
<b>Complaint Category</b>	<b>Number Substantiated</b>
Quality of Care/Treatment	2
Billing/Refunds	1
<b>Total Number of Substantiated Complaints</b>	<b>3</b>

Agency Complaint Records, December 27, 2014 – December 27, 2017

The reviewer notes that one complaint can encompass multiple complaint categories.

- 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.**

**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 PruittHealth – Escambia County, LLC, a development stage company.

The applicant provided partial audited financials for the parent (United Health Services, Inc. and Subsidiaries), however what was provided is not sufficient for analysis.

**Capital Requirements and Funding:**

The applicant indicates on Schedule 2 capital projects totaling \$22,016,461, which consists solely of this project. The applicant states on Schedule 3 that funding for this project will come from operating cash

flows and non-related company financing. The applicant provided a letter of interest from Synovus. However, a letter of interest is not a commitment to lend. The applicant also provided a document showing available balances for various lines of credit, but this document is unaudited. Additionally, the applicant provided a letter from the parent company pledging financial support for the project and an audited statement of cash flows to show availability of operating cash flows. No balance sheet or income statement was provided.

**Conclusion:**

Funding for this project is in question.

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

**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 (2015, 2016, and 2017 cost report years). For our comparison group, we selected skilled nursing facilities with similar Medicaid utilizations to the utilization projected by the applicant on a per patient day basis (PPD). Comparison group data was adjusted for inflation to match the second year projection (inflation factor was based on the New CMS Market Basket Price Index as published in the 3rd Quarter 2017, Health Care Cost Review).

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



	PROJECTIONS PER APPLICANT		COMPARATIVE GROUP VALUES PPD		
	Total	PPD	Highest	Median	Lowest
Net Revenues	12,116,535	379	1,305	368	262
Total Expenses	11,131,464	349	1,247	361	232
Operating Income	985,071	31	67	8	-48
Operating Margin	8.13%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	31,938	95.11%	97.67%	90.45%	66.62%
Medicaid	19,710	61.71%	70.00%	60.28%	50.58%
Medicare	10,768	33.72%	38.63%	18.84%	3.74%

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.**

**Analysis:**

Strictly from a financial perspective, 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:**

This project is 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 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. Approval from the Agency for Health Care Administration's Office of Plans and Construction is required before the commencement of any construction involving a hospital, nursing home, or intermediate care facility for the developmentally disabled (ICF/DD).

- g. Does the applicant have a history of and propose the provision of health services to Medicaid patients and the medically indigent? Does the applicant propose to provide health services to Medicaid patients and the medically indigent? ss. 408.035 (1) (i), Florida Statutes.**

A five-year history of Medicaid patient days and occupancy rates for the subdistrict, district and state is provided in the following table.

<b>Medicaid Patient Days and Medicaid Occupancy Subdistrict 1-1, District 1 and Florida</b>					
<b>Medicaid Patient Days</b>					
<b>Area</b>	<b>FY 12/13</b>	<b>FY 13/14</b>	<b>FY 14/15</b>	<b>FY 15/16</b>	<b>FY 16/17</b>
PruittHealth*	24,236	27,529	27,495	29,074	28,172
Subdistrict 1-1	443,980	456,499	453,583	460,513	466,007
District 1	657,472	667,416	669,093	678,053	683,558
Florida	15,676,855	15,837,261	15,875,092	16,097,612	16,077,665
<b>Medicaid Occupancy</b>					
<b>Area</b>	<b>FY 12/13</b>	<b>FY 13/14</b>	<b>FY 14/15</b>	<b>FY 15/16</b>	<b>FY 16/17</b>
PruittHealth*	59.09%	67.62%	67.76%	69.24%	67.82%
Subdistrict 1-1	63.19%	65.62%	64.48%	65.07%	66.44%
District 1	62.47%	63.52%	63.14%	63.81%	65.37%
Florida	61.58%	62.05%	61.88%	62.73%	63.34%

Source: Florida Nursing Home Utilization by District and Subdistrict, October 2013 - October 2017 Batching Cycles. Dates correspond to the year ending on June 30<sup>th</sup> of each respective year. \*PruittHealth – Santa Rosa

The applicant is a newly-formed entity and therefore does not have a historical record of Medicaid provision available to discuss for this application.

On pages 56 – 57 of CON application #10505, the applicant provides a historical summary of the provision of Medicaid in Subdistrict 1-1, 66.4 percent. The applicant notes that 67.8 percent of patient days at PruittHealth – Santa Rosa were provided to Medicaid patients, a facility operated by its parent-company PruittHealth. The reviewer notes that the Medicaid occupancy for Santa Rosa County for the 12 months ending June 30, 2017 was 69.38 percent.

PHE maintains that all of PruittHealth – Escambia’s beds will be dually certified to accommodate Medicare or Medicaid patients in addition to any other payers. PruittHealth maintains that the proposal is budgeted to provide 61.7 percent of total patient days as Medicaid upon stabilization in the second year of the project. The reviewer notes that the forecast for the proposed project is lower than historical utilization for the existing facility, PruittHealth-Santa Rosa which experienced a Medicaid occupancy rate of 67.82 percent for the twelve months ending June 30, 2017. The applicant again states that PHE will accommodate its fair share to meet the needs of the area’s Medicaid patients and all

residents will reside in private rooms which is not the standard or expectation in Subdistrict 1-1.

The applicant provides a table of PruittHealth affiliated facilities historical provision of Medicaid care as a percentage of total patient days for CY 2014 to the 12 months ending October 31, 2017. The table is reproduced below:

<b>PruittHealth Affiliated Facilities Historical Commitment to Medicaid Patients (Medicaid Percent of Total Patient Days)</b>				
	<b>CY 2014</b>	<b>CY 2015</b>	<b>CY 2016</b>	<b>12 Mos. Ending 10/31/2017</b>
<b>Patient Days</b>	2,143,023	2,180,936	2,240,549	2,230,836
<b>Percent of Patient Days</b>	64.8%	64.1%	64.8%	63.1%

Source: CON application #10505, Page 153. PruittHealth

PruittHealth provides the following payer forecast for the first two years of operation:

<b>PruittHealth - Escambia, LLC Payer Mix Forecast Years One and Two</b>		
<b>Payer Group</b>	<b>Year One</b>	<b>Year Two</b>
Self-Pay	699	730
Medicaid	7,745	19,710
Medicare	4,057	10,403
Medicare HMO	245	365
Other Payers - VA	367	730
<b>Total</b>	<b>13,113</b>	<b>31,938</b>
<b>Percentages</b>		
Self-Pay	5.3%	2.3%
Medicaid	59.1%	61.7%
Medicare	30.9%	32.6%
Medicare HMO	1.9%	1.1%
Other Payers - VA	2.8%	2.3%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

Source: CON application #10505, Schedule 7

PHE states that financial projections included in the CON application demonstrate that the applicant is committed to serving the Medicaid population upon licensure. PruittHealth – Escambia also references the PruittHealth admission policy which mandates that the facility will not discriminate against anyone on the basis of race, sex, religion, national origin, physical handicap, diagnosis, payment source and/or any other circumstance or physical condition which classifies an individual as underserved. For this reason the applicant states that its commitment to serve the medically indigent population of the service area is demonstrated.

The applicant does not condition the CON proposal to the provision of a minimum level of Medicaid or charity care.

**F. SUMMARY**

**PruittHealth – Escambia County, LLC (CON application #10505)**, is a newly-formed entity and affiliate of PruittHealth. PHE proposes to establish a new 92-bed community nursing home in Subdistrict 1-1, Escambia County. The ultimate bed complement will result from 52 beds from the fixed need pool and a 40-bed transfer from an existing skilled nursing provider and affiliate facility, PruittHealth – Santa Rosa. The applicant currently operates PruittHealth-Santa Rosa, a community nursing home facility of 120 beds in Santa Rosa County, also located in Subdistrict 1-1.

The proposed project includes 77,206 GSF of new construction. The construction cost is \$12,738,990. The total project cost is \$21,966,461. The total project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant expects issuance of licensure in November 2020 and initiation of service in January 2021 (CON application #10505, Schedule 10).

PHE conditions approval of the proposal to eleven (11\*) Schedule C conditions. \*One condition is excluded due to the provisions of Section 408.043 (4) Florida Statutes.

**Need**

In Volume 43, Number 189 of the Florida Administrative Register dated September 29, 2017 a fixed need pool of 52 community nursing home beds was published for Subdistrict 1-1 for the July 2020 Planning Horizon.

As of November 15, 2017 Subdistrict 1-1 had 2,098 licensed and 143 approved community nursing home beds. During the 12-month period ending June 30, 2017 Subdistrict 1-1 experienced 91.59 percent utilization at 17 existing community nursing homes.

The 92-bed community nursing home proposal will make use of 52 community beds from the fixed need pool and 40 community beds transferred from PruittHealth-Santa Rosa an existing SNF in Santa Rosa County (Subdistrict 1-1).

PHE states the proposal is warranted for the following reasons:

- All private rooms
- State-of-the-art rehab suite, extensively equipped to include a Hydroworx therapy pool

- Programs to reduce hospital readmissions that have already been successfully introduced in other PruittHealth facilities
- A commitment to technology, including PointRight, Smart Charting, Wanderguard, Careguard, EMR and extensive rehabilitation equipment (Hydroworx therapy pool).
- The facility will be built to include the following:
  - All private rooms enhancing Medicaid access
  - Short-term rehab and Medicare beds
  - Hospital readmission reduction program
  - EMR
  - Resident safety technology
  - Clinical Care Kiosks
  - Specialized care staff
  - State-of-the-art rehab suites
  - Therapy pool
  - Diabetes care
  - Medication management
  - PT/OT/ST

The applicant states that approval of the proposed project will result in the following outcomes:

- Improve access for persons in need of short term rehab
- Improve access of Medicaid services
- Improve access of 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 focusing on reducing hospital readmissions

The applicant does not expect for any residents at PruittHealth – Santa Rosa to be displaced as the parent company has planned for natural attrition while Pruitt-Health Escambia is under construction

PHE's Schedule 7 indicates that the average length of stay will be 57.76 days for year one and 58.71 days for year two of operation.

The Agency finds that, on balance, the applicant demonstrated the applicable criteria specified in statute and rule to merit approval of the proposed project.

### **Quality of Care**

The applicant demonstrated its ability to provide quality of care.

PHE is a newly-formed entity and therefore does not have a historical record available to document in this CON proposal. The applicant states that implementation of this proposal will involve the development of all quality policies and procedures and a quality assurance program based on its other PruittHealth affiliated facilities nationally. PHE expresses a commitment to adhere to any and all State and Federal nursing home regulations and statues in addition to Medicare’s Conditions of Participation.

PruittHealth maintains that its organizational experience and expertise in providing quality skilled nursing services is evidenced by the number of successful programs and quality assurance practices. The applicant describes how the quality program at PruittHealth – Escambia will consist of assigned patient care managers, a care transition program, corporate standards, leadership and training, external benchmarking and awards, continuous process improvement, customer service and transparency. PHE discusses the use of external benchmarking, the ABAQIS quality indicator program, internal reports, internal benchmarking tools like LTC TrendTracker and a Performance Improvement Process as a part of its quality assurance process that will be among several measures implemented as a part of the proposal.

PruittHealth currently operates PruittHealth – Santa Rosa in Santa Rosa County (Subdistrict 1-1). For the three-year period between December 27, 2014 and December 27, 2017, the provider had three substantiated complaints.

<b>PruittHealth - Santa Rosa, Three Year Substantiated Complaint History</b>	
<b>Complaint Category</b>	<b>Number Substantiated</b>
Quality of Care/Treatment	2
Billing/Refunds	1
<b>Total Number of Substantiated Complaints</b>	<b>3</b>

Agency Complaint Records, December 27, 2014 – December 27, 2017

**Financial Feasibility/Availability of Funds**

Funding for this project is in question. Based on the applicant’s Schedule 6, minimum nurse staffing requirements are met, pursuant to Section 400.23(3)(a)(1), Florida Statutes. 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**

PruittHealth – Escambia, LLC is a newly-formed entity and therefore does not have a historical record of Medicaid provision available to discuss for this application.

In year one, PHE forecasts that self-pay will account for 5.3 percent of total patient days and Medicaid will account for 59.1 percent of total patient days. In year two, PHE forecasts that self-pay will account for 2.3 percent of total patient days and Medicaid will account for 61.7 percent of total patient days. The reviewer notes that the forecast for the proposed project is lower than historical utilization for the existing facility, PruittHealth-Santa Rosa which experienced a Medicaid occupancy rate of 67.82 percent for the 12 months ending June 30, 2017.

The applicant does not condition the CON proposal to the provision of a minimum level of Medicaid or charity care.

**Architectural**

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 significant impact on either construction costs or the proposed completion schedule.

**G. RECOMMENDATION**

Approve CON #10505 to establish a 92-bed community nursing home. The total project cost is \$21,966,461. The project involves 77,206 GSF of new construction and a construction cost of \$12,738,990.

**CONDITIONS:**

**Location:**

- Escambia County, Subdistrict 1-1, Florida

**Programming/Operational Conditions:**

- Delicense 40 existing beds at PruittHealth – Santa Rosa upon their transfer to and licensure at PruittHealth - Escambia
- Seek Joint Commission accreditation or accreditation from some other similarly recognized accrediting body



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- Implement a program designed to reduce hospital readmissions; the current program utilized by PruittHealth affiliated facilities is INTERACT 3.0. The program to be implemented will be this program or other similarly designed program based on the most recent quality driven program PruittHealth determines to be available at the time of implementation
- 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
- Assure all staff maintains ongoing training and continuing education credits utilizing Pruitt University and at no cost to the 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 applicable PerfectPath Programs appropriate for this facility and described in the CON application and Supporting Documents
- Implement PointRight Technology (or a future similar technology) in the ongoing operations

**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: \_\_\_\_\_

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Marisol Fitch  
**Health Administration Services Manager**  
**Certificate of Need**