

STATE AGENCY ACTION REPORT
ON APPLICATIONS FOR CERTIFICATE OF NEED

A. PROJECT IDENTIFICATION

1. Applicant/CON Action Number

Dolphin Pointe Health Care, LLC/CON #10581

215 South Monroe Street, Suite 750
Tallahassee, Florida 32301

Authorized Representative: Seann Frazier
(850) 681-0191

Health Care Managers, Inc./CON #10582

2380 Sadler Road, Suite 201
Fernandina Beach, Florida 32034

Authorized Representative: Steven W. Sell, Director
(904) 321-1909

PruittHealth - St. Johns County, LLC/CON #10583 & #10583P

1626 Jeurgens Court
Norcross, Georgia 30093

Authorized Representative: Neil L. Pruitt, Jr.
Chairman and CEO
(678) 533-6699

2. Service District/Subdistrict

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

B. PUBLIC HEARING

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

Letters of Support

Dolphin Pointe Health Care, LLC (CON application #10581) provides letters of support in Appendix D of CON application #10581. The applicant notes excerpts of several of these including but not limited to U.S .Representative Al Lawson and community advocates on pages 60-63 of CON application #10581; Tim Cost, President, Jacksonville University (JU) and Dr. Christine Sapienza, Interim Provost, Sr. VP of Academic Affairs at JU, cite the JU/Dolphin Pointe Health Care, LLC collaboration on pages 39 and 40 of CON application #10581; and Joy Gorham Hervey, Ed.D., CEO of Revitalize Arlington Community Development and Chester Daniel, Chief Development Officer with the Jacksonville Urban League excerpts are provided on pages 49 and 50 of CON application #10581. These excerpts cite the proposed in-house hemodialysis, bariatric care and the applicant's state-of-the-art-facility. Including the individuals cited above, Appendix D includes a total 13 letters from local health care providers, associations and local business leaders.

Health Care Managers, Inc. (CON application #10582) includes 23 letters from an elected official, a Health Care Managers (HCM) employee, residents, physicians and local educators in CON application #10582's "Letters of Support" section. The applicant provides 54 pages of "Resident and Family Testimonials" praising care given at HCM managed facilities. The proposal is broadly endorsed in light of the following factors:

- HCM's reputation for providing and provision of quality care at Lakeside Nursing and Rehabilitation Center
- The expectation that the proposal will benefit residents of Nocatee and St. Johns County
- The growing 65+ population in the area that will require a skilled nursing facility (SNF)
- The potential for the proposal to enhance quality and provide special services—with a unit serving ventilation care, tracheotomy care and Chronic Obstructive Pulmonary Disease (COPD) patients
- HCM facilities state-of-the-art equipment in its rehabilitation departments
- The need for long-term care placement within the service area
- University of North Florida and Florida State College at Jacksonville training/internship programs with HCM's Lakeside Nursing and Rehabilitation Center

Letters of support from the following persons are quoted on various pages of the application:

- Councilman Tommy Hazouri, City of Jacksonville
- Shawn Chopra, M.D., Baptist Health

CON Action Numbers: 10581, 10582, 10583 & 10583P

- Sister Joan Gabbin, SFCC, Case Manager with Mayo Clinic
- Kevin D. Crismond, M.D., Hospitalist
- Marc B. Blatt, M.D., Jacksonville Hospitalist
- Jose M. Gomez, M.D., Diplomat, American Board of Psychiatry and Neurology
- Stella M. Hayes, M.D., Family Physician/Geriatrician
- Patrick Bunyi, M.D.
- Steven E. Carney, DDS, MD, Jacksonville resident
- Barbara Demps, Jacksonville resident
- JoAnn Nolin, RN, MSN, JD, Associate Professor, University of North Florida
- Dr. Mary Kathleen Ebener, Dean of Nursing, Florida State College at Jacksonville
- Jason Craven, Director of Business Development/Discharges
Lakeside Nursing and Rehabilitation Center

PruittHealth - St Johns County, LLC (CON application #10583)

includes 20 letters of support in Tab 4 of CON application #10583. The majority of these were from local health care providers (including PruittHealth's Fleming Island administrator) and associates with the exception of Eric J. Weisz, President of the District IX, Florida Health Care Association who asks that the CON unit "thoroughly examine the positive merits of PruittHealth—St. Johns County's application and truly consider the needs of the 4-3 market".

The Agency received two letters of support through mail delivery, which were also included in Tab 4 of the application. Carlton DeVooght, SEVP/CAO and General Counsel with Flagler Health+ states his facility is the only hospital in St. Johns County and cites Flagler Health's "active bariatric surgery program and the challenges in placing bariatric patients in existing nursing facilities". He states that "having bariatric suites is unusual for our local St. Johns County homes" and understands that PruittHealth will be including bariatric suites as well as a "private initiative" to have private rooms at its facility. He indicates these are desirable features for incorporation in SNF design. He concludes that the proposed location in the Nocatee area (a high growth area in St. Johns County) where there are no existing programs is another reason to support the project.

David Samara, MD, with The Doctor's Clinic, First Coast LTC, Inc. states he practices Geriatric Medicine in the Jacksonville area. Dr. Samara cites need for bariatric suites and private rooms and he can "personally attest" to the lack of services/access issues for SNFs in the Nocatee area.

CON Action Numbers: 10581, 10582, 10583 & 10583P

He notes Florida's high prevalence of Alzheimer's disease and PruittHealth's inclusion of a 16-bed Alzheimer's unit which is "highly needed".

C. PROJECT SUMMARY

Dolphin Pointe Health Care, LLC (CON application #10581) also referenced as DPHC or the applicant, proposes to add 26 community nursing home beds to a 120-bed community nursing home approved via CON #10275, and presently under construction in Subdistrict 4-3, Duval County. The applicant is an affiliate of Clear Choice Health Care, referred to as Clear Choice throughout this document. Clear Choice operates eight SNFs in Florida:

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

The project cost subject to fee for the proposal is \$129,852 (Schedule 1, Line 51). The project cost includes building, equipment and project development costs. The project includes 4,524 gross square feet (GSF) of renovation with a construction cost of \$12,674

The applicant anticipates issuance of license during December 2020 and initiation of service in January 2021.

Dolphin Pointe proposes one condition on the application's Schedule C—the project's 26 "additional beds will remain in private usage".

Health Care Managers, Inc. (CON application #10582) proposes to construct a 103-bed community nursing home in Subdistrict 4-3, St. Johns County. The applicant indicates 92 of the beds are from the fixed need pool (FNP) for Subdistrict 4-3 and 11 are from the Subdistrict 4-1 FNP. HCM is the management company for two Florida SNFs—Lakeside Nursing and Rehabilitation Center (122 beds in Jacksonville, Subdistrict 4-1) and Plaza Health and Rehab, (180 beds in Gainesville, Subdistrict 3-2).

CON Action Numbers: 10581, 10582, 10583 & 10583P

HCM states that it and its founding members have a history of developing and operating facilities in Northeast and Central Florida¹ including the SNFs mentioned above and two assisted living facilities (ALFs)—The Palms at Ponte Vedra Assisted Living and Memory Care (94 beds in St. Johns County) and Mission Oaks (101 beds in Sumter County). The applicant indicates that it operates a District 4 home health agency (Allegiant Home Care, LLC) and that HCM’s established relationship with the area’s health care providers, practitioners and allied health personnel forms a referral network for the proposed facility.

The applicant states that it manages “River City Rehab Center”, a 116-bed approved SNF in Duval County (Subdistrict 4-1), authorized by CON Exemption #E180026 (combining CONs 10475 and 10507) held by First Coast Health Ventures, LLC. This facility is located at 15480 Max Leggett Parkway near the UF Health North campus and is expected to open in March 2020.

The project cost subject to fee for the proposal is \$26,673,000. The project cost includes land, building, equipment, project development, financing and start-up costs. The project includes 79,136 GSF of new construction and \$20,000,000 in construction cost.

The applicant anticipates issuance of license during December 2021 and initiation of service in January 2022.

HCM includes the following Schedule C conditions to the project’s approval:

1. Provide two bariatric resident rooms
2. Provide a minimum of 50 percent total resident rooms as private
3. Provide a 16-bed dementia care unit
4. Establish an eight-bed respiratory care unit
5. Establish a cardiac care program

PruittHealth - St Johns County, LLC (CON application #10583 & #10353P) is a newly-formed entity which will be referred to as PHSJ or the applicant. PHSJ proposes to establish a 103-bed or a partial award for a 77-bed SNF in Subdistrict 3-4, St. Johns County. The applicant states that the 103-bed full award will be accomplished by aggregating 11 beds from the published need of Subdistrict 4-1 and 92 from the published need from Subdistrict 4-3—with the facility being located in St. Johns County (Subdistrict 4-3). The applicant requests that aggregation be utilized for the partial award as well with 11 beds from Subdistrict 4-1 and 66 beds from Subdistrict 4-3.

¹ The reviewer confirmed that HCM and Steven Sell are owner/operators of these facilities.

CON Action Numbers: 10581, 10582, 10583 & 10583P

The applicant's parent-company PruittHealth, currently operates PruittHealth - Santa Rosa in Santa Rosa County (Subdistrict 1-1), PruittHealth - Panama City in Bay County (Subdistrict 2-2) and PruittHealth - Fleming Island in Clay County (Subdistrict 4-2).² PruittHealth has the following CON approved SNF projects pending licensure as of May 24, 2019

- PruittHealth - Panama City (CON #10528) to add 24 beds to its facility in Subdistrict 2-2
- PruittHealth - Escambia, LLC (Exemption #E180033 combining CON #10505 (75 beds) and CON #10527(45 beds) for a 120-bed facility in Subdistrict 1-1
- PruittHealth - Santa Rosa has (Exemption #E170020) to delicense 11 beds as part of the 75 beds approved for CON#10505 (see Exemption #E180033 above) in Subdistrict 1-1
- PruittHealth - Southwood (CON #10529) for a 101-bed facility in Leon County in Subdistrict 2-4
- PruittHealth - Hillsborough County, LLC (CON #10509P) for an 84-bed community nursing home in Subdistrict 6-1

The applicant lists the project cost subject to fee as \$22,826,216. Total project cost includes land, building, equipment, project development, financing and start-up costs. The proposed project includes 83,502 GSF of construction and the construction cost is \$13,882,540.

The 77-bed partial project (**CON application #10583P**), includes 69,989 GSF of construction with a construction cost of \$11,575,810. The total project cost subject to fee is \$19,922,190.

The applicant expects issuance of licensure in March 2022 and initiation of service in April 2022. PHSJ proposes the following Schedule C conditions to project approval:

- Location:
 - The Nocatee area of St. Johns County, Subdistrict 4-3, Florida (Zip Code 33081 or eastern portion of Zip Code 32559).
- Programming/Operational Conditions:
 - All patient beds will be in private patient rooms.
 - All patient bathrooms will be handicap accessible.
 - 103-bed facility will feature a 16-bed Alzheimer's disease secure unit.
 - Incorporate two bariatric rooms in the facility design.

² PruittHealth - Panama City (77 beds) and PruittHealth - Fleming Island (97 beds) were licensed on 12/14/18 and 4/5/19, respectively. PruittHealth has been the licensee for PruittHealth - Santa Rosa (120 beds), since 1/31/03. PruittHealth - Santa Rosa has a conditional license effective 3/27/19.

CON Action Numbers: 10581, 10582, 10583 & 10583P

- Seek Joint Commission accreditation or accreditation from some other similarly recognized accrediting body.
- Implement a program designed to reduce hospital re-admissions; 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.
- If awarded the 103 beds, provide the It's Never 2 Late® (iN2L) computer system to residents of the Alzheimer's unit as a tool to empower and engage seniors, specifically those with dementia. Each resident can have his or her individual page on the system, which displays their favorite personal options: music, games, photos and videos, even websites, at their fingertips.
- Have at least one Certified Dementia Practitioner on staff on the Alzheimer's unit per shift when incorporated into the 103-bed design.
- Implement Electronic Medical Records (EMR) at the facility, and include Smart Charting or other similar bedside patient charting tool.
- Implement Resident Safety Technology including Call Guard and WanderGuard into the facility.
- Implement Clinical Kiosks in appropriate locations throughout the facility.
- 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.

CON Action Numbers: 10581, 10582, 10583 & 10583P

- Implement PointRight Technology (or a future similar technology) in the ongoing operations.
- In addition to complying with Florida Emergency Management Plans and Operations Center as required by the State of Florida, the Applicant will adopt PruittHealth’s policies related to natural disasters and hurricanes, will implement the PruittHealth Hurricane Response Plan and be an active participant in PruittHealth’s Central Command Center when severe weather event arise.

CON application #10583P does not include the three conditions that involve the 103-bed project’s Alzheimer and dementia unit.

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. Section 408.043 (4) Florida Statutes states that “Accreditation by any private organization may not be a requirement for the issuance or maintenance of a certificate of need under ss. 408.031-408.045. Florida Statutes.” The Agency will not impose conditions on already mandated reporting requirements.

Issuance of a CON is required prior to licensure of certain health care facilities and services. The review of a CON application and ultimate approval or denial of a proposed project is based upon the applicable statutory criteria in the Health Facility and Services Development Act (408.031-408.045, Florida Statutes) and applicable rule criteria within Chapters 59C-1 and 59C-2, Florida Administrative Code. An approved CON does not guarantee licensure of the proposed project. Meeting the applicable licensure requirements and licensure of the proposed project is the sole responsibility of the applicant.

| CON# | # of Beds | GSF | Project Cost(\$) | Cost/Bed (\$) |
|--|-----------|--------|------------------|---------------|
| CON application #10581(Dolphin Pointe) | 26 | 4,524 | \$141,800 | \$5,454 |
| CON application #10582 (HCM) | 103 | 79,136 | \$26,673,000 | \$258,961 |
| CON application #10583 (PHSJ) | 103 | 83,502 | \$22,826,216 | \$221,164 |
| CON application #10583P (PHSJ) | 77 | 69,989 | \$19,922,190 | \$258,730 |

Source: Schedules 1 and 9, CON application #s 10581, 10582, 10583 & 10583P

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, James B. McLemore analyzed the application, with consultation from the financial analyst, Everett "Butch" Broussard, 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.**

CON Action Numbers: 10581, 10582, 10583 & 10583P

In Volume 45, Number 62 of the Florida Administrative Register dated March 29, 2019, need for 92 community nursing home beds was published in the fixed need pool (FNP) for Subdistrict 4-3 for the January 2022 Planning Horizon. As the applicants also cite Subdistrict 4-1's FNP, the reviewer confirms the FNP for Subdistrict 4-1 is for 11 beds.

Subdistrict 4-3 has 2,770 licensed and 120 approved community nursing home beds (CON #10275) for Dolphin Pointe Health Care, LLC, which is applying to add beds to the project presently under construction. As of February 15, 2019, the application decision deadline for the October 2018 Other Beds and Programs Batching Cycle, there were no exemptions or expedited CON applications submitted to add community nursing home beds to southeast Duval or St. Johns County.

Below is a table illustrating utilization in Subdistrict 4-3, southeast Duval and St. Johns County from January 2018 – December 2018.

**St. Johns and Southeast Duval Counties (Subdistrict 4-3)
Community Nursing Home Patient Days and Occupancy
Calendar Year 2018**

| Facility | Comm. Nursing Home Bed Inventory | Bed Days | Patient Days | Total Occupancy | Medicaid Occupancy |
|--|---|------------------|---------------------|------------------------|---------------------------|
| Avante Villa at Jacksonville Beach Inc. | 165 | 60,225 | 42,776 | 71.03% | 75.90% |
| Bartram Crossing | 100 | 36,500 | 34,300 | 93.97% | 20.38% |
| Brookdale Atrium Way 2 | 84 | 30,660 | 28,236 | 92.09% | 28.76% |
| Consulate Health Care of Jacksonville | 116 | 42,340 | 37,096 | 87.61% | 68.27% |
| Cypress Village | 120 | 43,800 | 28,831 | 65.82% | 15.11% |
| First Coast Health and Rehabilitation Center | 100 | 36,500 | 34,315 | 94.01% | 76.46% |
| Heartland Health Care Center of South Jacksonville | 117 | 42,705 | 35,686 | 83.56% | 59.52% |
| Life Care Center of Jacksonville | 120 | 43,800 | 36,213 | 82.68% | 41.66% |
| Palm Garden of Jacksonville | 120 | 43,800 | 39,828 | 90.93% | 63.14% |
| Regents Park of Jacksonville | 120 | 43,800 | 42,186 | 96.32% | 68.34% |
| River Garden Hebrew Home for the Aged | 180 | 65,700 | 60,190 | 91.61% | 47.31% |
| Riverwood Center | 240 | 87,600 | 80,220 | 91.58% | 83.95% |
| San Jose Health and Rehabilitation Center | 120 | 43,800 | 35,615 | 81.31% | 71.80% |
| Taylor Care Center | 120 | 43,800 | 38,081 | 86.94% | 63.49% |
| Terrace of Jacksonville, The | 180 | 65,700 | 64,433 | 98.07% | 64.67% |
| University Crossing | 111 | 40,515 | 34,360 | 84.81% | 12.29% |
| Woodland Grove Health & Rehabilitation Center | 120 | 43,800 | 40,871 | 93.31% | 71.83% |
| Moultrie Creek Nursing and Rehab Center | 120 | 43,800 | 39,142 | 89.37% | 55.33% |
| Ponce Therapy Care Center, The | 120 | 43,800 | 27,577 | 62.96% | 53.60% |
| Samantha Wilson Care Center | 120 | 43,800 | 38,509 | 87.92% | 48.29% |
| St. Augustine Health & Rehabilitation Center | 120 | 43,800 | 39,703 | 90.65% | 71.23% |
| Westminster St. Augustine | 5 | 1,015 | 429 | 42.27% | 0.00% |
| Westminster Woods on Julington Creek | 52 | 19,785 | 18,036 | 91.16% | 22.52% |
| Total | 2,770 | 1,011,045 | 876,633 | 86.71% | 57.27% |

Source: Florida Nursing Home Bed Need Projections by District and Subdistrict, April 2019 Batching Cycle

CON Action Numbers: 10581, 10582, 10583 & 10583P

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

**Current and Projected Population Growth Rate
St. Johns and Duval Counties, District 4, and Florida
January 2019 and January 2022**

| County/Area | January 1, 2019 Population | | | January 1, 2022 Population | | |
|-----------------|----------------------------|-----------|-----------|----------------------------|-----------|-----------|
| | 65-74 | 75+ | Pop. 65+ | 65-74 | 75+ | Pop. 65+ |
| St. Johns | 28,283 | 18,123 | 46,406 | 31,793 | 21,562 | 53,355 |
| Duval | 81,628 | 52,050 | 133,678 | 89,825 | 58,814 | 148,639 |
| Subdistrict 4-3 | 109,911 | 70,173 | 180,084 | 121,618 | 80,376 | 201,994 |
| District 4 | 235,132 | 158,895 | 394,027 | 257,230 | 179,196 | 436,426 |
| Florida | 2,339,874 | 1,807,306 | 4,147,180 | 2,525,352 | 1,990,355 | 4,515,707 |
| County/Area | 2019-2022 Increase | | | 2019-2022 Growth Rate | | |
| | 65-74 | 75+ | Pop. 65+ | 65-74 | 75+ | Pop. 65+ |
| St. Johns | 3,510 | 3,439 | 6,949 | 12.41% | 18.98% | 14.97% |
| Duval | 8,197 | 6,764 | 14,961 | 10.04% | 13.00% | 11.19% |
| Subdistrict 4-3 | 11,707 | 10,203 | 21,910 | 10.65% | 14.54% | 12.17% |
| District 4 | 22,098 | 20,301 | 42,399 | 9.40% | 12.78% | 10.76% |
| Florida | 185,478 | 183,049 | 368,527 | 7.93% | 10.13% | 8.89% |

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

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

Beds per 1,000 Residents Age 65 and Older

| County/Area | Licensed & Approved Community Beds | 2019 Pop. Aged 65+ | 2019 Beds per 1,000 | 2022 Pop. Aged 65+ | 2022 Beds per 1,000 |
|-----------------|------------------------------------|--------------------|---------------------|--------------------|---------------------|
| St. Johns | 537 | 46,406 | 29.6 | 53,355 | 24.9 |
| Duval | 2,350 | 133,678 | 45.1 | 148,639 | 39.9 |
| Subdistrict 4-3 | 2,887 | 145,346 | 41.1 | 201,994 | 35.9 |
| District 4 | 9,860 | 325,353 | 62.1 | 436,426 | 55.0 |
| Florida | 84,365 | 4,147,180 | 46.7 | 4,515,707 | 42.4 |

Source: Florida Agency for Health Care Administration Population Estimates, February 2015 and Florida Nursing Home Bed Need Projections by District and Subdistrict, April 2019 Batching Cycle

As the Agency’s fixed need formula takes into account the estimated bed rate for community nursing home beds utilized by the population age 75+ in a district, the reviewer provides the following beds per 1,000 residents age 75+. See the table below.

CON Action Numbers: 10581, 10582, 10583 & 10583P

Beds per 1,000 Residents Age 75 and Older

| County/Area | Licensed & Approved Community Beds | 2019 Pop. Aged 75+ | 2019 Beds per 1,000 | 2022 Pop. Aged 75+ | 2022 Beds per 1,000 |
|------------------------|---|---------------------------|----------------------------|---------------------------|----------------------------|
| St. Johns | 537 | 18,123 | 11.5 | 21,562 | 10.1 |
| Duval | 2,350 | 52,050 | 17.5 | 58,814 | 15.8 |
| Subdistrict 4-3 | 2,887 | 70,173 | 19.8 | 80,376 | 14.3 |
| District 4 | 9,860 | 158,895 | 30.3 | 179,196 | 22.6 |
| Florida | 84,365 | 1,807,306 | 20.3 | 1,990,355 | 18.7 |

Source: Florida Agency for Health Care Administration Population Estimates, February 2015 and Florida Nursing Home Bed Need Projections by District and Subdistrict, April 2019 Batching Cycle

As shown in the above tables, St. Johns County’s elderly population has significantly less available SNF beds per thousand than Duval County. Regardless, the need is projected on a subdistrict basis (St. Johns and southeastern Duval Counties).

The co-batched applicants state that their proposed projects are being submitted in response to the Agency’s fixed need pool publication dated March 29, 2019. They also cite the Subdistrict 4-3 and Subdistrict 4-1 bed need (a combined 103-bed aggregate need).

Dolphin Pointe Health Care, LLC (CON application #10581) states the facility’s address in the Arlington community of southeast Duval County immediately adjacent to JU with frontage on the St. Johns River, will be a major contributor to the long term success of DPHC.³ The facility is expected to be licensed and operational by the fall of 2019. Twenty-six rooms built to private room usage but currently occupied as offices will be converted into 26 private patient rooms. DPHC contends that the initial 120 beds and the proposed 26-bed addition will add long-term care services where limited access currently exists, expand the service mix available at the facility, enhance cross generational linkages, expand clinical/educational opportunities for JU students and stimulate the Arlington area economy through job creation, job training activity and capital investment.

The applicant cites the size of the facility (101,674 GSF)⁴ and its 5,500 GSF allocated for therapy/wellness functions that will serve SNF residents, future ALF patients and JU students. The 120-bed facility presently under construction consists of 68 private rooms and 52 beds in a semi-private setting. A detailed discussion of the services proposed to be offered is provided within CON application #10581.

³ DPHC notes that the ZIP code designation of 32277 in the original CON application #10275 was changed to 32211, but the facility location remains unchanged.

⁴ The reviewer notes that the original CON #10275 had 98,255 GSF of new construction for the 120-bed project.

CON Action Numbers: 10581, 10582, 10583 & 10583P

DPHC asserts that it was designed to be part of a large and comprehensive integrated senior campus emphasizing aging in place while supporting collaborative educational linkages with JU. The applicant cites the phases of the project with phase one being the SNF, phase two the ALF with a memory support component and phase three will include an independent living facility. DPHC indicates that JU is currently developing a three-story “Healthcare Services Academic Center” and an occupational therapy (activity of daily living laboratory) on or adjacent to the DPHC campus at the northern end of its campus, located at the entrance to the Dolphin Pointe campus.

The applicant maintains that the proposed bed addition will expand local alternatives for patients requiring intensive post-acute care, benefiting patients, families and local hospitals in need of a local, high-quality provider to care for sub-acute patients upon acute care discharge. The applicant states that all residents will benefit from the applicant’s proposed “advanced sub-acute services” with incident-specific subacute rehabilitation and services for cardiovascular, neurological and pulmonary care patients. Specific to the project, the applicant states that in-house hemodialysis service will be established and the 26 rooms have been oversized to support care and treatment of larger bariatric patients.

DPHC discusses the other SNF in the Arlington area citing the 100 beds in this facility are composed of 40 beds in four-bed rooms, 18 in three-bed rooms, 38 in semi-private rooms and only four private rooms.⁵ The reviewer notes DPHC’s 120-bed facility includes 68 beds in private rooms and 52 beds in semi-private rooms. The applicant proposes to condition the project to the 26 beds being private rooms.

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

- Improved access to long-term care within Zip Codes 32211 and 32277
- Development of a retirement campus that emphasizes aging in place to support educational programs at JU
- Job growth to help revitalize the Arlington area—the proposed project would add approximately 25 FTEs to the existing approved CON with 120 FTEs and an estimated 200+ associated with the future ALF and independent living housing operations.

The reviewer notes that Dolphin Pointe does not propose to condition the project to the in-house hemodialysis services or bariatric patient rooms.

⁵ The reviewer confirmed Zip Code and bed numbers using the Agency’s floridahealthfinder.gov website. There are 20 community nursing homes within nine miles of the applicant’s facility, five of these are within five miles of DPHC.

CON Action Numbers: 10581, 10582, 10583 & 10583P

This is consistent with DPHC's CON application #10275, in which it proposed no conditions to project approval.

Health Care Managers, Inc. (CON application #10582) states that it and its founding members have a history of developing and operating facilities in Northeast and Central Florida including two SNFs—Lakeside Nursing and Rehabilitation Center and Plaza Health and Rehab, 180-beds in Gainesville; two ALFs—The Palms at Ponte Vedra Assisted Living and Memory Care and Mission Oaks; and a home health agency, Allegiant Home Care, LLC.

HCM states it has turned around facility projects acquired from others citing Lanier Rehabilitation Center f/k/a Rosewood Nursing Home, Baya Pointe Nursing and Rehabilitation Center and Life Care Center of Hilliard f/k/a Hilliard Nursing Center. These facilities are cited as examples of HCM's ability to complete projects on time and on budget. The applicant also cites HCM's operation of Park Ridge Nursing Center and Osprey Point Nursing Center. These facilities are stated to have achieved high quality ratings under the applicant's management and are offered as examples of HCM's ability to provide quality care. HCM presently operates a five star facility—Lakeside Nursing and Rehabilitation Center in Jacksonville and Plaza Health and Rehab, a one star facility in Gainesville. The applicant indicates Plaza Health and Rehab's rating is due to prior management and HCM has had no class I or II deficiencies since taking over in 2017.

The applicant cites the proposed facility's location in the Nocatee area of Ponte Vedra, which was named the Second Fastest-Growing Suburb in America by Realtor.com in 2018. The applicant notes that Baptist Health plans to locate here with primary care, specialty care and wellness programs.

HCM states that specific to the needs common throughout the elderly population in the service area—the proposed facility will offer bariatric care, cardiac care, memory care and respiratory care. The reviewer notes HCM conditions approval to have two bariatric resident rooms, a 16-bed dementia care unit, an eight-bed respiratory care unit and to establish a cardiac care program. The applicant next describes the architectural design, stating that the proposed 79,136 GSF single-story facility will feature 35 private rooms (with two rooms specifically designed to accommodate bariatric patients) and 34 semi-private rooms—each with its own bathroom and shower. HCM indicates that each semi-private room will utilize a split plan configuration to maximize privacy and provide each resident with a window view. All semi-private rooms will exceed minimum space requirements and 11 design features to optimize patient care will be included in the project per the applicant.

CON Action Numbers: 10581, 10582, 10583 & 10583P

The applicant indicates that 38 percent of America's age 65+ population is obese and is projected to increase. HCM notes that Medicaid covers more than 60 percent of all SNF residents but does not reimburse for the specialized equipment required to serve bariatric residents such as motorized lifts, larger wheelchairs, etc. The applicant indicates its two rooms will have beds and lifts that can accommodate a person over 500 pounds.

HCM cites Heart Disease as the number one cause of death in Florida in 2017 and that Duval and St. Johns Counties had 1,640 and 404 cardiac related deaths in CY 2017. According to the applicant, from July 1, 2017 through June 30, 2018, Subdistrict 4-3 hospitals discharged 1,019 persons with circulatory disorders to SNFs.

Estimates for Alzheimer's care provided, based on the Alzheimer Association's statement, to 560,000 Floridians with a projected increase to 720,000 (28.6 percent) by 2025. The applicant indicates these 560,000 persons are 12.5 percent of the Claritas 2019 Florida population 4,490,979 age 65+. HCM asserts that two thirds of all Alzheimer's deaths occur in SNFs—resulting in an Alzheimer's estimate of 19,084 persons in Subdistrict 4-3 by 2023. Other neurological diseases are also cited in support of the applicant's contention that a 16-bed dementia care unit is needed.

Respiratory care is cited as the fourth leading cause of death with 228 deaths in Duval County and 125 deaths in St. Johns County during CY 2017. The applicant notes that Subdistrict 4-3 hospitals discharged 820 persons with respiratory system disorders to SNFs from July 1, 2017 to June 30, 2018. HCM states that its proposed respiratory care program will have eight rooms designated as a respiratory care unit and will accept patients with non-invasive ventilators and tracheostomies.

Utilizing Claritas population estimates to assess availability, HCM indicates that Subdistrict 4-3 for CY 2018 had 123,565 residents aged 65+, which is projected to increase to 152,568 in 2023—with the population age 75+ is expected to increase from 47,474 in 2018 to 57,301 in 2023. The age 65+ population increases by 29,124 (23.6 percent) and the 75+ population increases by 9,827 (20.7 percent). The applicant breakouts the population by Zip Code within a 10-mile and 15-mile radii of the Nocatee Welcome Center, as HCM is using this address as a basis for its preferred Nocatee area location. HCM also provides a table with the population increase and growth rate from the current period of 2018 to 2023. The reviewer condenses elements from the applicant's tables in the reproductions below.

CON Action Numbers: 10581, 10582, 10583 & 10583P

| Subdistrict 4-3 Current & Projected Population by ZIP Code With Subtotals for the 10 & 15-Mile Radii of the Nocatee Welcome Center | | | | | | | |
|---|-----------------|------------------------|----------------|-------------------|------------------------|----------------|-------------------|
| | | 2018 Population | | | 2023 Population | | |
| County | ZIP Code | Age 65+ | Age 75+ | Total Pop. | Age 0-65 | Age 75+ | Total Pop. |
| Duval | 32256 | 6,418 | 2,487 | 50,847 | 8,002 | 3,277 | 56,218 |
| Duval | 32258 | 3,897 | 1,308 | 30,040 | 5,082 | 1,912 | 33,025 |
| St. Johns | 32081 | 1,483 | 460 | 13,354 | 1,913 | 652 | 14,954 |
| St. Johns | 32082 | 8,856 | 3,403 | 33,493 | 10,955 | 3,785 | 36,425 |
| St. Johns | 32095 | 1,905 | 538 | 11,490 | 2,492 | 730 | 12,659 |
| 10-Mile Radius of Nocatee | | 22,559 | 8,196 | 139,224 | 28,444 | 10,356 | 153,281 |
| Duval | 32223 | 4,675 | 1,620 | 24,403 | 5,610 | 1,935 | 25,106 |
| Duval | 32224 | 5,176 | 2,192 | 42,138 | 6,516 | 2,801 | 45,579 |
| Duval | 32246 | 5,914 | 1,932 | 56,665 | 7,755 | 2,739 | 61,691 |
| Duval | 32250 | 5,135 | 2,033 | 30,207 | 6,320 | 2,477 | 32,156 |
| Duval | 32257 | 6,705 | 2,696 | 39,795 | 8,171 | 3,303 | 42,083 |
| Duval | 32266 | 1,310 | 459 | 7,356 | 1,617 | 577 | 7,657 |
| St. Johns | 32084 | 6,717 | 2,501 | 34,778 | 8,085 | 2,866 | 37,750 |
| St. Johns | 32092 | 5,024 | 1,701 | 38,017 | 6,147 | 2,232 | 42,446 |
| St. Johns | 32259 | 6,211 | 1,931 | 49,069 | 8,568 | 2,516 | 54,664 |
| 15-Mile Radius of Nocatee | | 69,426 | 25,261 | 461,652 | 87,233 | 31,802 | 502,413 |
| Subdistrict's other 12 ZIPs | | 54,139 | 22,213 | 304,941 | 65,456 | 25,499 | 322,978 |
| Subdistrict 4-3 Total | | 123,565 | 47,474 | 766,593 | 152,689 | 57,301 | 825,391 |

Source: CON application #10582 page 1-15

| Subdistrict 4-3 Population Increase and Growth Rate by ZIP Code With Subtotals for the 10 & 15-Mile Radii of the Nocatee Welcome Center | | | | | | | |
|--|-----------------|--|----------------|-------------------|-------------------------------------|----------------|-------------------|
| | | 2018- 2023 Population Increase by Age | | | 2018-2023 Growth Rate by Age | | |
| County | ZIP Code | Age 65+ | Age 75+ | Total Pop. | Age 65+ | Age 75+ | Total Pop. |
| Duval | 32256 | 1,584 | 790 | 5,371 | 24.7% | 31.8% | 10.6% |
| Duval | 32258 | 1,185 | 604 | 2,985 | 30.4% | 46.2% | 9.9% |
| St. Johns | 32081 | 430 | 192 | 1,600 | 29.0% | 41.7% | 12.0% |
| St. Johns | 32082 | 2,099 | 382 | 2,932 | 23.7% | 11.2% | 8.8% |
| St. Johns | 32095 | 587 | 192 | 1,169 | 30.8% | 35.7% | 10.2% |
| 10-Mile Radius of Nocatee | | 5,885 | 2,160 | 14,057 | 26.1% | 26.4% | 10.1% |
| Duval | 32223 | 935 | 315 | 703 | 20.0% | 19.4% | 2.9% |
| Duval | 32224 | 1,340 | 609 | 3,441 | 25.9% | 27.8% | 8.2% |
| Duval | 32246 | 1,841 | 807 | 5,026 | 31.1% | 41.8% | 8.9% |
| Duval | 32250 | 1,185 | 444 | 1,949 | 23.1% | 21.8% | 6.5% |
| Duval | 32257 | 1,466 | 607 | 2,288 | 21.9% | 22.5% | 5.7% |
| Duval | 32266 | 307 | 118 | 301 | 23.4% | 25.7% | 4.1% |
| St. Johns | 32084 | 1,368 | 365 | 2,972 | 20.4% | 14.6% | 8.5% |
| St. Johns | 32092 | 1,123 | 531 | 4,429 | 22.4% | 31.2% | 11.7% |
| St. Johns | 32259 | 2,357 | 585 | 5,595 | 37.9% | 30.3% | 11.4% |
| 15-Mile Radius of Nocatee | | 17,807 | 6,541 | 40,761 | 25.6% | 25.9% | 8.8% |
| Subdistrict's other 12 ZIPs | | 11,317 | 3,286 | 18,037 | 20.9% | 14.8% | 5.9% |
| Subdistrict 4-3 Total | | 29,124 | 9,827 | 58,798 | 23.6% | 20.7% | 7.7% |

Source: CON application #10582 page 1-16

CON Action Numbers: 10581, 10582, 10583 & 10583P

HCM notes that over 56 percent of the subdistrict’s age 65+ population resides within a 15-mile radius of Nocatee and is projected to increase by 17,807 (25.6 percent) by 2023, the second year of the proposed project. The applicant concludes its proposed location will maximize access to SNF services. HCM provides the following table in support of its need projections for the facility’s service area.

| Factors Determining Need | | | |
|--|----------------------------|---------------------------------------|---------------------------------------|
| Factor | Subdistrict 4-3 | Nocatee 15-Mile Radius | Nocatee 10-Mile Radius |
| Population 65+ 2018 | 123,565 | 69,426 | 22,559 |
| Population 75+ 2018 | 47,474 | 25,261 | 8,196 |
| Current Community SNF Beds | 2,770 | 1,398 | 105 |
| Current Beds per 1,000 Pop. Age 65+ | 22 | 20 | 5 |
| Current Beds per 1,000 Pop. Age 75+ | 58 | 55 | 13 |
| Hospitals | 7 | 4 | 1 |
| Acute Hospital Beds | 2,164 | 1,004 | 255 |
| Projected Population 65+ 2023 | 152,689 | 87,233 | 28,444 |
| Projected Population 75+ 2023 | 57,301 | 31,802 | 10,356 |
| Projected SNF Beds | 2,993 | 1,501 | 208 |
| Projected SNF Beds per 1,000 65+ | 20 | 17 | 7 |
| Projected SNF Beds per 1,000 75+ | 52 | 47 | 20 |

Source: CON application #10582 page 1-22

The applicant states that the projected 2,993 SNF beds above include existing, approved and the 103-beds proposed in HCM’s project. As shown in the table, the beds per thousand drops from 22 presently to 20 in 2023 for the age 65+ for the subdistrict, 20 for the 15-mile radii and five for the 10-mile radii. The applicant compares this to DPHC’s 10-mile radius of 31 beds per thousand age 65+ by 2023 without the addition of more beds sought in their application. Therefore, HCM contends its project in the Nocatee area will more evenly distribute beds throughout the subdistrict. The reviewer notes that PruittHealth St. Johns (CON application #10583 and 10583P) proposes to condition project approval to locate in the Nocatee area of St. Johns County while HCM does not.

HCM indicates the proposed facility will achieve 88.5 percent occupancy during the second year of operation. The projected utilization for the 103-bed facility is shown in the table below.

| Year | Admits | Patient Days | Occup. Rate | ADC |
|---------------|---------------|---------------------|--------------------|------------|
| One – CY 2022 | 462 | 18,437 | 49.0% | 51 |
| Two – CY 2023 | 860 | 33,303 | 88.5% | 91 |

Source: CON application #10582, page 1-23.

The applicant notes that its average length of stay (ALOS) of approximately 40 days reflects a facility that will serve both short-term rehabilitation and long-term care.

CON Action Numbers: 10581, 10582, 10583 & 10583P

HCM maintains that the proposed facility will not have an adverse impact on existing SNFs as a result of published need. The applicant states the Agency's need formula "assumes that a balance exists in the base year" and utilization rates applied to future population estimates retain that balance and avoid over-bedding the subdistrict. HCM anticipates that the proposed location in the Nocatee area for CON application #10582, which has no existing SNFs, will assure access without impacting existing providers.

HCM concludes its need discussion stating that the proposed project offers several benefits including:

- Constructing the new facility within northern St. Johns County, within or near the Nocatee area, an area experiencing growth in the population age 65+, improves access without impacting existing providers
- The proposed facility meets the future needs of Subdistrict 4-3 residents
- The facility is appropriately sized to provide a variety of services and the architectural plans create specialty areas for delivering care to bariatric patients, respiratory care patients and those with memory care needs
- HCM is local to District 4 having existing facilities and relationships with discharge planners, therapy providers, physicians, community leaders and others
- HCM is an experienced developer and proven operator of quality facilities and has the leadership to assure the project's successful implementation and long-term viability.

PruittHealth - St. Johns County, LLC (CON application #10583 & #10583P) states that in addition to the published need for the 92 beds in Subdistrict 4-3 and 11 in Subdistrict 4-1, there are other factors supporting need for the proposed facility. These factors include:

- Historical occupancy of Subdistrict 4-3
- There are no existing SNF beds or facilities in the Nocatee vicinity of St. Johns County
- Less access to disease specific programming including Alzheimer's/dementia
- Limited accommodations for patients with obesity
- Limited access to SNFs for the Medicaid long-term care population particularly in private rooms
- Historical hospital discharges to SNFs by service line
- Growing elderly population who are the most frequent users of SNF services
- The changing dynamics in payors and the payor system.

CON Action Numbers: 10581, 10582, 10583 & 10583P

PHSJ notes that it carried out detailed market research to determine how it can be of better benefit to the residents of the service area. The applicant states that based on an evaluation of services provided at the licensed SNFs in the service area, details of services provided by service area (Subdistricts 4-3 and 4-1) SNFs are:

- None of the facilities are located in the Nocatee vicinity
- All 32 facilities provide subacute care
- 30 of the 32 provide respite care
- All 32 provide hospice on site
- All 32 provide physical, occupational and speech therapy
- Only two in Subdistrict 4-3 and one in Subdistrict 4-1 have a secure Alzheimer’s unit – none of these are in St. Johns County
- One SNF features all private rooms—however, it has only five community beds

The applicant notes the historical growth and the projected increase in the age 65+ population of 629 persons (29.4 percent) from 2019 to 2024. PHSJ indicates that the Nocatee location will be the primary service area but will serve all Subdistrict 4-3 and 4-1 residents who are clinically appropriate for admission.

PHSJ next provides a breakout of Subdistricts 4-3 and 4-1 population estimates by Zip Codes. The reviewer condensed these tables to compare January 2019 and July 2023. See the table below.

**Subdistricts 4-3 and 4-1
Growth Rate in 65+ Population
January 2019 to July 2023**

| County | January 2019 | July 2023 | Change 2019-2023 | Percent Change 2019-2023 |
|---------------------------------------|---------------------|------------------|-----------------------------|-------------------------------------|
| St. Johns | 46,406 | 56,578 | 10,172 | 21.9% |
| SE Duval Total | 78,280 | 92,702 | 14,422 | 18.4% |
| Subdistrict 4-3 | 124,686 | 149,280 | 24,594 | 19.7% |
| Subdistrict 4-1 | 50,937 | 60,105 | 9,168 | 18.0% |
| Subdistrict 4-3 & 4-1, Aggregation | 175,623 | 209,385 | 33,762 | 19.2% |

Source: CON application #10583, pages 61 and 62

The applicant notes that the Nocatee area includes some portions of a four Zip Code area and in January 2019 this area had 115,000 residents. PHSJ provides this four Zip Code area (Nocatee) resident discharges based on “AHCA Inpatient Data Tapes and NHA Analysis” from hospitals to SNFs during the 12-month periods ending September 2016 through September 2018. See the table below.

CON Action Numbers: 10581, 10582, 10583 & 10583P

| Zip Code Areas which Encompass Nocatee All Ages and Age 65 and Older Resident Discharges to Skilled Nursing 12 Months Ending September 30, 2016 through 2018 | | | | | | |
|---|-----------------|----------------|----------------|----------------|----------------|----------------|
| | All Ages | | | Age 65+ | | |
| ZIP Code | 9/30/16 | 9/30/17 | 9/30/18 | 9/30/16 | 9/30/17 | 9/30/18 |
| 32081 | 57 | 86 | 67 | 48 | 79 | 66 |
| 32082 | 330 | 273 | 335 | 298 | 256 | 301 |
| 32095 | 78 | 95 | 83 | 68 | 77 | 70 |
| 32259 | 318 | 317 | 289 | 286 | 305 | 261 |
| Total | 783 | 771 | 774 | 700 | 717 | 698 |

Source: CON application #10583, page 77

PHSJ notes that more than 90 percent of the discharges are patients 65+ indicating that the proposed placement of its facility in the Nocatee area will enhance access. Letters of support from Carlton DeVooght, Senior Executive Vice President, Flagler Health (the only hospital system in St. Johns County) and other community members citing need for a SNF in the area are referenced.

The applicant discusses national and statewide Alzheimer's disease trends, statistics (pages 78-83 of CON application #10583). The applicant determines that there are 13,061 seniors affected with Alzheimer's/ dementia in Subdistrict 4-3 and this statistic is projected to grow to 15,042 seniors (15.17 percent) by year two of the proposed project (2023). See the table below.

**Estimates of Persons Afflicted with Alzheimer's Disease
Subdistrict 4-3 and Subdistrict 4-1 Aggregation
2019 and 2023**

| | 2019 | | | 2023 | | |
|---|-------------------|------------------|-----------------------------|-------------------|------------------|-----------------------------|
| | Population | Incidence | Alzheimer's Estimate | Population | Incidence | Alzheimer's Estimate |
| SUBDISTRICT 4-3, St. Johns and Southeastern Duval Counties | | | | | | |
| Age 65 to 74 | 80,720 | 3% | 2,422 | 96,722 | 3% | 2,902 |
| Age 75 to 84 | 34,569 | 17% | 5,877 | 41,379 | 17% | 7,034 |
| Age 85+ | 14,880 | 32% | 4,762 | 15,958 | 32% | 5,106 |
| Total | 130,169 | -- | 13,061 | 154,059 | -- | 15,042 |
| SUBDISTRICT 4-1, Nassau and Northern Duval Counties | | | | | | |
| Age 65 to 74 | 32,881 | 3% | 986 | 38,759 | 3% | 1,163 |
| Age 75 to 84 | 14,411 | 17% | 2,450 | 16,718 | 17% | 2,842 |
| Age 85+ | 5,087 | 32% | 1,628 | 5,474 | 32% | 1,752 |
| Total | 52,379 | -- | 5,064 | 60,952 | -- | 5,757 |
| SUBDISTRICT 4-3 and 4-1 Aggregation Totals | | | | | | |
| Subdistrict 4-3 | 130,169 | -- | 13,061 | 154,059 | -- | 15,042 |
| Subdistrict 4-1 | 52,379 | -- | 5,064 | 60,952 | -- | 5,757 |
| 4-3 & 4-1 Total | 182,548 | | 18,125 | 215,011 | | 20,799 |

Source: CON application #10583, pages 81 and 176

CON Action Numbers: 10581, 10582, 10583 & 10583P

The reviewer notes that the applicant has applied an aggregated, nationally assessed prevalence rate from the total United States population to the service area. Per the USGS⁶, there are 3,141 counties and county equivalents in the 50 States and the District of Columbia. The reviewer indicates that a single nationally assessed Alzheimer's prevalence rate, applied to a single county or portion of a county to project Alzheimer's growth, may or may not generate reliable estimates. The reviewer notes that in making these determinations, PHSJ does not reference the application of state or local sources that might yield more valid/more reliable results, such as:

- State of Florida Department of Health Alzheimer's prevalence rates for the counties in the proposed the service area
- Health Planning Council of Northeast Florida, Inc., needs assessment

The reviewer notes that the applicant states estimated Alzheimer's prevalence in the service area regardless of the stage of the disease nor how many Alzheimer's patients are in the severe or late-stage when an individual might need round-the-clock assistance with daily activities and personal care. However, the reviewer notes that letters of support, indicate a growing Alzheimer's presence in the service area and a need for the applicant's proposed, secure, all-private, 16-bed Alzheimer's unit. The applicant provides quotes from five local health care professionals stating their support for the need for Alzheimer's care on pages 81 and 82 of CON application #10583. PHSJ discusses PruittHealth's Memory Support and "It's Never 2 Late ®" (iN2L) computer system as a planned feature of its proposed 16-bed Alzheimer's unit on pages 83 and 84 of CON application #10583.

The applicant discusses an October 2017 study by the Centers for Disease Control and Prevention (CDC) in assessing the prevalence of obesity among adults in the United States. The applicant further discusses a May 2018 study from the University of Florida, Florida Hospital and the Obesity Action Coalition in which researchers reviewed health data of nine million Floridians and found that 37.1 percent of Floridians are considered obese.

⁶ According to the website <https://www.usgs.gov/about/about-us/who-we-are>, USGS (The United States Geological Survey) was created by an act of Congress in 1879 and has evolved over the ensuing 125 years, matching its talent and knowledge to the progress of science and technology. The same website indicates that USGS is the sole science agency for the U.S. Department of the Interior and is the nation's largest water, earth, biological science and civilian mapping agency.

CON Action Numbers: 10581, 10582, 10583 & 10583P

PHSJ provides obesity incidence (2019 and 2023) and estimates between 25 and 29.9 percent of St. Johns County and between 35 and 39.9 percent of the Duval and Nassau Counties population is obese. The applicant applies the midpoint for St. Johns (27.5 percent) and for Duval and Nassau (37.5 percent) for its projections in the table below.

**Estimates of Residents with Obesity, Ages 65+
Subdistrict 4-3 and Subdistrict 4-1 Aggregation
2019 and 2023**

| | 2019 | | | 2023 | | |
|---|----------------|-----------|------------------|----------------|-----------|------------------|
| | Population | Incidence | Obesity Estimate | Population | Incidence | Obesity Estimate |
| SUBDISTRICT 4-3, St. Johns and Southeastern Duval Counties | | | | | | |
| St. Johns | 46,406 | 27.5% | 12,762 | 56,578 | 27.5% | 15,559 |
| SE Duval | 78,280 | 37.5% | 29,355 | 92,702 | 37.5% | 34,763 |
| Total | 124,686 | | 42,117 | 149,280 | | 50,322 |
| SUBDISTRICT 4-1, Nassau and Northern Duval Counties | | | | | | |
| Nassau | 17,861 | 37.5% | 6,698 | 21,455 | 37.5% | 8,046 |
| N Duval | 33,076 | 37.5% | 12,404 | 38,650 | 37.5% | 14,494 |
| Total | 50,937 | -- | 19,101 | 60,105 | -- | 22,539 |
| Aggregate Totals | 175,623 | | 61,218 | 209,385 | -- | 72,862 |

Source: CON application #10583, pages 86 and 178 from Obesity Science & Practice (published by John Wiley & Sons, Ltd., World Obesity and The Obese Society, Volume 4, Issue 4, Pages 308-31, first published May 9, 2018, Environics/Claritas and NHA Analysis)

The reviewer notes that while PHSJ offers an estimate of the total universe of obese resident cases in the service area, it does not offer a methodology to estimate a likely number of obese area residents that could reasonably be expected to be approaching or at an acuity level that would be appropriate and consistent with SNF care, pursuant to a plan of care. However, the reviewer notes that letters of support are consistent with a need for the applicant’s proposed, two-suite, bariatric unit and the applicant proposes to condition project approval to this.

PHSJ states it first implemented a lift-free program in 1997 to ensure the safety of obese residents and staff. The applicant indicates that specialized equipment used in the delivery of care to bariatric residents includes beds, geriatric chairs, wheelchairs, walkers, lifts, shower chairs and shower beds. PHSJ concludes that depending on needs, up to 600 pound persons can be accommodated at its facilities.

The applicant addresses Medicaid long-term care (LTC) enrollees and provides a description of the Medicaid and Medicare patients in SNFs. Medicaid finance data is cited as the basis for percentage increase from March 1, 2016 through March 1, 2019 for Duval, St. Johns and Nassau Counties. Medicaid long-term enrollment increased by 6.8 percent in St. Johns County, 11.3 percent for Duval County (10.8 St. Johns and Duval County combined), and 18.8 percent for Nassau between March 1,

CON Action Numbers: 10581, 10582, 10583 & 10583P

2017 and 2019 (page 88 of CON application #10583). The reviewer notes the applicant’s table (page 89 of the application) has these percentages but indicates the period is from March 1, 2016 to March 1, 2019. PHSJ states that Duval County experienced the ninth greatest actual increase in Medicaid LTC enrollees of any Florida county between 2017 and 2019 and concludes it is obvious the area exhibits strong increases in Medicaid long-term care enrollees.

PHSJ maintains that Medicaid accounted for 63.9 percent of all patient days statewide and notes that Subdistrict 4-3 was 6.5 percent less and St. Johns County was more than 10 percent below the state average. The applicant provides the Agency’s Florida Nursing Home Bed Need Projections by District and Subdistrict, published March 29, 2019 for CY 2018 for SNFs in St. Johns, SE Duval, Northern Duval and Nassau Counties, Subdistrict 4-3 and 4-1, in two tables on Pages 90, 91, 181 and 182 of the application. The applicant’s tables on page 90 and 181 incorrectly indicate that there were 3,776 licensed beds in Subdistrict 4-3, while pages 91 and 182 have the correct number included below. The reviewer condenses the applicant’s tables in the table below.

**Subdistrict 4-3, Subdistrict 4-1 and the State of Florida
Community Nursing Home Utilization
CY 2018**

| Area | Licensed Beds | Total Patient Days | Total Occup. | Medicaid Patient Days | Medicaid Occup. |
|---------------------------------------|----------------------|---------------------------|---------------------|------------------------------|------------------------|
| St. Johns County | 570 | 163,396 | 83.4% | 87,378 | 53.5% |
| SE Duval County | 2,233 | 713,237 | 87.5% | 414,629 | 58.1% |
| Subdistrict 4-3 Total | 2,803 | 876,633 | 86.7% | 502,007 | 57.3% |
| Northern Duval County | 885 | 297,575 | 92.1% | 225,062 | 75.6% |
| Nassau County | 240 | 78,660 | 89.8% | 50,433 | 64.1% |
| Subdistrict 4-1 Total | 1,125 | 376,235 | 91.6% | 275,495 | 73.2% |
| Subdistrict 4-1 & 4-3 Agg. | 3,928 | 1,252,868 | 88.1% | 777,502 | 62.1% |
| Florida | 80,825 | 24,935,751 | 84.7% | 15,937,814 | 63.9% |

Source: CON application #10583, pages 90, 91, 181 and 182

Note: the reviewer added the State totals as they were referenced in the applicant’s narrative.

The applicant states it will make a concerted effort to admit Medicaid long-term care enrollees through its outreach program. The applicant’s 103-bed facility’s projected 57.4 year one and 60.2 percent of year two patient days being provided to Medicaid patients demonstrates a substantial commitment per PHSJ.

PHSJ notes the proposed project will increase the private room count from 50 to 153, or with the partial award from 50 to 122 beds. The applicant maintains that this is of particular importance because Medicaid long-term care patients have less private accommodations than Medicare and other payors.

CON Action Numbers: 10581, 10582, 10583 & 10583P

The applicant provides the hospital discharges from all 13 hospitals in the aggregate service area and notes that more than 80 percent of the discharges are patients age 65+. The reviewer notes that this is a decrease from the 90 percent of the discharges to SNFs for patients age 65+ in the Nocatee Zip Code area. The applicant notes that Flagler Health (the one St. Johns County hospital) discharges between 1,400 and 1,800 patients during the three-year long periods ending September 30, 2018—a decrease from 1,401 in September 2016 to the 1,818 high in September 2016. This trend is repeated for the age 65+ discharges—1,621 in 2016 to 1,271 in 2018.

The applicant cites its Fleming Island facility and indicates that it has already begun to develop its own relationships in the market. PHSJ states it will apply its knowledge of this market and expand upon existing PruittHealth affiliate relationships to effectively respond to the unique needs of this market.

PHSJ provides a narrative of specialized services, initiatives and amenities on pages 105 to 111 of CON application #10583. Services to be included are summarized in the following list:

- Programs to reduce hospital readmissions (INTERACT 3.0)
- All private rooms
- Resident safety technologies
- Electronic medical records
- Physical, occupational and speech therapies
- Specialized equipment
 - Nautilus leg press
 - Nautilus triceps press
 - Nautilus compound row
 - Nautilus low back
 - Nautilus four-way neck
 - Nautilus leg extension
 - Biodex balance system
 - Biodex gait trainer
 - Biodex un-weighing system
 - Biodex Biostep
 - Accelerated care plus modalities
 - Ultrasound
 - Shortwave diathermy⁷
 - Electrical stimulation
 - Specialized care staff and facility amenities.

⁷ A medical/surgical technique involving the production of heat in a part of the body by high-frequency electric currents, to stimulate the circulation, relieve pain, destroy unhealthy tissue or cause bleeding vessels to clot.

CON Action Numbers: 10581, 10582, 10583 & 10583P

PHSJ provides the following forecast utilization for the 103-bed proposal:

| PruittHealth – St Johns County, LLC Forecasted Utilization 103-beds | | |
|--|--|--|
| | Year One: Ending March 31, 2023 | Year Two: Ending March 31, 2024 |
| Medicare/Medicare HMO, Skilled Patients | | |
| Admissions | 212 | 536 |
| Patient Days | 5,175 | 13,176 |
| Average Daily Census | 14.2 | 36.0 |
| Medicaid, Long-Term Patients | | |
| Admissions | 34 | 90 |
| Patient Days | 8,258 | 21,594 |
| Average Daily Census | 22.6 | 59.2 |
| All Other Payers | | |
| Admissions | 16 | 19 |
| Patient Days | 943 | 1,098 |
| Average Daily Census | 2.6 | 3.0 |
| Total | | |
| Admissions | 263 | 645 |
| Patient Days | 14,376 | 35,868 |
| Occupancy Rate | 38.2% | 95.4% |
| Average Daily Census | 39.4 | 98.3 |

Source: CON application #10583, Page 125
 Note: The Year One admissions add up to 262

For the 77-bed partial project (**CON application #10583P**), PHSJ provides the following forecast utilization

CON Action Numbers: 10581, 10582, 10583 & 10583P

| PruittHealth – St Johns County, LLC Forecasted Utilization 77-beds | | |
|---|--|--|
| | Year One: Ending March 31, 2023 | Year Two: Ending March 31, 2024 |
| Medicare/Medicare HMO, Skilled Patients | | |
| Admissions | 161 | 419 |
| Patient Days | 3,905 | 10,248 |
| Average Daily Census | 10.7 | 28.1 |
| Medicaid, Long-Term Patients | | |
| Admissions | 24 | 64 |
| Patient Days | 5,809 | 15,372 |
| Average Daily Census | 15.9 | 42.1 |
| All Other Payers | | |
| Admissions | 16 | 19 |
| Patient Days | 943 | 1,098 |
| Average Daily Census | 2.6 | 3.0 |
| Total | | |
| Admissions | 201 | 502 |
| Patient Days | 10,657 | 26,718 |
| Occupancy Rate | 38.0% | 95.0% |
| Average Daily Census | 29.2 | 73.2 |

Source: CON application #10583, Page 126

The applicant maintains that the proposed project will have no adverse impact on existing SNFs in the service area given the obvious demand for skilled nursing services into the planning horizon.

PHSJ concludes the need section stating the project should be approved based on the following facts and commitments:

- 100 percent private rooms
- 100 percent handicap accessible rooms
- 16-bed Alzheimer’s dementia unit (for the full award only)
- Two bariatric rooms/suites
- 60 percent of patient days to Medicaid long-term care enrollees
- State of the art rehab suite, extensively equipped with a Hydroworx therapy pool
- PruittHealth’s successful programs to reduce hospital readmissions
- A commitment to technology, including PointRight, Smart Charting, Wandergard, Careguard, and electronic medical records.

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 co-batched 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.**

Dolphin Pointe Health Care, LLC (CON application #10581) proposes to provide both short-term and long-term care with all beds dually certified. The applicant refers the reviewer to its Schedule 7, from which the reviewer computed the ALOS will be approximately 40 days for years one and two of operation.

The applicant provides “select examples” of the services and programs for cardiovascular, neurological and pulmonary care patients. Ancillary services “anticipated to be provided” at the proposed facility include but are not limited to the following:

- Physical therapy
- Hydrotherapy
- Occupational therapy
- Pulmonary therapy
- Speech/language pathology/therapy service
- Audiology services
- Social services
- Imaging services
- Laboratory services
- Recreation/recreational therapy services
- Psychiatric/psychological/behavioral services
- Medications
- Medical supplies and equipment
- Nutrition services
- IV/infusion therapy services
- Hemodialysis services

DPHC notes that the policies and guidelines to be used at its facility for patient assessment tools/admission policies, patient care plan development guideline and discharge/transfer policies will be based on proven tools/policies/guidelines in place at Clear Choice licensed/certified/Joint Commission accredited facilities. The applicant provides examples of admission tools/forms such as pre-screening patients, pre-admission form inquiry, pre-admission insurance verification form and social services assessment tools/forms such as pre-admission care needs.

CON Action Numbers: 10581, 10582, 10583 & 10583P

Advanced rehabilitative equipment and services necessary for high intensity rehabilitative care to be offered, include (but are not limited to):

- HydroWorx aquatic therapy pools
- Alter G anti-gravity treadmill
- HUR equipment
- Continuous and Bi-Level Positive Airway Pressure (“BIPAP/CPAP”) programming
- Portable Biosway
- Omni-Cycle
- Diathermy
- Kinesis pulley system
- NuStep
- Sci-Fit
- Vitalstim

DPHC indicates that Clear Choice programs, services, and equipment will be used and certified staff members in a variety of fields are cited. Clear Choice continuing education programs are discussed with various examples presented. The applicant states that the SNF will have access to “the broad array of clinical education and training resources available at JU” to ensure staff have training and education needed to meet resident’s needs. Schedule 6 illustrates that FTEs for years one (ending December 31, 2021) and year two (ending December 31, 2022) total 145.6. The 26-bed addition accounts for 24.9 of these. See the table below.

CON Action Numbers: 10581, 10582, 10583 & 10583P

| Dolphin Pointe Health Care, LLC (CON application #10581) Projected Year One and Year Two Staffing | | | |
|--|-------------------------|------------------------|--------------------------------------|
| | Current FTEs | 26-Bed FTEs | Total Year 1 & 2 FTEs |
| Administration | | | |
| Administrator | 1.0 | | 1.0 |
| Director of Nursing | 1.0 | | 1.0 |
| Admissions | 2.1 | | 2.1 |
| Bookkeeper | 1.0 | 1.0 | 2.0 |
| Secretary | 0.0 | | 0.0 |
| Medical Records Clerk | 2.1 | 1.0 | 3.1 |
| Other: Receptionist | 1.0 | | 1.0 |
| Other: Nursing Admin | 4.2 | | 4.2 |
| Other: Administrative | 0.0 | | 0.0 |
| Physicians | | | |
| Medical Director | 0.5 | | 0.5 |
| Other: | 0.0 | | 0.0 |
| Nursing | | | |
| RNs | 7.0 | 1.5 | 8.5 |
| LPNs | 16.8 | 4.0 | 20.8 |
| Nurses' Aides | 48.6 | 10.0 | 58.6 |
| Other | 0.0 | | 0.0 |
| Ancillary | | | |
| Physical Therapist | 4.7 | 1.0 | 5.7 |
| Speech Therapist | 1.3 | 0.5 | 1.8 |
| Occupational Therapist | 4.0 | 1.0 | 5.0 |
| Dietary | | | |
| Dietary Supervisor | 1.0 | | 1.0 |
| Cooks | 5.6 | 1.0 | 6.6 |
| Dietary Aides (including Servers) | 5.6 | 1.0 | 6.6 |
| Other | 0.0 | | 0.0 |
| Social Services | | | |
| Social Service Director | 1.9 | 0.5 | 2.4 |
| Activity Director | 1.0 | 0.4 | 1.4 |
| Activities Assistant | 0.9 | | 0.9 |
| Housekeeping | | | |
| Housekeeping Supervision | 1.0 | | 1.0 |
| Housekeepers | 4.6 | 1.5 | 6.1 |
| Laundry | | | |
| Laundry Aides | 1.9 | 0.5 | 2.4 |
| Plant Maintenance | | | |
| Maintenance Supervisor | 1.0 | | 1.0 |
| Maintenance Assistance | 0.9 | | 0.9 |
| Total | 120.7 | 24.9 | 145.6 |

Source: CON application #10581, Schedule 6

CON Action Numbers: 10581, 10582, 10583 & 10583P

Health Care Managers, Inc. (CON application #10852) notes that it proposes to use beds based on aggregate need from two subdistricts and it complies with Rule 59C-1.036(3)(e)1., Florida Administrative Code, in that its facility will be located in Subdistrict 4-3 which has the greater bed need. HCM indicates that in order to determine the level of need for specific services to be offered, it analyzed hospital discharges to SNFs for District 4 residents aged 65+. The applicant examined all Major Diagnostic Categories (MDCs) to determine the types of conditions and disorders that would be admitted to a SNF. Based on this analysis, HCM identified the cases and prevalence for the top 10 MDCs discharged from acute, rehabilitation and long-term care hospitals to SNF for District 4 residents age 65+. See the table below.

| District 4 Discharges to SNF by MDC For Subdistrict 4-3 Residents Age 65+, from July 1, 2017 to June 30, 2018 | | |
|--|--------------|----------------|
| MDC (Top 10) | Cases | Percent |
| 08-Musculoskeletal System & Conn Tissue | 1,763 | 24.5% |
| 05-Circulatory System | 1,019 | 14.2% |
| 04-Respiratory System | 820 | 11.4% |
| 18-Infectious & Parasitic Diseases, Systemic or Unspecified Sites | 719 | 10.0% |
| 11-Kidney & Urinary Tract | 711 | 9.9% |
| 01-Nervous System | 664 | 9.2% |
| 06-Digestive System | 492 | 6.8% |
| 10-Endocrine, Nutritional & Metabolic | 288 | 4.0% |
| 09-Skin, Subcutaneous Tissue & Breast | 162 | 2.3% |
| 07-Hepatobiliary System & Pancreas | 86 | 1.2% |
| Other | 471 | 6.5% |
| Total | 7,195 | 100% |

Source: CON application #10582, page 2-4 from AHCA Hospital Patient Discharge Data.

HCM notes that the top 10 MDCs (above) represent 93.5 percent of District 4’s hospital to SNF discharges for the age 65+ cohort, with the top three MDCs accounting for 50 percent (3,602) hospital to SNF discharges. The applicant indicates that HCM-affiliated facilities have a variety of specialized programs and continue to innovate in order to best meet resident needs. The applicant asserts that the proposed facility’s design emphasizes rehabilitation and includes a large therapy suite and outdoor therapy courtyard with restorative programs that focus on avoiding hospital admissions or readmission.

CON Action Numbers: 10581, 10582, 10583 & 10583P

The applicant indicates that the proposed facility will be certified for both Medicare and Medicaid as well as provide a broad range of nursing and restorative care to manage short-term rehabilitation, long-term care and complex medical conditions. The applicant notes services that will be provided at the proposed facility include but are not limited to the following:

- Physical, occupational and speech therapies
- Orthopedic rehabilitation
- Neurological rehabilitation
- Pulmonary rehabilitation
- “Cardiac Care” program
- Memory care
- Disease management
- Palliative care
- Hospice care
- Wound care

The applicant indicates that the proposed project will utilize the policy and procedures of affiliated facilities managed by HCM—including care planning, admission and discharge procedures. HCM maintains that upon admission, each resident is evaluated for special needs by a multidisciplinary team consisting of the attending physician, director of nursing and other health care professionals with a care plan developed. Upon admission, the applicant states that each resident receives an “Admission Packet” containing applicable facility forms and lists these on page 2-13 of CON application #10582.

HCM states that staff will receive appropriate training regarding resident rights and federal requirements ensuring that all staff are trained to provide residents with the highest measure of dignity, courtesy and care. The applicant indicates that the proposed project will utilize the policy and procedures of affiliated facilities managed by HCM.

The applicant discusses discharge planning, noting that discharge plans begin with the initial assessment during admissions and involve an interdisciplinary team approach. HCM states that a resident will only be discharged on the orders of the attending physician and at the time of discharge, a record is made of the resident’s care with an appropriate discharge summary of prior treatment, diagnosis, rehabilitation potential, physician orders pertaining to immediate care and other pertinent information.

CON Action Numbers: 10581, 10582, 10583 & 10583P

HCM notes that at the time of discharge, the director of nursing and social services director will discuss the aftercare plans with the resident, their families and any other pertinent aftercare providers.

The applicant projects that during the first year of operation, the 103-bed facility will have an average daily census (ADC) of 51 patients and 91 patients in the second year of operation. HCM indicates the proposed facility will experience an ALOS of 40 days in year one and 39 days during the second year of operation. The applicant provides the following table detailing its projected utilization, ALOS and ADC for the first two years of operation. See the table below.

| Projected Admissions, Patient Days, ALOS and ADC First Two Years of Operation for the 103 Bed Facility | | |
|---|-----------------|-----------------|
| Factor | Year One | Year Two |
| Admissions | 462 | 860 |
| Patient Day | 18,437 | 33,303 |
| ALOS | 40 | 39 |
| ADC | 51 | 91 |

Source: CON application #10582, page 2-15

The applicant's Schedule 6 illustrates that FTEs for year one (ending December 31, 2022) total 82.7 and total 136.3 for year two (ending December 31, 2023). See the table below.

CON Action Numbers: 10581, 10582, 10583 & 10583P

| Health Care Managers, Inc. Proposed Staffing for 103-Bed Facility | | |
|--|----------------------|----------------------|
| Position | Year One FTEs | Year Two FTEs |
| Administrator | 1.0 | 1.0 |
| Director of Nursing | 1.0 | 1.0 |
| Admissions | 2.0 | 1.8 |
| Bookkeeper | 1.0 | 1.0 |
| Medical Records | 1.0 | 1.8 |
| Other: Receptionist | 1.0 | 1.0 |
| Other: Nursing Adm-MDS, Sched, CSR & ward clrk | 4.5 | 4.5 |
| Medical Director (Contracted) | 0.5 | 0.5 |
| RN | 4.3 | 7.7 |
| LPN | 8.1 | 14.8 |
| Nurses' Aides | 23.8 | 42.9 |
| Physical Therapist | 3.6 | 6.2 |
| Speech Therapist | 1.8 | 3.1 |
| Occupational Therapist | 3.4 | 6.0 |
| Respiratory Therapist Director | 1.5 | 2.0 |
| Dietary Supervisor | 1.0 | 1.0 |
| Cooks | 5.1 | 9.0 |
| Dietary Aides (incl. servers) | 7.1 | 12.6 |
| Social Services Director | 1.0 | 1.8 |
| Activity Director | 1.0 | 1.0 |
| Activity Assistant | 0.0 | 0.8 |
| Housekeeping Supervision | 1.0 | 1.0 |
| Housekeepers | 4.0 | 8.2 |
| Laundry Aides | 2.0 | 3.6 |
| Maintenance Supervisor | 1.0 | 1.0 |
| Maintenance Assistant | 1.0 | 1.0 |
| Total | 82.7 | 136.3 |

Source: CON application #10582, Schedule 6

PruittHealth - St. John County, LLC (CON application #10583)

states that the following essential services will include, but not be limited to:

- 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
- Alzheimer/dementia programming
- Bariatric programming (specialized training and design features)

CON Action Numbers: 10581, 10582, 10583 & 10583P

The applicant maintains that unique services and characteristics that are essential at each and every PruittHealth SNF include, but are not limited to:

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

PHSJ asserts that other services to be readily available will include:

- Diabetic 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

The applicant provides a summary of deluxe amenities, programs and measures to reduce hospital admissions (INTERACT program), other technologies and resources to be implemented in the proposal on pages 44-48 of CON application #10583 along with descriptions of equipment and service offerings on pages 137 – 165. The applicant provides PruittHealth’s 2018 Quality Report in the application’s Supporting Documents section including copies of PruittHealth’s admission and discharge planning policies and procedures.

CON Action Numbers: 10581, 10582, 10583 & 10583P

Proposed staffing for the applicant's 103-bed and the 77-bed partial project are included in the following tables:

| PruittHealth – St. Johns County, LLC: Proposed Staffing 103-beds | | |
|---|--------------------------|--------------------------|
| Position | Year One FTEs | Year Two FTEs |
| Administration | | |
| Administrator | 1.0 | 1.0 |
| Director of Nursing | 1.0 | 1.0 |
| Admissions Director | 1.0 | 1.0 |
| Marketing Representative | 1.0 | 1.0 |
| Secretary | 1.4 | 1.4 |
| Medical Records Clerk | 0.7 | 1.0 |
| Other: Financial Counselor | 1.0 | 1.0 |
| Physicians | | |
| Medical Director (Contracted Svc) | 0.2 | 0.2 |
| Other: Physician Svcs (Contracted Svc) | 0.02 | 0.02 |
| Nursing | | |
| RN | 4.67 | 9.8 |
| LPN | 6.70 | 12.6 |
| Nurses' Aides | 17.85 | 43.4 |
| Other: RN MDS Nurse | 2.58 | 4.0 |
| Ancillary | | |
| Physical Therapist (Contracted Svc) | 0.77 | 1.87 |
| Physical Therapist Assistant (Contracted Svc) | 0.66 | 1.60 |
| Speech Therapist (Contracted Svc) | 0.38 | 0.97 |
| Occupational Therapist (Contracted Svc) | 0.74 | 1.82 |
| Occupational Therapy Assistant (Contracted Svc) | 0.27 | 0.66 |
| Other: Rehab Aide | 1.0 | 1.0 |
| Dietary | | |
| Dietary Supervisor | 1.0 | 1.0 |
| Cooks | 2.13 | 5.1 |
| Dietary Aides | 2.13 | 5.1 |
| Social Services | | |
| Social Service Director | 1.0 | 1.0 |
| Activity Director | 1.0 | 1.0 |
| Housekeeping | | |
| Housekeepers | 5.02 | 12.6 |
| Laundry | | |
| Laundry Aides | 1.4 | 2.8 |
| Plant Maintenance | | |
| Maintenance Supervisor | 1.0 | 1.0 |
| Total | 57.57 | 114.95 |

Source: CON application #10583, Schedule 6.

Note: The reviewer calculated slight differences probably due to rounding with Year One FTEs total at 57.62 and Year Two at 114.94 FTEs, respectively.

CON Action Numbers: 10581, 10582, 10583 & 10583P

| PruittHealth – St. Johns County, LLC Proposed Staffing for 77-Bed Facility | | |
|---|----------------------|----------------------|
| Position | Year One FTEs | Year Two FTEs |
| Administrator | 1.0 | 1.0 |
| Director of Nursing | 1.0 | 1.0 |
| Admissions Director | 1.0 | 1.0 |
| Marketing Representative | 1.0 | 1.0 |
| Secretary | 1.4 | 1.4 |
| Medical Records Clerk | 0.7 | 1.0 |
| Other: Financial Counselor | 1.0 | 1.0 |
| Medical Director (Contracted Svc) | 0.2 | 0.2 |
| Other: Physician Svcs (Contracted Svc) | 0.02 | 0.02 |
| RN | 3.15 | 5.6 |
| LPN | 4.87 | 8.4 |
| Nurses' Aides | 14.47 | 35 |
| Other: RN MDS Nurse | 1.92 | 5 |
| Physical Therapist (Contracted Svc) | 0.72 | 1.76 |
| Physical Therapist Assistant (Contracted Svc) | 0.62 | 1.51 |
| Speech Therapist (Contracted Svc) | 0.35 | 0.91 |
| Occupational Therapist (Contracted Svc) | 0.69 | 1.71 |
| Occupational Therapy Assistant (Contracted Svc) | 0.25 | 0.62 |
| Other: Rehab Aide | 1.0 | 1.0 |
| Dietary Supervisor | 1.0 | 1.0 |
| Cooks | 1.94 | 3.7 |
| Dietary Aides | 1.94 | 3.7 |
| Social Services Director | 1.0 | 1.0 |
| Activity Director | 1.0 | 1.0 |
| Housekeeping Supervision | 0.0 | 0.0 |
| Housekeepers | 4.32 | 7.0 |
| Laundry Aides | 1.4 | 2.8 |
| Maintenance Supervisor | 1.0 | 1.0 |
| Total | 48.93 | 90.33 |

Source: CON application #10583, Schedule 6

Note: The reviewer calculated slight differences probably due to rounding with Year One FTEs total at 48.96.

The applicant's Schedule 7 indicates that the ALOS will be 54.66 in year one and 55.61 in year two for the 103-bed project. Schedule 7 for the 77-bed project has an ALOS of 53.02 in year one and 53.22 in year two.

- 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:**

CON Action Numbers: 10581, 10582, 10583 & 10583P

- 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.**

Dolphin Pointe Health Care, LLC (CON application #10581) states this criterion is not applicable as the applicant does not operate any facilities within the State of Florida. Clear Choice, the applicant's management company has had no SNF license denied revoked or suspended within 36 months of the application.

Health Care Managers, Inc. (CON application #10582) states that it has never had a nursing facility license denied revoked or suspended.

PruittHealth - St. Johns County, LLC (CON application #10583) states that none of the facilities operated by its parent company have ever had licenses denied, revoked or suspended.

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

All applicants indicate they have not had a SNF placed into receivership.

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

All applicants indicate this does not apply as they have not had a SNF denied, revoked or suspended or placed into receivership.

- 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.**

CON Action Numbers: 10581, 10582, 10583 & 10583P

All applicants indicate this does not apply as they have not had a SNF denied, revoked or suspended or placed into receivership.

- 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.**

All applicants indicate this is not applicable, since there have been no violations.

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

All applicants state that they will provide the required data in compliance with this criterion.

The reviewer checked the recent reporting history of the applicants affiliated facilities for January – June 2018 reporting period, the last reporting period (July – December 2018) for the FNP projections and the first quarter of 2019 ending March 31, 2019.

Dolphin Pointe Health Care, LLC (CON #10581): The eight Clear Choice affiliate facilities located in districts 2, 5, 6 and 7 have been complied with this requirement.

Health Care Management, Inc. (CON #10582) has two facilities— Plaza Health and Rehab (Subdistrict 3-2) and Lakeside Nursing and Rehabilitation Center (Subdistrict 4-1) that have complied with this requirement.

PruittHealth - St. Johns County, LLC (CON application #10583): Pruitt Health facilities have complied with this requirement.

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 23 licensed community nursing homes with a total of 2,770 community nursing home beds in Subdistrict 4-3. The subdistrict averaged 86.71 percent total occupancy during CCY 2018. There are 120 approved beds (CON #10275) for DPHC presently under construction at 3412 University Blvd. N. in Jacksonville. As previously noted, DPHC is submitting CON application #10581 to add beds to the facility approved by CON #10275.

Dolphin Pointe Health Care, LLC (CON application #10581) indicates that the project will increase the availability and access to traditional long-term care services, sub-acute rehabilitation and recovery services for all residents in the service area, including medically complex patients. The applicant notes that while the proposed project will support a higher level of quality of care in Subdistrict 4-3, southeast Duval and St. Johns County, the bed addition will specifically support SNF needs of the Arlington/JU area immediately adjacent to the DPHC location.

DPHC provides data on the single SNF located within the two Zip Code Arlington area—First Coast Health and Rehabilitation Center (100 beds) located within five miles of DPHC citing its four private rooms, 96 beds in semi-private rooms, 18 beds in three-bed rooms and 40 beds in four-bed rooms (40)—with an occupancy of 94 percent during CY 2018. The applicant maintains that the proposed project will provide added availability and access to needed high quality SNF services within the Arlington community. DPHC concludes its availability discussion citing the proposed collaborative linkage between its facility and JU which it contends will provide expanded clinical training site opportunities and expand the availability of health care services provided to local residents.

The applicant includes a brief description of specialty services and programs it proposes to offer with an intent to establish strong relationships with Jacksonville hospitals as Clear Choice has in District 7. DPHC asserts that it will provide care to all eligible persons, regardless of financial or cultural access limitations. A table of the project's proposed service to Medicaid and dually certified patients is provided on page 77 of CON application #10581. The applicant projects 26 percent of year one and 30 percent of year two days will be provided to "residential" Medicaid patients. The reviewer confirmed the

CON Action Numbers: 10581, 10582, 10583 & 10583P

percentages in the table with the patient days provided in Schedule 7 of the application. The reviewer created the following chart showing projected occupancy for year one and year two (ending December 31, 2021 and 2022) from the applicant’s Schedule 7s.

**Dolphin Pointe Forecasted Utilization
CON application #10581 (26 beds) & Total 146 Bed Facility**

| 26-Bed Addition | Year One | Year Two |
|-------------------------------|-----------------|-----------------|
| Total Admissions | 209 | 220 |
| Total Patient Days | 8,383 | 9,099 |
| Occupancy | 88.3% | 95.9% |
| Total 146 Bed Facility | | |
| Total Admissions | 1,175 | 1,235 |
| Total Patient Days | 47,071 | 51,097 |
| Occupancy | 88.3% | 95.9% |

Source: CON application #10581, Schedule 7

Note: The reviewer computed the total facility year two admissions as DPHC left the column blank.

DPHC’s responses to Health Care Access Criteria are provided on pages 80-83 of CON application #10581.

Health Care Managers, Inc. (CON application #10582) notes that the overall occupancy in District 4-3 was 86.71 percent during CY 2018. Utilizing Claritas population estimates to assess availability, the applicant indicates that Subdistrict 4-3 currently has 22 beds per 1,000 elderly residents aged 65+, decreasing to 20 beds per 1,000 by year 2023. The applicant provides a summary of current and projected subdistrict beds per 1,000 and contends that the proposed project improves availability in an area of high demand. See the table below.

| Number of Community Nursing Homes Beds Per 1,000 Elderly Age 65+ 2018 and 2023 | | | | | | |
|---|------------------------------------|------------------------------------|-------------------------------|--|-------------------------------|------------------------------|
| Existing Availability | | | | | | |
| | Licensed Community Beds | 2018 Population 65+ | Beds per 1,000 | 2018 Patient Days | Days per 1,000 | Average Occupancy |
| 15-Mile Radius | 1,398 | 69,426 | 20 | 440,976 | 6,352 | 86.42% |
| Subdistrict 4-3 | 2,770 | 123,556 | 22 | 876,633 | 7,095 | 86.71% |
| District 4 | 9,442 | 407,991 | 23 | 2,946,031 | 7,221 | 85.48% |
| Projected Availability | | | | | | |
| | Projected Beds* | 2023 Population 65+ | Beds per 1,000 | Estimated 2023 Patient Days | Days Per 1,000 | Average Occupancy |
| 15-Mile Radius | 1,501 | 87,233 | 17 | 554,082 | 6,352 | 101.13% |
| Subdistrict 4-3 | 2,993 | 152,672 | 20 | 1,083,212 | 7,095 | 99.15% |
| District 4 | 9,963 | 491,472 | 20 | 3,548,833 | 7,221 | 97.59% |

Source: CON application #10582, page 3-3

The applicant discusses quality of care and reiterates that HCM provides quality care. The facility star ratings for HCM’s facilities are compared to PruittHealth’s which the applicant indicates has approximately 40

CON Action Numbers: 10581, 10582, 10583 & 10583P

percent of its 96 SNFs rated one or two on the Centers for Medicare and Medicaid Services (CMS) Nursing Home Compare website. The reviewer confirms the CMS overall facility ratings for 34 of PruittHealth's facilities and HCM's two facilities (five for Lakeside Nursing and Rehabilitation Center and two for Plaza Health and Rehab). The applicant asserts that HCM's leadership team strives to achieve excellence in all areas, as evidenced by the high inspection ratings of the two managed facilities. HCM asserts that Plaza Health and Rehab's rating is based on previous management issues and notes it has had no class I or II deficiencies under HCM management.

HCM maintains that quality is impacted by the environment of care and states that it ensures its facilities are well-maintained and provide a welcoming homelike atmosphere. The applicant describes the architectural design, stating that the proposed 79,136 GSF, one-story facility will feature 35 private rooms, with two rooms specifically designed to accommodate bariatric patients, and 34 semi-private rooms-each with its own bathroom and shower. HCM points out that each semi-private room will have wall separation and window views to maximize privacy and independence.

With respect to accessibility, the applicant states that the proposed facility is centrally located within Subdistrict 4-3 in an area experiencing high population growth. HCM indicates that 71.4 percent of Subdistrict 4-3's total population and 68 percent of the elderly age 65+ and 67 percent of the age 75+ reside within a 30-minute drive-time contour⁸ of the Nocatee Welcome Center, the approximate site for the proposed facility location. The applicant asserts that the proposed facility location maximizes access to SNF care within a 30-minute drive. See the table below.

⁸ The reviewer notes that the 30-minute drive time contour described by the applicant is an asymmetrical outline and is not representative of a 30-minute drive time radius to the proposed facility location.

CON Action Numbers: 10581, 10582, 10583 & 10583P

| Subdistrict 4-3 Current & Projected Population by ZIP Code Within the 30-Minute Drive Time Contour | | | | | | | |
|---|-----------------|------------------------|--------------------|-----------------------|------------------------|--------------------|-----------------------|
| | | 2018 Population | | | 2023 Population | | |
| County | ZIP Code | Age 65+ | Age 75+ | Total Pop. | Age 0-65 | Age 75+ | Total Pop. |
| St. Johns | 32081 | 1,483 | 460 | 13,354 | 1,913 | 652 | 14,954 |
| St. Johns | 32082 | 8,856 | 3,403 | 33,493 | 10,955 | 3,785 | 36,425 |
| St. Johns | 32084 | 6,717 | 2,501 | 34,778 | 8,085 | 2,866 | 37,750 |
| St. Johns | 32092 | 5,024 | 1,701 | 38,017 | 6,147 | 2,232 | 42,446 |
| St. Johns | 32095 | 1,905 | 538 | 11,490 | 2,492 | 730 | 12,659 |
| Duval | 32207 | 5,485 | 2,233 | 34,537 | 6,502 | 2,541 | 35,588 |
| Duval | 32216 | 6,351 | 2,794 | 39,511 | 7,630 | 3,227 | 42,091 |
| Duval | 32217 | 3,997 | 1,938 | 19,002 | 4,587 | 2,093 | 19,866 |
| Duval | 32223 | 4,675 | 1,620 | 24,403 | 5,610 | 1,935 | 25,106 |
| Duval | 32224 | 5,176 | 2,192 | 42,138 | 6,516 | 2,801 | 45,579 |
| Duval | 32246 | 5,914 | 1,932 | 56,665 | 7,755 | 2,739 | 61,691 |
| Duval | 32250 | 5,135 | 2,033 | 30,207 | 6,320 | 2,477 | 32,156 |
| Duval | 32256 | 6,418 | 2,487 | 50,847 | 8,002 | 3,277 | 56,218 |
| Duval | 32257 | 6,705 | 2,696 | 39,795 | 8,171 | 3,303 | 42,083 |
| Duval | 32258 | 3,897 | 1,308 | 30,040 | 5,082 | 1,912 | 33,025 |
| Duval | 32259 | 6,211 | 1,931 | 49,069 | 8,568 | 2,516 | 54,664 |
| 30-Minute Total | | 83,949 | 31,767 | 547,346 | 104,335 | 39,086 | 592,301 |
| Subdistrict 4-3 | | 123,565 | 47,474 | 766,593 | 152,689 | 57,301 | 825,391 |
| Percent of Subdistrict 4-3 | | 67.9% | 66.9% | 71.4% | 68.3% | 68.2% | 71.8% |

Source: CON application #10582 page 3-8

Note: ZIP Code 32259 was listed as St. Johns in the applicant's 'mileage' charts but is shown as Duval in the 'minutes' charts. USPS ZIP Code lookup indicates it could be either.

The reviewer notes that three Duval County ZIP codes—32207, 32216 and 32217 are outside the facility's 15-mile radius but are within the 30-minute drive contour.

HCM provides a table with the population increase and growth rate from the current period of 2018 to 2023. As with the previous table, the reviewer condenses elements from the applicant's table in the table below.

CON Action Numbers: 10581, 10582, 10583 & 10583P

| Subdistrict 4-3 Population Increase and Growth Rate by ZIP Code Within the 30-Minute Drive Time Contour | | | | | | | |
|--|-----------------|--|--------------------|-----------------------|---|--------------------|-----------------------|
| | | 2018- 2023 Population Increase by Age | | | 2018-2023 Growth Rate by Age | | |
| County | ZIP Code | Age 65+ | Age 75+ | Total Pop. | Age 0-65 | Age 75+ | Total Pop. |
| St. Johns | 32081 | 430 | 192 | 1,600 | 29.0% | 41.7% | 12.0% |
| St. Johns | 32082 | 2,099 | 382 | 2,932 | 23.7% | 11.2% | 8.8% |
| St. Johns | 32084 | 1,368 | 365 | 2,972 | 20.4% | 14.6% | 8.5% |
| St. Johns | 32092 | 1,123 | 531 | 4,429 | 22.4% | 31.2% | 11.7% |
| St. Johns | 32095 | 587 | 192 | 1,169 | 30.8% | 35.7% | 10.2% |
| Duval | 32207 | 1,017 | 308 | 1,051 | 18.5% | 13.8% | 3.0% |
| Duval | 32216 | 1,279 | 433 | 2,580 | 20.1% | 15.5% | 6.5% |
| Duval | 32217 | 590 | 155 | 864 | 14.8% | 8.0% | 4.5% |
| Duval | 32223 | 935 | 315 | 703 | 20.0% | 19.4% | 2.9% |
| Duval | 32224 | 1,340 | 609 | 3,441 | 25.9% | 27.8% | 8.2% |
| Duval | 32246 | 1,841 | 807 | 5,026 | 31.1% | 41.8% | 8.9% |
| Duval | 32250 | 1,185 | 444 | 1,949 | 23.1% | 21.8% | 6.5% |
| Duval | 32256 | 1,584 | 790 | 5,371 | 24.7% | 31.8% | 10.6% |
| Duval | 32257 | 1,466 | 607 | 2,288 | 21.9% | 22.5% | 5.7% |
| Duval | 32258 | 1,185 | 604 | 2,985 | 30.4% | 46.2% | 9.9% |
| Duval | 32259 | 2,357 | 585 | 5,595 | 37.9% | 30.3% | 11.4% |
| 30-Minute Total | | 20,386 | 7,319 | 44,955 | 24.3% | 23.0% | 8.2% |
| Subdistrict 4-3 | | 29,124 | 9,827 | 58,798 | 23.6% | 20.7% | 7.7% |
| Percent of Subdistrict 4-3 | | 70.0 | 74.5% | 76.5% | | | |

Source: CON application #10582 page 3-9

The reviewer notes the table indicates that 76.5 percent of subdistrict’s 4-3 total population is within a 30-minute drive compared to the narrative’s stated 71.4 percent. The applicant’s tables demonstrate an area with the majority of the subdistrict’s population and projected growth. HCM maintains that the proposed facility’s location will improve geographic access by ensuring residents have reasonable access to available beds within proximity to their residences. The applicant notes that the proposed facility will offer a wide range of services to address various patient needs such as short-term rehabilitation, complex care and long-term needs.

Regarding the extent of utilization in Subdistrict 4-3, the applicant provides occupancy data (CON application #10582, page 3-11) for the 12 community nursing homes within 15 miles of the proposed location, the subdistrict and the State. The applicant reiterates the most recent 12-month period occupancy for the subdistrict and notes that facilities within 15 miles of the project experienced similar high occupancy rates, which limits accessibility to SNF care. HCM indicates that without a new facility, utilization would be limited to a stagnant supply, forcing residents to seek treatment outside the service area. The applicant

CON Action Numbers: 10581, 10582, 10583 & 10583P

asserts that the proposed project is expected to improve access and enhance availability as well as utilization within Subdistrict 4-3. HCM's responses to Health Care Access Criteria are provided on pages 3-13 through 3-17 of CON application #10582.

PruittHealth - St. Johns County, LLC (CON application #10853) notes that St. Johns County is home to six of the 23 community nursing homes in the subdistrict. PHSJ restates the four-Zip Code population of the Nocatee service area of 115,000 in 2019 was nearly half (47 percent) of the St. Johns County population with no existing SNFs in the Nocatee vicinity of St. Johns County.

PHSJ restates the prevalence of Alzheimer's disease nationally, as well as the projected incidence percentage and Alzheimer's estimates from 2019 to 2023 in Subdistricts 4-3 and 4-1, by age cohorts. The applicant points out the incidence percentage and the estimated number of Subdistrict 4-3 and 4-1 residents projected to be obese from 2019 to 2023.

The applicant notes that currently there is a private room mix of 10.4 percent (50 beds) in St. Johns County and 20.8 percent mix (565 beds) in Subdistrict 4-3. PHSJ notes that the proposed facility will be the first community nursing home in the service area with 100 percent private rooms.

PHSJ states it will make a "concerted effort to admit Medicaid LTC enrollees" and its commitment as shown by the projected 57.4 percent (year one) and 60.2 percent year two Medicaid as percent to total patient days.

The applicant expresses the intent to develop programs, services, protocols and exceed benchmarks in an effort to ultimately achieve AHCA Gold Seal eligibility. PHSJ describes the historical performance of PruittHealth SNFs in comparison to other for-profit companies in the CMS Five Star Quality Rating System. The applicant stresses that 21 percent of PruittHealth SNFs had deficiency-free surveys which it contends is high given the reported national averages.

PHSJ maintains that implementation of this project will involve all PruittHealth quality policies and procedures and a quality assurance program based on its other PruittHealth-affiliated facilities nationally. The applicant expresses a commitment to adhere to any and all State and Federal SNF regulations and statues in addition to Medicare's Conditions of Participation. The applicant states that the proposed facility will seek Joint Commission accreditation.

- 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.**

Dolphin Pointe Health Care, LLC (CON application #10581) states that although it is a new company, it will be managed by Clear Choice. The applicant provides the STAR ratings as provided at <https://www.medicare.gov/nursinghomecompare/> for the eight Florida SNFs managed by Clear Choice. DPHC includes Governor’s Gold Seal and Joint Commission Accreditation in its chart for Clear Choice’s Florida SNFs. The reviewer confirms Clear Choice operates one Gold Seal facility—Conway Lakes Health and Rehab. DPHC provides the facilities overall CMS ratings which is a one to five star system, with five stars being the highest. The reviewer confirmed the CMS ratings and added Florida’s ratings for October 2016 – March 2019, which was last updated April 2019.

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

| Facility | Location | CMS Overall Inspection | Florida Overall Inspection |
|---|-----------------|-------------------------------|-----------------------------------|
| Belleair Health Care Center | Clearwater | 4-Star | Four Stars |
| Centre Pointe Health and Rehab Center | Tallahassee | 4-Star | Three Stars |
| Conway Lakes Health & Rehabilitation Center | Orlando | 5-Star | Five Stars |
| East Bay Rehabilitation Center | Clearwater | 3-Star | Two Stars |
| Melbourne Terrace Rehabilitation Center | Melbourne | 1-Star | One Star |
| Port Charlotte Rehabilitation Center | Port Charlotte | 3-Star | Three Stars |
| Spring Lake Rehabilitation Center | Winter Haven | 3-Star | Four Stars |
| Sun Terrace Health Care Center | Sun City Center | 3-Star | Four Stars |

Source: CON application #10581, page 85, based on “CMS star ratings as of June 2019”. Florida Overall Inspection scores are from FloridaHealthFinder.gov website.

DPHC declares that all of Clear Choice managed facilities average a 3.25 CMS rating and two—Melbourne Terrace and East Bay Rehabilitation have old surveys dropping out of the Star evaluation this year and it is anticipated these old surveys will be replaced by four or five star ratings with newer surveys. Clear Choice corporate emphasis is on continually enhancing the quality and effectiveness of care and it is expected that each facility including DPHC will enhance quality services in the future. A discussion of Clear Choice’s “Health Care Mission and Values Statements” is provided. The applicant asserts that DPHC will offer proven, high-quality post-acute care programs and services that are much more intensive, serve higher acuity and more medically complex patients than typically provided in SNFs.

CON Action Numbers: 10581, 10582, 10583 & 10583P

Appendix E includes Clear Choice Health Care’s corporate structure and bibliographies of key management personnel. Appendix B includes Clear Choice’s descriptions of its “select equipment” and certified care programs. Appendix H includes Clear Choice’s Rehabilitation Guidelines, Dietary Guidelines and Clinical Operation Guidelines Manuals table of contents.

Agency complaint records indicate that the Clear Choice Health Care affiliated SNFs for the three-year period ending April 22, 2019 had 28 substantiated complaints at eight facilities. A single complaint can encompass multiple complaint categories with five complaints resulting in two categories being cited per complaint. The substantiated complaint categories are listed below:

| Nursing Homes affiliated with Clear Choice Health Care | |
|---|-----------------------------|
| Complaint Category | Number Substantiated |
| Quality of Care/Treatment | 14 |
| Resident/Patient/Client Rights | 5 |
| Infection Control | 3 |
| Resident/Patient/Client Assessment | 2 |
| Administration/Personnel | 2 |
| Admission, Transfer & Discharge Rights Environment | 2 |

Source: Florida Agency for Health Care Administration Complaint Records, April 22, 2016—April 22, 2019

Health Care Managers, Inc. (CON application #10582) is affiliated with two Florida SNFs—Lakeside Nursing and Rehabilitation Center (Subdistrict 4-1) and Plaza Health and Rehab (Subdistrict 3-2). HCM provides a brief discussion of these facilities’ ratings and the awards its ALF (The Palms at Ponte Vedra Assisted Living and Memory Care) has received. Lakeside’s “Vision Statement” is provided on page 4-2 of CON application #10582 and the applicant indicates the proposed St. Johns facility will adopt a similar “Vision”. Exhibit 4-1 of CON application #10582 includes copies of Lakeside’s inspection results, Joint Commission Accreditation quality report, awards and photographs of the facility.

The applicant states that in December 2012, CMS released “*QAPI at a Glance*” and lists (CON application #10582, Page 4-4) this 12-step guide to establish a foundation of quality assurance and performance improvement in SNFs. HCM indicates it stays up to date on all state and federal requirements for quality assurance and performance improvement.

CON Action Numbers: 10581, 10582, 10583 & 10583P

HCM states the St. Johns' facility Quality Assurance and Performance Improvement (QAPI) plan will be similar to the program already in place at other HCM-affiliated facilities. The applicant maintains that "the performance improvement process focuses on continuously improving and delivery of care and services to residents".

The applicant states that all departments are involved as appropriate to address key facility practices and that a "Performance Improvement Committee" is comprised of the following members:

- Administrator-Chairperson
- Medical Director or designee
- Director of Nursing
- QI-Risk Manager
- Dietary Director
- Environmental Services Director
- Representatives from all key departments

HCM contends that the QAPI Committee will hear and act on the following reports as needed:

- Findings from resident, family and staff interviews
- Outcome of performance improvement
- Admissions tracking and trending (admissions log and trends)
- Discharge tracking: date, type and location
- Infection control tracking, trending and education
- Residents with wounds acquired in-house and those with non-pressure wounds, i.e. circulatory, surgical
- Residents with weight loss
- Resident accidents/incidents: number for the month, tracking and trending
- Resident/family grievance process: number for the month and resolution
- Monitoring implementation and revisions for resident care plans

The applicant states that quality control findings will be reported at least quarterly and that the QAPI Committee will develop plans of correction for areas that are in need of improvement, including assigning a designee for performance improvement as needed. HCM maintains that it is essential to use this quality control process to detect any problem early so that adverse consequences can be minimized and corrective action initiated.

HCM provides its QAPI policies and procedures in Exhibit 4-4 of CON application #10582. The applicant states the increasing complexity of the long-term care environment with growing demands and expectations on the regulatory process offering opportunities to incorporate internal

CON Action Numbers: 10581, 10582, 10583 & 10583P

processes for providing quality, individualized patient care. HCM indicates it takes advantage of a variety of programs provide by industry associations such as the Florida Health Care Association⁹.

HCM states that to facilitate efficacy and accuracy in care planning and recordkeeping, the proposed facility will utilize the *PointClickCare* system to provide consistent quality care. The applicant provides a brief description of each of the following:

- Electronic Health Record (EHR)-an integrated approach to senior care delivery management that connects clinical, “milling” and administration processes across a single cloud-based platform.
- Point of Care (POC)-a module that allows users to access key information, task lists and schedules, complete documentation, alerts and messaging, all within close proximity to a resident. POC enables care plan driven tasks and ADL capture to be easily completed from a kiosk.
- Medication Management—a module that allows users to enter and review medication, lab, diagnostic and non-medication orders electronically that is designed for automatic error-checking to reduce liability throughout the process.

HCM indicates that it utilizes COMS Interactive, which is a cloud-based software with over 50 disease specific, best-practice, evidence-based “Care Guides” that empower nurses. These guides are stated to provide a disease management framework for patient centered care. The system identifies acute changes in condition and serves as a reference to help guide clinical intervention through the following features:

- Dynamic disease-based assessment
- Guided, standardized assessment process
- Real-time
- Point of care
- Prescription interactions

⁹ According to <http://www.fhca.org/>, the Florida Health Care Association is a federation representing over 82 percent of the state's 690 nursing centers. Membership includes more than 1,000 individuals and nearly 600 centers that provide skilled nursing, post-acute and sub-acute care, short-term rehabilitation, assisted living and other services to the frail elderly and individuals with disabilities in Florida. The Association works to promote the importance of investing in the well-being of Florida's frail elders and individuals with disabilities and to ensure their continued access to high-quality long-term care.

CON Action Numbers: 10581, 10582, 10583 & 10583P

The system provides a level of visibility to manage risk, time and outcomes through the following features:

- Continuous QAPI
- Enhanced variance information
- Staff communication
- Remote care management

HCM concludes its discussion of COMS Interactive, stating it allows management to review the status of every patient and outcome to ensure every protocol is followed, improves communication/outcomes, empowers clinical staff with data and best practices to reduce hospital readmissions and manage risk across the post-acute continuum.

The applicant next discusses Emergency Management and Hurricane Preparedness, indicating it has multiple facilities (two in Jacksonville with River City Rehab Center opening in early 2020 and Plaza Health and Rehab in Gainesville) available should evacuation be necessary. Continuing the testament of their ability to provide quality care, HCM describes additional quality measures to be established at the proposed facility and explores such topics as facility activities, its “Life Enrichment Program” and dietary services.

HCM indicates the facility will have an activities department to provide an array of daily activities for social interaction as well as special events. Activities are stated to include religious services, group exercises, birthday parties, movies, Bingo, and others to enhance well-being and quality of life. The “Life Enrichment Program” is stated to offer many small neighborhood group and one-on-one spontaneous and individual activities.

The applicant states that the dietary plan is developed and incorporated into the resident care plan with the overall goal to meet the resident’s nutritional needs in the most independent dietary setting possible. HCM states that the PointClickCare “Nutritional Management System” will enable staff to maintain the nutritional profile of each resident, enhance meal service and the meal experience for the resident, increase staff productivity, reduce costs and guard against non-compliance issues in food service.

CON Action Numbers: 10581, 10582, 10583 & 10583P

According to the Agency’s FloridaHealthFinder.gov website (<http://www.floridahealthfinder.gov/CompareCare/CompareFacilities.aspx>), for the rating period October 2016 – March 2019, the applicant’s affiliate SNFs had the following overall nursing home inspection ratings (of a possible five stars):

- Lakeside Nursing and Rehabilitation Center (five stars)
- Plaza Health and Rehab (one star)

Agency complaint records indicate that HCM’s two affiliated SNFs had seven substantiated complaints for the three-year period ending April 22, 2019. A single complaint can encompass multiple complaint categories—although none of these complaints involved multiple categories and all were at Plaza Health and Rehab. The substantiated complaint categories are listed below.

| Health Care Managers, Inc., Substantiated Complaint History | |
|--|-----------------------------|
| Complaint Category | Number Substantiated |
| Quality of Care/Treatment | 3 |
| Resident/Patient/Client Rights | 2 |
| Physical Environment | 1 |
| Administration/Personnel | 1 |
| Total | 7 |

Source: Agency Complaint Records, April 22, 2016 – April 22, 2019

PruittHealth - St. Johns County, LLC (CON application #10583)

is a newly-formed entity and lacks a historical quality record to review. 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 PruittHealth affiliated facilities located throughout the southeastern United States. PHSJ 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. 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 to be a condition to CON approval by Section 408.043 (4), Florida Statutes.

PHSJ describes its historical provision of administrative services to more than 100 SNFs in Georgia, North Carolina, South Carolina and Florida. The applicant expresses a commitment to provide the appropriate level of comprehensive, high-quality, safe and cost-effective SNF services to persons in need of such care. PHSJ 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 proposed quality program will consist of assigned patient care managers, a care transition program,

CON Action Numbers: 10581, 10582, 10583 & 10583P

corporate standards, leadership, training, external benchmarking/awards, continuous process improvement, customer service and transparency.

The applicant 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 its programmatic distinctions on pages 196-198 of CON application #10583.

Specific to pertinent areas of its quality initiatives, PHS discusses how PruittHealth's affiliated facilities and agencies participate in multiple external benchmarking studies in order to keep abreast of contemporary quality care practices. The applicant describes the use of the ABAQIS quality indicator program which provides reports targeted to quality assurance and improvement in 26 different care areas directly linked to Federal and State regulations. PHSJ maintains that internal reports are used 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 stresses that PruittHealth Consulting Services and PruittHealth Pharmacy are parts of its quality initiative plans and services.

The applicant states that LTC TrendTracker is used as a data collection/benchmarking tool across PruittHealth facilities to compare staffing levels, resident characteristics, survey findings, revenue/cost, Medicare patient days and quality measures with its peers. LTC TrendTracker collects data from CMS, CASPER and the NH Quality Measure Report. PHSJ utilizes CMS' Quality Improvement Organization, satisfaction surveys, "Care Transitions" and "Clinical Pathways".

PHSJ indicates that a major emphasis of the proposed project will be placed on safely reducing hospital readmissions. 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. The applicant describes INTERACT (Interventions to Reduce Hospital Readmissions) 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. PHSJ 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.

CON Action Numbers: 10581, 10582, 10583 & 10583P

Descriptions of tools used in the INTERACT program are included on pages 201-202 of CON application #10583. Supporting documents to the application include samples of forms and tools used.

The applicant discusses its existing Performance Improvement Process (PIP) which demonstrates a 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. PHSJ states that the process is coordinated by the facility administrator and designed to initiate positive improvements through a strategic change process. The applicant stresses that the PIP is derived from company policies and procedures, standards for licensure and certification, identify standards and quality benchmarks. PHSJ notes that the PIP monitors and obtains information from the reports of various facility committees, consultant reviews, surveys, monthly quality assurance key indicator data and internal staff audits. Summaries of the techniques and resources used in the PIP are provided on pages 202-210 of CON application #10583. PHSJ describes its “Customer Service and Transparency” program on pages 210-211 of CON application #10583.

CON application #10583, Vol. 2 and Vol. 3, includes supplemental publications that address quality resources, references, and guides used by the applicant’s parent-company, PruittHealth.

PruittHealth currently operates PruittHealth – Santa Rosa in Santa Rosa County (Subdistrict 1-1) since 2003, PruittHealth - Panama City in Bay County (Subdistrict 2-2) licensed December 14, 2018 and PruittHealth - Fleming Island licensed April 5, 2019. PruittHealth – Santa Rosa has a conditional license, effective March 27, 2019 with an expiration of January 30, 2020.

For the three-year period ended on April 22, 2019, the provider had four substantiated complaints at PruittHealth – Santa Rosa, which are summarized in the table below. A single complaint can encompass multiple complaint categories and one complaint did encompass two categories.

| PruittHealth Substantiated Complaint History | |
|---|-----------------------------|
| Complaint Category | Number Substantiated |
| Billing/Refunds | 1 |
| Quality of Care/Treatment | 2 |
| Resident/Patient/Client Rights | 1 |
| Total | 4 |

Source: Agency Complaint Records, April 22, 2016 – April 22, 2019

- 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.

Dolphin Pointe Health Care, LLC (CON application #10581): The applicant provided audited financial statements, where the short-term and long-term measures fall on the scale (highlighted in gray) for the most recent year. Staff notes that the applicant is a development stage company with minimum assets, no operations with only expenses, which give rise to negative cash flow.

CON Action Numbers: 10581, 10582, 10583 & 10583P

| Dolphin Pointe Health Care, LLC | | |
|---|---------------|--------------------------|
| | Dec-18 | 2017 Not Reported |
| Current Assets | \$515,434 | |
| Total Assets | \$20,160,582 | |
| Current Liabilities | \$5,642,474 | |
| Total Liabilities | \$17,120,205 | |
| Net Assets | \$3,040,377 | |
| Total Revenues | \$0 | |
| Excess of Revenues Over Expenses | (\$81,144) | |
| Cash Flow from Operations | (\$835,992) | |
| Short-Term Analysis | | |
| Current Ratio (CA/CL) | 0.1 | |
| Cash Flow to Current Liabilities (CFO/CL) | -14.82% | |
| Long-Term Analysis | | |
| Long-Term Debt to Net Assets (TL-CL/NA) | 377.5% | |
| Total Margin (ER/TR) | -0.01% | |
| Measure of Available Funding | | |
| Working Capital | (\$5,127,040) | |

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

Capital Requirements and Funding:

The applicant indicates on Schedule 2 capital projects totaling \$22,692,169, which includes \$141,800 for this project—CON application #10581—and \$22,550,369 for CON #10275 to which this project will be adding beds.

The applicant states on Schedule 3 that funding for this project will come from loans from the same lender as for CON 10275. However, staff notes the applicant did not provide any letters of commitment or interest from any lender regarding this project.

In the January 2014 review of CON #10275, staff noted the following regarding funding for that project:

CON Action Numbers: 10581, 10582, 10583 & 10583P

The applicant indicates on Schedule 2 capital projects totaling \$22,550,369 which includes this project. The applicant indicates on Schedule 3 of its application that funding for the project will be provided by cash on hand (\$262,500) and non-related company financing (\$22,287,869). Fifth Third Bank provided a letter of interest in financing this project. A letter of interest does not constitute a firm commitment to lend.

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

Conclusion:

Funding for this project will depend entirely on acquiring additional investment or third party loans.

Health Care Managers, Inc. (CON application #10582): The applicant provided audited financial statements, where the short-term and long-term measures fall on the scale (highlighted in gray) for the most recent year.

| Health Care Managers, Inc. | | |
|---|---------------|---------------|
| | Dec-18 | Dec-17 |
| Current Assets | \$3,282,614 | \$2,863,070 |
| Total Assets | \$3,307,561 | \$2,900,347 |
| Current Liabilities | \$25,321 | \$17,814 |
| Total Liabilities | \$25,321 | \$17,814 |
| Net Assets | \$3,282,240 | \$2,882,533 |
| Total Revenues | \$2,705,032 | \$2,306,877 |
| Excess of Revenues Over Expenses | \$1,362,469 | \$1,052,704 |
| Cash Flow from Operations | \$2,244,884 | \$1,027,368 |
| Short-Term Analysis | | |
| Current Ratio (CA/CL) | 129.6 | 160.7 |
| Cash Flow to Current Liabilities (CFO/CL) | 8865.70% | 5767.19% |
| Long-Term Analysis | | |
| Long-Term Debt to Net Assets (TL-CL/NA) | 0.0% | 0.0% |
| Total Margin (ER/TR) | 50.37% | 45.63% |
| Measure of Available Funding | | |
| Working Capital | \$3,257,293 | \$2,845,256 |

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

CON Action Numbers: 10581, 10582, 10583 & 10583P

Capital Requirements and Funding:

The applicant indicates on Schedule 2, capital projects totaling \$26,683,000, which includes the CON subject to this review plus \$10,000 in routine capital expenditures. In addition to capital costs, the applicant will have to finance a projected year-one operating loss of \$1,239,800.

The applicant provided signed letters of interest in financing the project from Ameris Bank—St. Augustine, and Lancaster Pollard Mortgage Company. While the applicant also provided their December 31, 2018 audited financial statements as a requirement of the CON application, it did not indicate it would provide any financing for the project from its own resources. The applicant did not indicate any other form of financing would be available for the project. Staff notes that letters of interest in financing are not commitments to lend.

Conclusion:

Funding for this project will depend entirely on securing third party financing as anticipated.

PruittHealth - St. Johns County, LLC (CON application #10583 & #10583P):

The Parent provided audited financial statements, where the short-term and long-term measures fall on the scale (highlighted in gray) for the most recent year.

| United Health Services, Inc. & Subs | | |
|--|-----------------|----------------|
| | Jun-18 | Jun-17 |
| Current Assets | \$146,731,000 | \$130,257,000 |
| Total Assets | \$690,363,000 | \$656,583,000 |
| Current Liabilities | \$222,241,000 | \$178,198,000 |
| Total Liabilities | \$579,032,000 | \$519,062,000 |
| Net Assets | \$111,331,000 | \$137,521,000 |
| Total Revenues | \$1,008,461,000 | \$967,358,000 |
| Excess of Revenues Over Expenses | (\$20,103,000) | \$2,792,000 |
| Cash Flow from Operations | \$20,233,000 | \$28,414,000 |
| Short-Term Analysis | | |
| Current Ratio (CA/CL) | 0.7 | 0.7 |
| Cash Flow to Current Liabilities (CFO/CL) | 9.10% | 15.95% |
| Long-Term Analysis | | |
| Long-Term Debt to Net Assets (TL-CL/NA) | 320.5% | 247.9% |
| Total Margin (ER/TR) | -1.99% | 0.29% |
| Measure of Available Funding | | |
| Working Capital | (\$75,510,000) | (\$47,941,000) |

CON Action Numbers: 10581, 10582, 10583 & 10583P

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

Capital Requirements and Funding:

PruittHealth - St. Johns County, LLC (CON application #10583):

The applicant indicates on Schedule 2 capital projects totaling \$22,826,216, which consists entirely of this project. In addition to capital costs, the applicant will have to finance a projected year one operating loss of \$2,228,463.

PruittHealth - St. Johns County, LLC (CON application #10583P):

The applicant indicates on Schedule 2 capital projects totaling \$19,922,190, which consists entirely of this project. The applicant will also have to fund a projected year one operating loss of \$2,313,715

PruittHealth - St. Johns County, LLC (CON application #10583 & #10583P):

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 from Synovus stating they would provide 80 percent financing. The applicant also provided audited financial statements showing over \$3 million in cash and cash equivalents and over \$20 million in cash flows from operations.

Conclusion:

Funding for either project is likely, but not guaranteed.

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

Analysis:

The immediate and long-term financial feasibility of the project is tied to expected profitability. The purpose of our analysis for this section is to evaluate the reasonableness of the applicant's profitability projections and, ultimately, whether profitability is achievable for this project. Our analysis includes an evaluation of net revenue per patient day (NRPD), cost per patient day (CPD), nurse staffing ratios and profitability. We compared the NRPD, CPD and profitability to actual operating results from SNFs as reported on Medicaid cost reports (2016 and 2017 cost report years). For our comparison group, we selected SNFs with similar Medicaid utilizations to the utilization projected by the applicant on a per

CON Action Numbers: 10581, 10582, 10583 & 10583P

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 2018, 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.

Dolphin Pointe Health Care, LLC (CON application #10581):

| | PROJECTIONS PER APPLICANT | | COMPARATIVE GROUP VALUES PPD | | |
|------------------|---------------------------|---------|---------------------------------|--------|--------|
| | Total | PPD | Highest | Median | Lowest |
| Net Revenues | 23,528,857 | 460 | 684 | 501 | 291 |
| Total Expenses | 21,761,085 | 426 | 766 | 511 | 378 |
| Operating Income | 1,767,772 | 35 | 48 | 10 | -128 |
| Operating Margin | 7.51% | | Comparative Group Values | | |
| | Days | Percent | Highest | Median | Lowest |
| Occupancy | 51,097 | 95.88% | 94.34% | 80.97% | 66.02% |
| Medicaid | 15,330 | 30.00% | 35.37% | 31.09% | 6.91% |
| Medicare | 23,963 | 46.90% | 58.45% | 46.22% | 17.38% |

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, except for CNA staffing in year two, which projects a requirement of 2.5 direct care hours with only 2.4 projected (2.31 with vacation days taken into account).

The projected NRPD, CPD and profit fall within the group range and are considered reasonable. In addition, the total cost appears to include at least the minimum staffing required. Therefore, the overall profitability appears achievable.

Conclusion:

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

CON Action Numbers: 10581, 10582, 10583 & 10583P

Health Care Managers, Inc. (CON application #10582):

| | PROJECTIONS PER APPLICANT | | COMPARATIVE GROUP VALUES PPD | | |
|------------------|---------------------------|---------|---------------------------------|--------|--------|
| | Total | PPD | Highest | Median | Lowest |
| Net Revenues | 13,819,500 | 415 | 2,170 | 481 | 342 |
| Total Expenses | 12,903,600 | 387 | 1,977 | 483 | 362 |
| Operating Income | 915,900 | 28 | 151 | 4 | -153 |
| Operating Margin | 6.63% | | Comparative Group Values | | |
| | Days | Percent | Highest | Median | Lowest |
| Occupancy | 33,303 | 88.58% | 97.91% | 89.08% | 50.09% |
| Medicaid | 13,321 | 40.00% | 49.96% | 41.58% | 30.11% |
| Medicare | 13,987 | 42.00% | 54.37% | 30.53% | 8.40% |

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.

The projected NRPD, CPD and profit fall within the group range and are considered reasonable. In addition, the total cost appears to include at least the minimum staffing required. Therefore, the overall profitability appears achievable.

Conclusion:

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

PruittHealth - St. Johns County, LLC (CON application #10583):

| | PROJECTIONS PER APPLICANT | | COMPARATIVE GROUP VALUES PPD | | |
|------------------|---------------------------|---------|---------------------------------|--------|--------|
| | Total | PPD | Highest | Median | Lowest |
| Net Revenues | 14,060,487 | 392 | 953 | 411 | 314 |
| Total Expenses | 13,145,382 | 366 | 862 | 401 | 222 |
| Operating Income | 915,105 | 26 | 150 | 8 | -153 |
| Operating Margin | 6.51% | | Comparative Group Values | | |
| | Days | Percent | Highest | Median | Lowest |
| Occupancy | 35,868 | 95.15% | 97.23% | 90.03% | 50.09% |
| Medicaid | 21,594 | 60.20% | 69.77% | 62.09% | 49.96% |
| Medicare | 13,176 | 36.73% | 38.63% | 18.64% | 5.01% |

PruittHealth - St. Johns County, LLC (CON application #10583P):

| | PROJECTIONS PER APPLICANT | | COMPARATIVE GROUP VALUES PPD | | |
|------------------|---------------------------|---------|---------------------------------|--------|--------|
| | Total | PPD | Highest | Median | Lowest |
| Net Revenues | 10,650,603 | 399 | 953 | 411 | 314 |
| Total Expenses | 10,409,729 | 390 | 862 | 401 | 222 |
| Operating Income | 240,874 | 9 | 150 | 8 | -153 |
| Operating Margin | 2.26% | | Comparative Group Values | | |
| | Days | Percent | Highest | Median | Lowest |
| Occupancy | 26,718 | 94.81% | 97.23% | 90.03% | 50.09% |
| Medicaid | 15,372 | 57.53% | 69.77% | 62.09% | 49.96% |
| Medicare | 10,248 | 38.36% | 38.63% | 18.64% | 5.01% |

PruittHealth - St. Johns County, LLC (CON application #10583 & #10583P):

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 applicants projected staffing meets this requirement.

The projected NRPD, CPD and profit fall within the group range and are considered reasonable. In addition, the total cost appears to include at least the minimum staffing required. Therefore, the overall profitability appears achievable.

Conclusion:

Either 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—All Applicants:

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

CON Action Numbers: 10581, 10582, 10583 & 10583P

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 co-batched 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.**

Dolphin Pointe Health Care, LLC (CON application #10581): The 26-bed addition consists of 4,524 GSF of renovation and/or alterations.

Health Care Managers, Inc. (CON application #10582): The 103-bed facility consists of 79,136 GSF of new construction.

PruittHealth - St. Johns County, LLC (CON application #10583) and CON application #10583P): The 103-bed facility consists of 83,502 GSF of new construction and the 77-bed (#10583P) consists of 69,989 GSF of new construction.

CON applications #10581, #10582, #10583 and #10583P: 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

CON Action Numbers: 10581, 10582, 10583 & 10583P

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.**

The five-year Medicaid occupancy for St. Johns and Southeast Duval Counties (Subdistrict 4-3), District 4 and the State of Florida is provided in the following table:

| Medicaid Patient Days and Occupancy in Subdistrict 4-3, District 4 and Florida | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|
| Medicaid Patient Days | | | | | |
| Region | CY 2014 | CY 2015 | CY 2016 | CY 2017 | CY 2018 |
| Subdistrict 4-3 | 499,185 | 489,088 | 497,241 | 484,962 | 502,007 |
| District 4 | 1,849,792 | 1,821,961 | 1,859,116 | 1,845,920 | 1,837,959 |
| Florida | 15,932,613 | 15,959,939 | 16,144,618 | 15,990,448 | 15,937,814 |
| Medicaid Occupancy | | | | | |
| Region | CY 2014 | CY 2015 | CY 2016 | CY 2017 | CY 2018 |
| Subdistrict 4-3 | 55.85% | 55.12% | 57.06% | 56.86% | 57.27% |
| District 4 | 61.28% | 60.70% | 62.34% | 62.51% | 62.39% |
| Florida | 62.17% | 62.18% | 63.13% | 63.18% | 63.92% |

Source: Florida Nursing Home Bed Need Projections by District and Subdistrict, April 2015 - 2019 Batching Cycles

Dolphin Pointe Health Care, LLC (CON application #10581) indicates that as a new entity, it has no experience on which to report. However, DPHC provides a percentage table for the project that the reviewer analyzed and found applies to the 26-bed project and the 146-bed facility for the first two years of operation. The applicant indicates 26 percent of year one and 30 percent of year two patient days will be “residential” Medicaid.

CON Action Numbers: 10581, 10582, 10583 & 10583P

**Forecasted Nursing Home Resident Days by Payer
for Dolphin Pointe Health Care (146-bed Facility)**

| Payer | Year One: CY 2021 Days | Percent of Year One Patient Days | Year Two: CY 2022 Days | Percent of Year Two Patient Days |
|--------------------|---------------------------------------|---|---------------------------------------|---|
| Medicare | 23,274 | 49.4% | 23,963 | 46.9% |
| Other Managed Care | 1,825 | 3.9% | 2,071 | 4.1% |
| Medicaid | 12,239 | 26.0% | 15,330 | 30.0% |
| Self-Pay | 7,300 | 15.5% | 7,300 | 14.3% |
| Other Payers | 2,433 | 5.2% | 2,433 | 4.8% |
| Total | 47,071 | 100% | 51,097 | 100% |
| Occupancy | 88.3% | | 95.9% | |

Source: CON application #10581, Schedule 7

Note: Year two percentage total 100.1 percent probably due to rounding.

The applicant’s Schedule 7 confirms the percentage table in that Medicaid represents 26.0 percent of year one and 30.03 percent of year two annual total patient days. DPHC does not show Medicaid HMO days and indicates dually-certified patients will account for another 12 percent in year one and 16 percent of year two patient days. Notes to Schedule 7 indicate the “other payers” are projected hospice days.

**Dolphin Pointe Resident Days by Payer
CON application #10581 (26 beds)**

| Payer | Year One: CY 2021 Days | Percent of Year One Patient Days | Year Two: CY 2022 Days | Percent of Year Two Patient Days |
|--------------------|---------------------------------------|---|---------------------------------------|---|
| Medicare | 4,145 | 49.4% | 4,267 | 46.9% |
| Other Managed Care | 325 | 3.9% | 369 | 4.1% |
| Medicaid | 2,180 | 26.0% | 2,730 | 30.0% |
| Self-Pay | 1,300 | 15.5% | 1,300 | 14.3% |
| Other Payers | 433 | 5.2% | 433 | 4.8% |
| Total | 8,383 | 100% | 9,099 | 100% |
| Occupancy | 88.3% | | 95.9% | |

Source: CON application #10581, Schedule 7

Note: Year two percentage total 100.1 percent probably due to rounding.

The applicant forecasts the same percentages for the 26-bed project and the total 146-bed facility. DPHC indicates that Clear Choice has a culture of giving back to the local communities served and plans to write-off one million dollars in unreimbursed care to Medicaid and medically indigent residents in its current fiscal year. Clear Choice’s mission statement is cited—“We fundamentally believe that caring for the elderly and the disabled is a calling, and we are committed to answering the call”.

While the applicant discusses the facilities operated by their managing company, Clear Choice, in their quality section, they do not disclose Medicaid data for these facilities. The reviewer compiled the following Medicaid occupancy data for Clear Choice-operated Florida facilities for CY 2018. See the table below.

CON Action Numbers: 10581, 10582, 10583 & 10583P

**Clear Choice-Operated Facilities
Medicaid Occupancy
January 1, 2018 to December 31, 2018**

| Facility | Medicaid Days | Total Days | Medicaid Occupancy |
|---|----------------------|-------------------|---------------------------|
| Belleair Health Care Center | 19,353 | 40,720 | 47.53% |
| Centre Pointe Health and Rehab Center | 16,984 | 41,667 | 39.46% |
| Conway Lakes Health & Rehabilitation Center | 13,974 | 39,740 | 35.16% |
| East Bay Rehabilitation Center | 20,585 | 40,502 | 50.82% |
| Melbourne Terrace Rehabilitation Center | 15,660 | 46,623 | 33.59% |
| Port Charlotte Rehabilitation Center | 16,580 | 40,264 | 41.18% |
| Spring Lake Rehabilitation Center | 12,662 | 43,813 | 28.90% |
| Sun Terrace Health Care Center | 14,690 | 38,172 | 38.48% |
| Total | 130,488 | 331,501 | 39.36% |

Source: Florida Nursing Home Bed Need Projections by District and Subdistrict, April 2019 Batching Cycle

Health Care Managers, Inc. (CON application #10582) states that it has a long history of providing skilled nursing care to Medicaid patients. HCM provides a table (CON application #10582, page 9-1, Table 9-1) that reflects historical Medicaid utilization for three facilities it managed compared to the subdistrict averages during the three-year period ending December 31, 2018. The applicant states it managed Park Ridge Nursing Center in Subdistrict 4-2 through August 1, 2018. The reviewer confirms that the applicant’s three-year table accurately reflects the Medicaid utilization at these and the subdistrict facilities.

**Health Care Managers
Historical Provision of Medicaid
Most Recent Three Years**

| | Beds | Medicaid Days | | | Medicaid Occupancy | | |
|---------------------------|-------------|----------------------|-------------|-------------|---------------------------|-------------|-------------|
| | | 2016 | 2017 | 2018 | 2016 | 2017 | 2018 |
| Lakeside Nursing & Rehab | 122 | 21,087 | 21,112 | 23,590 | 52.5% | 53.3% | 57.1% |
| Subdistrict 4-1 | 1,125 | 274,071 | 273,343 | 275,495 | 72.0% | 72.4% | 73.2% |
| Park Ridge Nursing Center | 104 | 23,761 | 25,175 | 22,459 | 72.9% | 75.6% | 69.7% |
| Subdistrict 4-2 | 2,105 | 418,209 | 414,823 | 404,510 | 62.0% | 62.1% | 61.7% |
| Plaza Health and Rehab | 180 | 44,805 | 38,817 | 40,207 | 84.1% | 73.0% | 66.6% |
| Subdistrict 3-2 | 1,679 | 361,788 | 361,899 | 364,009 | 66.5% | 66.2% | 65.4% |

Source: CON application #10582 from Florida Nursing Home Bed Need Projections by District and Subdistrict, April 2017- April 2019 Batching Cycles

HCM notes that during the last full year it managed Park Ridge Nursing Center (CY 2017) the facility reported 75.6 percent of its total days were Medicaid compared to the subdistrict average of 62.1 percent and Plaza Health and Rehab reported Medicaid at 66.6 percent of CY 2018 (first full year HCM was manager) compared to 65.4 percent for the subdistrict.

CON Action Numbers: 10581, 10582, 10583 & 10583P

Lakeside Nursing and Rehab reported 57.1 percent Medicaid compared to the subdistrict’s 73.2 percent during CY 2018. The applicant concludes this shows HCM performs well in meeting residents whose primary payer is Medicaid.

HCM projects 13,321 Medicaid HMO patient days, accounting for 40.0 percent of total patient days by year two (December 31, 2023). See the table below.

**Health Care Managers, Inc.
Resident Days by Payer
CON application #10582 (103 beds)**

| Payer | Year One Days: CY 2022 | Percent of Days | Year Two Days: CY 2023 | Percent of Days |
|-----------------------|-----------------------------------|----------------------------|-----------------------------------|----------------------------|
| Medicare | 4,955 | 26.9% | 9,991 | 30.0% |
| Medicare Managed Care | 2,030 | 11.0% | 3,996 | 12.0% |
| Medicaid Managed Care | 6,487 | 35.2% | 13,321 | 40.0% |
| Self-Pay | 4,965 | 26.9% | 5,995 | 18.0% |
| Total | 18,437 | 100.0% | 33,303 | 100.0% |
| Occupancy | 49.0% | | 88.6% | |

Source: CON application #10582, page 9-2

The applicant does not condition approval of the proposal to a minimum provision of Medicaid/Medicaid HMO care.

PruittHealth - St. Johns County, LLC (CON application #10583)

is a newly-formed entity and therefore does not have a historical Medicaid record to discuss for this application. The historical Medicaid provision of PruittHealth – Santa Rosa, an affiliate facility operated by the applicant’s parent-company is included below:

| PruittHealth-Santa Rosa Five-Year Medicaid Occupancy | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| | CY 2014 | CY 2015 | CY 2016 | CY 2017 | CY 2018 |
| Medicaid Patient Days | 28,083 | 28,141 | 28,360 | 28,352 | 25,920 |
| Medicaid Percent of Patient Days | 68.48% | 68.91% | 67.89% | 68.11% | 63.28% |

Source: Florida Nursing Home Bed Need Projections by District and Subdistrict, April 2015 – 2019 Batching Cycles

PHSJ asserts that the proposed project will enhance access and quality of care for lower income persons, disadvantaged persons and the elderly and will also meet the intent of the Access Criteria in the proposed facility (page 227 of the application). The applicant provides a table of PruittHealth-affiliated facilities historical provision of Medicaid care as a percentage of total patient days for CY 2014 through 2018. See the table below.

CON Action Numbers: 10581, 10582, 10583 & 10583P

**PruittHealth Affiliated Facilities Historical Commitment to Medicaid Patients
Medicaid Percent of Total Patient Days
Calendar Years 2014—2018**

| | CY 2014 | CY 2015 | CY 2016 | CY 2017 | CY 2018 |
|-------------------------|----------------|----------------|----------------|----------------|----------------|
| Medicaid Patient Days | 2,143,023 | 2,180,936 | 2,240,549 | 2,237,583 | 2,289,638 |
| Percent of Patient Days | 64.8% | 64.1% | 64.8% | 62.8% | 64.3% |

Source: CON application #10583, page 227

The applicant maintains that PruittHealth will not discriminate against anyone based on race, sex, religion, national origin, physical handicap, or diagnosis, payment source, and/or any other circumstance or physical condition which classify the individual as underserved and thereby demonstrates its commitment to serving the medically indigent population of the service area.

The reviewer condenses portions of the applicant’s Schedule 7s for the 103 and 77-bed projects’ year one and year two (ending March 31, 2023 and 2024) total annual patient days by payor source. See the tables below.

**PruittHealth – St. Johns / CON application #10583
Year One and Year Two Patient Days by Payor Source
103-Bed Proposed Facility**

| Payor Source | Total Patient Days Year One Ending 3/31/23 | Percent Patient Days Year One Ending 3/31/23 | Total Patient Days Year Two Ending 3/31/24 | Percent Patient Days Year Two Ending 3/31/24 |
|---------------------|---|---|---|---|
| Medicaid | 8,258 | 57.4% | 21,594 | 60.2% |
| Medicare | 4,811 | 33.5% | 12,444 | 34.7% |
| Medicare HMO | 364 | 2.5% | 732 | 2.0% |
| Self-Pay | 700 | 4.9% | 732 | 2.0% |
| Other Payers-VA | 243 | 2.0% | 366 | 1.0% |
| Total | 14,376 | 100.0% | 35,868 | 100.0% |

Source: CON application #10583, Schedule 7

**PruittHealth – St. Johns / CON application #10583P
Year One and Year Two Patient Days by Payor Source
77-Bed Proposed Facility**

| Payor Source | Total Patient Days Year One Ending 3/31/23 | Percent Patient Days Year One Ending 3/31/23 | Total Patient Days Year Two Ending 3/31/24 | Percent Patient Days Year Two Ending 3/31/24 |
|---------------------|---|---|---|---|
| Medicaid | 5,809 | 54.5% | 15,372 | 57.5% |
| Medicare | 3,541 | 33.2% | 9,516 | 35.6% |
| Medicare HMO | 364 | 3.4% | 732 | 2.7% |
| Self-Pay | 700 | 6.6% | 732 | 2.7% |
| Other Payers-VA | 243 | 2.0% | 366 | 1.0% |
| Total | 10,657 | 100.0% | 26,718 | 100.0% |

Source: CON application #10583P, Schedule 7

CON Action Numbers: 10581, 10582, 10583 & 10583P

The reviewer notes that PHSJ projects a slightly lower year one and two (54.5 and 57.5 percent, respectively) Medicaid projection as a percentage of the total 77-bed facility days compared to year one and year two (57.4 and 60.2 percent, respectively) Medicaid projection for the 103-bed project.

PHSJ does not condition approval of either proposal to a minimum provision or any provision of Medicaid/Medicaid HMO or charity care. The applicant asserts that financial projections included in the CON application demonstrate it is committed to serving the Medicaid population upon licensure.

F. SUMMARY

Dolphin Pointe Health Care, LLC (CON application #10581) proposes to add 26 community nursing home beds to DPHC, a 120-bed community nursing home approved via CON #10275, presently under construction in Subdistrict 4-3 (Duval County). The applicant is an affiliate of Clear Choice which operates eight SNFs in Florida:

The project cost subject to fee for the proposal is \$129,852. The project cost includes building, equipment and project development costs. The project includes 4,524 GSF of renovation with a construction cost of \$12,674.

The applicant anticipates issuance of license during December 2020 and initiation of service in January 2021.

Dolphin Pointe proposes one condition on Schedule C—the project’s 26 “additional beds will remain in private usage”.

Health Care Managers, Inc. (CON application #10582) proposes to construct a 103-bed community nursing home in Subdistrict 4-3 (St. Johns County). The applicant indicates 92 of the beds are from the FNP for Subdistrict 4-3 and 11 are from the Subdistrict 4-1 FNP. HCM is the management company for two Florida SNFs, Lakeside Nursing and Rehabilitation Center (Subdistrict 4-1) and Plaza Health and Rehab (Subdistrict 3-2).

The project cost subject to fee for the proposal is \$26,673,000 (Schedule 1, Line 51). The project cost includes land, building, equipment, project development, financing and start-up costs. The project includes 79,136 GSF of new construction and \$20,000,000 in construction cost.

The applicant anticipates issuance of license during December 2021 and initiation of service in January 2022.

CON Action Numbers: 10581, 10582, 10583 & 10583P

HCM includes the following Schedule C conditions to the project's approval:

- Provide two bariatric resident rooms
- Provide a minimum of 50 percent total resident rooms as private
- Provide a 16-bed dementia care unit
- Establish an eight-bed respiratory care unit
- Establish a cardiac care program

PruittHealth - St Johns County, LLC (CON application #10583 & #10583P) proposes to establish a 103-bed or 77-bed (partial award) community nursing home in Subdistrict 4-3 (St. Johns County, Florida).

The applicant's parent-company PruittHealth, currently operates PruittHealth - Santa Rosa (Subdistrict 1-1), PruittHealth - Panama City (Subdistrict 2-2) and PruittHealth - Fleming Island (Subdistrict 4-2).

PruittHealth has CON approval to construct three new nursing homes in Districts 1, 2 and 6 with a total of 305 beds, to delicense 11 beds in District 1 and to add 24 beds to an existing facility in District 2.

The applicant lists the project cost subject to fee as \$22,826,216. Total project cost includes land, building, equipment, project development, financing and start-up costs. The proposed project includes 83,502 GSF of construction and the construction cost is \$13,882,540.

The 77-bed partial project (**CON application #10583P**), includes 69,989 GSF of construction with a construction cost of \$11,575,810. The total project cost is \$19,922,190.

The applicant expects issuance of licensure in March 2022 and initiation of service in April 2022.

PHH conditions approval of the 103-bed proposal to 18 Schedule C conditions. **CON application #10583P** has 15 conditions as it does not include three conditions that involve the 103-bed project's Alzheimer and dementia unit.

Need

In Volume 45, Number 62 of the Florida Administrative Register dated March 29, 2019, need for 92 community nursing home beds was published for Subdistrict 4-3 (and 11 in Subdistrict 4-1 since the applicants propose to aggregate) for the January 2022 Planning Horizon.

CON Action Numbers: 10581, 10582, 10583 & 10583P

The subdistrict averaged 86.71 percent total occupancy during CY 2018. Subdistrict 4-3 had 2,770 licensed community nursing home beds during this reporting period. There are 120 approved beds (CON #10275) for DPHC, which is presently under construction.

As of the decision deadline for the October 2018 “Other Beds and Programs” batching cycle, February 15, 2019, there were no exemptions or expedited CONs submitted to add additional community nursing home beds within Subdistrict 4-3.

Dolphin Pointe Health Care, LLC (CON application #10581) states that the 26-bed proposal is submitted in response to the fixed need pool published with need for 92 and 11 additional community nursing home beds within Subdistricts 4-3 and 4-1. DPHC states that the proposal will consist of 26 private rooms and add long-term care services where limited access currently exists, expand the service mix available at the facility, enhance cross generational linkages between patients and JU students, establish and expand clinical and other educational opportunities for JU students and faculty, and stimulate the Arlington area economy through job creation, job training activity and capital investment.

The applicant indicates the 26-bed expansion project costs are minimal (less than \$150,000) as the modification includes changing the furnishings in the rooms, adding over-bed lights and a functional nurse call system.

The ALOS for the proposed bed addition will be approximately 40 days for years one and two of operation.

Health Care Managers, Inc. (CON application #10582) contends its project merits approval because it improves quality and access to nursing home care within Subdistrict 4-3. Further, access is improved within the planning area by locating a new facility in an area (Nocatee area of Ponte Vedra) exhibiting high elderly population growth and has fewer available SNFs. The applicant cites conditions to the project’s approval including two bariatric resident rooms, a minimum of 50 percent total resident rooms as private, a 16-bed dementia care unit, an eight-bed respiratory care unit and a cardiac care program. HCM contends that its experience and local presence demonstrates entitlement to CON approval.

CON Action Numbers: 10581, 10582, 10583 & 10583P

HCM asserts that the proposed project offers several benefits including:

- Constructing the new facility within northern St. Johns County, within or near the Nocatee area, an area experiencing growth in the population age 65+, improves access without impacting existing providers
- The proposed facility meets the future needs of Subdistrict 4-3 residents
- The facility is appropriately sized to provide a variety of services and the architectural plans create specialty areas for delivering care to bariatric patients, respiratory care patients and those with memory care needs
- HCM is local to District 4 having existing facilities and relationships with discharge planners, therapy providers, physicians, community leaders and others
- HCM is an experienced developer and proven operator of quality facilities and has the leadership to assure the project's successful implementation and long-term viability.

The applicant projects that during the first year of operation, the 103-bed facility will have an ADC of 51 patients and 91 patients in the second year of operation. HCM indicates the proposed facility will experience an ALOS of 40 days in year one and 39 days during the second year of operation.

PruittHealth - St. Johns County, LLC (CON application #10583 & #10583P) contends that its project will enhance the availability, accessibility and quality of nursing home services provided to residents of the service area. PruittHealth expects either proposal to improve access for bariatric patients, long-term Medicaid patients, short-term rehab, Medicare services, and access to private rooms, especially for Medicaid payers. PHSJ states either project provides a modern design that supports independence and choice, state-of-the-art rehabilitation programming; and will have extensive clinical programming focused on reducing hospital readmissions.

The applicant also anticipates that one of its projects should be approved for the following reasons:

- 100 percent private rooms
- 100 percent handicap accessible rooms
- 16-bed Alzheimer's disease unit in the 103-bed project
- Two bariatric rooms/suites
- 60 percent of patient days to Medicaid Long Term Care enrollees
- State of the art rehab suite, extensively equipped to include a Hydroworx therapy pool

CON Action Numbers: 10581, 10582, 10583 & 10583P

- Programs to reduce readmissions that have already been successfully introduced in other PruittHealth facilities
- A commitment to technology, including PointRight, Smart Charting, Wanderguard, Careguard and electronic medical records
- Proven quality initiatives that have a demonstrable effect on the level of care provided from both a start-up to a long-term care perspective.

The ALOS for the proposed 103-bed project will be 54.66 in year one and 55.61 in year two. The ALOS for the proposed 77-bed project will be 53.02 in year one and 53.22 in year two.

The Agency has determined that within the context of the criteria specified in Section 408.035 Florida Statutes, and Rule 59C-1.036, Florida Administrative Code, the partial request by CON application # 10583 and the proposed request by CON application # 10581 best satisfy the criteria. The Agency notes that both projects add all private rooms enhancing access to health care to residents of the entire service district. Both applicants also add services and amenities to residents of all of Subdistrict 4-3 to increase and enhance access to skilled nursing beds. The partial award to CON application # 10583 will increase accessibility, particularly financial accessibility to the Medicaid population, to skilled nursing beds. The Agency indicates that CON # 10581 is a bed addition to a facility already under construction and the proposed beds will meet part of the identified bed for Subdistrict 4-3 quickly and cost-effectively.

Quality of Care

All applicants demonstrated their ability to provide quality of care.

Dolphin Pointe Health Care, LLC (CON application #10581) is a newly-formed entity, therefore the applicant does not have a quality record to discuss for this proposal. However, Clear Choice, the applicant's management company, operates eight facilities in Florida and is shown to be a quality care provider.

Agency complaint records indicate that the eight Clear Choice-affiliated nursing homes had 28 substantiated complaints during the three-year period ending April 22, 2019.

Health Care Managers, LLC (CON application #10582) has a history of providing quality care and operates SNFs in Florida. Agency complaint records indicate that HCM's two affiliated SNFs had seven substantiated

CON Action Numbers: 10581, 10582, 10583 & 10583P

complaints for the three-year period ending April 22, 2019. However, all were at HCM's Plaza Health and Rehab (Subdistrict 3-2) facility, which the applicant has managed since 2017.

HCM provides a detailed description of its ability to provide quality care and QAPI guidelines and indicates that its management has the experience and ability to provide quality SNF care.

PruittHealth—St. Johns County, LLC (CON application #10583) is a newly-formed entity and therefore does not have a historical record available to document. PHSJ states the proposed project will utilize quality policies and procedures and a quality assurance program based on its other PruittHealth-affiliated facilities nationally. PruittHealth maintains that its organizational experience and expertise in providing quality skilled nursing services is evidenced by its number of successful programs and its quality assurance practices.

PruittHealth operates three facilities in Florida and during the three-year period ended on April 22, 2019, had four substantiated complaints, all at PruittHealth – Santa Rosa, which has a conditional license effective March 27, 2019 with an expiration of January 30, 2020.

Financial Feasibility/Availability of Funds

Dolphin Pointe Health Care, LLC (CON application #10581): Funding for this project will depend entirely on acquiring additional investment or third party loans. This project appears to be financially feasible based on the projections provided by the applicant.

Health Care Managers, Inc. (CON application #10582): Funding for this project will depend entirely on securing third party financing as anticipated. This project appears to be financially feasible based on the projections provided by the applicant.

PruittHealth- St. Johns County, LLC (CON application #10583 & #10583P): Funding for either project is likely, but not guaranteed. Either project appears to be financially feasible based on the projections provided by the applicant.

All applicants/projects:

Strictly from a review of the financial schedules, these projects are not likely to have a material impact on priced-based competition to promote quality and cost-effectiveness.

Medicaid/Charity Care

The applicants do not condition approval of the proposals to the minimum provision of Medicaid/Medicaid HMO or charity care.

Dolphin Pointe Health Care, LLC (CON application #10581): The applicant forecasts that that Medicaid will account for 26 percent of patient days in year one and 30 percent of patient days in year two.

Health Care Managers, Inc. (CON application #10582): The applicant forecasts that Medicaid will account for 35.2 percent of patient days in year one and 40.0 percent of patient days in year two.

PruittHealth- St. Johns County, LLC (CON application #10583 & #10583P) projects Medicaid will account for 57.4 percent of patient days in year one and 60.2 percent of patient days in year two for the 103-bed project. For the 77-bed project, PHH projects Medicaid will account for 54.5 percent of patient days in year one and 57.5 percent of patient days in year two.

Architectural

CON applications #10581, #10582, #10583 and #10583P:

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.

G. RECOMMENDATION

Approve CON #10581 to add 26 community nursing home beds in District 4, Subdistrict 3, Duval County. The total project cost is \$129,852. The project involves 4,524 GSF of renovation and a construction cost of \$12,674

CONDITION: The project's 26 "additional beds will remain in private usage".

CON Action Numbers: 10581, 10582, 10583 & 10583P

Approve CON #10583P to PruittHealth – St. Johns County, LLC to establish a new 77-bed community nursing home in District 4, Subdistrict 3, St. Johns County. The total project cost is \$19,922,190. The project involves 69,989 GSF of construction and a construction cost of \$11,575,810.

CONDITIONS:

- Location:
 - The Nocatee area of St. Johns County, Subdistrict 4-3, Florida (Zip Code 33081 or eastern portion of Zip Code 32559).
- Programming/Operational Conditions:
 - All patient beds will be in private patient rooms.
 - All patient bathrooms will be handicap accessible.
 - Incorporate two bariatric rooms in the facility design.
 - Seek Joint Commission accreditation or accreditation from some other similarly recognized accrediting body.
 - Implement a program designed to reduce hospital re-admissions; 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 bedside patient charting tool.
 - Implement Resident Safety Technology including Call Guard and WanderGuard into the facility.
 - Implement Clinical Kiosks in appropriate locations throughout the facility.
 - 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.

CON Action Numbers: 10581, 10582, 10583 & 10583P

- Implement PointRight Technology (or a future similar technology) in the ongoing operations.
- In addition to complying with Florida Emergency Management Plans and Operations Center as required by the State of Florida, the Applicant will adopt PruittHealth's policies related to natural disasters and hurricanes, will implement the PruittHealth Hurricane Response Plan and be an active participant in PruittHealth's Central Command Center when severe weather event arise.

Deny CON #10582 and CON #10583.

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