

STATE AGENCY ACTION REPORT
ON APPLICATIONS FOR CERTIFICATE OF NEED

A. PROJECT IDENTIFICATION

1. Applicant/CON Action Number

Hillsborough Oaks NH LLC/CON #10584

4042 Park Oaks Blvd., Suite 300
Tampa, Florida 33610

Authorized Representative: Jacqueline Price
Vice President and Chief Financial Officer
(813) 635-9500

PruittHealth – 6-1, LLC/CON #10585

1626 Jeurgens Court
Norcross, Georgia 30093

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

2. Service District/Subdistrict

District 6/Subdistrict 6-1 (Hillsborough County)

B. PUBLIC HEARING

A public hearing was not requested for the proposed co-batched projects.

Letters of Support

Hillsborough Oaks NH LLC (CON application #10584) includes five individually composed letters of support, with three of these five support letters being from physicians. Letters of support indicate that the proposal is broadly endorsed in light of the following factors:

- Exceptional and high level of patient care provided by the Greystone Health Network
- Efforts to create a positive healing environment
- Staff being attentive and concerned with their patients' best interest

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- Continuity of care after a hospital discharge to a local health care facility that has access to primary care physicians – decreasing admission rates and improving the long-term continuum of care
- Access to physical activity and social interaction as part of a healthy recovery depending on patient condition, with physical therapy, occupational therapy and speech therapy available upon request
- Greystone’s corporate leadership team personally visits residents, family members and staff to make sure their needs are met

Letters of support are noted from:

- Angel Tafur, MD, FAAFP, CMD, Attending Physician and Medical Director, Greystone Health Care Group
- Axel E. Martinez, MD, a geriatrician who specializes in treating patients in skilled nursing facilities (SNFs) and long-term care nursing facilities – currently working in The Lodge (a Greystone facility located in Ocala, Florida) and covering at Park Meadows (a Greystone facility located in Gainesville, Florida)
- Alfredo Farinas, MD, Special Programs Director and Medical Director at each of Greystone’s centers in Lake and Sumter Counties
- Stephanie Scott-Gardner, former Marketing Coordinator, 3 Hampton Manor (assisted living properties)
- Dolly McCranie, Program ACO, Director of Case Coordination and retired Director of Case Management from three hospitals

PruittHealth – 6-1, LLC (CON application #10585) includes nine individually composed letters of support—one from a physician. The letters of support indicate that the proposal is broadly endorsed in light of the following factors:

- Pruitt’s proposed 100 percent private rooms will undoubtedly result in better care and patient satisfaction will be high
- Having a facility with 100 percent private rooms to accept patients who will transition to long-term Medicaid is a significant need, as transitioning complex patients into long-term care is quite challenging
- Most nursing homes in the area do not have private rooms to accommodate:
 - Clinically complex patients
 - Those requiring intense Alzheimer’s/dementia nursing care in a secure environment
 - Bariatric equipment accommodations
- Patients with more intense Alzheimer’s/dementia do not meet assisted living facility (ALF) admission criteria so it is imperative that SNF resources be available to treat them
- ALFs may not have skilled staff on duty to manage intense Alzheimer’s/dementia patients

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- Pruitt's proposal to dedicate a 16-bed Alzheimer's unit will seek to mitigate the widespread prevalence of Alzheimer's disease and dementia in Hillsborough County
- Pruitt's proposal to dedicate two bariatric suites is needed, as obesity rates in the area continue to rise
- Pruitt's robust plan of action for natural disaster and other inclement weather such as hurricanes affords government officials great comfort during these kinds of weather events
- Experienced providers, like Pruitt, bring a level of expertise in their services that tends to be unmatched by other providers
- PruittHealth and its affiliates are highly reputable providers across the Southeast

Letters of support are noted from:

- Sandra L. Murman, County Commissioner
- Douglas Holt, MD, Director, Florida Department of Health
- Debie Martoccio, VP, Chief Operating Officer, AdventHealth Connerton
- Shelly Brandt, Administrative Director of Care Progression, AdventHealth Tampa
- Melody Stried, Administrator, LifePath Hospice
- John Simmons, MSW, NHA, Immediate Past President, Florida Health Care Association, Citadel Care Centers
- Brenda Jahn, AVP of Business Development, Amedisys Home Health
- Rob Loomis, Administrator, A Country Place (ALF)
- Randi Gonzalez, RN, Regional Administrator, Medical Services of America

C. PROJECT SUMMARY

Hillsborough Oaks NH LLC (CON application #10584), also referenced as HONH or the applicant, is a newly-formed, development stage, for-profit Florida entity that proposes to construct a new 119-bed community nursing home in Subdistrict 6-1 (Hillsborough County). The applicant is a new subsidiary of Greystone Health Care Holdings II LLC. The applicant states that ZIP Codes 33617, 33624, 33594 and 33647 represent potential locations for development. The planned proposal is indicated to be similar to the following affiliate Florida SNFs: The Club Health and Rehabilitation Center at the Villages, The Lakes of Clermont Health and Rehabilitation and Kendall Lakes Health and Rehabilitation.

The parent company is Greystone and Co. Holdings II, LLC (Greystone). The applicant is an affiliate of Greystone Healthcare Management Corporation (GHMC), which operates the following 26 SNFs in Florida:

- Alhambra Health and Rehabilitation Center
- The Ardens Health and Rehabilitation Center
- Lexington Health and Rehabilitation Center

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- Apollo Health and Rehabilitation Center
- North Rehabilitation Center
- North Beach Rehabilitation Center
- Unity Health and Rehabilitation Center
- Wilton Manors Health and Rehabilitation Center
- Lady Lake Specialty Care Center
- The Club Health and Rehabilitation Center At The Villages
- Park Meadows Health and Rehabilitation Center
- Greenbriar Rehabilitation and Nursing Center
- Lehigh Acres Health and Rehabilitation Center
- Sunset Lake Health and Rehabilitation Center
- Village Place Health and Rehabilitation Center
- Carlton Shores Health and Rehabilitation Center
- Ridgecrest Nursing and Rehabilitation Center
- Rockledge Health and Rehabilitation Center
- Viera Health and Rehabilitation Center
- Citrus Hills Health and Rehabilitation Center
- The Gardens Health and Rehabilitation Center
- Isle Health and Rehabilitation Center
- Riverwood Health and Rehabilitation Center
- Terrance Health and Rehabilitation Center
- Villa Health and Rehabilitation Center
- Woodland Grove Health and Rehabilitation Center
- New Horizon Rehabilitation Center/The Lodge

The total project cost is \$22,644,070. The project includes 75,354 gross square feet (GSF) of new construction. The total construction cost is \$15,275,000. The project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant expects both issuance of license and initiation of service to occur in January 2022.

According to CON application #10584, Schedule C, the applicant does not wish to accept any conditions. However, pages C-i and C-ii of the application document five conditions that are stated to flow from the applicant's priorities, as shown below:

QUALITY ENHANCEMENTS

1. Seek The Joint Commission Gold Seal

PHYSICAL THERAPY EHNACMENTS

1. State-of-the-art physical therapy suite, with large gym and activities for daily living ("ADL") suite for evaluating a resident's safe transition to home

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2. The physical therapy suite will have a private entrance separate from the main entrance or the resident care areas to support outpatient rehab services
3. The therapy gym will open onto an entrance separate from the main entrance or the resident care areas
4. An occupational therapy track is nestled into the facility's interior courtyard

PruittHealth – 6-1, LLC (CON application #10585), also referenced as PH6-1 or the applicant, is a newly formed, development stage, for-profit Florida entity that proposes to construct a new 119-bed (100 percent all private rooms) community nursing home in Subdistrict 6-1 (Hillsborough County). The applicant states that given the size of Hillsborough County, the proposed project location will likely be less than 20 miles or so from PruittHealth Hillsborough County, LLC (CON #10509P) in Lutz. PH6-1 notes that the two affiliates will benefit from a collaborative relationship and will share some resources and relationships. The applicant indicates that the proposal is similar in function, style and technology to the following affiliate SNFs: PruittHealth - Panama City and PruittHealth - Fleming Island.

The ultimate parent is United Health Services, Inc. (UHS), parent to more than 100 long-term SNFs and ALFs. PruittHealth, Inc. (PH) will provide all administrative related services to PH6-1. PH was formed in 1969 in the State of Georgia and currently operates SNFs in Florida, Georgia, North Carolina and South Carolina. Specific to Florida, PH currently operates the following Florida SNFs:

- PruittHealth - Santa Rosa in Santa Rosa County
- PruittHealth - Panama City in Bay County
- PruittHealth - Fleming Island in Clay County¹

PruittHealth has the following CON approved community nursing home projects pending licensure as of May 24, 2019:

- PruittHealth - Panama City (CON #10528) to add 24 beds to its facility
- PruittHealth - Escambia, LLC (Exemption #E180033) combining CON #10505 (75 beds) and CON #10527 (45 beds) for a 120-bed facility
- PruittHealth – Santa Rosa has (Exemption #E170020) to delicense 11 beds as part of the 75 beds approved for CON#10505 (see Exemption #E180033 above)
- PruittHealth - Southwood (CON #10529) for a 101-bed facility in Leon County

¹ 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.

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- PruittHealth - Hillsborough County, LLC (CON #10509P) for an 84-bed community nursing home

The total project cost is \$25,817,920. The project includes 94,244 GSF of new construction. The total construction cost is \$15,706,300. The project cost includes land, building, equipment, project development, financing and start-up costs.

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

PH6-1 includes the following Schedule C conditions:

Location:

1. Hillsborough County, Subdistrict 6-1, Florida

Programming/Operational Conditions:

2. All 119 patient beds will be in private patient rooms.
3. All patient bathrooms will be handicap accessible.
4. Facility will feature a 16-bed Alzheimer's disease secure unit.
5. Incorporate two bariatric rooms/beds into the facility design.
6. Seek Joint Commission accreditation or accreditation from some other similarly recognized accrediting body.
7. 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.
8. 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.
9. 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.
10. Have at least one Certified Dementia Practitioner on staff on the Alzheimer's unit per shift.
11. Implement Electronic Medical Records (EMR) at the facility, and include Smart Charting or other similar bedside patient charting tool.
12. Implement Resident Safety Technology including Call Guard and WanderGuard into the facility.
13. Implement Clinical Kiosks in appropriate locations throughout the facility.

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14. Assure all staff maintains ongoing training and continuing education credits utilizing Pruitt University and at no cost to the employees.
15. Participate in a company-wide Annual Quality Report to demonstrate transparency in operations and make this Quality Report available to the public.
16. 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.
17. Implement PointRight Technology (or a future similar technology) in the ongoing operations.
18. 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 events arise.

Note: Should any 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.

| Co-Batched CON Application #s 10584 and #10585: Total GSF and Project Cost | | | | | |
|---|-------------------|--|------------|------------------|--------------------------|
| Applicant | CON App. # | Project | GSF | Cost (\$) | Cost Per Bed (\$) |
| Hillsborough Oaks NH LLC | 10584 | Construct a New 119-Bed Community Nursing Home | 75,354 | \$22,644,070 | \$190,286 |
| PruittHealth – 6-1, LLC | 10585 | Construct a New 119-Bed Community Nursing Home | 94,244 | \$25,817,920 | \$216,957 |

Source: Schedules 1 and 9, CON application #s 10584 and 10585

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, Steve Love, analyzed the application, with consultation from the financial analyst, Kimberly Noble, 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.**

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In Volume 45, Number 62, of the Florida Administrative Register dated March 29, 2019, need for 119 community nursing home beds was published in the fixed need pool for Subdistrict 6-1 for the January 2022 Planning Horizon.

After the application deadline for the April 2019 Other Beds and Programs Batching Cycle (May 15, 2019), there were no exemption requests or expedited certificate of need applications submitted to add community nursing home beds or establish new community nursing home facilities. Agency records indicate 179 approved community nursing home beds are on file for Subdistrict 6-1, Hillsborough County. Below is a representation of these 179 approved beds.

**Approved Community Nursing Home Beds
Subdistrict 6-1, Hillsborough County
by Facility/Project Name, Beds Approved and CON Number**

| Facility/Project Name | Beds Approved | CON # |
|---|----------------------|--------------|
| Sun Terrace Health Care Center | 10 | 10510 |
| PruittHealth-Hillsborough County, LLC | 84 | 10509P |
| Hillsborough County Nursing and Rehab Center, LLC | 73 | 10552 |
| Palm Garden of Sun City | 12 | E190003 |
| Total | 179 | |

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

Below is a table illustrating utilization in Subdistrict 6-1, Hillsborough County from January 2018 – December 2018.

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**Hillsborough County (Subdistrict 6-1)
Community Bed Inventory, Bed Days, Patient Days and Utilization
January 2018 – December 2018**

| Facility | Community Bed Inventory | Bed Days | Patient Days | Utilization |
|---|------------------------------------|------------------|---------------------|--------------------|
| Bayshore Pointe Nursing and Rehab Center | 117 | 42,705 | 39,513 | 92.53% |
| Brandon Health and Rehabilitation Center | 120 | 43,800 | 40,215 | 91.82% |
| Brighton Gardens of Tampa | 45 | 16,425 | 12,150 | 73.97% |
| Bristol at Tampa Rehab. and Nursing Center, LLC | 266 | 97,090 | 91,293 | 94.03% |
| Canterbury Towers, Inc. | 40 | 14,600 | 8,148 | 55.81% |
| Carrollwood Care Center | 120 | 43,800 | 42,172 | 96.28% |
| Central Park Healthcare and Rehabilitation Center | 120 | 43,800 | 40,274 | 91.95% |
| Community Convalescent Center | 120 | 43,800 | 42,421 | 96.85% |
| Concordia Village of Tampa | 129 | 44,669 | 38,256 | 85.64% |
| Consulate Health Care of Brandon | 120 | 43,800 | 40,603 | 92.70% |
| Excel Care Center | 120 | 43,800 | 40,675 | 92.87% |
| Fairway Oaks Center | 120 | 43,800 | 40,528 | 92.53% |
| Fletcher Health and Rehabilitation Center | 120 | 43,800 | 41,997 | 95.88% |
| Gandy Crossing Care Center | 160 | 58,400 | 54,101 | 92.64% |
| Habana Health Care Center | 150 | 54,750 | 52,994 | 96.79% |
| Hawthorne Health and Rehab. of Brandon | 132 | 48,180 | 44,515 | 92.39% |
| Home Association, The | 96 | 35,040 | 31,375 | 100.00% |
| KR at Hillsborough Lakes | 120 | 43,800 | 28,883 | 65.94% |
| Northdale Rehabilitation Center | 120 | 43,800 | 35,847 | 81.84% |
| Palm Garden of Sun City | 120 | 43,800 | 41,141 | 93.93% |
| Palm Garden of Tampa | 120 | 43,800 | 41,372 | 94.46% |
| Plaza West | 113 | 41,245 | 38,002 | 92.14% |
| Rehabilitation and Healthcare Center of Tampa | 174 | 63,510 | 59,125 | 93.10% |
| Solaris Healthcare Plant City | 180 | 65,700 | 63,327 | 96.39% |
| Sun Terrace Health Care Center | 120 | 41,918 | 38,172 | 91.06% |
| Tampa Lakes Health and Rehabilitation Center | 179 | 65,335 | 16,813 | 25.73% |
| Whispering Oaks | 240 | 87,600 | 84,308 | 96.24% |
| Woodbridge Care Center | 120 | 43,800 | 40,755 | 93.05% |
| Ybor City Healthcare and Rehabilitation Center | 80 | 29,200 | 26,997 | 92.46% |
| Totals | 3,781 | 1,375,767 | 1,215,972 | 88.39% |

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

During the 12-month period ending on December 31, 2018, Subdistrict 6-1 had 3,781 licensed and 167 approved community nursing home beds. Subdistrict 6-1 also had a total occupancy rate of 88.39 percent for this same 12-month period.

The reviewer notes the current and projected population of Hillsborough County, the district and Florida overall for the planning horizon. The projected population growth, both numerically and by percent, is provided in the following table.

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| Hillsborough County (Subdistrict 6-1), District 6 and Florida Population Change Comparisons | | | | | | |
|--|-----------------------------------|------------|--------------|-----------------------------------|------------|--------------|
| County/Area | January 1, 2019 Population | | | January 1, 2022 Population | | |
| | 0-64 | 65+ | Total | 0-64 | 65+ | Total |
| Hillsborough | 1,217,839 | 195,724 | 1,413,563 | 1,272,353 | 216,115 | 1,488,468 |
| District 6 | 2,121,577 | 470,060 | 2,591,637 | 2,207,014 | 514,011 | 2,721,025 |
| Florida | 16,656,554 | 4,147,180 | 20,803,734 | 17,102,934 | 4,515,707 | 21,618,641 |
| County/Area | 2019-2022 Increase | | | 2019-2022 Growth Rat9.10e | | |
| | 0-64 | 65+ | Total | 0-64 | 65+ | Total |
| Hillsborough | 54,514 | 20,391 | 74,905 | 4.48% | 10.42% | 5.30% |
| District 6 | 85,437 | 43,951 | 129,388 | 4.03% | 9.35% | 4.99% |
| Florida | 446,380 | 368,527 | 814,907 | 2.68% | 8.89% | 3.92% |

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

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

| Subdistrict 6-1 Bed: Population Ratio | | | | | |
|--|-----------------------|-------------------------|----------------------------|-------------------------|----------------------------|
| County/Area | Community Beds | 2019 Pop Age 65+ | 2019 Beds per 1,000 | 2022 Pop Age 65+ | 2022 Beds per 1,000 |
| Hillsborough | 3,781 | 195,724 | 19 | 216,115 | 17 |
| Subdistrict 6-1 | 3,781 | 195,724 | 19 | 216,115 | 17 |
| District 6 | 8,936 | 470,060 | 19 | 514,011 | 17 |
| Florida | 80,825 | 4,147,180 | 19 | 4,515,707 | 18 |

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+. The reviewer provides the following beds per 1,000 residents age 75+. See the table below.

| Subdistrict 6-1 Bed: Population Ratio | | | | | |
|--|-----------------------|-------------------------|----------------------------|-------------------------|----------------------------|
| County/Area | Community Beds | 2019 Pop Age 75+ | 2019 Beds per 1,000 | 2022 Pop Age 75+ | 2022 Beds per 1,000 |
| Hillsborough | 3,781 | 78,898 | 48 | 88,329 | 43 |
| Subdistrict 6-1 | 3,781 | 78,898 | 48 | 88,329 | 43 |
| District 6 | 8,936 | 197,483 | 45 | 219,144 | 41 |
| Florida | 80,825 | 1,807,306 | 45 | 1,990,355 | 41 |

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

Each co-batched applicant states that their respective proposed project is being submitted in response to the Agency’s fixed need pool publication dated March 29, 2019.

Hillsborough Oaks NH LLC (CON application #10584) utilizes the Agency’s Florida Population Estimates and Projections by AHCA District 2010 to 2030, published February 2015, to indicate that over the five most recent calendar years (CYs), ending 2018, the 65+ population in Hillsborough County increased by 25,642 persons (a growth rate of 2.9

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percent per year). The applicant indicates that for the same period of time, the 75+ population in Hillsborough County increased by 7,002 persons (a growth rate of 1.9 percent per year). HONH points out that the Hillsborough County overall population grew by 1.5 percent for each year, while the age 65+ and the age 75+ population cohorts grew at higher rates and that elderly population growth will continue in future years.

The applicant provides a year-by-year (from 2001-2018) listing of 24 major events, describing Greystone's services to seniors and examples of Greystone's "thoughtful expansion", including 10 successful CON projects. The applicant maintains that the proposed project will be similar to the following Greystone facilities:

- The Club Health and Rehabilitation Center at the Villages
- The Lakes of Clermont Health and Rehabilitation
- Kendall Lakes Health and Rehabilitation

The applicant maintains there is vast geographic dispersion of SNFs throughout Hillsborough County. HONH utilizes Claritas data to provide the age 65+ population (highest to lowest) estimates in 2023, ranked by ZIP Code and assigned group (from one thru five). The applicant points out that the purpose of grouping the ZIP Codes (groups one thru five) by assigning the population estimate is to provide, "a relative view of the size of the elderly within each ZIP Code". The reviewer notes that CON application #10584 indicates the following population estimates: Group 1 = 1.0 to 1.7, Group 2 = 1.8 to 2.5, Group 3 = 2.6 to 3.3, Group 4 = 3.4 to 4.1, Group 5 = 4.2 to 5.0. The reviewer notes that the applicant does not offer further explanation regarding the five group equivalents other than to note that Group 1 has an elderly population over two times the Group 2. See the table below.

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**Population Estimates in 2023 of Elders, Aged 65 Years of Age and Older
Ranked by ZIP Code and Assigned Group**

| ZIP Code | Geography Name | 2023 Population Age 65+ | Group |
|-----------------|-----------------------|--|--------------|
| 33573 | Sun City Center | 21,677 | 1 |
| 33511 | Brandon | 9,239 | 2 |
| 33647* | Tampa | 8,683 | 2 |
| 33615 | Tampa | 7,873 | 2 |
| 33594* | Valrico | 7,455 | 2 |
| 33624* | Tampa | 7,453 | 2 |
| 33614 | Tampa | 7,411 | 2 |
| 33612 | Tampa | 7,373 | 2 |
| 33617* | Tampa | 6,989 | 2 |
| 33611 | Tampa | 6,962 | 2 |
| 33618 | Tampa | 6,618 | 2 |
| 33610 | Tampa | 6,569 | 2 |
| 33596 | Valrico | 6,280 | 2 |
| 33604 | Tampa | 6,008 | 2 |
| 33578 | Riverview | 5,740 | 3 |
| 33613 | Tampa | 5,534 | 3 |
| 33556 | Odessa | 5,386 | 3 |
| 33570 | Ruskin | 5,316 | 3 |
| 33510 | Brandon | 5,257 | 3 |
| 33629 | Tampa | 5,135 | 3 |
| 33565 | Plant City | 5,127 | 3 |
| 33619 | Tampa | 4,897 | 3 |
| 33625 | Tampa | 4,813 | 3 |
| 33558 | Lutz | 4,771 | 3 |
| 33607 | Tampa | 4,769 | 3 |
| 33584 | Seffner | 4,742 | 3 |
| 33572 | Apollo Beach | 4,490 | 3 |
| 33569 | Riverview | 4,421 | 3 |
| 33626 | Tampa | 4,403 | 3 |
| 33563 | Plant City | 4,096 | 3 |
| 33549 | Lutz | 4,028 | 3 |
| 33566 | Plant City | 3,742 | 4 |
| 33634 | Tampa | 3,720 | 4 |
| 33579 | Riverview | 3,564 | 4 |
| 33609 | Tampa | 3,356 | 4 |
| 33603 | Tampa | 3,355 | 4 |
| 33635 | Tampa | 3,341 | 4 |
| 33547 | Lithia | 3,290 | 4 |
| 33605 | Tampa | 3,091 | 4 |
| 33598 | Wimauma | 2,934 | 4 |
| 33606 | Tampa | 2,930 | 4 |
| 33527 | Dover | 2,597 | 4 |
| 33637 | Tampa | 2,426 | 4 |
| 33592 | Thonotosassa | 2,391 | 4 |
| 33602 | Tampa | 2,201 | 4 |
| 33616 | Tampa | 2,081 | 4 |
| 33567 | Plant City | 1,939 | 5 |
| 33534 | Gibsonton | 1,670 | 5 |
| 33548 | Lutz | 1,641 | 5 |
| 33621 | Tampa | 51 | 5 |
| Total | | 249,835 | |

Source: CON application #10584, page 1-7

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Additionally, CON application #10584, page 1-8, Figure 1-4 correlates SNFs and hospitals to one of the five numbered groups. The applicant’s Figure 1-4 indicates that, “Sun City Center, ZIP Code 33573, with 21,677 elders, is notably the largest, followed next by Group 2 comprising 9,239 to 6,008 elders, and so on.” HONH points out that its Figure 1-4 map indicates that clustering occurs, with hospitals and SNFs associated with locations in ZIP Codes with larger populations as expected. HONH states that ZIP Codes in Group 3 have elderly populations between 5,740 and 4,028 persons generally reflecting SNF locations proximate to Group 2 ZIP Codes. According to the applicant, these observations underscore a consistent pattern of development:

1. Hospitals’ locations follow populations, appearing in ZIP Codes with higher populations.
2. SNFs concentrate in and around ZIP Codes that host hospitals.
3. Development of SNFs continue to locate in areas of higher population. Within Group 2, the population size reflect a large range. Looking at ZIP Codes in that group of 33614, 33604, 33610 and 33617, the elderly population estimates respectively are 7,411, 6,008, 6,569 and 6,989 persons, on the lower end of the range of the group. In these ZIP Codes, no hospitals or SNFs exist presently. These ZIP Codes also lie further from the locations of hospitals and SNFs within the group.
4. The higher estimates of population in Group 2 ZIP Codes represent the potential sites for development of future SNFs.

HONH contends that key locations for sites would be not too far from hospitals, yet farther away from existing SNFs to provide accessibility to growth.

The applicant provides the following two tables to document a methodology for a total of 28,764 patient days (at 66.2 percent occupancy) in year one (2022) and a total of 37,114 patient days (at 85.4 percent occupancy) in year two (2023).

Population Estimates for Hillsborough County Baseline 2018 to 2023

| Factor | Value |
|-------------------------|--------------|
| 2018 Population Age 65+ | 204,634 |
| 2023 Population Age 65+ | 249,835 |
| CAGR | 4.07% |
| 2019 | 214,945 |
| 2020 | 223,596 |
| 2021 | 232,620 |
| 2022 | 242,035 |
| 2023 | 249,835 |

Source: CON application #10584, page 1-13

The Factors and Values Forecasting the Nursing Home Utilization for Hillsborough County and the Proposed Nursing Home

| Factor | Value |
|---|--------------|
| CY 2018 Resident Days | 1,215,972 |
| CY 2018 Population 65+ | 204,634 |
| Licensed Community Beds | 3,781 |
| Days/1,000 65+ | 5,942 |
| CAGR | 4.1% |
| Population 2022, YR 1 | 242,035 |
| Resident Days | 1,438,213 |
| Occupancy | 104.2% |
| Population 2023, YR 2 | 249,835 |
| Resident Days | 1,484,564 |
| Occupancy | 107.6% |
| New Facility Impact | |
| Market Share Year 1 | 2.0% |
| Market Share Year 2 | 2.5% |
| Year 1 Patient Days | 28,764 |
| Year 2 Patient Days | 37,114 |
| Occupancy YR 1 | 66.2% |
| Occupancy YR 2 | 85.4% |
| Existing Facilities Occupancy Rate with New Facility | |
| Others, Occupancy Rate YR 1 | 99.0% |
| Others, Occupancy Rate YR 2 | 101.7% |

Source: CON application #10584, page 1-14

Per HONH, the above forecasts confirm that the proposed 119-bed facility, in light of the published need, enhances access and availability for residents of the subdistrict and the addition does not adversely affect existing nursing homes.

The reviewer notes that the applicant provides the following unit designations and corresponding bed complements for the proposed project:

Unit Designations and Bed Complements within Hillsborough Oaks

| Resident Accommodation | Long-Term Care Units | Short-Term Care Unites | Grand Total |
|-------------------------------|-----------------------------|-------------------------------|--------------------|
| Private | 10 | 23 | 33 |
| Semi-Private | 25 | 18 | 43 |
| Total | 35 | 48 | 76 |
| Resident Accommodation | Long-Term Care Units | Short-Term Care Unites | Grand Total |
| Private | 10 | 23 | 33 |
| Semi-Private | 50 | 36 | 86 |
| Total | 60 | 59 | 119 |

Source: CON application #10584, page -viii, Table PS-1

PruittHealth – 6-1, LLC (CON application #10585) presents specific need in the area, including the need for the following:

- A dedicated Alzheimer’s unit
- Bariatric suites
- Private Medicaid beds

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The applicant discusses the planned provision of Medicaid at its affiliate SNF, PruittHealth-Hillsborough County, LLC and that, combined, these two PruittHealth facilities will provide Medicaid clients with enhanced access to state-of-the-art all private facilities. PH6-1 maintains that need for a secured Alzheimer’s unit and the need for a discharge option for bariatric patients from after a hospital stay are currently gaps in services in Hillsborough County, as stated by constituents. The reviewer confirms that letters of support for CON application #10585 are consistent with these stated gaps.

PH6-1 utilizes the Agency’s Florida Population Estimates and Projections by AHCA District 2010 to 2030, published February 2015, and NHA Analysis, to generate Subdistrict 6-1 age 65+ and age 75+ population growth estimate tables. The applicant estimates that by July 2023, Subdistrict 6-1 will realize an age 65+ population increase of 30,725 residents - a percentage change of 15.7 percent from 2018 to 2023. See the table below.

**Breakout of Subdistrict 6-1 Growth Rate in 65+ Population
July 2018 to July 2023**

| County | January 2019 | July 2023 | Change 2018-2023 | Percent Change 2018-2023 |
|---------------|---------------------|------------------|-----------------------------|---|
| Hillsborough | 195,724 | 226,449 | 30,725 | 15.7% |

Source: CON application #10585, page 55

The applicant notes that Subdistrict 6-1’s community nursing home bed total occupancy rate for the six months ending June 2018 was 87.1 percent and that for the six months ending December 2018 was 89.6 percent.

PH6-1 states having carried out detailed market research to determine how it can be of better benefit and add greater value to the residents of the proposed service area. The applicant indicates that based on an evaluation of services provided at the licensed SNFS in Hillsborough County, based on their respective websites and FloridaHealthFinder.gov, below is a description of services provided by Hillsborough County SNFs:

- All 29 facilities provide subacute care
- 27 of the 29 provide respite care
- 26 of the 29 provide hospice on site
- All 29 provide physical, occupational and speech therapy
- Only two of the 29 have a secure Alzheimer’s unit (both are at full capacity)
- None of the 29 feature all private rooms
- 19 of the 29 have private rooms ranging between one and 10 percent of total capacity, with only two facilities with more than fifty percent private rooms

The applicant asserts that if approved, the proposed project will foster competition through the implementation of state-of-the-art facilities, top notch amenities and quality programs and services. PH6-1 emphasizes that the proposal will benefit the community through market knowledge, significant services/amenities, lifestyle enhancement experience and high quality programming.

PH6-1 discusses national and statewide Alzheimer’s disease trends and statistics (pages 64 thru 66 of the application). PH6-1 determines that there are 21,860 seniors affected with Alzheimer’s/dementia in Subdistrict 6-1 and that this statistic is projected to grow to 25,218 seniors (15.4 percent) by year two of the proposed project (2023). The reviewer notes that according to CON application #10585, Schedule 10, initiation of service is expected in April 2022, making the first 12 months of operation ending in April 2023. See the table below.

**Estimates of Persons Afflicted with Alzheimer’s Disease
Subdistrict 6-1 Hillsborough County
2019 and 2023**

| | 2019 | | | 2023 | | |
|---|----------------|-----------|----------------------|----------------|-----------|----------------------|
| | Population | Incidence | Alzheimer’s Estimate | Population | Incidence | Alzheimer’s Estimate |
| SUBDISTRICT 6-1, HILLSBOROUGH COUNTY | | | | | | |
| Age 65 to 74 | 127,107 | 3% | 3,813 | 149,522 | 3% | 4,486 |
| Age 75 to 84 | 59,808 | 17% | 10,167 | 72,681 | 17% | 12,356 |
| Age 85+ | 24,622 | 32% | 7,879 | 26,175 | 32% | 8,376 |
| Total | 211,537 | -- | 21,860 | 248,378 | -- | 25,218 |

Source: CON application #10585, pages 66 and 155

The reviewer notes that the applicant has applied an aggregated, nationally assessed prevalence rate from the total United States population to a single county (Hillsborough). Per the USGS², 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 to project Alzheimer’s growth in that single county, may or may not generate reliable estimates. The reviewer notes that in making these determinations, PH6-1 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 Hillsborough County
- Health Council of West Central Florida, Inc., needs assessment

² According to the website <https://www.usgs.gov/about/about-us/who-we-are>, USGS 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.

The reviewer notes that the applicant states estimated Alzheimer’s prevalence in Hillsborough County regardless of the stage of the disease and does not estimate how many Alzheimer’s patients are in the severe or late-stage when an individual may need round-the-clock assistance with daily activities and personal care. However, the reviewer notes that letters of support, one of which was from the Director, State of Florida Department of Health Hillsborough County, indicate a growing Alzheimer’s presence in Hillsborough County and a need for the applicant’s proposed, secure, all-private, 16-bed Alzheimer’s unit. PH6-1 discusses PruittHealth Memory Support and the iN2L computer system as a planned feature of its proposed, secure, all-private accommodation, 16-bed Alzheimer’s unit on pages 68 and 69 of CON application #10585.

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.

PH6-1 provides obesity incidence and estimates in Hillsborough County (2019 and 2023). The reviewer notes that the applicant’s assertion that in Hillsborough County, between 40 and 44.9 percent of the population is reportedly obese (with a mid-point of 42.5 percent) is drawn from the legend in CON application #10585, Vol. 2, Tab 19, page 315, Figure 2. See the table below.

**Estimates of Residents with Obesity, Ages 65+
Subdistrict 6-1
2019 and 2023**

| | 2019 | | | 2023 | | |
|--------------|------------|-----------|------------------|------------|-----------|------------------|
| | Population | Incidence | Obesity Estimate | Population | Incidence | Obesity Estimate |
| Hillsborough | 195,726 | 42.5% | 83,184 | 226,449 | 42.5% | 96,2431 |

Source: CON application #10585, pages 70 and 157

The reviewer notes that while PH6-1 offers an estimate of the total universe of obese resident cases in Hillsborough County, 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, one from the Director, State of Florida Department of Health Hillsborough County and at least one from an area hospital executive indicating a growing challenge in placing obese patients in appropriate care settings, when hospital discharge is applicable for bariatric care. Therefore, letters of support are consistent with a need for the applicant’s proposed, two-suite, bariatric unit.

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PH6-1 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. The applicant states, that depending on needs, up to 600 pounds can be accommodated.

The applicant asserts that Subdistrict 6-1 has experienced the seventh greatest percent change growth (32.2 percent) in Medicaid LTC enrollees of any Florida county, for the three-years ending March 1, 2019—but as a percent of total nursing home patient days, Medicaid patient days represent a lower portion of total patient days than the remainder of District 6 and lower than the State of Florida overall. PH6-1 emphasizes that for the same three-year period of time, Subdistrict 6-1 has experienced the third greatest actual increase in Medicaid LTC enrollees of any Florida county (increase of 1,683 Medicaid LTC enrollees). The applicant asserts that an approved applicant must dedicate concerted resources to serving patients in need of Medicaid long-term care. See the table below.

PH6-1 provides the following table, illustrating that District 6 overall had the fourth lowest Medicaid patient day percentage (62.1 percent) of any district in Florida, with District 8 having the very lowest (58.5 percent) and District 2 having the very highest (72.1 percent), for CY 2018. See the table below.

**Florida SNF Medicaid Patient Days by District
CY 2018**

| District | Medicaid Days | Medicaid Percent of Total Days |
|-----------------|----------------------|---------------------------------------|
| Subdistrict 6-1 | 740,212 | 60.9% |
| District 8 | 1,064,757 | 58.5% |
| District 10 | 722,657 | 60.5% |
| District 7 | 1,805,969 | 61.4% |
| District 6 | 1,733,216 | 62.1% |
| District 4 | 1,837,959 | 62.4% |
| District 3 | 1,611,670 | 63.3% |
| District 9 | 1,663,114 | 63.7% |
| District 5 | 1,999,770 | 65.0% |
| District 1 | 697,012 | 65.1% |
| District 11 | 1,964,103 | 71.0% |
| District 2 | 787,587 | 72.1% |

Source: CON application #10585, pages 80 and 165

The applicant contends that the proposed project will become only the second 100 percent all-private room SNF in Hillsborough County, second to only its affiliate facility, PruittHealth-Hillsborough, currently under development in Lutz. PH6-1 asserts that this is of particular importance because Medicaid long-term care patients have less private accommodations than Medicare and other payors. The reviewer reproduces below the applicant’s totals but not each of the 29 SNFs in Subdistrict 6-1.

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Subdistrict 6-1 Community Nursing Home Bed Configuration

| All SNF Facilities | Licensed Nursing Home Beds | Number of Private Beds | Beds in Multiple Bed Rooms | Percent of Private Beds |
|---------------------------|-----------------------------------|-------------------------------|-----------------------------------|--------------------------------|
| Subdistrict 6-1 Total | 3,781 | 427 | 3,354 | 11.3% |

Source: CON application #10585, pages 83 and 168 (condensed tables)

PH6-1 projects that in year two, 60.2 percent of its patient days will be Medicaid days, resulting in a Medicaid census of 27.2 patients. The applicant states that if awarded this CON, the private bed inventory in Hillsborough County will increase from 11.3 percent to 15.6 percent of all beds.

The applicant utilizes Agency inpatient data and NHA Analysis to determine the hospital discharges to SNFs and the percent of discharges, by hospital, in Hillsborough County, for the three-year period ending September 30, 2018. PH6-1 collapses all 14 referenced area hospitals (and their corresponding discharge totals and percentages) into the hospitals' parent. The reviewer reproduces below the applicant's totals and percentages for Subdistrict 6-1 and the corresponding hospital affiliate parent within Subdistrict 6-1, but not each of the 14 hospitals shown in the applicant's table.

**Hillsborough County Hospitals
Discharges to Skilled Nursing
12 Months Ending September 30, 2016 through 2018**

| | Discharges to SNF | | | Percent Discharges by Hospital Parent | | |
|----------------------------------|--------------------------------|--------------------------------|--------------------------------|--|--------------------------------|--------------------------------|
| | 12 Mos Ending 9/30/2016 | 12 Mos Ending 9/30/2017 | 12 Mos Ending 9/30/2018 | 12 Mos Ending 9/30/2016 | 12 Mos Ending 9/30/2017 | 12 Mos Ending 9/30/2018 |
| Subdistrict 6-1 Hospitals | 15,861 | 16,062 | 15,835 | 100.0% | 100.0% | 100.0% |
| Adventist Health System | 2,897 | 2,805 | 2,928 | 18.3% | 17.5% | 18.5% |
| Baycare Health System | 5,352 | 5,584 | 5,570 | 33.8% | 34.7% | 35.2% |
| HCA | 4,130 | 4,232 | 4,052 | 26.0% | 26.4% | 25.6% |
| Kindred | 653 | 659 | 535 | 4.1% | 4.1% | 3.4% |
| All Others | 2,829 | 2,782 | 2,750 | 17.8% | 17.3% | 17.3% |

Source: CON application #10585, page 91 (condensed)

PH6-1 maintains that the above acute care discharge data is of particular importance it will develop relationships with hospital discharge planners, social workers and hospital leadership to ensure the proposed project becomes an option for patients seeking a SNF post-acute rehabilitation or long-term care.

The applicant utilizes the Agency inpatient data and NHA Analysis to determine the number of 65+ cases as a percent of the total number cases among Subdistrict 6-1 hospital discharges for the 12-months ending

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September 30, 2018. These discharge/case totals and percentages are by service line (MS-DRG). The applicant provides a narrative description of the four highest numbers of discharges by MS-DRG on page 92 of CON application #10585. The applicant maintains that the identified conditions and diseases represented by the below MS-DRGs will be served at the proposed facility. The reviewer reproduces below the four highest cases and percentage as stated in the applicant’s narrative, but does not reproduce all 12 service lines as shown in the applicant’s table. All of the remaining eight service lines as listed in the applicant’s table are represented in the “All Other” total. See the table below.

**Subdistrict 6-1
Hospital Discharges to SNFs by Service Line
12 Month Ending September 30, 2018**

| Service Line (MS-DRG) | Age 65+ | | Total | |
|-------------------------------------|---------------|------------------|---------------|------------------|
| | Cases | Percent of Total | Cases | Percent of Total |
| Orthopedics | 2,792 | 21.2% | 3,327 | 21.0% |
| Cardiology/Cardiac Surgery/Invasive | 1,728 | 13.1% | 1,981 | 12.5% |
| Nephrology | 1,223 | 9.3% | 1,361 | 8.6% |
| Pulmonary | 1,163 | 8.6% | 1,375 | 8.7% |
| All Other | 6,237 | 47.8% | 7,791 | 49.2% |
| Total | 13,143 | 100.0% | 15,835 | 100.0% |

Source: CON application #10585, page 92 (condensed)

The applicant provides a narrative of specialized services, initiatives and amenities on pages 94 to 100 of CON application #10585. The applicant describes these to include: serving for the disabling effects of Alzheimer’s dementia, all private rooms, serving bariatric patients, programs to reduce hospital readmissions, resident safety through technologies and electronic medical records. Specialized equipment is listed as:

- 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 diathermy³
- Electrical stimulation

³ 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.

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The applicant expects to admit a total of 294 patients (with total patient days of 16,663 and an average daily census (ADC) of “45.7%” in its first year, increasing to a total of 747 patients (with total patient days of 41,358 and an ADC of 113.3) in year two. PH6-1 estimates a total occupancy of 38.0 percent (in year one) and 95.0 percent (in year two). The applicant indicates that the configuration of the facility will be a mix of short and long-term residents. See the table below.

**PruittHealth – 6-1 Forecasted Utilization
119-Bed Facility
Years One and Two**

| | Year One Ending 3-31-2023 | Year Two Ending 3-31-2024 |
|--|--------------------------------------|--------------------------------------|
| Medicare/Medicare HMO, Skilled Patients | | |
| Admissions | 237 | 624 |
| Patient Days | 5,809 | 15,377 |
| Average Daily Census | 15.9 | 42.1 |
| Medicaid Long Term Care Patients | | |
| Admissions | 41 | 104 |
| Patient Days | 9,911 | 24,888 |
| Average Daily Census | 27.2 | 68.2 |
| All Other Payors | | |
| Admissions | 16 | 19 |
| Patient Days | 943 | 1,098 |
| Average Daily Census | 2.6 | 3.0 |
| Total | | |
| Admissions | 294 | 747 |
| Patient Days | 16,663 | 41,358 |
| Occupancy Rate | 38.0% | 95.0% |
| Average Daily Census | 45.7% | 113.3 |

Source: CON application #10585, page 109

PH6-1 offers a narrative description of itself next to **CON application #10584**—noting that the important takeaway is that Greystone did not follow through on its CON commitments in its most recent award of CON #10532 in District 11, Miami-Dade County, as the ultimate license holder when the Agency approved the CON. PH6-1 contends that the Agency can have confidence in PruittHealth’s commitment as expressed on Schedule D of CON application #10585 to license and operate the facility as proposed.

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.

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.**

Neither of the co-batched applicants is submitting a CON application 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.**

Hillsborough Oaks NH LLC (CON application #10584) contends that hospital discharges to SNFs aged 65+ provide the basis for developing clinical programs of care. The applicant utilizes the Agency discharge data for the 12 months ending June 30, 2018 to identify discharges based on the applicable Major Diagnostic Category (MDC). The applicant identifies a total of 26 discreet MDCs in its

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analysis but the reviewer individually reproduces only six MDCs. The reviewer generates an “All 20 Remaining MDCs” row to account for those not reproduced. See the table below.

**Hospital Discharges to Nursing Homes for Residents
of Hillsborough County Aged 65+
July 1, 2017 to June 30, 2018**

| MDC | MDC Description | Total Cases |
|-----------------------|--|--------------------|
| 01 | Diseases and Disorders of the Nervous System | 1,199 |
| 04 | Diseases and Disorders of the Respiratory System | 1,151 |
| 05 | Diseases and Disorders of the Circulatory | 1,844 |
| 08 | Diseases and Disorders of the Musculoskeletal System & Conn Tissue | 2,723 |
| 11 | Diseases and Disorders of the Kidney & Urinary Tract | 1,186 |
| 18 | Infectious & Parasitic Diseases, Systemic or Unspecified Sites | 1,191 |
| All 20 Remaining MDCs | All 20 Remaining MDC Descriptions | 2,439 |
| Grand Total | | 11,733 |

Source: CON application #10584, page 2-3, Table 2-1 (condensed)

HONH states that the six MDCs named in the above table account for 79.2 percent (9,290) of the Hillsborough County’s elderly patients discharged to SNFs. The applicant provides a narrative description of the commonly needed services associated with the six referenced MDCs listed above on pages 2-5 to 2-7 of CON application #10584.

Using the same source for the same time period, HONH identifies discharges based on the applicable and corresponding Diagnostic Related Group (DRG). The applicant identifies a total of 30 discreet DRGs, capturing a total of 5,889 (50.2 percent) cases. The reviewer individually reproduces only the first 12 DRGs in the applicant’s table (ranging from DRG 871 with 801 cases to DRG 193 with 154 cases). The reviewer generates an “All 18 Remaining DRGs” row to account for those not reproduced. See the table below.

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**Diagnostic Related Groups that Represent the Majority of Conditions for Elderly
Residents of Hillsborough County Discharged to Nursing Homes
July 1, 2017 to June 30, 2018**

| DRG | DRG Description | Total Cases | Percent Of Total | Cumm. Total |
|-----------------------|---|--------------------|-------------------------|--------------------|
| 871 | Septicemia or Severe Sepsis w/o Mv>96 Hours w MCC | 801 | 6.8% | 6.8% |
| 470 | Major Joint Replacement or Reattachment of Lower Extremity w/o MC | 513 | 4.4% | 11.2%8 |
| 291 | Heart Failure & Shock w MCC | 424 | 3.6% | 14.8% |
| 481 | Hip & Femur Procedures Except Major Joint w CC | 403 | 3.4% | 18.2% |
| 689 | Kidney & Urinary Tract Infections w MCC | 276 | 2.4% | 20.6% |
| 682 | Renal Failure w MCC | 268 | 2.3% | 22.9% |
| 690 | Kidney & Urinary Tract Infections w/o MCC | 206 | 1.8% | 24.6% |
| 683 | Renal Failure w CC | 190 | 1.6% | 26.3% |
| 065 | Intracranial Hemorrhage or Cranial Infraction w CC or Tpa In 24 Hrs | 173 | 1.5% | 27.7% |
| 064 | Intracranial Hemorrhage or Cranial Infraction w MCC | 169 | 1.4% | 29.2% |
| 189 | Pulmonary Edema & Respiratory Failure | 169 | 1.4% | 30.6% |
| 193 | Simple Pneumonia & Pleurisy w MCC | 154 | 1.3% | 31.9% |
| All 18 Remaining DRGs | All Remaining DRG Descriptions | 7,987 | 68.1% | 49.8% |
| Total | | 11,733 | 100.0% | |

Source: CON application #10584, page 2-4, Table 2-2 (condensed)

The applicant lists the proposed facility's range of services:

- Physical therapy
- Occupational therapy
- Speech therapy
- Orthopedic rehabilitation
- Neurological rehabilitation
- Pulmonary rehabilitation
- Medical management
- Palliative care
- Wound care

In addition to the nine bulleted services listed above, HONH lists 15 additional services, some of which are:

- Ostomy care
- Diabetic care and management
- Bowel and bladder training
- Dialysis support
- Pet therapy
- Daily transportation

The applicant discusses admission procedures and protocols—noting that a physician's order at hospital discharge determines the post-acute placement and that admission includes an orientation as well

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as an initial assessment, followed by a more comprehensive assessment. HONH points out that the comprehensive assessment tool used is the Centers for Medicare and Medicaid Services (CMS) Minimum Data Set (MDS) elements as well as those elements specific to Florida. HONH explains that upon plan implementation, the team reassesses each resident as changes occur in his or her condition, that a partial assessment is done quarterly and a full assessment annually.

HONH discusses the resident care plan and that the resident care team review is updated quarterly, at a minimum. The applicant comments that the resident care plan incorporates strategies to prevent or reduce decline in functional status.

The applicant notes its discharge planning, stating that the progress of each person determines a discharge destination and that the discharge plan contains a summary of prior treatments, diagnosis, medications and any indications or issues associated with the resident. Caregiver capabilities are indicated by HONH as a consideration in discharge planning.

CON application #10584, Schedule 6 indicates a total of 96.1 FTEs for year one (ending December 31, 2022). This FTE total is drawn from page 1 of 2 of the applicant's Schedule 6. However, the reviewer notes that there is no CON application #10584, Schedule 6, page 2 of 2 and therefore, no year two FTE counts are provided. See the table below.

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| Hillsborough Oaks NH LLC/CON application #10584 Projected Year One and Year Two Staffing | | |
|---|--------------------------|--------------------------|
| Position | Year One FTEs | Year Two FTEs |
| Administration | | |
| Administrator | 1.0 | Not Provided |
| Director of Nursing | 1.0 | Not Provided |
| Bookkeeper | 1.4 | Not Provided |
| Secretary | 1.5 | Not Provided |
| Medical Records Clerk | 1.5 | Not Provided |
| Other: HR Marketing | 3.0 | Not Provided |
| Physicians | | |
| Medical Director | 0.0 | Not Provided |
| Other: Physician Services | 0.0 | Not Provided |
| Nursing | | |
| RNs | 9.5 | Not Provided |
| LPNs | 6.9 | Not Provided |
| Nurses' Aides | 30.9 | Not Provided |
| Other: MDS/Nurse Liaison/Case Mgrs | 5.8 | Not Provided |
| Ancillary | | |
| Physical Therapist | 7.0 | Not Provided |
| Speech Therapist | 0.8 | Not Provided |
| Occupational Therapist | 3.1 | Not Provided |
| Dietary | | |
| Dietary Supervisor/Dietician | 1.4 | Not Provided |
| Cooks | 3.0 | Not Provided |
| Dietary Aides | 4.2 | Not Provided |
| Social Services | | |
| Social Service Director | 1.6 | Not Provided |
| Activity Director | 1.0 | Not Provided |
| Activities Assistant | 0.9 | |
| Housekeeping | | |
| Housekeeper Supervisor | 1.0 | |
| Housekeepers | 4.9 | Not Provided |
| Laundry | | |
| Laundry Aides/Floor Techs | 2.7 | Not Provided |
| Plant Maintenance | | |
| Maintenance Supervisor | 1.0 | Not Provided |
| Other: Drivers | 0.9 | |
| Total | 96.1 | Not Provided |

Source: CON application #10584, Schedule 6

The reviewer notes that because the applicant failed to include a Schedule 6, year two staffing pattern, the financial review of CON application #10584 was impacted (see item E.3.d. of this report).

PruittHealth – 6-1, LLC (CON application #10585) states that the following essential services will include, but not be limited to:

- 24-hour nursing services

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- 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)

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

PH6-1 asserts that other services to be readily available, include:

- Dietetic programming and nourishment care
- Recreational activities programming
- Counseling services
- Religious services
- Laundry services
- Beauty/barber services
- Pharmacy services
- Volunteer services
- Medication management
- Chronic disease management

The applicant provides a summary of deluxe amenities, programs, measures to safely reduce hospital readmissions (INTERACT Program), other technologies and resources to be implemented in the proposal on pages 43-49 of CON application #10585, along with descriptions of equipment and service offerings on pages 88-90, 98-99 and 123-148. The INTERACT overview is provided on CON application #10585, Vol. 3, Tab 16. The applicant provides the PruittHealth Annual Quality Report, 2018 (CON application #10585, Vol. 2, Tab 1). Further, the applicant provides Admission and Discharge Planning Policies and Procedures (CON application #10585, Vol. 2, Tab 5) as well as other tabs that address related topics.

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CON application #10585, Schedule 6 indicates a total of 63.13 FTEs for year one and a total of 131.07 FTEs for year two. See the table below.

| PruittHealth – 6-1, LLC/CON application #10585 Projected Year One and Year Two Staffing | | |
|--|--------------------------|--------------------------|
| 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 | | |
| RNs | 4.47 | 9.8 |
| LPNs | 7.20 | 16.8 |
| Nurses' Aides | 22.17 | 51.8 |
| Other: RN MDS Nurse | 2.58 | 4.0 |
| Ancillary | | |
| Physical Therapist (Contracted Svc) | 0.66 | 3.42 |
| Physical Therapist Assistant (Contracted Svc) | 0.56 | 2.01 |
| Speech Therapist (Contracted Svc) | 0.32 | 1.44 |
| Occupational Therapist (Contracted Svc) | 0.63 | 2.36 |
| Occupational Therapy Assistant (Contracted Svc) | 0.23 | 1.21 |
| Other: Rehab Aide | 1.00 | 1.00 |
| Dietary | | |
| Dietary Supervisor | 1.0 | 1.0 |
| Cooks | 2.48 | 5.10 |
| Dietary Aides | 2.48 | 5.10 |
| Social Services | | |
| Social Service Director | 1.0 | 1.0 |
| Activity Director | 1.0 | 1.0 |
| Housekeeping | | |
| Housekeepers | 5.60 | 12.6 |
| Laundry | | |
| Laundry Aides | 1.48 | 2.8 |
| Plant Maintenance | | |
| Maintenance Supervisor | 1.0 | 1.0 |
| Total | 63.13 | 131.07 |

Source: CON application #10585, Schedule 6

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

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

Hillsborough Oaks NH LLC (CON application #10584) states that the applicant is a development stage enterprise and has no operations and hence, the provision does not apply.

PruittHealth – 6-1, LLC (CON application #10585) states that none of the facilities operated by its ultimate parent company, UHS, 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?**

Hillsborough Oaks NH LLC (CON application #10584) states that the applicant is a development stage enterprise and has no operations and hence, the provision does not apply.

PruittHealth – 6-1, LLC (CON application #10585) states that none of the facilities operated by its ultimate parent company have been placed into receivership at any time.

- 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.**

Hillsborough Oaks NH LLC (CON application #10584) states that the applicant is a development stage enterprise and has no operations and hence, the provision does not apply.

PruittHealth – 6-1, LLC (CON application #10585) states that this criterion is not applicable.

- 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.**

Hillsborough Oaks NH LLC (CON application #10584) states that the applicant is a development stage enterprise and has no operations and hence, the provision does not apply.

PruittHealth – 6-1, LLC (CON application #10585) states that this criterion is not applicable.

- 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.**

Hillsborough Oaks NH LLC (CON application #10584) states that the applicant is a development stage enterprise and has no operations and hence, the provision does not apply.

PruittHealth – 6-1, LLC (CON application #10585) states that this criterion is not applicable.

- 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.**

Hillsborough Oaks NH LLC (CON application #10584) indicates that the applicant's affiliates report to their respective local health councils quarterly.

PruittHealth – 6-1, LLC (CON application #10585) maintains that within 45 days after the end of each calendar quarter, the applicant will report its total number of patient days which occurred in each month of the quarter and the number of such days which were Medicaid patient days. PH6-1 states that the Agency has assurance of compliance with the requirements.

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.**

As indicated earlier, Subdistrict 6-1 consists solely of Hillsborough County and has 29 licensed community nursing homes with a total of 3,781 community nursing home beds. The subdistrict averaged 88.39 percent total occupancy for the 12-month period ending on December 31, 2019.

Hillsborough Oaks NH LLC (CON application #10584) states that regarding bed availability, continued population growth among the age 65+ residents in Hillsborough County pushes down the bed supply driven by utilization. HONH provides a table to account for this downward bed supply trend on page 3-1 of CON application #10584, page 3-1. The applicant uses the Agency's Florida Population Estimates and Projections by AHCA District 2010 to 2030, published February 2015 as well as the Agency's Florida Nursing Home Bed Need Projections by District and Subdistrict (for CYs 2014 thru 2018), to illustrate the effect that utilization plays in bed supply and need determination.

The applicant indicates that SNFs in Florida under GHMC have the capability to provide programs and services that meet quality standards. See item E.3.b. of this report for further detail regarding the stated program components concerning quality of care, pursuant to this proposal.

Regarding accessibility, the applicant points out that components of access include geographic impediments, distance, time to travel and eligibility criteria (admission, financial costs and reimbursement factors).

In this section of the application, HONH provides considerable detail regarding geographic access. The applicant provides a map of the target ZIP Codes for the proposed project on page 3-5 of CON application #10584. The reviewer notes that the applicant's Figure 3-2 states that the map shows the dispersion of nursing homes within Subdistrict 6-2. However, Subdistrict 6-2 is the subdistrict assigned to Manatee County and the reviewer notes that the map captures Hillsborough County, not Manatee County. The reviewer notes that the applicant's map highlights the following four ZIP Codes for the proposed SNF: 33594, 33617, 33624 and 33647.

The applicant indicates that the average size of the elderly population in the ZIP Codes with SNFs is 5,285, with a median of 4,493. HONH points out that ZIP Codes 33617, 33624, 33594 and 33647, represent locations that have the populations with the highest number of elderly relative to the other ZIP Codes in the subdistrict in which no SNFs exist.

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The reviewer confirms that per the Agency's FloridaHealthFinder.gov website at <https://www.floridahealthfinder.gov/facilitylocator/ListFacilities.aspx>, no SNFs exist in the applicant's highlighted four ZIP Codes: 33617, 33624, 33594 and 33647. The reviewer notes that the applicant provides extensive justification and need to locate the proposed project in either ZIP Code 33617, 33624, 33594 or 33647.

HONH responds to the Health Care Access Criteria on pages 3-9 thru 3-11 of CON application #10584.

PruittHealth – 6-1, LLC (CON application #10585) restates the total number of skilled nursing beds in Subdistrict 6-1 and the patient days and occupancy rates for CY 2018.

PH6-1 restates the prevalence of Alzheimer's disease nationally, as well as the projected incidence percentage and Alzheimer's estimates from 2019 to 2023 in Hillsborough County, by age cohorts. The applicant points out the incidence percentage and the estimated number of Hillsborough County residents projected to be obese from 2019 to 2023.

The applicant reiterates that Subdistrict 6-1 has experienced the seventh greatest percent change growth (32.2 percent) in Medicaid LTC enrollees of any Florida county, for the three years ended March 1, 2019 but that as a percent of total nursing home patient days, Medicaid patient days represent a lower portion of total patient days than the remainder of District 6 and lower than the State of Florida overall.

PH6-1 notes that there is 11.3 percent of total private SNF beds in Hillsborough County and 4.4 percent of private beds in Hillsborough County when accounting for only the SNFs with a 65 percent or greater Medicaid occupancy rate.

The applicant discusses that given the size of Hillsborough County, the proposed project location will likely be less than 20 miles or so from PruittHealth Hillsborough County, LLC (CON #10509P) in Lutz.

The applicant's response to quality of care is addressed in item E.3.b. of this report.

- 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.**

Hillsborough Oaks NH LLC (CON application #10584) is a newly-formed, development stage entity and lacks a historical quality record to review. However, the applicant states that GH SNFs nursing homes all utilize GHMC comprehensive policies and procedures that assure consistency and uniformity. The Agency recognizes that Greystone is already a provider/operator of 26 SNFs in Florida, as indicated in item C of this report.

HONH contends that based on the CMS Nursing Home Compare website, 22 of GH's 26 Florida SNFs achieved five-star ratings (the highest rating achievable) regarding quality measures—the remaining four facilities achieved a four-star rating. The applicant comments that CMS uses a risk adjustment method to determine overall ratings where eight facilities achieved a five-star rating, while eight facilities show a four-star rating. HONH emphasizes that the CMS star ratings demonstrate that 62 percent of GH facilities achieved an overall star rating of four or five, indicating higher-quality facilities.

The applicant lists several Florida GH SNFs that received the following awards or recognitions, as additional achievements that attest to Greystone's commitment to quality services and facilities (page 4-2 of the application):

- The Joint Commission Accreditation (25 of 26 Florida GH SNFs)
- U.S. News and World Report's Best Nursing Homes 2017-2018 (five of 26 Florida GH SNFs)
- Vohra Center of Excellence (four of 26 Florida GH SNFs received this award for wound care and only 31 nursing homes in Florida received this designation and SNFs holding the award must achieve a re-hospitalization rate of less than one percent)

HONH maintains that the Greystone Health Network™ BELIEVE (the GHMC's vision statement) reflects the core of the company's values and business principals. According to the applicant, BELIEVE describes a dedication and commitment to providing a Ritz-Carlton level of customer services. BELIEVE is stated to encompass the following actions:

- B**est practices
- E**xceeding expectations
- L**eading by example
- I**nvesting in people
- E**mpowering employees
- V**aluing our residents
- E**xcited about our future

The applicant explains that GHMC developed and implemented organization-specific programs that promote delivery of quality care. HONH provides a summary of voluntary programs beyond mandatory requirements that include (pages 4-4 thru 4-6 of CON application #10584):

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- BELIEVE balanced assessment
- Operation make a difference
- Care Line (benchmarking)
- Focus leveling monitoring steps
- Quality assurance/risk management standards and guidelines
- Electronic health care library

HONH describes a five-stage GHMC approach to implementing a Quality Assurance/Performance Improvement (QAPI) process (pages 4-6 thru 4-8 of CON application #10584):

- Stage 1: Design and scope
- Stage 2: Governance and leadership
- Stage 3: Feedback, data systems and monitoring
- Stage 4: Performance improvement projects (PIPs)
- Stage 5: Systematic analysis and systematic action

The applicant states that GHMC facilities have a resident council which is an independent group of families/friends of residents, who together protect and improve the quality of life for residents and provide families with a voice in decisions affecting their loved ones. HONH provides 27 resident rights that pertain to choice, safety and quality of life in GHMC facilities on page 4-9 of CON application #10584.

HONH indicates that quality of life includes residents selecting activities that they find enjoyable and reflects leisure pursuits that enrich their lives. The applicant maintains that the proposed facility will offer a range of activities each week.

Overall, the applicant asserts that the GHMC's vision statement "BELIEVE" and its QAPI program lead to continuous quality improvement.

GH and GHMC currently manage/operate 26 SNFs statewide. For the three-year period ended on May 22, 2019, Greystone affiliates had a total of 60 substantiated complaints spread among its existing Florida SNFs. Below is a summary of those 60 substantiated complaints, by compliant category. A single complaint can encompass multiple complaint categories.

| Greystone Substantiated Complaint History May 22, 2016 – May 22, 2019 | |
|--|-----------------------------|
| Complaint Category | Number Substantiated |
| Quality of Care/Treatment | 40 |
| Resident/Patient/Client/Rights | 8 |
| Dietary Services | 5 |
| Physical Environment | 5 |
| Admission/Transfer/Discharge Rights | 4 |
| Nursing Services | 2 |
| Resident/Patient/Client Abuse | 2 |
| Falsification of Records/Reports | 1 |
| Life Safety Code | 1 |
| Resident/Patient/Client Assessment | 1 |

Source: Agency Complaint Records

PruittHealth – 6-1, LLC (CON application #10585) is a newly-formed, development stage 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 other PruittHealth affiliated facilities throughout the southeastern United States. PH6-1 asserts a commitment to adhere to any and all State and Federal nursing home regulations and statutes in addition to Medicare’s Conditions of Participation. The applicant states that the application is conditioned on the provision that it will seek Joint Commission accreditation, which the reviewer has previously noted is prohibited by Section 408.043 (4), Florida Statutes.

PH6-1 describes its historical provision of administrative services to more than 100 SNFs in Florida, Georgia, North Carolina and South Carolina. 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. PH6-1 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, 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 172-180 of CON application #10585.

Specific to pertinent areas of its quality initiatives, PH6-1 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 linked to Federal and State regulations. PH6-1 maintains that internal reports (e.g. Monthly Quality Indicator 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. PH6-1 utilizes CMS' Quality Improvement Organization, satisfaction surveys, "Care Transitions" and "Clinical Pathways".

PH6-1 maintains that reducing hospital admissions is the top priority of hospitals throughout the nation and Subdistrict 6-1. For this reason, the applicant states 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. PH6-1 indicates that INTERACT supports the goals of the nation's health care system and industry advocates in reducing overall health care cost and improving quality through measures taken to decrease patient re-hospitalizations.

Descriptions of tools utilized in the INTERACT program are included on pages 184-185 of CON application #10585. The applicant's Tab 16 provides an overview of INTERACT and Tab 15 provides samples of forms and tools used.

The applicant discusses its existing 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. PH6-1 asserts 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, identified industry standards and quality benchmarks. PH6-1 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 185-192 of CON application #10585. PH6-1 describes its “Customer Service and Transparency” program on pages 193-195 of CON application #10585.

CON application #10585, 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. The Agency notes that PruittHealth – Santa Rosa has a conditional license, effective March 27, 2019 with an expiration date of January 30, 2020.

For the three-year period ended on May 22, 2019, the provider had three substantiated complaints at PruittHealth – Santa Rosa, which are summarized by complaint category in the table below. A single complaint can encompass multiple complaint categories.

| PruittHealth Substantiated Complaint History | |
|---|-----------------------------|
| May 22, 2016 – May 22, 2019 | |
| Complaint Category | Number Substantiated |
| Quality of Care/Treatment | 2 |
| Billing/Refunds | 1 |
| Resident/Patient/Client Rights | 1 |

Source: Agency Complaint Records

- c. What resources, including health manpower, management personnel and funds for capital and operating expenditures, are available for project accomplishment and operation? ss. 408.035 (1)(d), Florida Statutes.**

Hillsborough Oaks NH LLC (CON application #10584):

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

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

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

| 10584 Greystone and Co. Holdings II, LLC | | |
|---|--------------------------|----------------------|
| | Current Year 2018 | Previous Year |
| Current Assets | \$52,482,632 | \$61,005,267 |
| Total Assets | \$281,107,604 | \$274,313,178 |
| Current Liabilities | \$41,368,316 | \$49,096,598 |
| Total Liabilities | \$272,659,410 | \$262,414,049 |
| Net Assets | \$8,448,194 | \$11,899,129 |
| Total Revenues | \$351,483,284 | \$358,690,029 |
| Excess of Revenues Over Expenses | (\$2,462,304) | (\$1,500,161) |
| Cash Flow from Operations | \$4,324,752 | \$21,775,478 |
| Short-Term Analysis | | |
| Current Ratio (CA/CL) | 1.3 | 1.2 |
| Cash Flow to Current Liabilities (CFO/CL) | 10.45% | 44.35% |
| Long-Term Analysis | | |
| Long-Term Debt to Net Assets (TL-CL/NA) | 2737.8% | 1792.7% |
| Total Margin (ER/TR) | -0.70% | -0.42% |
| Measure of Available Funding | | |
| Working Capital | \$11,114,316 | \$11,908,669 |

| 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 \$22,644,070 which consists entirely of this project. The applicant will also have to fund a projected year one operating loss of \$983,254.

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The applicant states on Schedule 3 that funding for this project will come from cash on hand and non-related company financing. The applicant provided a letter of interest from SunTrust. Staff notes that a letter of interest is not a commitment to lend.

Conclusion:

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

PruittHealth – 6-1, LLC (CON application #10585):

Analysis:

The purpose of our analysis for this section is to determine if the applicant has access to the funds necessary to fund this and all capital projects. Our review includes an analysis of the short and long-term position of the applicant, parent, or other related parties who will fund the project. The analysis of the short and long-term position is intended to provide some level of objective assurance on the likelihood that funding will be available. The stronger the short-term position, the more likely cash on hand or cash flows could be used to fund the project. The stronger the long-term position, the more likely that debt financing could be achieved if necessary to fund the project. We also calculate working capital (current assets less current liabilities) a measure of excess liquidity that could be used to fund capital projects.

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

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| 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) |

| 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 \$25,817,920 which consists entirely of this project. The applicant will also have to fund a projected year one operating loss of \$2,371,391.

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 this 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.**

Hillsborough Oaks NH LLC (CON application #10584):

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 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.

| | PROJECTIONS PER APPLICANT | | COMPARATIVE GROUP VALUES PPD | | |
|------------------|---------------------------|---------|---------------------------------|--------|--------|
| | Total | PPD | Highest | Median | Lowest |
| Net Revenues | 15,543,599 | 377 | 1,516 | 427 | 331 |
| Total Expenses | 14,229,680 | 345 | 1,498 | 418 | 217 |
| Operating Income | 1,313,919 | 32 | 150 | 10 | -153 |
| Operating Margin | 8.45% | | Comparative Group Values | | |
| | Days | Percent | Highest | Median | Lowest |
| Occupancy | 41,263 | 95.00% | 97.23% | 90.11% | 50.09% |
| Medicaid | 20,823 | 50.46% | 59.81% | 51.32% | 41.38% |
| Medicare | 10,950 | 26.54% | 43.58% | 22.87% | 5.01% |

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 fact that the applicant failed to submit Schedule 6, year two, the Agency cannot determine if the applicant meets the staffing requirement in year two. The applicant does meet the staffing requirement in year one.

The projected NRPD, CPD and profit fall within the group range and are considered reasonable. In addition, the total cost appears to include at least

the minimum staffing required. Therefore, the overall profitability appears achievable.

Conclusion:

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

PruittHealth – 6-1, LLC (CON application #10585):

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 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.

| | PROJECTIONS PER APPLICANT | | COMPARATIVE GROUP VALUES PPD | | |
|------------------|---------------------------|---------|---------------------------------|--------|--------|
| | Total | PPD | Highest | Median | Lowest |
| Net Revenues | 16,460,858 | 398 | 931 | 401 | 307 |
| Total Expenses | 15,364,272 | 371 | 842 | 391 | 217 |
| Operating Income | 1,096,586 | 27 | 150 | 8 | -153 |
| Operating Margin | 6.66% | | Comparative Group Values | | |
| | Days | Percent | Highest | Median | Lowest |
| Occupancy | 41,358 | 94.96% | 97.23% | 90.03% | 50.09% |
| Medicaid | 24,888 | 60.18% | 69.77% | 62.09% | 49.96% |
| Medicare | 15,372 | 37.17% | 38.63% | 18.64% | 5.01% |

Staffing:

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

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

Conclusion:

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

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

For both **Hillsborough Oaks NH LLC (CON application #10584)** and **PruittHealth – 6-1, LLC (CON application #10585):**

Analysis:

Strictly from a financial perspective, the type of competition that would result in increased efficiencies, service, and quality is limited in health care. Cost-effectiveness through competition is typically achieved via a combination of competitive pricing that forces more efficient cost to remain profitable and offering higher quality and additional services to attract patients from competitors. Since Medicare and Medicaid are the primary payers in the SNF industry, price based competition is limited. With a large portion of the revenue stream essentially fixed on a per patient basis, the available margin to increase quality and offer additional services is limited. In addition, competitive forces truly do not begin to take shape until existing business' market share is threatened. The publication of need in this area suggests that there is an unmet and untapped customer base for a new entrant to absorb. Since SNF services are limited to available beds and the need formula suggest excess capacity in the market to fill those beds, the impact on market share would be limited. The combination of the existing health care system's barrier to price-based competition via fixed price payers and the existence of unmet need in the district limits any significant gains in cost effectiveness and quality that would be generated from competition.

Conclusion:

These projects are not likely to have a material impact on competition to promote quality and cost-effectiveness.

- f. Are the proposed costs and methods of construction reasonable? Do they comply with statutory and rule requirements? ss. 408.035 (1) (h), Florida Statutes; Ch. 59A-4, Florida Administrative Code.**

Hillsborough Oaks NH LLC (CON application #10584): The applicant has submitted all information and documentation necessary to demonstrate compliance with the architectural review criteria. The cost estimate for the proposed project provided in Schedule 9, Table A and the project completion forecast provided in Schedule 10 appear to be reasonable. A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have a significant impact on either construction costs or the proposed completion schedule.

The plans submitted with this application were schematic in detail with the expectation that they will be necessarily revised and refined prior to being submitted for full plan review. The architectural review of this application shall not be construed as an in-depth effort to determine complete compliance with all applicable codes and standards. The final responsibility for facility compliance ultimately rests with the applicant owner. Approval from the Agency for Health Care Administration's Office of Plans and Construction is required before the commencement of any construction.

PruittHealth – 6-1, LLC (CON application #10585): The applicant has submitted all information and documentation necessary to demonstrate compliance with the architectural review criteria. The cost estimate for the proposed project provided in Schedule 9, Table A and the project completion forecast provided in Schedule 10 appear to be reasonable. A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have a significant impact on either construction costs or the proposed completion schedule.

The plans submitted with this application were schematic in detail with the expectation that they will be necessarily revised and refined prior to being submitted for full plan review. The architectural review of this application shall not be construed as an in-depth effort to determine complete compliance with all applicable codes and standards. The final responsibility for facility compliance ultimately rests with the applicant owner. Approval from the Agency for Health Care Administration's Office of Plans and Construction is required before the commencement of any construction.

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

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

CON Action Numbers: 10584 and 10585

| Medicaid Patient Days and Medicaid Occupancy Subdistrict 6-1, District 6 and Florida | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|
| Medicaid Patient Days | | | | | |
| Area | 2014 | 2015 | 2016 | 2017 | 2018 |
| Subdistrict 6-1 | 707,206 | 698,620 | 699,475 | 686,157 | 740,212 |
| District 6 | 1,664,262 | 1,673,232 | 1,667,149 | 1,640,208 | 1,733,216 |
| Florida | 15,932,613 | 15,959,939 | 16,144,618 | 15,990,448 | 15,937,814 |
| Medicaid Occupancy | | | | | |
| Area | 2014 | 2015 | 2016 | 2017 | 2018 |
| Subdistrict 6-1 | 59.66% | 59.27% | 59.62% | 58.44% | 60.83% |
| District 6 | 59.69% | 60.21% | 60.33% | 59.32% | 62.11% |
| Florida | 62.17% | 62.18% | 63.13% | 63.18% | 63.92% |

Source: Florida Nursing Home Utilization by District and Subdistrict, April 2015 - April 2019 Batching Cycles.
Dates correspond to the year ending on December 31st of each respective year.

Hillsborough Oaks NH LLC (CON application #10584) is a newly formed, development stage entity and therefore does not have a historical Medicaid record to discuss for this application.

HONH provides the following admissions, patient days and percentage of patient days, by payer, for year one (CY 2022) and for year two (CY 2023) for the proposed project.

**Admissions, Days and Percent of Days by Payer for Hillsborough Oaks
CYs 2022 and 2023**

| Payer | Year One - CY 2022* | | |
|-----------------|-----------------------------|---------------|------------------------|
| | Admissions | Days | Percent of Days |
| Self-Pay | 7 | 2,097 | 8.33% |
| Medicaid | 64 | 6,455 | 25.65% |
| Medicare | 307 | 12,819 | 50.64% |
| Commercial Ins. | 181 | 3,795 | 15.08% |
| Total | 559 | 25,168 | 100.00% |
| Payer | Year One - CY 2022** | | |
| | Admissions | Days | Percent of Days |
| Self-Pay | 7 | 2,190 | 5.31% |
| Medicaid | 104 | 10,950 | 28.54% |
| Medicare | 521 | 20,823 | 50.46% |
| Commercial Ins. | 348 | 7,300 | 17.69% |
| Total | 980 | 41,263 | 100.00% |

Source: CON application #10584, page 9-1, Table 9-2.

NOTE: * These admissions, days and percent of days, by payer, are stated to be from the applicant's Schedule - year one estimates. ** These admissions, days and percent of days, by payer, are stated to be from the applicant's Schedule 7 - year two estimates.

The reviewer generates the following table which is consistent with the applicant's Schedule 7.

CON Action Numbers: 10584 and 10585

**Admissions, Days and Percent of Days by Payer for Hillsborough Oaks
CYs 2022 and 2023**

| Payer | Year One – CY 2022 | | |
|-----------------|--------------------|---------------|-----------------|
| | Admissions | Days | Percent of Days |
| Self-Pay | 7 | 2,097 | 8.33% |
| Medicaid | 64 | 12,819 | 50.94% |
| Medicare | 307 | 6,455 | 25.65% |
| Commercial Ins. | 181 | 3,795 | 15.08% |
| Total | 559 | 25,168 | 100.00% |
| Payer | Year Two – CY 2023 | | |
| | Admissions | Days | Percent of Days |
| Self-Pay | 7 | 2,190 | 5.31% |
| Medicaid | 104 | 20,823 | 50.46% |
| Medicare | 521 | 10,950 | 26.54% |
| Commercial Ins. | 348 | 7,300 | 17.69% |
| Total | 980 | 41,263 | 100.00% |

Source: CON application #10584, Schedule 7

The applicant states that the parent’s existing Florida SNFs participate in the Medicare and Medicaid Programs.

The reviewer generates the following table to account for the parent’s (Greystone’s) reported total patient days, Medicaid patient days and Medicaid occupancy rates for Greystone’s existing Florida SNFs, for CY 2018.

**Greystone Florida Medicaid Occupancy
January 1, 2018 – December 31, 2018**

| Facility | Total Days | Medicaid Days | Medicaid Occupancy |
|--|------------------|----------------|--------------------|
| Alhambra Health and Rehabilitation Center | 20,328 | 9,785 | 48.14% |
| Apollo Health and Rehabilitation | 33,721 | 19,157 | 56.81% |
| Carlton Shores Health and Rehabilitation Center | 37,177 | 22,669 | 60.98% |
| Citrus Health and Rehabilitation Center | 36,484 | 20,848 | 57.14% |
| Club Health and Rehabilitation Center at the Villages, The | 21,156 | 0 | 0.00% |
| Greenbriar Rehabilitation and Nursing Center | 25,607 | 12,880 | 50.30% |
| Isle Health and Rehabilitation Center | 36,439 | 21,219 | 58.23% |
| Lady Lake Specialty Care Center | 48,822 | 30,858 | 63.21% |
| Lehigh Acres Health and Rehabilitation Center | 33,791 | 23,593 | 69.82% |
| Lexington Health and Rehabilitation Center | 54,943 | 33,471 | 60.92% |
| North Beach Rehabilitation Center | 34,263 | 28,911 | 84.38% |
| North Rehabilitation Center | 14,893 | 7,932 | 53.26% |
| Park Meadows Health and Rehabilitation Center | 50,528 | 36,358 | 71.96% |
| Ridgecrest Nursing and Rehabilitation Center | 50,097 | 31,984 | 63.84% |
| Riverwood Health and Rehabilitation Center | 40,929 | 34,066 | 83.23% |
| Rockledge Health and Rehabilitation Center | 35,035 | 19,186 | 54.76% |
| Sunset Lake Health and Rehabilitation Center | 34,979 | 20,252 | 57.90% |
| Terrace Health and Rehabilitation Center | 40,858 | 16,555 | 40.52% |
| The Gardens Health and Rehabilitation Center | 35,912 | 21,952 | 61.13% |
| The Lodge Health and Rehabilitation Center (New Horizon) | 34,066 | 21,699 | 63.70% |
| Unity Health and Rehabilitation Center | 97,558 | 80,042 | 82.05% |
| Viera Health and Rehabilitation Center | 33,611 | 17,016 | 50.63% |
| Villa Health and Rehabilitation Center | 41,505 | 28,044 | 67.57% |
| Village Place Health and Rehabilitation Center | 25,235 | 16,532 | 65.51% |
| Wilton Manors Health and Rehabilitation Center | 50,271 | 29,911 | 59.50% |
| Woodland Grove Health and Rehabilitation Center | 40,871 | 29,356 | 71.83% |
| Total | 1,009,079 | 634,271 | 62.86% |

Source: Florida Nursing Home Bed Need Projections by District and Subdistrict, issued March 29, 2019

As shown earlier in this section, the applicant’s Schedule 7 indicates that Medicaid and self-pay represent 50.94 percent and 8.33 percent, respectively, for year one and that Medicaid and self-pay represent 50.46 and 5.31 percent, respectively, for year two, total annual patient days, for the proposed total facility (119 beds).

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

PruittHealth – 6-1, LLC CON application #10585) is a newly formed, development stage entity and therefore does not have a historical Medicaid record to discuss for this application.

PH6-1 asserts that the proposed project will enhance 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.

PruittHealth states the use of its own data to reflect Medicaid patient days and the percent of Medicaid patient days, CY 2014 thru CY 2018, among PruittHealth facility affiliates. See the table below.

**PruittHealth Affiliated Facilities Historical Commitment to Medicaid Patients
Medicaid Percent of Total Patient Days
CYs 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 #10585, page 210

As indicated in item C of this report, PruittHealth’s community nursing home PruittHealth-Santa Rosa is the only PruittHealth SNF in Florida that has an operational history for a five-year period. The Agency notes that PruittHealth-Santa Rosa’s total Medicaid patient days and percent of Medicaid patient days, for the five-year period ending December 31, 2018 are shown below:

**PruittHealth-Santa Rosa Historical Reported Medicaid Patient Days
Medicaid Percent of Total Patient Days
CYs 2014-2018**

| | CY 2014 | CY 2015 | CY 2016 | CY 2017 | CY 2018 |
|-------------------------|----------------|----------------|----------------|----------------|----------------|
| Medicaid Patient Days | 28,083 | 28,141 | 28,360 | 28,352 | 25,920 |
| 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 – April 2018 Batching Cycles

PH6-1 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.

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The reviewer generates a portion of the applicant’s Schedule 7 for year one (ending 3/31/2023) and for year two (ending 3/31/2024) to account for expected total patient days and percent of total patient days, by payor source. See the table below.

**PruittHealth – 6-1 / CON application #10585
Year One (ending 3/31/2023) and Year Two (ending 3/31/2024)
Patient Days by Payor Source
119-Bed Proposed Facility**

| Payor Source | Total Patient Days Year One Ending 3/31/2023 | Percent Patient Days Year One Ending 3/31/2023 | Total Patient Days Year Two Ending 3/31/2024 | Percent Patient Days Year Two Ending 3/31/2024 |
|---------------------|---|---|---|---|
| Medicaid | 9,911 | 59.5% | 24,888 | 60.2% |
| Medicare | 5,445 | 32.7% | 14,640 | 35.4% |
| Medicare HMO | 364 | 2.2% | 732 | 1.8% |
| Self-Pay | 700 | 4.2% | 732 | 1.8% |
| Other Payers-VA | 243 | 1.0% | 366 | 1.0% |
| Total | 16,663 | 100.0% | 41,358 | 100.0% |

Source: CON application #10585, Schedule 7

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

F. SUMMARY

Hillsborough Oaks NH LLC (CON application #10584) is a newly-formed, development stage, for-profit Florida entity that proposes to construct a new 119-bed community nursing home in District 6, Subdistrict 6-1 (Hillsborough County, Florida). The applicant:

- Represents a new subsidiary of Greystone Health Care Holdings II LLC
- Is parented by GH
- Is an affiliate of GHMC which manages/operates 26 SNFs in Florida

The applicant maintains that ZIP Codes 33617, 33624, 33594 and 33647 represent potential locations for development. The planned proposal is indicated to be similar to the following affiliate Florida SNFs: The Club Health and Rehabilitation Center at the Villages, The Lakes of Clermont Health and Rehabilitation and Kendall Lakes Health and Rehabilitation.

The total project cost is \$22,644,070. The project includes 75,354 GSF of new construction. The total construction cost is \$15,275,000. The project cost includes land, building, equipment, project development, financing and start-up costs.

According to CON application #10584, Schedule C, the applicant does not wish to accept any conditions, pursuant to this proposal. However, pages C-i and C-ii of the application (an attachment to Schedule C), document five conditions that are stated to flow from the applicant’s priorities.

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PruittHealth – 6-1, LLC (CON application #10585) is a newly formed, development stage, for-profit Florida entity that proposes to construct a new 119-bed (100 percent all private rooms) community nursing home in District 6, Subdistrict 6-1 (Hillsborough County, Florida). The applicant:

- Is ultimately parented by UHS which operates more than 100 SNFs and ALFs
- PruittHealth, Inc. will provide all administrative related services to the proposed facility and operates SNFs in the following states: Florida, Georgia, North Carolina and South Carolina
- PruittHealth, Inc., operates three SNFs in Florida

The applicant states that given the size of Hillsborough County, the location of the proposed project will likely be less than 20 miles or so from PruittHealth Hillsborough County, LLC (CON #10509P) in Lutz.

The planned proposal is indicated to be similar in function, style and technology to the following affiliate SNFs: PruittHealth - Panama City and PruittHealth - Fleming Island.

The total project cost is \$25,817,920. The project includes 94,244 GSF of new construction. The total construction cost is \$15,706,300. The project cost includes land, building, equipment, project development, financing and start-up costs.

PH6-1 conditions approval of the proposal to 18 Schedule C conditions.

Need

In Volume 45, Number 62, of the Florida Administrative Register dated March 29, 2019, need for 119 community nursing home beds was published in the fixed need pool for Subdistrict 6-1 for the January 2022 Planning Horizon.

As of May 15, 2019 (the application deadline), Subdistrict 6-1 had 3,781 licensed community nursing home beds with 179 approved community nursing home beds. During the 12-month period ending December 31, 2019 Subdistrict 6-1 experienced 88.39 percent utilization at 29 existing community nursing homes.

Hillsborough Oaks NH LLC (CON application #10584) states the following factors supporting the proposed project:

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- A dispersion pattern of age 65+ residents and area hospitals indicates that of all the ZIP Codes in Hillsborough County, the following four ZIP Codes have the highest elderly population with no existing SNF:
 - 33594
 - 33617
 - 33624
 - 33647
- In 2018, the four ZIP Codes referenced above had a 65+ cumulative population of 24,079 residents, with each ZIP Code having a 65+ population in excess of 5,000 residents
- In 2018, the ZIP Codes in Hillsborough County with an existing SNF had an average 65+ population of 5,285 and a median population of 4,493 residents
- By 2023, each of the four ZIP Codes referenced above are expected to have a 65+ population of 6,989 residents or greater
- Hospital locations coincide with higher numbers of SNFs than areas without hospitals
- Factors that impact access to a SNF include geographic impediments, distance, time to travel and eligibility criteria
- The applicant has taken all the above factors into consideration in determining the most appropriate location for the proposed project
- The expected resident accommodation bed configuration/complement of the total 119-bed facility is:
 - 33 private accommodations as follows:
 - 10 private long-term care units
 - 23 private short-term care units
 - 59 short-term care beds
 - 60 long-term care beds
- Letters of support in favor of the proposal

PruittHealth – 6-1, LLC (CON application #10585) states the following factors supporting the proposed project:

- Historical occupancy rates of existing providers
- Less access to disease specific programming and accommodations for Alzheimer's/dementia
- Limited accommodations for patients with obesity
- Limited access to nursing home beds for Medicaid long-term care population (particularly in private rooms)
- Historical hospital discharges to SNFs by service line
- The growing elderly population who are the most likely users of SNF services
- Changes in payors and the payor system
- The applicant will apply its knowledge of this market and expand upon existing PruittHealth relationships to effectively respond to the unique needs of the market
- Letters of support in favor of the proposal

CON Action Numbers: 10584 and 10585

Other need justification factors that PruittHealth presents as reasons to approve the project include:

- 100 percent private rooms
- 100 percent handicap accessible rooms
- 16-bed Alzheimer's disease unit
- 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
- Programs to reduce hospital readmissions that have already been successfully introduced in other PruittHealth facilities
- A commitment to technology, including PointRight, Smart Charting, Wanderguard, Careguard and electronic medical records

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, CON application # 10585 (PH6-1) best satisfies the criteria. The Agency notes that PH6-1's that the increase of private rooms, specifically with the significant projection of days to the Medicaid population within 20 miles of the Lutz area and proposed services to be provided will increase access (including financial accessibility) and availability to services for residents of Subdistrict 6-1. CON application # 10585 best identified specific needs within Subdistrict 6-1 for skilled nursing beds and services/programs/amenities to meet those needs to enhance access.

Quality of Care

Both co-batched applicants demonstrated their ability to provide quality of care.

Hillsborough Oaks NH LLC (CON application #10584) is a newly-formed, development stage entity and lacks a historical quality record to review. However, the applicant states that in Greystone Health nursing homes, all use Greystone Healthcare Management Corporation comprehensive policies and procedures that assure consistency and uniformity within Greystone Health.

The applicant maintains that based on the CMS Nursing Home Compare website:

- 22 of Greystone Health's 26 Florida SNFs achieved five-star ratings
- Four facilities achieved a four-star rating, indicating higher than average levels of quality
- 62 percent of Greystone facilities achieved an overall star rating of four or five, indicating higher-quality facilities

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HONH names several Florida GH SNFs that are indicated to be recipients of the following awards or recognitions, as additional achievements that attest to Greystone's commitment to quality services and facilities:

- The Joint Commission Accreditation (25 of 26 Florida GH SNFs)
- U.S. News and World Report's *Best Nursing Homes 2017-2018* (five of 26 Florida GH SNFs)
- Vohra Center of Excellence (four of 26 Florida Greystone SNFs received this award for wound care and only 31 SNF in Florida received this designation and facilities holding the award must achieve a re-hospitalization rate of less than one percent)

The applicant provides the GHMC vision statement "BELIEVE", stated to describe a dedication and commitment to providing a Ritz-Carlton level of customer services. BELIEVE encompasses the following actions:

- B**est practices
- E**xceeding expectations
- L**eading by example
- I**nvesting in people
- E**mpowering employees
- V**aluing our residents
- E**xcited about our future

HONH describes a five-stage GHMC approach to implementing a Quality Assurance/Performance Improvement (QAPI) process for Hillsborough Oaks:

- Stage 1: Design and scope
- Stage 2: Governance and leadership
- Stage 3: Feedback, data systems and monitoring
- Stage 4: PIPs
- Stage 5: Systematic analysis and systematic action

A resident council and weekly activities promote choice, safety and quality of life.

Overall, the applicant maintains that the GHMC's vision statement "BELIEVE" and its QAPI program lead to continuous quality improvement.

- For the three-year period ending May 22, 2019, the parent's 26 Florida SNFs had a cumulative total of 60 substantiated complaints

PruittHealth – 6-1, LLC (CON application #10585) is a newly-formed/development-stage entity and therefore does not have a historical record available to document. The applicant states that implementation of this proposal will involve the development of all quality policies and procedures and a quality assurance program based on its other PruittHealth affiliated facilities throughout the southeastern United States. PH6-1 expresses a commitment to adhere to any and all State and Federal nursing home regulations and statues in addition to Medicare's Conditions of Participation.

PruittHealth maintains that its organizational experience and expertise in providing quality skilled nursing services is evidenced by the number of successful programs and quality assurance practices. The applicant describes how the quality program at PH6-1 will consist of assigned patient care managers, a care transition program, corporate standards, leadership and training, external benchmarking and awards, continuous process improvement, customer service and transparency. PH6-1 discusses the use of external benchmarking, the ABAQIS quality indicator program, internal reports, internal benchmarking tools like LTC TrendTracker and a PIP as a part of its quality assurance process that will be among several measures implemented as a part of the proposal.

- For the three-year period ending May 22, 2019, the parent's three Florida SNFs had a cumulative total of three substantiated complaints

Financial Feasibility/Availability of Funds

Hillsborough Oaks NH LLC (CON application #10584):

- 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
- Based on the fact that the applicant failed to submit Schedule 6, year two, the Agency cannot determine if the applicant meets the staffing requirement in year two
 - The applicant does meet the staffing requirement in year one
- This project is not likely to have a material impact on competition to promote quality and cost-effectiveness

PruittHealth – 6-1, LLC (CON application #10585):

- Funding for this project is likely, but not guaranteed.
- This project appears to be financially feasible based on the projections provided by the applicant
- Based on the information provided in Schedule 6, the applicant's projected staffing meets requirements
- This project is not likely to have a material impact on competition to promote quality and cost-effectiveness

Medicaid/Charity Care

Hillsborough Oaks NH LLC (CON application #10584) forecasts for the entire proposed 119-bed project (drawn from the applicant's Schedule 7):

- Medicaid and self-pay will account for 50.94 percent and 8.33 percent, respectively, total annual patient days in year one
- Medicaid and self-pay will account for 50.46 percent and 5.31 percent, respectively, total annual patient days in year two

CON Action Numbers: 10584 and 10585

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

PruittHealth – 6-1, LLC (CON application #10585) forecasts that for the entire proposed 119-bed project (drawn from the applicant’s Schedule 7):

- Medicaid and self-pay will account for 59.5 percent and 4.2 percent, respectively, total annual patient days in year one
- Medicaid and self-pay will account for 60.2 percent and 1.8 percent, respectively, total annual patient days in year two

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

Architectural

Hillsborough Oaks NH LLC (CON application #10584):

- The applicant 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

PruittHealth – 6-1, LLC (CON application #10585):

- The applicant 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 #10585 to PruittHealth – 6-1, LLC to establish a new 119-bed community nursing home in District 6, Subdistrict 1, Hillsborough County. The total project cost is \$25,817,920. The project involves 94,244 GSF of new construction and a total construction cost of \$15,706,300.

CONDITIONS:

Location:

1 Hillsborough County, Subdistrict 6-1, Florida

Programming/Operational Conditions:

2. All 119 patient beds will be in private patient rooms.
3. All patient bathrooms will be handicap accessible.
4. Facility will feature a 16-bed Alzheimer's disease secure unit.
5. Incorporate two bariatric rooms/beds into the facility design.
6. Seek Joint Commission accreditation or accreditation from some other similarly recognized accrediting body.
7. 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.
8. 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.
9. 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.
10. Have at least one Certified Dementia Practitioner on staff on the Alzheimer's unit per shift.
11. Implement Electronic Medical Records (EMR) at the facility, and include Smart Charting or other similar bedside patient charting tool.
12. Implement Resident Safety Technology including Call Guard and WanderGuard into the facility.
13. Implement Clinical Kiosks in appropriate locations throughout the facility.

CON Action Numbers: 10584 and 10585

14. Assure all staff maintains ongoing training and continuing education credits utilizing Pruitt University and at no cost to the employees.
15. Participate in a company-wide Annual Quality Report to demonstrate transparency in operations and make this Quality Report available to the public.
16. 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.
17. Implement PointRight Technology (or a future similar technology) in the ongoing operations.
18. 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 events arise.

Deny CON #10584.

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