

STATE AGENCY ACTION REPORT
ON APPLICATION FOR CERTIFICATE OF NEED

A. PROJECT IDENTIFICATION

1. Applicant/CON Action Number

Citrus CON LLC / CON #10614

400 Rella Boulevard, Suite 200
Montebello, New York 10901

Authorized Representative: Michael Bleich
Authorized Member
(845) 579-6565

PruittHealth – Citrus County, LLC / CON #10615

1626 Jeurgens Court
Norcross, Georgia 30093

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

2. Service District/Subdistrict

District 3, Subdistrict 5 (Citrus County)

B. PUBLIC HEARING

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

Letters of Support

Citrus CON LLC (CON application #10614) has letters of support from the following medical professionals:

- Ghassan Hasan MD, Citrus Primary Care, Citrus County, Beverly Hills, Florida
- Bhadresh K. Patel MD, West Florida Medical Associates P.A., Citrus County, Beverly Hills, Florida
- Jose Jesus Rodriguez, ACCESS Health Care Physicians LLC, Citrus County, Inverness, Florida
- Ghulam Mustafa Anwar MD, Citrus Memorial Health System, Lake County, Mt. Dora, Florida

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Additional letters of support are from the following local organizations:

- Robin Klinedinst ED, Director, Highland Place, Citrus County, Inverness, Florida
- David Chaffin, Account Executive, HPH Hospice, Citrus County Florida
- Kimberly Rigalo LPN, Community Liaison, Mederi Caretenders Citrus County, Inverness, Florida

PruittHealth–Citrus County, LLC (CON application #10615) has letters of support from the following local organizations:

- Ernesto G. Rubio, Administrator, Florida Department of Health, Citrus County, Florida
- Kathleen Gilbert, Executive Director, Brookdale Senior Living, Citrus County, Florida
- Shannon Vinsonhaler, Executive Director, Sunshine Gardens Crystal River, Citrus County, Florida
- Gailen Spinka, President, Comfort Keepers, Citrus County, Florida

C. PROJECT SUMMARY

Citrus CON LLC (CON application #10614), is a development stage, for profit entity that will also be referred to as CCL or the applicant. CCL proposes to establish a 93-bed community nursing home in District 3, Subdistrict 5, Citrus County, Florida. The nursing home will have 93 private rooms with 50 percent of the rooms having handicapped accessible bathrooms. The facility will have 16 beds for respiratory care, 20 for cardiac rehabilitation and nine bariatric rooms. The remaining 48 beds used for a variety of conditions including short-term and long-term stays.

Mr. Michael Bleich, CCLs authorized representative, is stated to be a “Member, Director or Officer” of 24 Florida skilled nursing facilities (SNFs) and the applicant provides a list of these SNFs in Tab 5, page 5-2 of CON application #10614. Mr. Bleich is stated to have “acquired several troubled facilities in or facing bankruptcy in 2018” and he has “also acquired other facilities, many with physical plants that are ending their useful lives”.

The proposed project includes 88,845 gross square feet (GSF) of new construction. The construction cost is \$20,961,250. The total project cost is \$26,737,413. The total project cost includes land, building, equipment, project development, financing and start-up costs.

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

- All 93 beds will be housed in private rooms
- Establish a 16-bed respiratory unit.
- Establish a 20-bed cardiac rehabilitation unit.
- Provide nine bariatric Rooms

PruittHealth – Citrus County, LLC (CON application #10615), is a development stage, for profit entity that will also be referred to as PruittHealth Citrus, PHC or the applicant. PHC proposes to establish a 93-bed community SNF in District 3, Subdistrict 5, Citrus County, Florida. The 93-bed nursing home will have all private rooms with all of the rooms being handicapped accessible, a 16-bed Alzheimer’s unit and six bariatric rooms/suites.

The ultimate parent company is United Health Services, Inc. (UHS) which is the parent to more than 100 SNFs, assisted living facilities (ALFs), hospices, home health agencies (HHA), pharmacies and an independent living facility, as well as several other health care-related facilities & services. PruittHealth, Inc. (PruittHealth) will provide all administrative and related services to PHC. PruittHealth was established in 1969 in the State of Georgia, and currently operates SNFs in the following states: Florida, Georgia, North Carolina and South Carolina.

PruittHealth currently operates the following Florida SNFs:

- PruittHealth – Santa Rosa, LLC a 97-bed community SNF in Santa Rosa County (Subdistrict 1-1)
- PruittHealth – Panama City, LLC a 77-bed community SNF in Bay County (Subdistrict 2-2)
- PruittHealth – Fleming Island, LLC a 97-bed community SNF in Clay County (Subdistrict 4-2)¹

PruittHealth has the following CON projects pending licensure as of November 20, 2019.

- PruittHealth – Escambia, LLC (Exemption #E180033) combining (CON #10505) 75-beds and (CON #10527) 45-beds, for a 120-bed facility in Subdistrict 1-1
- PruittHealth – Santa Rosa, LLC has (Exemption #E170020) to delicense 11 beds as part of the 75-beds approved for (CON#10505), see (Exemption #E180033) above in Subdistrict 1-1
- PruittHealth – Panama City, LLC (CON #10528) to add 24-beds to its facility in Subdistrict 2-2

¹ PruittHealth – Panama City (77 beds) and PruittHealth – Fleming Island (97 beds) were licensed on 12/14/2018 and 04/05/2019, respectively. PruittHealth has been the licensee for PruittHealth – Santa Rosa (120 beds), since 01/31/2003. PruittHealth – Santa Rosa, LLC.

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- PruittHealth – Southwood, LLC (CON #10529) for a 101-bed facility in Leon County in Subdistrict 2-4
- PruittHealth – St. Johns, LLC (CON #10616) for a new, 77-bed facility in District 4, Subdistrict 4-3
- PruittHealth – Hillsborough County, LLC (CON #10509P) for an 84-bed community nursing home in Subdistrict 6-1
- PruittHealth – 6-1, LLC (CON #10585) for a 119-bed community nursing home in Subdistrict 6-1

The proposed project includes 90,419 GSF of construction, all of which is new construction. The construction cost is \$14,467,040. The total project cost is \$23,612,491. The total project cost includes land, building, equipment, project development, financing and start-up costs.

PHC includes the following Schedule C conditions:

- All 93 patient beds will be in private patient rooms.
- All patient bathrooms will be handicap accessible.
- Facility will feature a 16-bed Alzheimer's disease secure unit.
- Incorporate six bariatric rooms/beds into the facility design.
- Seek Joint Commission accreditation or accreditation from some other similarly recognized accrediting body.
- Implement a program designed to reduce hospital re-admissions; the current program utilized by PruittHealth affiliated facilities is INTERACT 3.0. The program to be implemented will be this program or other similarly designed program based on the most recent quality driven program PruittHealth determines to be available at the time of implementation.
- Participate in an organization-wide Quality Assurance / Performance Improvement initiative that entails quarterly visits in regard to clinical, operational, pharmaceutical and
- Provide the It's Never 2 Late ® (iN2L) computer system to residents of the Alzheimer's unit as a tool to empower and engage seniors, specifically those with dementia. Each resident can have his or her individual page on the system, which displays their favorite personal options: music, games, photos and videos, even websites, at their fingertips.
- Have at least one Certified Dementia Practitioner on staff on the Alzheimer's unit per shift.
- Implement Electronic Medical Records (EMR) at the facility, and include Smart Charting or other similar bedside patient charting tool.
- Implement Resident Safety Technology including Call Guard and WanderGuard into the facility.
- Implement Clinical Kiosks in appropriate locations throughout the facility.

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- Assure all staff maintains ongoing training and continuing education credits utilizing Pruitt University and at no cost to the employees.
- Participate in a company-wide Annual Quality Report to demonstrate transparency in operations and make this Quality Report available to the public.
- Adopt the PruittHealth patient model of care including the applicable PerfectPath Programs appropriate for this facility and described in the CON Application and Supporting Documents.
- Implement PointRight Technology (or a future similar technology) in the ongoing operations.
- 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.

**Co-Batched Application #s 10614-10615
Subdistrict 3-5: Total GSF and Project Cost**

Applicant	CON #	Project	GSF	Total Cost	Cost Per Bed
Citrus CON LLC	10614	93-bed SNF	88,845	\$26,737,413	\$287,499
PruittHealth – Citrus County, LLC	10615	93-bed SNF	90,419	\$23,612,491	\$253,898

Source: CON application #10614, CCL (Schedule 1 & 9), CON application #10615, PHC (Schedule 1 & 9)

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

Note: Section 408.043 (3) Florida Statutes, prohibits accreditation by any private organization as a requirement for the issuance or maintenance of a certificate of need, so Joint Commission accreditation will not be cited as a condition to approval. Should the project be approved, the applicants’ proposed conditions would be reported in the annual condition compliance report as required by Rule 59C-1.013 (3) Florida Administrative Code.

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.

D. REVIEW PROCEDURE

The evaluation process is structured by the certificate of need review criteria found in Section 408.035, Florida Statutes, rules of the State of Florida, and 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 provided in the application and independent information gathered by the reviewer.

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

Section 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, William J. Tripp, analyzed the application in its entirety with consultation from 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 review criteria and application content requirements found in Sections 408.035 and 408.037, and applicable rules of the State of Florida, Chapters 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 194, of the Florida Administrative Register dated October 4, 2019, need for 93 community SNF beds was published in the fixed need pool for District 3, Subdistrict 5 for the July 2022 Planning Horizon.

Subdistrict 3-5 presently has 1,103 licensed and no CON approved community nursing home beds. As of November 20, 2019, the application submission deadline for the October 2019 Other Beds and Programs Batching Cycle, there were no exemptions or expedited CON applications submitted to add community nursing home beds.

The reviewer notes that for the 12-month period ending on June 30, 2019, Subdistrict 3-5 had at total of nine SNFs with a total of 1,103 licensed community SNF beds and an occupancy rate of 88.77 percent. See the following table.

Subdistrict 3-5, Citrus County, Utilization July 2018 – June 2019

Facility	Community SNF Beds	Community SNF Bed Days	Patient Days	Total Occupancy
Arbor Trail Rehab & Skilled Nursing Center	116	42,340	33,826	79.89%
Avante at Inverness, Inc.	104	37,960	33,647	88.64%
Citrus Health and Rehabilitation Center	111	40,515	37,616	92.84%
Crystal River Health and Rehabilitation Center	150	54,750	48,824	89.18%
Cypress Cove Care Center	120	43,800	41,007	93.62%
Diamond Ridge Health and Rehabilitation Center	142	51,530	41,029	79.16%
Grove Health and Rehabilitation Center, The	120	43,800	42,311	96.60%
Health Center at Brentwood	120	43,800	41,248	94.17%
Life Care Center of Citrus County	120	43,800	37,857	86.43%
Total	1,103	402,595	357,365	88.77%

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

The reviewer notes the current and projected population of Subdistrict 3-5, District 3 and the State of Florida for the current planning horizon. The projected population growth, both numerically and by percent, is provided in the following tables.

**Citrus County, Florida, District 3, Subdistrict 3-5
Population Estimates July 1, 2019 through July 1, 2022**

Area/Subdistrict	July 1, 2019 Population			July 1, 2022 Population		
	65+ - 74	75+	65+ Total	65+ - 74	75+	65+ Total
Citrus/3-5	28,463	24,513	52,976	29,356	26,575	55,931
District 3	273,101	214,017	487,118	285,785	240,991	526,776
State of Florida	2,379,631	1,833,175	4,212,806	2,547,685	2,026,052	4,573,737
Area/Subdistrict	July 2019 – July 2022 Increase			July 2019 – July 2022 Growth Rate		
	65+ - 74	75+	65+ Total	65+ - 74	75+	65+ Total
Citrus/3-5	+893	+2,062	+2,955	+3.14%	+8.41%	+5.58%
District 3	+12,684	+26,974	+39,658	+4.64%	+12.60%	+8.14%
State of Florida	+168,054	+192,877	+360,931	+7.06%	+10.52%	+8.57%

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

The community SNF beds per 1,000 residents for the age 65+ to 74 cohort in Subdistrict 3-5 are in the following chart.

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**Subdistrict 3-5 (Citrus County) District 3 & Florida
Community Nursing Home Bed to Population Aged 65-74 Ratio
July 1, 2019 & July 1, 2022**

County/Area	Licensed Community Beds	2019 Pop. Aged 65-74	July 1, 2019 Beds per 1,000	Licensed & Approved Community Beds	July 1, 2022 Pop. Aged 65-74	July 1, 2022 Beds per 1,000
Citrus	1,103	28,463	38.75	1,103	29,356	37.57
District 3	8,034	273,101	29.42	8,689	285,785	30.40
State of Florida	81,363	2,379,631	34.19	84,530	2,547,685	33.18

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

As the Agency’s fixed need formula places emphasis on the estimated bed rate for community SNF beds utilized by the population age 75+ in a subdistrict/district, the reviewer provides the following table for beds per 1,000 residents age 75+.

**Subdistrict 3-5 (Citrus County) District 3 & Florida
Community Nursing Home Bed to Population Aged 75+ Ratio
July 1, 2019 & July 1, 2022**

County/Area	Licensed Community Beds	2019 Pop. Aged 75+	July 1, 2019 Beds per 1,000	Licensed & Approved Community Beds	July 1, 2022 Pop. Aged 75	July 1, 2022 Beds per 1,000
Citrus	1,103	24,513	45.00	1,103	26,575	41.51
District 3	8,034	214,017	37.54	8,689	240,991	36.06
State of Florida	81,363	1,833,175	44.38	84,530	2,026,052	41.72

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

As demonstrated in the preceding tables, as of July 1, 2019, Subdistrict 3-5’s age 65 to 74 population has 38.75 licensed beds per 1,000 compared to the district’s 29.42 and the state’s 34.19 beds per 1,000. With the licensed and approved beds and the projected population growth for July 1, 2022, these ratios decline to 37.57 for Subdistrict 3-5, 30.40 per 1,000 for District 3 and 33.18 per 1,000 for the state.

As of July 1, 2019, Subdistrict 3-5’s age 75+ population has 45.00 licensed beds per 1,000 compared to the district’s 37.54 and the state’s 44.38 beds per 1,000. With the licensed and approved beds and the projected population growth for July 1, 2022, these ratios decrease to 41.51 for Subdistrict 3-5, and both decrease to 36.06 per 1,000 for District 3 and 41.72 per 1,000 for the state.

The co-batched applicants state that the proposed projects are being submitted in response to the Agency’s October 4, 2019, fixed need pool publication of 93 community nursing home beds.

Citrus CON LLC (CON application #10614) proposes to construct a 93-bed community SNF in Subdistrict 3-5. The proposal is for a SNF with 93 private rooms, 50 percent of the rooms having handicapped accessible bathrooms. CCL cites the experience of Mr. Bleich with

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developing nursing homes, work plans and strategies to implement goals for operational success. Mr. Bleich will direct the coordination of financing for the project, construction leadership and operational implementation. The applicant also cites excerpts from two letters of support, stating the “excellent” quality of care provided by Citrus CON LLC’s “operators” and employees and their “track record of community involvement”.

CCL uses the Agency’s Population Estimates, February 2015 publication to demonstrate that the Citrus County’s population age 65+ presents more than 30 percent of the county’s total population (52,976 for the Citrus County’s 151,813 total as of July 1, 2019). The applicant notes that Citrus County’s Age 65+ population’s compound annual growth rate (CAGR) exceeded ten percent during July 1, 2015 from 47,775 persons to 52,976 persons age 65+ in July 1, 2019. The Age 75+ increased from 22,323 in July 1, 2015 to 24,513 in July 1, 2019 for a 9.8 percent CAGR. CCL provided additional annual population increases in Table 1-1 on page 1-3 of the application.

Proposed locations are discussed on pages 1-4 through 1-9 of CON application #10614. Claritas LLC 2019 population age 65+ by zip code and location of the existing nine nursing homes is provided (page 1-5, Table 1-2). The applicant lists Zip Code 34452 (Inverness) as a potential site, concluding that it lies close to Citrus Memorial Hospital and with the consideration of two other Inverness Zips – 36.5 percent of the County’s age 65+ population is projected to reside in this area in CY 2024. CCL concludes a site that remains proximate to the population within the three Zip Codes as well as the hospital reduces duplication of services and expands access and availability to residential areas. The applicant does not propose to condition project approval to a particular zip code or city.

CCL next addresses the licensed community SNFs in Subdistrict 3-5, stating that currently only 101 private rooms exist, which represents 9.2 percent of Citrus County’s nursing home bed total capacity. The reviewer confirms this observation from [FloridaHealthFinder.gov](https://www.floridahealthfinder.gov).

Citrus CON LLC’s analysis of hospital discharges to nursing homes identified major diagnostic categories (MDC) and diagnosis related groups (DRG) to determine the types of services residents require. According to the applicant, the conditions represented within both the MDC and DRG categories require a regimen of care that includes:

- Physical therapy
- Speech therapy
- Occupational therapy
- Respiratory therapy

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The applicant addresses these within CCL’s CON application #10614 within the Conditions stated on Schedule C (Conditions, page C-i).

The reviewer notes hospital following MDC/DRG-related data with category breakdown provided by the applicant. CCL states the discharges include acute care, rehabilitation and long-term care hospital discharges to skilled nursing facilities (see the table below).

**Table 2-1 Citrus CON LLC (CON application #10614)
District 3 Hospital Discharges to Nursing Homes for Residents of Citrus County
Aged 65 Years of Age or Older, Calendar Year 2018**

	MDC	Cases	Percent	Comm.
08	Diseases & Disorders of the Musculoskeletal System & Conn Tissue	760	23.0	26.0
05	Diseases & Disorders of the Circulatory System	518	17.7	43.7
11	Diseases & Disorders of the Kidney & Urinary Tract	312	10.7	54.4
04	Diseases & Disorders of the Respiratory System	284	9.7	64.1
18	Infectious & Parasitic Diseases, Systemic or Unspecified Sites	259	8.9	72.9
01	Diseases & Disorders of the Nervous System	246	8.4	81.4
06	Diseases & Disorders of the Digestive System	193	6.6	88.0
10	Endocrine, Nutritional & Metabolic Diseases & Disorders	97	3.3	91.3
09	Diseases & Disorders of the Skin, Subcutaneous Tissue & Breast	52	1.8	93.1
07	Diseases & Disorders of the Hepatobiliary System & Pancreas	36	1.2	94.3
16	Diseases & Disorders of Blood, Blood Forming Organs, Immunolog Disord	34	1.2	95.5
19	Mental Diseases & Disorders	33	1.1	96.6
23	Factors Influencing Hlth Stat & Othr Contacts With Hlth Serves	26	0.9	97.5
21	Injuries, Poisonings & Toxic Effects of Drugs	23	0.8	98.3
00	Pre MDC	16	0.5	98.8
20	Alcohol/Drug Use & Alcohol/Drug Induced Organic Mental Disorders	11	0.4	99.2
03	Diseases & Disorders of the Ear, Nose, Mouth & Throat	10	0.3	99.5
12	Diseases & Disorders of the Male Reproductive System	4	0.1	99.7
17	Myeloproliferative Diseases & Disorders, Poorly Differentiated Neoplasm	4	0.1	99.8
02	Diseases & Disorders of the Eye	3	0.1	99.9
24	Multiple Significant Trauma	3	0.1	100.0
Total		2,924	100.0% ‡	

Source: CON application #10614, page 2-3 from AHCA Hospital Discharge Data file, CY 2018.

Note: ‡ The reviewer notes that this total is arithmetically incorrect; 96.9% is the actual total, probably due to rounding the percentages as the case total computes to 2,924.

Citrus CON LLC notes that in the table above five MDCs account for 2,133 or 72.9 percent of Citrus County's elderly patients discharged to SNFs. These categories include the musculoskeletal system, circulatory system, kidney and urinary tract system, respiratory system, and infectious diseases. Many of the conditions that fall into these five categories require medical management, post-surgical care including wound care, administration of medicines and training to use supportive equipment and assistive devices.

The table that follows extracts the top 30 Diagnosis Rated Groups (DRGs) to determine the most frequently encountered conditions.

**Table 2-2 Citrus CON LLC (CON application #10614)
Diagnostic Related Groups that Represent the Majority of Conditions for Elderly
Residents of Citrus County Discharge to Nursing Homes, CY 2018**

DRG	Cases	Percent	Cumm.
470 Major Hip & Knee Joint Replacement or Reattachment of Lower Extremity W/0 MCC	237	8.1	8.1
871 Septicemia or Severe Sepsis W/0 MV>96 Hours W MCC	130	4.4	12.6
291 Heart Failure & Shock W MCC or Peripheral Extracorporeal Membrane Oxygenation (ECMO)	94	3.2	15.8
481 Hip & Femur Procedures except Major Joint W CC	80	2.7	18.5
683 Renal Failure W CC	75	2.6	21.1
690 Kidney & Urinary Tract Infections W/0 MCC	74	2.5	23.6
872 Septicemia or Severe Sepsis W/0 MV >96 Hours W/0 MCC	58	2.0	25.6
378 G.I. Hemorrhage W CC	48	1.6	27.2
552 Medical Back Problems W/0 MCC	48	1.6	28.9
682 Renal Failure W MCC	46	1.6	30.4
65 Intracranial Hemorrhage or Cerebral Infarction W CC or TPA in 24 HRS	44	1.5	31.9
482 Hip & Femur Procedures except Major Joint W/0 CC/MCC	42	1.4	33.4
57 Degenerative Nervous System Disorders W/0 MCC	38	1.3	34.7
280 Acute Myocardial Infarction, Discharged Alive W MCC	38	1.3	36.0
853 Infectious & Parasitic Diseases W O.R. Procedure W MCC	35	1.2	37.2
292 Heart Failure & Shock W CC	33	1.1	38.3
193 Simple Pneumonia & Pleurisy W MCC	32	1.1	39.4
689 Kidney & Urinary Tract Infections W MCC	32	1.1	40.5
189 Pulmonary Edema & Respiratory Failure	31	1.1	41.6
312 Syncope & Collapse	31	1.1	42.6
641 Misc. Disorders of Nutrition, Metabolism, Fluids/Electrolytes W/0 MCC	29	1.0	43.6
884 Organic Disturbances & Intellectual Disability	29	1.0	44.6
69 Transient Ischemia W/0 Thrombolytic	28	1.0	45.6
480 Hip & Femur Procedures except Major Joint W MCC	28	1.0	46.5
190 Chronic Obstructive Pulmonary Disease W MCC	26	0.9	47.4
536 Fractures of Hip & Pelvis W/0 MCC	26	0.9	48.3
698 Other Kidney & Urinary Tract Diagnoses W MCC	25	0.9	49.1
281 Acute Myocardial Infarction, Discharged Alive W CC	23	0.8	49.9
177 Respiratory Infections & Inflammations W MCC	22	0.8	50.7
392 Esophagitis, Gastroent & Misc. Digest Disorders W/0 MCC	22	0.8	51.4
Subtotal Top 30 DRGs	1,504	51.4%	
All Other	1,420	48.6%	
Total	2,924	100.0%	

Source: CON application #10614, page 2-4 from AHCA Hospital Discharge Data file for CY 2018

CCL points out that progressive therapeutic activity for weight bearing is required, with measured progress, so that residents can gain control of mobility. The applicant indicates that progressive exercises, guided by physical therapists and occupational therapists, are required to enhance flexibility in joints as well as legs and back; abdominal strengthening is also necessary. The applicant points out the correlation between the types of services for related conditions, such as therapeutic involvement for musculoskeletal conditions (760 MDC 8 (26 percent of the total) in the applicant's Table 2-1).

CLL contends that many of the MDC 8 patients may need the additional aid of a bariatric room. The applicant also cites adult obesity stating statistics indicate that 38 percent of Americans 60 and older are obese and one in 20 are considered extremely obese. The reviewer notes that statistical information concerning the prevalence and consequence of obesity and health care are located in CON application #10614,

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Additional Information, Tab 10. CLL states it recognizes the importance of making nursing homes available to obese residents, thus the proposed condition for nine bariatric rooms.

Heart disease is discussed next and the applicant notes that it is the number one cause of deaths for Citrus County residents (772 in CY 2018) per the Florida Vital Statistics Annual Report, 2018. CCL states that cardiac rehabilitation involves stamina-increasing cardio-pulmonary activities that include the following:

- Walking
- Weight-bearing exercises
- Flexibility
- Some strength training

The applicant states that additional occupational therapies provide finer motor skills; these include standing and performing tasks using the arms. Citrus CON LLC proposes a 24-bed cardiac rehabilitation unit to benefit these residents, and conditions project approval to establishing the unit.

CCL notes that chronic lower respiratory diseases accounted for 245 Citrus County resident deaths and hospitals discharged 284 Citrus County residents diagnosed with respiratory diseases to skilled nursing homes. The applicant contends that those patients with Chronic Obstructive Pulmonary Disease (COPD), a chronic condition where medication management is crucial, are of major concern. Strength and stamina gains will often improve these conditions. The applicant is conditioning this application upon a 16-bed respiratory unit to benefit these residents with circulatory issues.

CCL states its proposal expands utilization, does not reduce access, and accepts the conditions of participation in both the Medicare and Medicaid Programs assures nondiscrimination in services. Responses demonstrate conformity with the statutory health planning factors of availability, quality of care, access and extent of utilization of existing SNFs in the subdistrict.

CCL provides the following table to explain their operational forecast:

**Table 1-5
Years One and Two Forecasted Utilization for Subdistrict 3-5 and Citrus SNF**

Factor	Need
Formula Produced Beds=	93
Licensed Beds=	1103
Approved Beds=	0
Occupancy Rate FY 7/2018 to 6/2019=	88.77%
Net Need With Citrus SNF	
Resident Day Capacity=	402595
Resident Day Target 92%=	370387
Reported Resident Days	357365
2019 Resident Population 65+	55394
Resident Days per 1,000 Persons 65+	6451
Compound Annual Growth Rate	2.3%
Population 65+ Forecast 2022	59305
Forecasted Resident Days Year 1	382595
Population 65+ Forecast 2023	60761
Forecasted Resident Days Year 2	391989
Citrus SNF Year 1 Resident Days@ Occupancy 50%	16973
Citrus SNF Year 1 Average Daily Census	47
Citrus SNF Year 2 Resident Days@ Occupancy 90%	30551
Citrus SNF Year 2 Average Daily Census	84

Source: CON application #10614, Tab1, Need Analysis, page 1-10

PruittHealth – Citrus County, LLC (CON application #10615)

proposes to construct a developmental-stage, all-private/single occupancy 93-bed community SNF with 100 percent of the rooms having handicapped accessible bathrooms. PHC expects approximately 27.3 percent Medicare, 67.0 percent Medicaid and 2.3 percent private or self-pay by the second full year of operation. The applicant has projected 64 percent of its patient days will be Medicaid long-term care patients in year one that will increase to 67 percent in year two. PHC indicates that 21,535 Medicaid patient days will be provided in the second-year that will result in a Medicaid average daily census of 59 patients. The reviewer notes that this level of Medicaid support demonstrates a substantial commitment by PruittHealth to provide all-private accommodations to this medically indigent population.

PHC carried out detailed market research to determine how it can be of biggest benefit and add greatest value to the residents of the Subdistrict 3-5 service area. Based on an evaluation of services provided at the licensed community SNFs in Subdistrict 3-5, from their respective websites and FloridaHealthFinder.gov, it is confirmed that none of the nine facilities in Subdistrict 3-5 have all-private/single occupancy accommodations. Amongst the nine facilities that offer private-room/single occupancy as a percent of total beds, these range from between one and 30 beds per facility; the highest percentage of all-private/single occupancy beds in Subdistrict 3-5 is 30 beds, which is 21.1 percent of the total beds provided by the SNF.

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PHC produced a large number of tables, maps and graphs regarding the population of Citrus County and the current availability of specific types of community SNF beds: private vs. dual (or higher occupancy) and hospitals. The applicant points out that the projected growth in the elderly cohorts for residents of Citrus County, in relation to District 3 as a whole, is higher than that of other subdistricts.

The applicant contends that the proposed project is best suited to meet the predicted growing demand for skilled nursing care in Subdistrict 3-5. PHC indicates that due to the design of the proposed project, particularly the all-private/single occupancy rooms, the new 93-bed community SNF will most efficiently meet the skilled nursing care needs of the residents of Subdistrict 3-5 and will result in better health care outcomes.

PHC asserts that many dual or higher occupancy rooms existing in Subdistrict 3-5 cannot be fully utilized due to mixing of genders and potentially highly infectious diseases that may require isolation which all-private/ single occupancy rooms will address and remedy.

PHC will enhance programmatic accessibility for Medicaid Long-term Care (LTC) enrollees. Individuals are not typically enrolled in Medicaid long-term care plans until they are in need of such care. Medicare, on the other hand, covers short-term care (STC) stays in nursing facilities, focused on rehabilitation and skilled care. The applicant maintains that when a patient exhausts their Medicare days in the community SNF, they are converted to LTC enrollment provided they financially qualify. Additionally, those who are disabled, low-income, under Medicare ages, who are enrolled in Medicaid managed care plans and FFS, immediately meet the income qualifiers to be enrolled in Medicaid LTC. All of these patients will be housed in private rooms.

Alzheimer's disease is degenerative brain diseases thought to begin 20 years or more before symptoms are actually visible in the patient, beginning with small changes in the brain that are unnoticeable to the person affected. After years of brain changes, individuals experience noticeable symptoms, such as memory loss and language problems. Individuals typically live with Alzheimer's symptoms for years. Over time, symptoms increase and start interfering with the person's ability to perform everyday activities. At this point in the disease, the individual is said to have dementia due to Alzheimer's disease, referred to as Alzheimer's dementia. Individuals in the final stages of Alzheimer's disease are bed-bound and require around the clock care.

An estimated 5.8 million Americans of all ages are living with Alzheimer's dementia in 2019. Of those, 5.6 million are 65 years of age and older. Of the 5.8 million people with Alzheimer's dementia, 81 percent are 75 years of age and older. According to one study using data from the

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Established Populations for Epidemiologic Study of the Elderly (PEESE), approximately 487,000 people age 65 and older will develop Alzheimer's dementia in the United States in 2019. Other studies have much higher incidences of the disease. According to the Chicago Health and Aging Project (CHAP), a population based study of chronic health conditions of older people, approximately 910,000 people 65+ developed Alzheimer's dementia in 2011. For those ages 65 to 74, four of every 1,000 people in a single year will develop Alzheimer's dementia within a year. For those ages 75 to 84, 32 of every 1,000 people will develop Alzheimer's dementia within a year and for those 85 and older, 76 of every 1,000 will develop the disease. Because of the increasing number of people age 65 and older in the United States, particularly the oldest cohorts, the annual number of new cases of Alzheimer's and other dementias is projected to double by 2050. Of the total population in the United States:

- One in 10 people aged 65+ have Alzheimer's dementia.
- The percentage of people with Alzheimer's dementia increases with age:
 - Three percent of people aged 65 to 74
 - 17 percent of people aged 75 to 84
 - 32 percent of people aged 85 and older

PHC uses the national prevalence rates by age cohort to Claritas population estimates and projections which it states show Citrus County has 6,043 persons afflicted with Alzheimer's dementia. This is projected to grow by 9.2 percent, to 6,597 people by year two of the project (2024). Further, PHC states its research shows the four existing Citrus County skilled nursing facilities with secure accommodations for Alzheimer's patients operate at full capacity. The reviewer notes that Ernesto G. Rubio, Administrator, Florida Department of Health, Citrus County, Florida indicates in his letter that "Perhaps the biggest part of their (PHCs) proposal... is a dedicated 16-bed Alzheimer's unit", which he believes to "be of the utmost importance to the residents" as "healthcare providers continue to see Alzheimer's patients at an astounding rate (and) having more dedicated resources in this area is imperative".

PHC states that it is responding to a growing demand for community SNFs locally, and in the State of Florida, to offer Alzheimer's-specific services to their patients by adding as one of its Schedule C conditions the maintenance of 16 dedicated beds as part of an Alzheimer's disease secure unit. PHC will also have at least one Certified Dementia Practitioner on staff on the Alzheimer's unit per shift. PHC will also implement 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.

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PHC states that it is also responding to a growing demand for community SNFs locally, and in the State of Florida, to offer bariatric rooms and services to accommodate obese patients by adding as one of its Schedule C conditions maintenance of six full bariatric suites. An article entitled 'Characterization of adult obesity in Florida using the OneFlorida clinical research consortium' is included in Tab 19, Volume III of CON application #10615 in support of PHC's projected need for bariatric beds.

The applicant cites an October 2017 study published by the Centers for Disease Control and Prevention (CDC) that found the prevalence of obesity among adults in the United States increased rapidly between the years 1980 and 2000. The reviewer notes that PHC does not define the condition of obesity. PHC maintains that although trends slowed in the most recent two decades, the overall age-adjusted obesity rate remains at 39.4 percent in adults. The prevalence among adults ages 40-59 is 42.8 percent, and amongst those 60 and older, it is 41 percent.

The applicant states that obesity is a risk factor for numerous diseases and conditions, including Type 2 diabetes, cardiovascular disease and many cancers. PHC maintains that researchers have projected 65 million more adults with obesity in the United States in 2030 than in 2010. Despite the recent trends reflecting a reduction in the rate of increase of obesity, there are still projected to be six million additional cases of Type 2 diabetes, five million cases of cardiovascular disease and 400,000 cases of cancer by 2030, all of which can be attributed to obesity rates.

The applicant states that according to the CDC, prevalence of obesity varies from state to state. PHC cites a more recent 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. These researchers found that 37.1 percent of Floridians are considered obese. Women had higher obesity rates compared with men. Obesity rates varied within racial/ethnic groups, with the highest rate among African Americans (45.7 percent). Hispanics also have a higher prevalence of obesity than Caucasian populations.

The reviewer notes that the applicant does not cite any numerical or statistical data supporting the differentiation of obesity rates for women, Hispanics or other relevant applicant-referenced subgroups, other than the generalized statistic for the African American population. The reviewer also notes that the applicant's statistical information provided concerning African Americans does not differentiate between subgroups including age group, gender or socioeconomic status.

**Estimates of Residents with Obesity,
Ages 65+, Subdistrict 3-5, Citrus County, 2019 & 2014**

	2019			2024		
	Population	Incidence	Obesity Estimate	Population	Incidence	Obesity Estimate
Citrus	52,976	37.5%	19,866	57,372	37.5%	21,515

Source: CON Application #10615, page 70 from Obesity Science & Practice published by John Wiley & Sons Ltd., World Obesity and The Obese Society, Volume. 4, Issue 4: pages 308-317, first published May 9, 2018, Environics/Claritas, & NHA Analysis

The reviewer notes that while incidence (percentage rate) remains constant, obesity estimates continue to rise in Citrus County as population increases per cohort.

PruittHealth – Citrus provides a detailed discussion of Citrus County hospital discharges to nursing homes and includes various charts. The reviewer include includes the applicant’s discharge by service line chart below.

**Subdistrict 3-5 Hospital Discharges to Skilled Nursing Facilities by Service Line
12 Months Ending March 31, 2019**

Service Line (MS-DRG)	Age 65+		Total	
	Cases	Percent of Total	Cases	Percent of Total
Orthopedics	625	21.7	729	22.3
Cardiology/Invasive/Card Surgery	529	18.3	564	17.3
Nephrology	282	9.8	320	9.8
Pulmonary	266	9.2	299	9.1
Infectious Disease	216	7.5	238	7.3
Neurology	191	6.6	211	6.5
Gastroenterology	149	5.2	164	5.0
General Surgery	112	3.9	144	4.4
Endocrinology	95	3.3	109	3.3
Vascular	70	2.4	85	2.6
General Medicine	57	2.0	74	2.3
All Others	291	10.1	332	10.2
Total	2,883	100.0	3,269	100.0

Source: CON application #10615, Tab 2, page 81, from AHCA Inpatient Data Tapes and NHA Analysis

PHC states that there were 3,269 discharges to nursing homes during the 12 months ending March 31, 2019, of which 2,883 (approximately 88 percent) were seniors. Hospital discharges to nursing homes represent 19.4 percent of total hospital discharges across all ages, and 27.1 percent of discharges amongst those ages 65 and older. PHC notes that orthopedic (22 percent) cardiac related (17 percent), nephrology (10 percent), respiratory diagnoses (nine percent) and infectious diseases (7.3 percent) are “in the PruittHealth wheelhouse and will be served at PruittHealth - Citrus”. The applicant indicates it has already begun to develop relationships in the market and references its letters of support listed on page 89 and included in Tab IV of CON application #10615. Excerpts of these letters were included on the application’s pages 89-91.

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PruittHealth - Citrus provides a narrative of specialized services, initiatives and amenities on pages 82-88 of CON application #10615. PHC describes these to include: program and facility to serve 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 and extensive rehabilitation services. Specialized rehabilitation equipment includes but is not limited to:

- 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 diathermy²
- Electrical stimulation

PruittHealth – Citrus County, LLC expects to admit a total of 179 patients (with total patient days of 11,565 and an average daily census (ADC) of 31.7 in its first year, increasing to a total of 497 patients (31,120 total patient days and ADC of 88.0) in year two. PHC estimates a total occupancy of 34.1 percent in year one and 94.6 percent in year two. The applicant indicates that the configuration of the facility will be a mix of short term and long-term residents. PHC provides the projected year one and year two utilization for the 93-bed facility in the table below.

² 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.

**PruittHealth – Citrus Forecasted Utilization
93-Bed Facility
Years One and Two**

	Year One Ending 9/30/2023	Year Two Ending 9/30/2024
Medicare/Medicare HMO, Skilled Patients		
Admissions	132	388
Patient Days	3,183	9,490
Average Daily Census	8.7	26.0
Medicaid Long Term Care Patients		
Admissions	31	90
Patient Days	7,438	21,535
Average Daily Census	20.4	59.0
All Other Payors		
Admissions	16	19
Patient Days	944	1,095
Average Daily Census	2.6	3.0
Total		
Admissions	179	497
Patient Days	11,565	32,120
Occupancy Rate	34.1%	94.6%
Average Daily Census	31.7	88.0

Source: CON application #10615, page 92

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.

PHC cites the published need but maintains that there are other factors supporting need for its project which include

- historical occupancy rates of existing providers
- less access and reduced offering of services by existing providers by offering/addressing the following:
- Less access to disease-specific programming including 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 nursing homes by service line
- The elderly population who are the most frequent users of nursing home services
- The changing dynamics within payees and the Payor system

The applicant indicates that it will apply its knowledge of this market, and expand upon existing PruittHealth-affiliated relationships throughout Florida to respond effectively to unique needs of the Citrus County market.

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PHC states the project should be approved based on the following facts and commitments:

- 100 percent private rooms and first all private facility in Citrus County
- 100 percent handicap accessible rooms
- 16-bed Alzheimer's dementia unit
- Six bariatric rooms/suites
- 64 to 67 percent of patient days to Medicaid long-term care enrollees in year two
- State of the art rehab suite, extensively equipped to include activities of daily living, putting greens (indoor and outdoor) and a Hydroworx therapy pool
- PruittHealth's "state of the art" and successful programs to reduce hospital readmissions
- A commitment to technology, including PointRight, Smart Charting, Wanderguard, Careguard, and electronic medical records.

Concluding its need discussion, PruittHealth—Citrus restates its proposed conditions (see Item C Project Summary of this report).

2. Agency Rule Criteria and Preferences

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

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

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

The **co-batched applications** were not submitted to remedy a geographically underserved area as defined above. The **co-batched applications** were submitted to address the Agency's published 93-bed need for community SNF beds in District 3, Subdistrict 5, Citrus County.

- 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.

Citrus CON (CON application #10614) indicates that the proposed developmental-stage 93-bed facility will have an operations team with an established Respiratory Care Program, and will implement it within the proposed facility, establishing a 16-bed Respiratory Care Unit. The facility will contract with local pulmonologists who will provide regular visits. The unit will be equipped with piped in oxygen and suctioning in the walls of patient rooms. The facility will accept patients with non-invasive ventilators and tracheostomies. Individual treatment plans with an interdisciplinary team return patients to their highest possible functioning level with a goal of returning home.

The applicant points out that with infections (see MDC 18 in Table 2-1 provided by CCL), the therapeutic intervention is antibiotics and for resistant or systemic infections the intravenous administration of antibiotics would be required. In addition, catheter care, incontinence services, bowel and bladder training, and a variety other supportive services may be required, either temporary or permanent. The applicant contends that an SNF with all-private/single occupancy, as a condition upon award CON application #10614, aids in infection control and in providing residents with the highest level of privacy during their stay.

CCL asserts that in cases where both infections and renal failure occur (see MDC 11 in Table in Table 2-1 provided by CCL), damage to the kidneys that can make dialysis necessary. Education is important to provide ways of managing the condition that often includes dietary changes. Also implicated is bladder training. If an indwelling catheter is used, the individual is trained on use and maintenance to avoid infections. Either renal dialysis will be provided under contract with a provider within the facility, or residents will be transported to a provider of renal dialysis.

The applicant points out that conditions represented both within the MDC and DRG categories require a regimen of care that includes physical, speech, occupational and respiratory therapies. For example, weight bearing is crucial to restore mobility and to build strength, followed by exercises to improve. Progressive therapeutic activities for weight bearing are required, with measured progress so that residents can gain control of mobility. However, an aspect of mobility is flexibility. CCL asserts that progressive exercises guided by physical therapists and occupational therapists are required to enhance flexibility in joints as well as legs and back. Abdominal strengthening also is necessary. The applicant maintains that a number of residents

needing these treatments may also need the additional aid of a bariatric room. Citrus CON LLC is conditioning this application upon nine bariatric rooms.

According to the National Health and Nutrition Examination Survey (NHANES), 2013-2014, about one in 13 adults were considered to have extreme obesity defined as having a body mass index (BMI) of 40 or over. CCL contends that being overweight or obese contribute to health problems such as type 2 diabetes, high blood pressure, joint problems, and other health issues³. The applicant points out that a growing concern for SNFs is the placement of morbidly obese patients because it requires additional staff and equipment to care for them.

The percentage of those entering American nursing homes who are moderate and severely obese - with a body mass index of 35 or greater - has risen sharply, to nearly 25 percent in 2010 from 14.7 percent in 2000, according to a recent study, and many signs suggest the upward trend is continuing; Medicaid, which covers more than 60 percent of all nursing home residents, does not reimburse them for the specialized equipment required: motorized lifts, larger wheelchairs, bedside commodes/shower chairs and longer intramuscular needles and blood pressure cuffs.

By 2040, more than 82 million people will be 65+, twice as many as in the year 2000. An article from Kaiser Health News highlights the rising levels of obesity and the strain it places on nursing homes. Adult obesity has continued to increase; 38 percent of Americans 60+ is obese and one in 20 adults is considered extremely obese⁴.

Mobility and independence levels vary by patient and health problems, but when caring for bariatric patients, facilities must be prepared with larger rooms and specialized equipment, in addition to properly trained staff. The applicant recognizes the importance of making its SNF available to those who are obese and therefore proposes nine patient rooms designed and equipped for care of morbidly obese residents. The maximum a typical health care bed/lift bed and can accommodate is a person weighing 500 pounds.

³ Overweight & Obesity Statistics, National Institute of Diabetes and Digestive and Kidney Diseases, Health Information Center

⁴ Rising Obesity Puts Strain on Nursing Homes, Sarah Varney, Kaiser Health News, December 2015

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CCL indicates that Circulatory System disorders, the second most prevalent MDC (5), including heart failure and arrhythmias, also require improved conditioning, and persons having conditions within this MDC also benefit from the same types of therapies and exercises. Cardiac rehabilitation would be appropriate for residents experiencing heart failure, heart attack and coronary bypasses as reflected in the DRGs noted in CCL's Table 2-1 & 2-2. The applicant proposes a 20-bed cardiac unit, establishing a Cardiac Care Program similar to that of other facilities associated with the applicant's authorized member, or will contract with consultants for clinical services.

Heart disease is the number one cause of death in Florida in 2018. The same holds true for Citrus County—CY 2018 Florida Vital Statistics Annual reports shows 772 succumbing to the disease. The Agency's hospital discharge data indicates that District 3 Hospitals discharged 518 Citrus County residents having circulatory system disorders to SNFs during CY 2018. Circulatory system disorders include chronic ischemic heart disease Dysrhythmias, congestive heart failure, stroke and other chronic conditions that can be effectively managed in a skilled nursing facility. The applicant points out that many patients, following a heart attack, bypass surgery or other acute cardiac episode need rehabilitation before returning home.

The applicant's operations team has an established Cardiac Care Program. Upon approval of the developmental-stage facility, the applicant will implement it within the proposed facility establishing a 20-bed Cardiac Rehabilitation Unit. The facility will contract with local cardiologists and all nursing staff will be certified in Advanced Cardiac Life Support (ACLS). Individual treatment plans with an interdisciplinary team return patients to their highest possible functioning level with a goal of returning home.

Like those persons requiring therapeutic involvement for musculoskeletal conditions (appearing under MDC 8), cardiac rehabilitation involves stamina increasing activities such as cardio-pulmonary activities including walking, weight-bearing exercises, flexibility, and some strength training. Additional occupational therapies provide finer motor skills as well as activities such as standing and performing tasks using the arms. Citrus CON LLC is conditioning this application upon a 20-bed cardiac rehab unit to benefit these residents as well as those captured in MDC 5.

Respiratory therapy helps restore airway capabilities and diaphragm patency. Circulatory issues often appear with respiratory conditions, so like those conditions in MDCs 8 and 5,

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the applicant maintains that a combination of therapies would be required to address the individual's needs. Of concern are those with the chronic condition COPD where medication management is crucial. Strength and stamina gains will also prove beneficial.

The applicant contends that educational information on managing symptoms, and instruction on breathing techniques to minimize shortness of breath, is also needed for residents with these respiratory conditions. The applicant points out that pulmonary rehabilitation should include monitored exercise sessions. Equipment may then be supplied to the patient at discharge. The applicant proposes a 16-bed respiratory care unit, equipped with in-wall gas supply and suction, establishing a dedicated Respiratory Care Program for which clinical consultants will assist in establishing. Citrus CON LLC is conditioning award of this CON based on establishing a 16-bed respiratory care unit to benefit residents with respiratory issues.

Chronic lower respiratory diseases are the fifth leading cause of death in Florida in 2018. The same holds true for Citrus County, with 245 succumbing to the disease⁵. District 3 hospitals discharged 284 Citrus County residents to SNFs with respiratory system disorders in 2018⁶. Respiratory system disorders include COPD, asthma, pneumonia and other conditions that require rehabilitation in a SNF before returning home.

Of importance for stroke rehabilitation (reflecting neurological conditions in MDC 1), similar therapies produce gains in functional capabilities, and also benefit persons with respiratory conditions. With brain-injury related conditions, rehabilitative therapies are required to improve and to restore functions. A range of physical therapies to include balance, gait training, strengthening exercises are all important. The applicant comments occupational and speech therapies also would be important for fine motor control and hand-eye coordination. Speech language pathologists may also be required to assist individuals in improving speech if that part of the brain was involved.

The applicant asserts that speech therapists are important to those recovering from stroke. These professional speech language pathologists assess, diagnose, treat and help prevent disorders related to speech, language, cognitive communication, voice, swallowing and fluency. Fine motor skills are often affected.

⁵ Florida Vital Statistics Annual Report, 2018

⁶ AHCA Hospital Patient Discharge Data, CY 2018

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Typical exercises include selective sensory stimulation such as tapping and stroking, active and passive range of motion exercise, and temporary restraint of good limbs while practicing motor tasks. Planning games that involve goal directed behaviors improve a variety of functional capabilities.

Some individuals who have suffered stroke may also experience pain that must be addressed. The applicant notes that neuropathic pain that includes the transmission of false signals from the area of the brain where damage occurred is often a factor. Thalamic pain syndrome, involving the thalamus, which processes sensory information from the body to the brain, is often difficult to treat even with medicines. Weakened limbs can cause pain sensations sometimes due to restricted/lack of movement which physical therapy with a range of exercise can improve. The applicant points out that another aftermath of a stroke that must be addressed with services is depression. Both psychological services in groups, as well as individual counseling, are provided to help the individual return to normal functioning. The applicant asserts that a number of illnesses and conditions across all the MDCs can cause an individual to experience a loss of hope, depression or inability to cope.

CCL's admission assessment uses a person-centered approach to address the needs for both simple and complex psychosocial services. The facility's range of services include those below

- Physical Therapy – Addresses gait abnormalities, balance, transferring, bed mobility, positioning, strengthening and splinting of the lower extremities.
- Occupational Therapy – Addresses activities of daily living or life skills, the ability to care for one's self at home, upper body strengthening and positioning, and adaptive equipment
- Speech Therapy – Addresses cognition, swallowing, communication, language, and auditory skills
- Orthopedic Rehabilitation – Following joint replacement, fractures or injuries to restore musculoskeletal functions
- Neurological Rehabilitation – Help to regain functional mobility, maximize motor skills and optimize independence with self-care and daily living skills
- Pulmonary Rehabilitation – Focuses on decreasing pain and discomfort while maximizing cardiopulmonary functions and optimizing independence and mobility

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- Medical Management – Regimen of services for complex medical problems including infectious disease, wounds, IV therapy, post-surgical complications, cancer, gastrointestinal problems, renal failure and diabetes.
- Palliative Care – Designed to offer support and comfort to the terminally ill patient in the final stages of life
- Wound Care – Nursing staff that specializes in caring for complicated wounds to ensure the best treatment and healing

Other services include the following:

- Therapeutic meals, special diets, assistance with dining
- Hospice Care
- Wound Care
- Ostomy Care
- Enteral Care
- Foley catheter care, changes and teaching
- Diabetic care and management
- Medication Management
- Bowel and bladder training
- Dialysis Support
- Structured activities seven days a week
- Pet Therapy
- Security System
- Daily Transportation
- Beauty/barber shop

CCL comments that a physician's order at the time of hospital discharge determines the post-acute placement of a patient in an SNF. For Medicare beneficiaries, hospital stays of three days or longer determines in part the admission necessity. For both Medicare and Medicaid Programs, the conditions of participation provide the directives for all SNF admissions. The applicant states that admission process requires an orientation to the facility and its policies be provided to the resident and his or her family/designee. CCL indicates that an initial assessment takes place at this time. Each resident receives an admission packet that details the agreement between the facility and the resident, his/her legal representative or other responsible party. Residents also receive HIPAA information, an inventory of personal effects, initial care plan and the list of attending physicians.

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The applicant indicates that a baseline care plan from admission assures that the resident's treatment goals follow them through all steps of therapy: physicians, dieticians, therapists and social workers. This resident-centered approach to care allows team members to seek feedback from the resident and make changes as requested.

Discharge planning begins subsequent to admission, beginning with the multidisciplinary team assessment of the resident. As the care plan proceeds with the services and activities, the progress of each person through prescribed therapy services determines the final date and discharge destination. The interdisciplinary team updates the discharge plan, based on re-evaluation of the resident, changes in caregiver support and other factors. The discharge plan contains a summary of prior treatment, diagnoses, medications and any indications o/issues associated with the resident. CMS regulations require SNF staff to offer information to the resident about facilities to which they may be transferred, such as a home health agency, inpatient rehabilitation facility, long-term care hospital or another SNF.

The reviewer notes that documentation including selected excerpts from admissions/readmissions/discharge policies and procedures, MED-PASS, Inc. operations manuals, the INTEREACT Quality Improvement Tool and other various operational manuals are outlined in CON application #10614, Exhibit 2-1.

The applicant's Schedule 6 indicates 69.7 full-time employee (FTEs) for year-one ending June 30, 2023, and 99.7 FTEs for year-two ending June 30, 2024. The reviewer notes that the applicant's Schedule 10 expects an issuance of license June 2022 and the applicant's Schedule 10 indicates an expected initiation of services on July 2022.

The following table depicts CCL's years one and two FTE staffing pattern based upon the applicant's numbers reported in the Schedule 6 data found in Tab 5.

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**Citrus CON LLC (CON application #10614)
Projected Year-One and Year-Two FTE Staffing Units**

	Total FTEs Year-One ending 2023	Total FTEs Year-Two ending 2024
Administration		
Administrator	1.0	1.0
Director of Nursing	1.0	1.0
Admissions	1.5	1.3
Bookkeeper	1.0	1.0
Secretary	1.0	1.0
Medical Records	2.0	1.6
Other: Receptionist	0.5	0.8
Other: Nursing Admin- MDS, Sched, CSR & ward clrk	4.5	4.5
Physician		
Medical Director	0.2	0.2
Nursing		
RNs	4.2	6.5 †
LPNs	7.0	10.8
Nurses' Aides	19.6	30.1
Ancillary		
Physical Therapist	3.0	6.2
Speech Therapist	1.3	2.9
Occupational Therapist	3.0	5.0
Other: Rehab Aide	1.0	1.7
Dietary		
Dietary Supervisor	1.0	1.0
Cooks	2.7 †	3.9 †
Dietary Aides	2.7 †	3.9 †
Social Services		
Social Service Director	1.0	1.0
Activity Director	1.0	1.0
Activities Assistant	0.6	0.9
Other: Social Services Assistant	0.1	0.2
Housekeeping		
Housekeeping Supervision	1.0	1.0
Housekeepers	4.2	6.4
Laundry		
Laundry Aides	3.0	4.5
Plant Maintenance		
Maintenance Supervisor	1.0	1.0
Maintenance Assistance	0.6	1.0
Total	69.7 ‡	99.7 ‡

Source: CON application #10614, Schedule 6, Resources, Tab 5, pages 14 & 15

† Arithmetically incorrect: Year-One day totals by summing M/E/N shifts are as follows: Cooks 2.8 & Dietary Aides 2.8; Year-Two day totals by summing M/E/N shifts are as follows: RNs 6.6, Cooks 4.0 & Dietary Aides 4.0

‡ Arithmetically incorrect: Year-One Total is 70.9 FTEs & Year-Two Total is 101.7 FTEs

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The applicant's Schedule 7 indicates that the 93-bed facility is expected to have 17,976 total patient days (52.96 percent occupancy) in year one and 30,597 total patient days (89.89 percent occupancy) in year two ending June 30, 2023 and 2024, respectively.

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indicates that the proposed developmental-stage 93-bed facility will be utilized for Medicare, Medicaid and self-pay other patients. PHC states it will enhance programmatic accessibility for Medicaid LTC enrollees. Individuals are not typically enrolled in Medicaid LTC plans until they are in need of such care. Medicare does cover STC stays in SNFs, focused on rehabilitation and skilled care. When a patient exhausts their Medicare STC days in a community SNF, they are converted to Medicaid LTC enrollment provided they financially qualify. Additionally, those who are disabled, low-income, under Medicare ages, who are enrolled in Medicaid managed care plans and FFS, immediately meet the income qualifiers to be enrolled in Medicaid long-term care. All of these patients will be housed in private rooms at PHC.

The applicant states that PruittHealth Premier is a specially designed plan for PruittHealth residents in SNFs. For those that qualify, this plan enables residents to receive more benefits than what is typically covered by FFS plans. Services include:

- \$0 copay for access to a primary care physician (PCP) visits, and the PCP delivers services within the facility
- Eye care – routine vision and glaucoma testing, with \$225 per year for prescription eyewear
- Hearing – routine hearing exam and hearing aid fitting, with \$1,250 every two years as needed for new/replacement hearing aids
- Foot care – six routine foot care visits per year
- Transportation – 24 one-way trips per year for health care-related needs
- Over-the-Counter (OTC) items – \$20 per month for certain OTC items
- \$0 coinsurance for days 1-100 of a SNF stay and no prior hospital stay required before a skilled nursing facility stay

The applicant will strive to open its doors as a deficiency-free facility, much like its recent predecessors, PruittHealth - Panama City, LLC and PruittHealth - Fleming Island, LLC, to become a 5-Star rated facility and to meet all AHCA Quality Award Requirements. The applicant contends that its commitment to

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implementation of technology such as PointRight, Smart Charting, Wanderguard, Careguard and electronic medical records as evidence.

PHC indicates its ability to offer and maintain to returning admissions the following basic and essential High Quality Services (HQS):

- 24-hour nursing services
- Physical therapy
- Occupational therapy
- Speech therapy
- IV therapy
- Tube Feeding and Total Parental Nutrition
- Wound care management
- Pain management
- Central lines
- Oxygen therapy
- Outpatient therapy

Additional and Ancillary HQS also readily available:

- Dietetic programming and nourishment care
- Recreational activities programming
- Counseling services
- Religious services
- Laundry services
- Beauty/barber services
- Pharmacy services
- Volunteer services
- Medication management
- Chronic disease management
- Alzheimer's/dementia programming
- Bariatric programming with specialized training and design features. This includes a commitment to have four specialty bariatric suites to serve this patient population.

The applicant lists these unique services and characteristics that are essential at each PruittHealth skilled nursing and rehabilitation facility, which set it apart from other SNF providers. These include but are not limited to the following:

- PerfectPath Specialty Care Programs
- Clinic Oversight Teams
- Mandatory Daily Interdisciplinary Team Meetings
- Electronic Medical Records
- Medication Monitoring
- Dedicated Quality Staff
- Clinical and General Kiosks

Additional other services that are readily available will include the following:

- 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 asserts that technology designed to meet the needs of its patients is critical in the recovery and strengthening process, and in avoiding re-hospitalization. PHC points out the following equipment, based on the community needs and based upon skilled discharges from area hospitals, will include but not be limited to the following:

- Nautilus Leg Press
- Nautilus Triceps Press
- Nautilus Compound Row
- Nautilus Low Back
- Nautilus 4-Way Neck
- Nautilus Leg Extension
- Biodex Balance System
- Biodex Gait Trainer
- Biodex Un-weighing System
- Biodex Biostep
- Accelerated Care Plus Modalities
- Ultrasound
- Shortwave Diathermy
- Electrical Stimulation

PHC notes that PerfectPath is a series of clinical pathways designed for caretakers to help patients navigate their complex journey back to health. PerfectPath is a communication tool to help physicians, patients, hospitals and families work together more effectively. It is a state-of-the-art care delivery tool used to ensure that the patient receives the highest care possible, and thrives on their journey back to health. The applicant indicates the benefits of PerfectPath for the patient are as follows:

- A care path that is designed for the patient immediately upon admission

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- Ongoing real time feedback for patients and families about clinical milestones and achievements
- Increased coordination with patients and their primary caregivers to return them home quickly, while minimizing the risk of re-hospitalization
- Improved interdisciplinary communication

The applicant asserts that the following are also included as part of the PerfectPath Program:

- Clinical Pathways - Interdisciplinary plan of care that outlines optimal sequencing and timing of interventions for patients with a particular diagnosis
- Patient Workbook – Workbook designed to help patients and their families understand the plan of care and track their own progress
- Patient Education Guide – Detailed guide for the patients and their family that outlines their role in their journey back to health
- Discharge Folder – Personal discharge folder that contains checklist utilized for transfers, recapitulation of resident's stay, final summary of the resident's status, medication reconciliation and post discharge plan of care

PHC asserts that it develops a PerfectPath specialty Care programs with each of its residents. Each of the PerfectPath Specialty Care programs will be implemented at PHC. A brief explanation of each program follows:

- UniStep (Joint Replacement & Surgical Procedure Program) – This program provides physical and occupational therapy, supported by state-of-the-art equipment, to residents that have had joint replacements or other musculoskeletal conditions including but not limited to total knee replacements, total hip replacements, back surgeries and others. It teaches the patient Activities of Daily Living ("AOL") and focuses on strength, balance, gait and cardiovascular training via the use of Nautilus and Biodex equipment.
- UniPulse (Heart Failure Program) – This program is targeted for patients who have chronic cardiac conditions that impact their overall well-being. It is designed to meet the needs of residents who experience exacerbations of congestive heart failure. UniPulse will be implemented in conjunction with other PerfectPath programs in an effort to support the patient's comorbid cardiac condition while they recover from an acute episode, such as a total knee replacement or hip fractures.

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- UniVive (Stroke Program) – This program focuses on rehabilitation for residents who have experienced a stroke or have other neurological conditions. Stroke rehab is a very important part of recovery for many who have had a stroke. This program builds strength, coordination, endurance and confidence. It reteaches the patient how to move and learn to talk, think and care for oneself.
- UniRes (Respiratory Program) – This program focuses on residents who have chronic obstructive pulmonary disease (COPD) or other respiratory conditions. The program continues to expand with the development of care paths that address residents with other respiratory conditions such as asthma or who utilize CPAP, BPAP, jet nebulizers, and other respiratory equipment, and medications.
- UniFit (Falls Prevention & Balance Program) – Falls are usually caused by lack of physical activity resulting in poor muscle tone, decreased strength, bone mass, and flexibility, gait and balance disorders. UniFit is utilized in conjunction with the UniStep program with an emphasis on improving the resident's balance. The ultimate goal of the program is to decrease the risk of falls and injury through progressive strengthening exercises and balance training utilizing Biodex and other equipment.
- UniQuest (Aqua Therapy Program) – Provided in PruittHealth skilled nursing & rehabilitation facilities with indoor therapeutic pools. This aquatics therapy program focuses on restoring strength while reducing pain, ultimately improving the patient's overall function. The proposed PHC County will have a therapy pool.
- UniCure (Pain Management Program) – This program is built on UHS-PruittHealth's "Stop-Pain" policies that promote aggressive pain assessment and therapy. Through an extensive Pain Certification program, clinicians focus on the resident as a whole, while providing pharmacological and non-pharmacological interventions. Therapists add value to resident treatment by providing ultrasound, electrical stimulation and diathermy as treatment modalities to reduce pain.
- UniLife (Quality of Life Program) – This program focuses on the resident's overall quality of life. The program takes a holistic approach to the resident's well-being. The program incorporates restorative programming within the resident's day-to-day care and cognitive and social activities. The program provides an overall life enrichment plan designed to meet the needs and choices of individual residents.

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- UniShield (Skin Integrity Program) – This program is a skin integrity program that focuses on wound prevention and healing. It is coordinated by a certified wound care consultant who works closely with PruittHealth's contracting department to ensure that facilities have the most up-to-date wound-care product formulary and wound education for all of its clinicians in the field. Therapists are also incorporated in the program by providing treatment options and opportunities that promote wound healing. A significant benefit of this program is it crosses all service lines, as wounds are an unfortunate result of many disease conditions or circumstances regardless of the primary reason for hospitalization per nursing home admission.

**Subdistrict 3-5 Hospital Discharges to Skilled Nursing Facilities by Service Line
12 Months Ending March 31, 2019**

Service Line (MS-DRG)	Age 65+		Total	
	Cases	Percent of Total	Cases	Percent of Total
Orthopedics	625	21.7	729	22.3
Cardiology/Invasive/Card Surgery	529	18.3	564	17.3
Nephrology	282	9.8	320	9.8
Pulmonary	266	9.2	299	9.1
Infectious Disease	216	7.5	238	7.3
Neurology	191	6.6	211	6.5
Gastroenterology	149	5.2	164	5.0
General Surgery	112	3.9	144	4.4
Endocrinology	95	3.3	109	3.3
Vascular	70	2.4	85	2.6
General Medicine	57	2.0	74	2.3
All Others	291	10.1	332	10.2
Total	2,883	100.0	3,269	100.0

Source: CON application #10615, Tab 2, page 81, from AHCA Inpatient Data Tapes and NHA Analysis

PLC states that there were 3,269 discharges to nursing homes during the 12 months ending March 31, 2019, of which 2,883 were seniors. Hospital discharges to nursing homes represent 19.4 percent of total hospital discharges across all ages, and 27.1 percent of discharges amongst those ages 65 and older.

PHC asserts that reducing hospital recidivism is a top priority. Therefore, a major emphasis will be placed on safely reducing hospital readmissions at PHC. To address the industry-wide issue of hospital readmissions, PHC has adopted INTERACT 3.0, a comprehensive program, with tools specifically designed to decrease patient re-hospitalizations.

INTERACT supports the goals of reducing overall health care cost and improving quality through measures taken to decrease patient re-hospitalizations. The applicant recognizes that the re-hospitalization risk for all patients and PHC understands that those who have had a hospitalization within the previous 30 days of admission are at a higher risk of return to the hospital. Because

of the success that has been achieved by PruittHealth in reducing hospital readmissions by using the INTERACT software at some of its sister facilities, the applicant has conditioned approval of this application on the provision that it will implement the most up-to-date version of INTERACT at its campus upon opening. In doing so, the Director of Health Services (or a designee) will regularly meet with Service Area hospitals and other providers to inform the providers of its capabilities, programs, services and to ensure that both the applicant's facility and providers use the same clinical pathways for patients with primary diagnoses with high risk of re-hospitalization. This condition will be measured by an annual signed declaratory statement by PHC confirming its program and activities.

The applicant states that the CallGuard system will be integrated with a technologically advanced Bed Occupancy Sensor System. The system connects to the nurse call system for visual status at a glance and incorporates selectable alarm delay times tailored to resident needs. CallGuard will notify the staff of the restless sleep of a resident. It will also notify staff when the resident is out of bed. This system offers the following advantages compared to other bed sensors:

- Increased staff efficiency
- Reduced false alarm rates
- Less obtrusive, more comfortable sensing

PHC will also utilize WanderGuard for elopement protection. Residents at risk for elopement will wear a WanderGuard bracelet as indicated by their care plan. When a resident who is at risk of elopement approaches an exit, the door controller locks the door to prevent the resident from leaving; or if the door is open, an alarm sounds. This is particularly important for Alzheimer's dementia patient populations.

The reviewer notes that PHC includes its admission and discharge policy documents, an explanation of Due Process procedures implemented to resolve conflicts, procedures for observing patient rights and confidentiality, as well as how to identify symptoms of elder abuse, self-reporting responsibilities and sources of support available to patients and their families who are subject to this type of abuse. The reviewer notes that this is not a complete and comprehensive description but it is representative of a quality standard of care.

The applicant comments that according to the American Health Care Association, one in four persons admitted to an SNF from a hospital are a result of recidivism to a hospital within 30 days of

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their release from a SNF. PHC comments that this has detrimental effects on the patient that are potentially physically devastating, but can also have potential emotional and psychological individual affects. PHC indicates that it will place weighted concern on recidivism rates by using specific interventions to reduce instances of hospital readmissions. These interventions will include:

- Stop and Watch Tool - this is an early warning tool used by staff, residents and visitors to alert staff to a sign or symptom. It is used as documentation in the resident medical record.
- Change in Condition File Cards - this is a list of signs and symptoms and what to request from the physician when notifying a change.
- Care Pathways - Care Pathways provide clinical pathways of primary diagnosis with high risk of re hospitalization. These are described in greater detail throughout this application.
- SBAR Communication Tool – this a nursing assessment tool used in conjunction with the Stop and Watch, Change in Condition File Card and Care Paths to cue assessment and request orders.
- Transfer Checklist – this is a form with all required documentation that follows the resident from the PruittHealth affiliated facility to the hospital. It enables the hospital to obtain a better history and physical on the resident's current condition and treatments already attempted.
- Acute Care Transfer Form – this is a check-off sheet of items required in the resident folder for us by the hospital emergency department and hospital discharge planners.
- Quality Improvement Tool – this tool determines, after re-hospitalization, why recidivism occurs and assists in determining opportunities for improvement.

PHC's Schedule 6 FTE staffing pattern is shown in the table below.

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**PruittHealth – Citrus County, LLC (CON application #10615)
Projected Year-One and Year-Two FTE Staffing Units**

	Total FTEs Year-One ending 2022	Total FTEs Year-Two ending 2023
Administration		
Administrator	1.0	1.0
Director of Nursing	1.0	1.0
Admissions Director	1.0	1.0
Secretary	1.4	1.4
Medical Records Clerk (CN or PA)	0.7	0.7
Other: Financial Counselor	1.0	1.0
Physician		
Medical Director	0.2	0.2
Other: Physician Services	0.02	0.02
Nursing		
RNs	6.2	12.0
LPNs	5.2 †	11.2
Nurses' Aides	15.6	42.0
Other: RN MDS Nurse	0.7	1.0
Physical Therapy		
Physical Therapist	0.5	1.41
Physical Therapy Assistant	0.6	1.65
Speech Therapists	0.3	0.85
Occupational Therapist	0.6	1.6
Occupational Therapy Assistant	0.2	0.58
Other: Rehab Aide	1.0	1.0
Dietary		
Dietary Supervisor	1.0	1.0
Cooks	2.07 †	4.4
Dietary Aides	2.1 †	4.4
Social Services		
Social Service Director	1.0	1.0
Activity Director	1.0	1.0
Housekeeping		
Housekeepers	4.6 †	8.4
Laundry		
Laundry Aides	1.4	2.8
Plant Maintenance		
Maintenance Supervisor	1.0	1.0
Total	51.2 ‡	103.6

Source: CON application #10615, Schedule 6, Vol. 1, Tab 3, pages 1 & 2

† Arithmetically incorrect: Year-One day totals by summing M/E/N shifts are LPN 5.1, Cooks 2.07, Dietary Aides 2.0 & Housekeepers 4.5 - Year-One Total is 51.39 probably due to rounding

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.**

Citrus CON LLC (CON application #10614) is a development-stage, for-profit entity formed for the purpose of establishing a community SNF in Subdistrict 3-5, and therefore has no operational history, and has not had a SNF license denied, revoked or suspended within the 36 months prior to the current application.

PruittHealth – Citrus County, LLC (CON application #10615) is a development-stage, for-profit entity formed for the purpose of establishing a community SNF in Subdistrict 3-5, and therefore has no operational history, and has not had a SNF license denied, revoked or suspended within the 36 months prior to the current application. However, the applicant's Ultimate Parent Corporation, UHS, is also the ultimate parent company to more than 100 long-term skilled nursing and rehabilitation centers throughout the southeast region of the Country. None of its licensed SNF facilities has ever had its license denied, revoked or suspended. This includes its Florida facilities.

- 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?**

Citrus CON LLC (CON application #10614) is a developmental-stage, for-profit entity formed for the purpose of establishing a community SNF in Subdistrict 3-5, and therefore has no operational history.

PruittHealth – Citrus County, LLC (CON application #10615) is a developmental-stage, for-profit entity formed for the purpose of establishing a community SNF in Subdistrict 3-5, and therefore has no operational history. However, the applicant's Ultimate Parent Corporation, UHS, is also the ultimate parent company to more than 100 long-term skilled nursing and rehabilitation centers throughout the southeast region of the country. None of its licensed SNFs has been placed into receivership at any time, particularly within the past 36 months. This includes its Florida facilities.

- 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.**

Citrus CON LLC (CON application 10614) indicates that this criterion is not applicable.

PruittHealth – Citrus County, LLC (CON application #10615) indicates 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.**

Citrus CON LLC (CON application #10614) indicates that this criterion is not applicable.

PruittHealth – Citrus County, LLC (CON application #10615) indicates 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.**

Citrus CON LLC (CON application #10614) is a developmental-stage, for-profit Florida entity that has no operating history in Florida. CCL notes that the applicant, nor any SNF in which the applicant is a Member, Director or Officer⁷ of have not had reported claims of Harmful Conditions within the past 36 months prior to the submission of the application for this proposed project.

PruittHealth – Citrus County, LLC (CON application #10615) is a developmental-stage, for-profit Florida entity that has no operating history in Florida. PHC notes that its affiliated facilities through PruittHealth, have not had reported claims of Harmful Conditions within the past 36 months prior to the submission of the application for this proposed project.

- 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.**

Both applicants indicate that they will comply with reporting 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 applicants' service area? ss. 408.035 (1) (b) and (e), Florida Statutes.**

As of August 16, 2019, and as noted in the *Florida Nursing Home Bed Need Projections by District and Subdistrict* publication, the reviewer notes that there is a total of 68-licensed community SNFs with a total of 8,034 community beds in District 3. Subdistrict 3-5 is composed of Citrus County, and has nine licensed community SNFs with a total of 1,103 community beds. The subdistrict averaged 88.77 percent total occupancy for the 12-month period ending June 30, 2019.

The reviewer notes that Subdistrict 3-5 has approximately 13.73 percent of the total beds within District 3. The **co-batched applications** both assert that the approval and establishment of a proposed resulting new 93-bed, all-private/single occupancy, SNF will be positive for the availability for nursing home beds and skilled nursing services to the residents of Citrus County, Florida.

Citrus CON LLC (CON application #10614) states that it does not have a documented history of providing quality of care because it is a newly formed entity for purposes of filing this CON Application. However, concurrent with licensure and certification, the Applicant will develop all policies and procedures as well as the Quality Assurance Program (QAP) based on CCL's sister facilities throughout the United States. The applicant states that upon licensure and certification, will adhere to any and all State and Federal nursing home regulations statutes and the entire facility will meet Medicare's Conditions of Participation.

CCL duplicates the Agency's July 2022 nursing home projections for all of Subdistrict 3-5 (including District 3) to indicate a net need for 93 community SNF beds.

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The applicant states that it is responding to a growing demand for SNF beds within the State of Florida that offer bariatric rooms to accommodate obese patients. The reviewer notes the elaboration of the statistical data, as well as the sources to be utilized concerning obese patients and their care provided by the applicant in Additional Information, Tab 10 of CON application #1064.

Concerning availability, the applicant states that it accepts that the Agency's calculation of need is a reasonable balance to achieve availability and accessibility without negatively affecting current providers and the future utilization of existing providers.

PruittHealth – Citrus County, LLC (CON application #10615)

states that it does not have a documented history of providing quality of care because it is a newly formed entity for purposes of filing this CON Application. However, concurrent with licensure and certification, the Applicant will develop all policies and procedures as well as the QAP based on its other PruittHealth facilities throughout the southeastern United States. Upon licensure and certification, the applicant will adhere to any and all State and Federal nursing home regulations statutes and the entire facility will meet Medicare's Conditions of Participation. Additionally, PruittHealth has conditioned the application on the provision it will seek Joint Commission accreditation.

PHC duplicates the Agency's July 2022 nursing home projections for all of Subdistrict 3-5 to indicate a net need for 93 community SNF beds. The project includes a 16-bed Alzheimer's unit designed to meet the needs of patients with Alzheimer's dementia. The applicant indicates that the four Citrus County nursing homes that have dedicated units are at full capacity. Included in the application.

The applicant states that it is responding to a growing demand for SNF beds within the State of Florida that offer bariatric rooms to accommodate obese patients. The applicant cites a May 2018 University of Florida, Florida Hospital, and the Obesity Action Coalition study which reviewed health data of nine million Floridians. Researchers found 37.1 percent of Floridians are considered obese. The applicant indicates that in Citrus County between 35 and 39.9 percent of the Age 65 and over population is obese. PHC used 37.5 percent to estimate that 19,866 Citrus County residents age 65 and over were obese in 2019 and project this to 21,515 by 2024.

The reviewer notes a study by Established Populations for (EPESE) stating that approximately 487,000 people age 65 and older will develop Alzheimer's dementia in the United States in 2019. Further, a study by the Chicago Health and Aging Project (CHAP), a population based study of chronic health conditions of older people that showed approximately 910,000 people 65+ developed Alzheimer's dementia in 2011. For those ages 65 to 74, four of every 1,000 people in a single year will develop Alzheimer's dementia within a year. For those ages 75 to 84, 32 of every 1,000 people will develop Alzheimer's dementia within a year and for those 85 and older, 76 of every 1,000 will develop the disease.

Concerning availability, the applicant states that it accepts that the Agency's calculation of need is a reasonable balance to achieve availability and accessibility without negatively affecting current providers and the future utilization of existing providers.

- 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.**

Citrus CON LLC. (CON application #10614) is a development stage, for-profit Florida entity, and therefore does not have an historical record available to document in this CON proposal. The applicant states that implementation of this proposal will involve the development of all quality policies and procedures, and a QAP, based on its other associated facilities. CCL expresses a commitment to adhere to any and all State and Federal SNF regulations and statutes in addition to Medicare's Conditions of Participation. While CCL is a new entity, the reviewer notes that the applicant self-reported as being identified as the "Member, Director or Officer" of 24 associated SNFs in the State of Florida. For the three-year period November 20, 2016 – November 20, 2019, the applicant's representative's affiliated facilities had 114 substantiated complaints, which are summarized in the following table. We do not know the start date(s) for Mr. Bleich's involvement with these facilities. A single complaint can encompass multiple complaint categories.

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**Citrus CON LLC – Citrus County
Michael Bleich Affiliated Facilities
Three Year Substantiated Complaint History**

Complaint Category	Number Substantiated
Quality of Care/Treatment	52
Resident/Patient/Client Rights	13
Admission, Transfer & Discharge Rights	12
Administration/Personnel	7
Physical Environment	6
Resident/Patient/Client Abuse	5
Dietary Services	4
Infection Control	4
Elopement	3
Falsification of Records/Reports	3
Billing/Refunds	1
Fraud/False Billing	1
Life Safety Code	1
Resident/Patient Abuse/Neglect	1
Resident/Patient/Client Neglect	1
Total Number of Substantiated Complaints	114

Agency Complaint Records, November 20, 2016 – November 20, 2019

CCL points out that the Quality Assurance Performance Improvement (QAPI) Plan and Quality Assurance and Assessment Program will assure that the facility meets or exceeds the needs, expectations and requirements of the patients cost-effectively while maintaining good patient outcomes and resident centered care. Guidance also comes from the American Health Care Association whose commitment to providing members with assistance and guidelines build a uniform approach to measuring and assuring quality within nursing homes.

The applicant asserts that the increasing complexity of the long-term care environment in recent years and the growing demands and expectations on the regulatory process offer both an opportunity and a need to efficiently incorporate internal processes for providing quality, individualized patient care.

The reviewer notes that the CCL facility will use the Quality Management System - Abaqis Providigm, if approved. The applicant asserts that Abaqis is already being utilized in many facilities; Abaqis uses an online system that promotes conformity with the CMS quality of care guidelines called *Abaqis Providigm*. This tool for skilled nursing facilities provides the same quality metrics and tools as used by surveyors. Abaqis goes beyond readiness and is the foundation for quality assurance, performance improvement, customer satisfaction, readmission and compliance. The processes described in the QAPI are effective in assuring quality throughout the range of services provided, and they lead to ongoing enhancements in service delivery⁸.

⁸ <http://providigm.com/about/>

The applicant points out that Abaqis replicates the entire Quality Indicator Survey (QIS) methodology. Consistent use of Abaqis helps prepare skilled nursing facilities for either QIS or traditional surveys, utilizing a combination of resident, family/responsible party and staff interviews, observations and record reviews to provide actionable data that identifies the regulatory areas where the facility should focus quality improvement efforts. The emphasis on resident-centered feedback also helps pinpoint customer satisfaction facility practices and resident choices that need attention.

CCL contends that Abaqis is suited for quality improvement because it facilitates daily assessment at a sustainable level and combines that with real-time drill-down analysis for facility-level use and roll-up reporting for managing multi-facility organizations. Using Abaqis helps identify the root cause of issues and concerns, so resources can promptly be allocated to the specific areas where the facility most needs improvement. Whether a facility employs it for QAPI, regulatory compliance or customer satisfaction, being able to focus improvement efforts helps staff spend more time on resident care.

The applicant maintains that the system developers at Providigm constantly work to make solutions as efficient and productive as possible for its customers. The web-based nature of Abaqis allows access from any Internet-connected device. The QAPI process also includes monitoring whether there is, or is not sufficient staff to meet resident needs, resident weight loss and infections, rehabilitation following acute injury or illness and prevention of readmissions to a hospital.

CCL states that the Providigm QAPI Accreditation Program is based on four standards for excellence in continuously improving quality of care and life for nursing home residents. The four standards are evaluated quarterly for a period comprising the preceding 12 months (four quarters).

1. Comprehensive – There are a sufficient number of assessments completed by the facility staff and entered into the Abaqis web based program. The assessments consist of the admission record review, census record review, family interview, resident interview, resident observation and staff interview.
2. Continuous – The quality activities are not done just during the survey window. Quality activities are performed on an ongoing basis of two alternating quarters.

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3. Coverage – There are a sufficient number of unique residents assessed through an admission record review and/or a census assessment. The same resident assessments cannot be used repeatedly.
4. Corrective – Areas that have been identified as needing improvement are going through an improvement process. These are known as Stage 2 activities.

The applicant contends that Quality Assurance (QA) is most notable for its scientific basis and explicit methodology designed around four fundamental steps:

- Develop scientifically valid quality metrics
- Establish minimum standards of quality
- Systematically evaluate quality using valid metrics
- Verify that quality meets minimum standards

The applicant asserts that use of the Abaqis system translates the science and methods of QA into easily understood and usable tools that allow the staff to monitor constantly the quality of care being delivered. The company designs software to provide the most efficient quality evaluation, without compromising scientific validity. “\Abaqis” solutions also prioritize areas of concern and isolate their underlying root cause, so that the staff can quickly focus their efforts on rectifying the most pressing issues. With the time saved, staff can efficiently focus on higher quality health care.

CCL indicates that a QAPI committee will be established to assess resident care practices, review quality indicators, events, deficiencies, resident grievances, weekly weights, hospital admissions, wounds and Abaqis results. The committee will develop plans of action and then expedite corrective action to identified concerns; the committee will be composed of the following stakeholders:

- Administration
- Director of Nursing
- Medical Director
- Risk Manager(s)
- Minimum of three staff members
- Additional consultants (as appropriate)

CCL comments that subcommittees may be established ad hoc for evolving areas of concern. These committees will provide input to the Quality Assurance Risk Management Committee. QAPI audits are performed and reviewed at each meeting. A risk manager will be assigned to implement and perform oversight. The risk manager shall abide state regulation while recognizing and

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addressing factors constituting an adverse incident. The applicant indicates that the risk manager and administration will address corrective action, and establish an educational program to inform staff in order to prevent a recurrence of an adverse incident. The reviewer notes that a summary of the policies for the QAPI process is included in Exhibit 4-1 of CON application #10614.

The applicant states that a Residents' Rights brochure is given to each patient, family member or responsible party upon admission; staff are also given Residents' Rights and receive mandatory education on its contents upon hire, and then annually thereafter.

The applicant asserts that the proposed SNF will develop a Comprehensive Emergency Management Plan. The plan(s) shall cover preparation protocols, monitoring, reports and evacuation protocols. These protocols include procurement and storage of sufficient supplies, including food, water, pharmaceuticals and nursing supplies. The reviewer notes that a sample safety policy and plan is included in Exhibit 4-2 of CON application #10614.

Citrus CON LLC's responses demonstrate the capability to implement a program of quality assurance with elements that lead to continuous improvement, and a commitment to achieve exemplary ratings in both the Federal and State rating systems.

PruittHealth – Citrus (CON application #10615) is a development stage, for-profit Florida entity, and therefore does not have a history of care in Florida. While PHC is a new entity, it is an affiliate of PruittHealth, which currently operates PruittHealth – Santa Rosa, LLC in Santa Rosa County (Subdistrict 1-1) and two newly licensed facilities (with no complaints). For the three-year period of November 20, 2016 – November 20, 2019, PruittHealth - Santa Rosa had 10 substantiated complaints that are summarized in the following table. A single complaint can encompass multiple complaint categories.

**PruittHealth – Santa Rosa
Three-Year Substantiated Complaint History**

Complaint Category	Number Substantiated
Quality of Care/Treatment	6
Resident/Patient/Client Rights	3
Admission, Transfer & Discharge Rights	2
Billing/Refunds	1
Total Number of Substantiated Complaints	12

Agency Complaint Records, November 20, 2016 – November 20, 2019

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PHC states that it will develop programs, services, protocols and exceed benchmarks in an effort to ultimately achieve AHCA Gold Seal eligibility and receipt in due time. The reviewer notes that there are no existing AHCA Gold Seal Award nursing facilities in the Subdistrict 3-5.

The applicant will strive to open its doors as a deficiency-free facility like its recent predecessors, PruittHealth - Panama City, LLC and PruittHealth - Fleming Island, LLC, in order to become a 5-Star rated facility and meet all AHCA Quality Award Requirements.

Annually, PruittHealth honors its outstanding employees in order to foster a sense of invested ownership in the success and continually improving quality care of their associated PruittHealth facilities. PruittHealth also sponsors annual retreats, workshops and continuing education programs where employees meet in structured forums to encourage open and honest communication that provides a foundation for conducting/improving daily operations of health-related, support and administrative tasks in an ethical and legal manner that will better anticipate and fulfill residents' evolving health and quality of life needs. One of these programs, the *Administrative Fellowship Program*, is designed to mold young professionals into health care industry leaders by sponsoring paid instruction and training for these employees to complete MBA and MHA graduate degrees, while still performing their daily duties within PruittHealth facilities. This fosters continual innovation and improvement of quality health care in a practical, facility-centered way with continued daily contact with residents that ensure current and practical connections between training and actual patient health needs and concerns.

PruittHealth has built an industry-leading holistic model of health care, known as the continuum of care, to meet a spectrum of long-term and ancillary care needs in the communities its affiliates serve. PruittHealth is known throughout the southeast for having affiliated providers that provide high quality care through proactive performance improvement programs, including on-site visits and in-service education. Its vision, *Committed to Caring*, defines not only what it does, but the culture in which it works. Each of the subdistricts where PruittHealth will operate is within reasonable proximity to its pharmacy services and medical/nutritional supply centers in Valdosta, Lowndes County, Georgia. Promoting accessibility in this manner provides a logistical advantage to PruittHealth facilities as its pharmaceuticals, medical supplies and other similar products are available 24/7 (including weekends) through either the operations centers or their back up facilities,

thus assuring timely availability and quality for residents/patients of these facilities. One of these providers, PH Therapy Services is focuses on the following causes and related factors associated with hospital recidivism:

- Pain Management
- Amputee Education and Training
- Edema Control
- Strengthening and Endurance
- Home Management
- Community Reintegration
- Swallowing Disorders
- Communication and Speech Disorders
- Splinting
- Muscle Re-education
- Caregiver Education
- Functional Range of Motion
- Ambulation Training
- Activities of Daily Living
- Functional Maintenance Programs

Furthermore, PruittHealth is now considering opening a new distribution center in Florida designed to improve the efficiency of service to its facilities' needs progressing into the future.

PruittHealth contents that it developed an innovative *Model of Care* to provide comprehensive, streamlined solutions for its patients and customers. PruittHealth asserts that this continuum of services recognizes new challenges presented to all providers in health care services allow for a seamless transition across multiple care settings. The applicant also points out the PruittHealth *Model of Care* is designed to significantly reduce hospital recidivism rates and improve the overall outcomes for patients. The PruittHealth *Model of Care* addresses the following initiatives:

- Patients & Families
- Care Management
- Care Service Providers
- Care Pathways
- Professional services

PHC states that, as a part of *PruittHealth Therapy Services*, it offers the *PerfectPath Road to Recovery* (a PruittHealth developed and branded program) is composed of four steps that help lead patients from admission to re-integration into the community. These steps include the following:

- Acute Step
- Fundamental Step
- Transitional Step
- Progressive Step

The review notes that PHC maintains, and continually updates, a Comprehensive Plan of Action for Natural Disasters as to ensure a proactive approach to timely and uninterrupted maintenance of high quality patient health care in the advent of natural disaster that include the following policies/actions:

- Electronic medical records are accessible from all PruittHealth facilities so each patient's medical records, medication forms, and all clinical information easily follow the patient to an evacuation facility.
- Policies and procedures are uniform across facilities so the interactions, customer service and patient follow-up will be consistent.
- The complete rehabilitation therapy area, including Hydroworx therapy pool; therefore the patient will be able to continue with their therapy treatment in a complete gym that are designed and similarly equipped.
- Each facility has a generator sufficient to operate the entire facility, so that power outages will not negatively affect the patient.
- The physical plant, design and finishes are similar which will serve to minimize resident disorientation relative to the temporary relocation.

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.

The following applies to **both** applicants.

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

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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.

Citrus CON LLC (CON application #10614): The applicant provided a development stage audit with cash of \$234,000 and equity of \$217,584.

Capital Requirements and Funding:

The applicant indicates on Schedule 2 that CON application #10614 is the only capital project for this company, at a total cost of \$26,737,413. The applicant provided a development stage audit with cash of \$234,000 and equity of \$217,584. Funding for the project according to Schedule 3 will come from non-related company financing. A letter from Synovus, dated December 12, 2019, states an interest in financing the project up \$30 million. A letter of interest is not guaranteed funding. Funding for this project is solely dependent on obtaining sufficient financing.

Conclusion: Funding for this project is contingent upon an executed loan agreement from Synovus for up to \$30,000,000.

PruittHealth – Citrus County, LLC (CON application #10615) provided audited financial statements of its parent, where the short-term and long-term measures fall on the scale (highlighted in gray) for the most recent year.

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10615 United Health Services, Inc.		
	Jun-19	Jun-18
Current Assets	\$174,311,000	\$146,731,000
Total Assets	\$743,072,000	\$690,363,000
Current Liabilities	\$252,682,000	\$222,241,000
Total Liabilities	\$651,950,000	\$579,032,000
Net Assets	\$91,122,000	\$111,331,000
Total Revenues	\$1,053,680,000	\$1,008,461,000
Excess of Revenues Over Expenses	(\$18,066,000)	(\$21,038,000)
Cash Flow from Operations	\$13,232,000	\$20,233,000
Short-Term Analysis		
Current Ratio (CA/CL)	0.7	0.7
Cash Flow to Current Liabilities (CFO/CL)	5.24%	9.10%
Long-Term Analysis		
Long-Term Debt to Net Assets (TL-CL/NA)	438.2%	320.5%
Total Margin (ER/TR)	-1.71%	-2.09%
Measure of Available Funding		
Working Capital	(\$78,371,000)	(\$75,510,000)

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 \$23,612,491, which consists of this CON for a 93-bed nursing home. The applicant states on Schedule 3 that \$4,722,498 will come from operating cash flows and \$18,899,993 will come from non-related company financing.

The applicant attached the audited financial statements from United Health Services, Inc., which substantiates the ability for United Health Services to contribute the \$4,722,498. An attached letter from Randall Loggins, Chief Investment Officer for PruittHealth confirms the commitment by PruittHealth to contribute these funds. Additionally Mr. Loggins stated that United Health Services, Inc. has a \$36 million working capital line of credit, with \$21,500,000 available for draw-down as of November 27, 2019.

Although Synovus has not executed a signed agreement, a letter of commitment from Synovus to PruittHealth – Citrus County, LLC. was included with the CON application, with Synovus anticipating loaning PruittHealth up to \$19,200,000, which is 80 percent of the approximate \$24,000,000 cost for this project. A letter of interest from a bank is not a guarantee of funding.

Conclusion: Funding for this project is contingent on the execution of a loan agreement with Synovus.

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

The following applies to **both** applicants.

Analysis: The immediate and long-term financial feasibility of the project is tied to expected profitability. The purpose of our analysis for this section is to evaluate the reasonableness of the applicant's profitability projections and, ultimately, whether profitability is achievable for this project. Our analysis includes an evaluation of net revenue per patient day (NRPD), cost per patient day (CPD), nurse staffing ratios, and profitability.

We compared the NRPD, CPD, and profitability to actual operating results from skilled nursing facilities as reported on Medicaid cost reports (2016, 2017, and 2018 cost report years). For our comparison group, we selected skilled nursing facilities with similar Medicaid utilizations to the utilization projected by the applicant on a per patient day basis (PPD). Comparison group data was adjusted for inflation to match the second year projection (inflation factor was based on the New CMS Market Basket Price Index as published in the 2nd Quarter 2019, 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.

Citrus CON LLC (CON application #10614):

	Projections Per Applicant		Comparative Facilities		
	Total	PPD	Highest	Median	Lowest
Net Revenues	\$ 12,280,000.00	\$ 401.35	\$ 846.80	\$ 358.54	\$ 259.90
Total Expenses	\$ 11,946,800.00	\$ 390.46	\$ 790.92	\$ 359.93	\$ 280.55
Operating Income	\$ 333,200.00	\$ 10.89	\$ 84.48	\$ 0.10	\$ (65.53)
Margin	3%				
Occupancy	90%		97%	90%	43%
Medicaid	59%		69%	61%	49%
Medicare	35%		42%	18%	5%

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 the licensed nursing staffing 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.

PruittHealth – Citrus County, LLC (CON application #10615):

	Projections Per Applicant		Comparative Facilities		
	Total	PPD	Highest	Median	Lowest
Net Revenues	\$ 11,642,227	\$ 362.46	\$ 21.34	\$ 324.09	\$ 252.08
Total Expenses	\$ 11,349,599	\$ 353.35	\$ 767.14	\$ 332.17	\$ 263.45
Operating Income	\$ 292,628	\$ 9.11	\$ 81.94	\$ 2.18	\$ (63.56)
Margin	3%				
Occupancy	95%		100%	90%	60%
Medicaid	67%		77%	67%	57%
Medicare	30%		34%	16%	4%

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 the licensed nursing staffing 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.**

Analysis - applies to both applicants:

Strictly from a financial perspective, the type of competition that would result in increased efficiencies, service, and quality is limited in health care. Cost-effectiveness through competition is typically achieved via a combination of competitive pricing that forces more efficient cost to remain profitable and offering higher quality and additional services to attract patients from competitors. Since Medicare and Medicaid are the primary payers in the nursing

home industry, price-based competition is limited. With a large portion of the revenue stream essentially fixed on a per patient basis, the available margin to increase quality and offer additional services is limited. In addition, competitive forces truly do not begin to take shape until existing business' market share is threatened. The publication of need in this area suggests that there is an unmet and untapped customer base for a new entrant to absorb. Since nursing home services are limited to available beds and the need formula suggest excess capacity in the market to fill those beds, the impact on market share would be limited. The combination of the existing health care system's barrier to price based competition via fixed price payers and the existence of unmet need in the district limits any significant gains in cost effectiveness and quality that would be generated from competition.

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

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

Citrus CON LLC (CON application #10614) proposes an 88,845 GSF facility with 93 beds - FBC Construction Type III-A and NFPA Construction Type – not provided.

PruittHealth – Citrus County, LLC (CON application #10615) proposes a 90,419 GSF facility with 93 beds - FBC Construction Type V-A and NFPA Construction Type V (111).

The following applies to **both applicants**.

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 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

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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.**

The reviewer notes the five-year Medicaid occupancy for Subdistrict 3-5, District 3 and the State of Florida in the following table:

**Medicaid Patient Days and Occupancy in Citrus County, District 3 and State of Florida
12 Month Periods Ending June 30**

Medicaid Patient Days					
Region	2015	2016	2017	2018	2019
Citrus County	394,565	395,646	402,595	402,595	402,595
District 3	2,758,670	2,780,752	2,786,734	2,863,410	2,918,994
Florida	15,875,092	16,097,612	16,077,665	15,962,594	16,282,260
Medicaid Occupancy					
Region	2015	2016	2017	2018	2019
Citrus County	61.20%	61.58%	64.07%	63.41%	65.37%
District 3	61.58%	62.52%	64.24%	62.82%	64.38%
Florida	61.88%	62.73%	63.34%	63.23%	64.90%

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

Citrus CON LLC (CON application #10614) maintains that it has an extensive history of participation in Medicaid and providing skilled nursing services to the Medicaid population. The applicant will enhance programmatic accessibility for Medicaid LTC enrollees. CCL indicates a commitment to care and equal access to Medicaid for its vulnerable and indigent populations

CCL states having reviewed Florida’s Statewide Medicaid Managed Care (SMMC) long-term care program.

CON application #10614’s Schedule 7 indicates that applicant expects 17,976 patient/resident days in year-one (367 admits) and 30,597 patient/resident days in year-two (629 admits).

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**Forecast Utilization at Proposed Citrus CON LLC
93 Community Nursing Home Bed Project
First Two Years of Operation (FYE June 30 - 2023 & 2024)**

Payer	Year One Patient Days	Year Two Patient Days	Percent of Total Year One	Percent of Total Year Two
Medicare	3,998	7,574	34.4%	38.5
Medicare HMO	1,587	3,029	9.7%	10.9
Medicaid (SMMC)	9,283	18,176	40.3%	45.0
Self-Pay	3,108	1,818	15.6%	5.5
Total	17,976	30,597	100.0%	100.0% †
Payer	Year One Admissions	Year Two Admissions	† The reviewer notes that arithmetically this total is actually 99.9%	
Medicare	200	379		
Medicare HMO	89	169		
Medicaid (SMMC)	26	50		
Self-Pay	52	31		
Total	367	629		

Source: CON application #10614, Resources, Schedule 7, Tab 5, pages 17 to 20

The applicant asserts the need for skilled nursing services will increase as the population increases, in-line with the growth of the total population of those residents age 65+ in Subdistrict 3-5. CCL points out that access to skilled nursing services will be increased and heightened should this application be approved.

Based on the applicant’s total patient/resident day estimates in Schedule 7, Medicaid and self-pay represent 40.3 percent and 15.6 percent of year one respectively, and 45.0 percent and 5.5 percent respectively, of year two total annual patient days.

The applicant does not propose to condition to the provision of Medicaid or charity care, pursuant to this proposal.

PruittHealth – Citrus County, LLC (CON application #10615)

states that it has a long history of participation in Medicaid and providing skilled nursing services to the Medicaid population through its affiliates. The applicant will enhance programmatic accessibility for Medicaid LTC enrollees. PHC indicates a focus on access to Medicaid LTC for its vulnerable and indigent populations

PHC states having reviewed Florida’s Statewide Medicaid Managed Care (SMMC) long-term care program.

CON application #10615’s Schedule 7 shows the applicant expects 11,565 patient/resident days in year-one (179 admits) and 32,120 patient/resident days in year-two (497 admits).

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**Forecast Utilization at Proposed PruittHealth – Citrus County, LLC
93 Community Nursing Home Bed Project
First Two Years of Operation (Ending June 30, 2022 and 2023)**

Payer	Year One Patient Days	Year Two Patient Days	Percent of Total Year One	Percent of Total Year Two
Medicare	2,816	8,760	24.3%	27.3%
Medicare HMO	367	730	3.2%	2.3%
Medicaid	7,438	21,535	64.3%	67.0%
Self-Pay	699	730	6.0%	2.3%
Other Payers – VA	245	365	2.0%	1.0%
Total	11,565	32,120	100.0% †	100.0% ‡
Payer	Year One Admissions	Year Two Admissions	† The reviewer notes that arithmetically this total is actually 99.8% ‡ The reviewer notes that arithmetically this total is 99.9%	
Medicare	114	352		
Medicare HMO	18	36		
Medicaid	31	90		
Self-Pay	12	13		
Other Payers – VA	4	6		
Total	179	497		

Source: CON application #10615, Schedule 7, Vol. 1, Tab 3, pages 1 & 2

The applicant, as predicated in this application, asserts that the need for such skilled nursing services will increase as the population increases in-line with the growth of the total population of those residents age 65+ in Subdistrict 3-5. PruittHealth contends that access will be increased and enhanced should this application be approved.

Based on the applicant’s total patient/resident day estimates in Schedule 7, Medicaid and self-pay represent 64.3 percent and 6.0 percent of year-one respectively, and 67.0 percent and 2.3 percent respectively, of year two total annual patient days.

The applicant does not propose to condition to the provision of Medicaid or charity care pursuant to this proposal.

F. SUMMARY

Citrus CON LLC (CON application #10614), a development-stage, for-profit Florida entity, proposes to build a 93-bed all-private/single occupancy community SNF in Subdistrict 3-5. The applicant anticipates issuance of license in June 2022 and initiation of services on July 2022.

The proposed project includes 88,845 GSF of new construction with a total construction cost of \$20,961,250. The total project cost is \$26,737,413, which includes land, building, equipment, project development, financing and start-up costs.

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

- All 93 beds will be housed in private rooms
- Establish a 16-bed respiratory unit
- Establish a 20-bed cardiac rehabilitation unit
- Provide nine bariatric rooms

PruittHealth – Citrus County, LLC (CON application #10615), a development-stage, for-profit Florida entity, proposes to build a 93-bed all-private/single occupancy community SNF in Subdistrict 3-5. The applicant anticipates issuance of license on August 2022 and initiation of services on September 2022.

The proposed project includes 90,419 GSF of new construction with a total construction cost of \$14,467,040. The total project cost is \$23,612,491, which includes land, building, equipment, project development, financing and start-up costs.

PHC conditions approval to 17 Schedule C conditions that can be conditioned to under Florida Statutes.

Need

In Volume 45, Number 149 of the Florida Administrative Register dated October 4, 2019, need for 93 community nursing home beds was published for Subdistrict 3-5 for the July 2022 Planning Horizon.

During the 12-month period ending on June 30, 2019, Subdistrict 3-5 had nine SNF's with 1,103 licensed community nursing home beds and an occupancy rate of 87.67 percent. There are no new CON approved beds in Subdistrict 3-5.

As of November 20, 2019, the application submission deadline for the October 2019 Other Beds and Programs Batching Cycle, there were no exemptions or expedited CON applications submitted to add beds to Citrus County (Subdistrict 3-5).

Both applicants indicate their projects are in response to the projected bed need.

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Citrus CON LLC (CON application #10614) states the preferred location for a new Citrus County nursing home facility is in Inverness Zip Code 34452. The addition of 93 private rooms almost doubles the 101 private rooms currently available in Citrus County. The organization of beds with 16 for respiratory care, 20 for cardiac rehabilitation and nine for bariatric residents and the remaining 48 beds promote short and long-term stays.

Medicare and Medicare Managed Care combined is projected to be 289 of total 367 year one admits and 548 of year two's 629 total. Medicare and Medicare Managed Care combined is projected to be 31.1 percent of year one and 34.6 percent of year two patient days.

The applicant's Schedule 7 indicates that the average length of stay will be 49.9 days for year one and 49.6 days for year two of operation.

PruittHealth – Citrus County, LLC (CON application #10615) indicates its 93-bed project addresses issues relating to its private room initiative, lack of nursing home beds for Alzheimer's patients, lack of nursing home beds equipped to accommodate bariatric patients, access for Medicaid clients, PruittHealth's quality metrics related to long-term stay residents (the majority of nursing home Patients) and other programmatic features.

Medicare and Medicare Managed Care combined is projected to be 132 of total 179 year one admits and 388 of year two's 497 total. Medicare and Medicare Managed Care combined is projected to be 27.5 percent of year one and 29.5 percent of year two patient days.

The applicant's Schedule 7 indicates that the average length of stay will be 64.6 days during both years one and two of operation.

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, that PruittHealth – Citrus County, LLC CON application #10615 best satisfies the criteria. The award to CON application #10615 will increase accessibility for Alzheimer's patients, bariatric patients, and particularly financial accessibility to the Medicaid population, to skilled nursing beds.

Quality of Care

Both applicants demonstrated their ability to provide quality of care.

Citrus CON LLC (CON application #10614) is a newly-formed entity and therefore does not have a historical record available to document. The applicant states intent to utilize the Abaqis Prodigm, which it states promotes conformity with CMS quality of care guidelines. Mr. Michael Bleich, authorized representative is stated to present key leadership responsible for development of the project.

The authorized representative's affiliated facilities had 114 confirmed complaints during the three-year period ended November 20, 2019. We do not know the date(s) Mr. Bleich acquired these facilities.

PruittHealth – Citrus County, LLC (CON application #10615) is a newly-formed entity and therefore does not have a historical record available to document. PHC states the proposed project will utilize quality policies and procedures and a quality assurance program based on its other PruittHealth-affiliated facilities nationally. PruittHealth maintains that its organizational experience and expertise in providing quality skilled nursing services is evidenced by its number of successful programs and its quality assurance practices.

PruittHealth affiliates had 10 confirmed complaints citing 12 categories during the three-year period ended November 20, 2019.

Financial Feasibility/Availability of Funds

Citrus CON LLC (CON application #10614) provided a development stage audit with cash of \$234,000 and equity of \$217,584.

A letter from Synovus, dated December 12, 2019, states an interest in financing the project up \$30 million.

Funding for this project is contingent upon an executed loan agreement from Synovus for up to \$30,000,000.

PruittHealth – Citrus County, LLC (CON application #10615)

states that \$4,722,498 will come from United Health Services (the parent) operating cash flows and \$18,899,993 will come from non-related company financing.

A letter from Synovus dated December 13 2019, states Synovus anticipates loaning PruittHealth up to \$19,200,000, which is 80 percent of the approximate \$24,000,000 cost for this project.

Funding for this project is contingent on the execution of a loan agreement with Synovus.

Both applicants

These projects appear to be financially feasible based on the projections provided by the applicants.

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

Medicaid/Charity Care

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

Citrus CON LLC (CON application #10614) projects Medicaid and self-pay will represent 51.6 percent and 17.3 percent of year one's annual patient days respectively, and 59.4 percent and 5.9 percent respectively, of year two total annual patient days.

PruittHealth – Citrus County, LLC (CON application #10615)

projects Medicaid and self-pay is projected to represent 64.3 percent and 6.0 percent of year one total annual patient days, and 67.0 percent and 2.3 percent respectively, of year two total annual patient days.

Architectural

Both Applicants - The cost estimate for the proposed project provided in Architectural Criteria, Schedule 9, Tab 8 and the project completion forecast provided in Architectural Criteria, Schedule 10 Tab 8 appear to be reasonable.

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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.

Citrus CON LLC (CON application #10614) proposes an 88,845 GSF facility with 93 beds – with 50 percent of the rooms having handicapped accessible bathrooms. Total construction cost is \$26,737,413 or \$287,499 per bed.

PruittHealth – Citrus County, LLC (CON application #10615) proposes a 90,419 GSF facility with 93 beds – with 100 percent of the rooms having handicapped accessible bathrooms. Total construction cost is \$23,612,491 or \$253,898 per bed.

G. RECOMMENDATION

Approve CON application #10615 to PruittHealth – Citrus County, LLC to establish a new 93-bed community nursing home in District 3, Subdistrict 5, Citrus County. The total project cost is \$23,612,491. The project involves 90,419 GSF of construction and a construction cost of \$14,467,040.

CONDITIONS:

- All 93 patient beds will be in private patient rooms.
- All patient bathrooms will be handicap accessible.
- Facility will feature a 16-bed Alzheimer's disease secure unit.
- Incorporate six bariatric rooms/beds into the facility design.
- Implement a program designed to reduce hospital re-admissions; the current program utilized by PruittHealth affiliated facilities is INTERACT 3.0. The program to be implemented will be this program or other similarly designed program based on the most recent quality driven program PruittHealth determines to be available at the time of implementation.
- Participate in an organization-wide Quality Assurance / Performance Improvement initiative that entails quarterly visits in regard to clinical, operational, pharmaceutical and
- Provide the It's Never 2 Late ® (iN2L) computer system to residents of the Alzheimer's unit as a tool to empower and engage seniors, specifically those with dementia. Each resident can have his or her individual page on the system, which displays their favorite personal options: music, games, photos and videos, even websites, at their fingertips.
- Have at least one Certified Dementia Practitioner on staff on the Alzheimer's unit per shift.

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- Implement Electronic Medical Records (EMR) at the facility, and include Smart Charting or other similar bedside patient charting tool.
- Implement Resident Safety Technology including Call Guard and WanderGuard into the facility.
- Implement Clinical Kiosks in appropriate locations throughout the facility.
- Assure all staff maintains ongoing training and continuing education credits utilizing Pruitt University and at no cost to the employees.
- Participate in a company-wide Annual Quality Report to demonstrate transparency in operations and make this Quality Report available to the public.
- Adopt the PruittHealth patient model of care including the applicable PerfectPath Programs appropriate for this facility and described in the CON Application and Supporting Documents.
- Implement PointRight Technology (or a future similar technology) in the ongoing operations.
- In addition to complying with Florida Emergency Management Plans and Operations Center as required by the State of Florida, the applicant will adopt PruittHealth's policies related to natural disasters and hurricanes will implement the PruittHealth Hurricane Response Plan and be an active participant in PruittHealth's Central Command Center when severe weather events arise.

Deny CON #10614.

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: _____

James B. McLemore
Operations & Management Consultant Manager
Certificate of Need