

STATE AGENCY ACTION REPORT
ON APPLICATIONS FOR CERTIFICATE OF NEED

A. PROJECT IDENTIFICATION:

1. Applicant/CON Action No.

PruittHealth – St. Johns County, LLC/CON application #10616

1626 Jeurgens Court
Norcross, Georgia 30093

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

**Wesley Manor, Inc. d/b/a Westminster Woods on Julington
Creek/CON #10617**

80 West Lucerne Circle
Orlando, Florida 32801

Authorized Representative: Henry Keith, CFO
(407) 839-0707

**Westminster Pines, Inc. d/b/a Westminster St. Augustine/CON
#10618**

80 West Lucerne Circle
Orlando, Florida 32801

Authorized Representative: Henry Keith, CFO
(407) 839-0707

2. Service District/Subdistrict

District 4, Subdistrict 3 (St. Johns and Southeast Duval County
Counties)

B. PUBLIC HEARING:

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

Letters of Support

PruittHealth – St. Johns County, LLC (CON application #10616)

includes 22 complete letters of support from local health care-related individuals and providers in Volume 1, Tab 4 of CON application #10616. Excerpts of letters of support from local hospitals, other health care-related individuals/professionals and associated agencies are cited on pages 113 - 126, Volume 1, Tab 2 of CON application #10616.

Of particular note are the letters of support from three nearby hospitals:

- 1) *Carlton DeVooght, Senior Executive Vice President, Flagler Health,* (the only hospital in St. Johns County) states having an “active bariatric surgery program and the challenges in placing bariatric patients in existing nursing facilities...having bariatric suites is unusual for our local St. Johns County homes”. He supports PruittHealth’s private initiative to have private rooms at its facility citing “these are desirable features for incorporation in SNF design”. He notes the 16-bed secure Alzheimer’s unit and four additional bariatric beds are needed as “there is a definite lack of dedicated beds to treat these patients”.

- 2) *Mary Beth Peplow, RN, CCM, Director of Case Management, Kindred Hospital of North Florida,* states “we get referrals from St. Johns County health care providers and refer patients back out into that market. [PruittHealth] offers a multitude of services and programs not offered in other skilled nursing facilities, things like a Hydroworx Therapy Pool, a state of the art rehab area with cutting edge equipment. [PruittHealth’s] facility and these new beds will be located in the Nocatee area or just west of it, in northern St. Johns County, where no existing skilled nursing facilities are located. I can attest to the access issues in that area and the fact that it will only worsen dramatically as that area grows at an accelerated rate. PruittHealth – St. Johns County is proposing a 16-bed dedicated Alzheimer’s Unit for its new facility...there is a definite lack of dedicated beds to treat these patients...”

- 3) *James Machado, President, St. Vincent’s Medical Center Clay County and St. Vincent’s Medical Center Southside,* he states, “Both of these acute care hospitals are in close proximity to St. Johns County and provide the full continuum of hospital-level services. ...Alzheimer’s beds are of particular importance as we are continuing to see a great number of high acuity patients who cannot be treated with the level of care that they need unless they are placed in a dedicated unit within a skilled nursing facility. PruittHealth will also be committing to the inclusion of four

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bariatric beds as part of this project. As obesity rates rise in the state, now topping 28 percent, we have an urgent need for more beds and equipment that can treat these patients. Therefore, I feel that this objective is also a very worthwhile one... their track record of constructing new skilled nursing facilities across the state and actually meeting the expectations they set forth is a very welcomed quality.”

Wesley Manor, Inc. d/b/a Westminster Woods on Julington Creek (CON application#10617) and Westminster Pines, Inc. d/b/a Westminster St. Augustine (CON application #10618) do not include any letters of support and the Agency did receive independently for the proposals.

C. PROJECT SUMMARY

PruittHealth – St. Johns County, LLC (CON application #10616) is a developmental-stage, for profit entity that will also be referred to as PHJ or the applicant. PHJ proposes to add 43 community nursing home beds to its 77-bed facility approved via CON #10583P in the first 2019 “Other Beds and Programs” batching cycle. This would result in a new 120-bed facility in District 4, Subdistrict 3, St. Johns and southeast Duval County, Florida.

The ultimate parent company is United Health Services, Inc. (UHS) which is the parent to more than 100 SNFs, assisted living facilities, hospices, home health agencies, pharmacies and an independent living facility, as well as several other health care-related facilities and services. PruittHealth, Inc. (PruittHealth) will provide all administrative and related services to PHJ. PruittHealth was established in 1969 in the State of Georgia, and it 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, Santa Rosa County, (Subdistrict 1-1)
- PruittHealth – Panama City, LLC, Bay County (Subdistrict 2-2)
- PruittHealth – Fleming Island, LLC, Clay County (Subdistrict 4-2)¹

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

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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
- 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 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 applicant expects issuance of license in August 2022 and initiation of service in September 2022.

The proposed project includes 28,239 gross square feet (GSF) of new construction. The construction cost is \$4,235,850. The total project cost is \$6,931,145. Total project cost includes land, building, equipment, project development, financing and start-up costs.

Pursuant to project approval, PHJ offers the following Schedule C conditions (18 conditions):

Location:

- 1) The Nocatee area of St. Johns County, Subdistrict 4-3, Florida (Zip Code 32081 or eastern portion of Zip Code 32559)

Programming/Operational Conditions:

- 2) All patient beds will be in private patient rooms
- 3) All patient bathrooms will be handicap accessible
- 4) 16-bed Alzheimer's disease secure unit
- 5) Incorporate four bariatric rooms/beds into the facility design; two beds were previously condition in CON #10583P. These beds are incremental to those two beds
- 6) Seek Joint Commission accreditation or accreditation from some other similarly recognized accrediting body

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- 7) Implement a program designed to reduce hospital re-admissions; the current program utilized by PruittHealth-affiliated facilities is INTERACT 3.0. The program to be implemented will be this program or other similarly designed program based on the most recent quality driven program PruittHealth determines to be available at the time of implementation
- 8) Participate in an organization-wide Quality Assurance/ Performance Improvement initiative that entails quarterly visits in regard to clinical, operational, pharmaceutical and reimbursement areas by corporate consultants to ensure compliance with all local, state and federal laws
- 9) As part of the Alzheimer program, provide the It's Never 2 Late ® (iN2L) computer system to residents of the Alzheimer's unit as a tool to empower and engage seniors, specifically those with dementia. Each resident can have his or her individual page on the system, which displays their favorite personal options: music, games, photos and videos, even websites, at their fingertips
- 10) Have at least one Certified Dementia Practitioner on staff on the Alzheimer's unit per shift
- 11) Implement Electronic Medical Records (EMR) at the facility, and include Smart Charting or other similar bedside patient charting tool
- 12) Implement Resident Safety Technology including Call Guard and WanderGuard into the facility
- 13) Implement Clinical Kiosks in appropriate locations throughout the facility
- 14) Assure all staff maintains ongoing training and continuing education credits utilizing PruittHealth University and at no cost to the employees
- 15) Participate in a company-wide Annual Quality Report to demonstrate transparency in operations and make this Quality Report available to the public
- 16) Adopt the PruittHealth patient model of care including the applicable PerfectPath Programs appropriate for this facility and described in the CON Application and Supporting Documents.
- 17) Implement PointRight Technology (or a future similar technology) in the ongoing operations
- 18) In addition to complying with Florida Emergency Management Plans and Operations Center as required by the State of Florida, the Applicant will adopt PruittHealth's policies related to natural disasters and hurricanes will implement the PruittHealth Hurricane Response Plan and be an active participant in PruittHealth's Central Command Center when severe weather events arise

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The applicant indicates that all of these conditions will be measured by furnishing the Agency with certificates, declaratory statements and other information as needed on an ongoing basis.

Wesley Manor, Inc. d/b/a Westminster Woods on Julington Creek (CON application #10617) a Florida non-profit entity, also referenced as WJC or the applicant, proposes to add 10 community nursing home beds via conversion of 10 sheltered nursing home beds at its continuing care retirement community (CCRC) in Subdistrict 4-3 (Southeast Duval and St. Johns Counties County). WJC has a 60-bed facility with a current bed complement of 45 community beds and 15 sheltered nursing home beds. Approval of CON application #10617 would result in a 60-bed facility with 55 licensed community nursing home and five sheltered nursing home beds.

WJC is one of 10 continuing care retirement communities (CCRCs) operated by Westminster Retirement Communities, Inc. (Westminster). Westminster is an existing management company of 10 CCRC's providing a total of 791 beds in Florida; facilities include:

- Westminster Manor (Bradenton)
- Westminster Oaks (Tallahassee)
- Westminster Palms (St. Petersburg)
- Westminster Pines (St. Augustine)
- Westminster Point Pleasant (Bradenton)
- Westminster Shores (St. Petersburg)
- Westminster Suncoast (St. Petersburg)
- Westminster Towers (Orlando)
- Westminster Winter Park (Winter Park)
- Westminster Woods on Julington Creek (Jacksonville)

The applicant expects issuance of license on March 31, 2020 and initiation of service on April 1, 2020.

The total project cost is \$47,555. The project involves zero GSF of new construction or renovation. Total project cost includes project development costs.

Pursuant to project approval, WJC offers the following Schedule C Condition:

- Wesley Manor, Inc. d/b/a Westminster Woods on Julington Creek conditions the award of CON application #10617 on making a nursing home bed available at its nursing home facility to any Lifecare contract holder residing on the Westminster Woods on Julington Creek campus who requires nursing home care.

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Compliance – Monitoring of the condition for the Lifecare residents’ access to skilled nursing beds at Westminster Woods on Julington Creek includes annual written confirmation that a nursing home bed was held available for any life care resident that may require it. Documentation, submitted to the Agency for Health Care Administration, or its designee, will demonstrate the facility did not exceed 98.1 percent occupancy (the maximum occupancy level for having 54 community beds filled) in its 55 community beds for the prior calendar year.

Westminster Pines, Inc. d/b/a Westminster St. Augustine (CON application #10618) a Florida non-profit entity, also referenced as WSA or the applicant, proposes to add 12 community nursing home beds via conversion of 12 sheltered nursing home beds at its CCRC in Subdistrict 4-3 (Southeast Duval and St. Johns Counties County). WSA has a 30-bed facility with a current bed complement of 12 community beds and 18 sheltered nursing home beds. Approval of CON application #10618 would result in a 30-bed facility with 24 community nursing home and six sheltered nursing home beds.

WSA is one of 10 continuing care retirement communities (CCRCs) operated by Westminster Retirement Communities, Inc. (see CON application #10617 above for Westminster facilities).

The applicant expects issuance of license on March 31, 2020 and initiation of service on April 1, 2020.

The total project cost is \$47,555. The project involves zero GSF of new construction or renovation. Total project cost includes project development costs.

Pursuant to project approval, WSA offers the following Schedule C conditions:

- Making a nursing home bed available at its nursing home facility to any Lifecare contract holder residing on the Westminster St. Augustine campus who requires nursing home care.

Monitoring of the condition includes annual written confirmation that a nursing home bed was held available for any life care resident that may require it. Documentation, submitted to the Agency for Health Care Administration, or its designee, will demonstrate the facility did not exceed 95.8 percent occupancy (the maximum occupancy level for having 23 community beds filled) in its 24 community beds for the prior calendar year.

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- Submitting a Medicaid Provider Enrollment Application to certify the 12 community beds added through CON application #10618 as eligible for Medicaid admissions and patient days.

Monitoring of the condition includes written confirmation of submission of the Medicaid Provider Enrollment Application for Westminster Pines, Inc. d/b/a Westminster St. Augustine; written notification of the Medicaid provider number; and submission of Medicaid resident days to the local health council.

**Co-Batched Application #s 10616, 10617 and 10618
Subdistrict 4-3: Total GSF and Project Costs**

Applicant	CON #	Project	GSF	Total Cost	Cost Per Bed
PruittHealth – St Johns County	10616	43-bed addition	28,239	\$16,931,145	\$161,189.00
Wesley Manor, Inc. d/b/a Westminster Woods on Julington Creek	10617	10-bed conversion	N/A	\$47,555	\$4,755.50
Westminster Pines, Inc. d/b/a Westminster St. Augustine	10618	19-bed conversion	N/A	\$47,555	\$3,962.92

Source: Schedules 1 and 9, of CON application #s 10616, 10617 & 10618

Should the proposed project(s) be approved, the applicants’ conditions 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

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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 Eric West of the Bureau of Central Services, who evaluated the financial data, and Scott Waltz of the Office of Plans and Construction, who reviewed the application for conformance with the architectural criteria.

E. CONFORMITY OF PROJECT WITH REVIEW CRITERIA

The following indicate the level of conformity of the proposed project with the review criteria and application content requirements found in Sections 408.035 and 408.037, Florida Statutes 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.**

In Volume 45, Number 194, of the Florida Administrative Register dated October 4, 2019, need for 66 community nursing home beds was published in the fixed need pool for District 4, Subdistrict 3 (and 43 in Subdistrict 4-3 since the applicants/PruittHealth proposes to aggregate) for the July 2022 Planning Horizon.

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As of December 26, 2019, the application submission deadlines 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 4-3 had a total of 23 community nursing homes with 2,770 licensed community beds and 223 CON approved beds. Of the 223 CON approved beds, 120 beds of which are for Dolphin Pointe HC (CON #10275) are presently under construction and Dolphin Pointe HC also has a 26-bed addition approved via CON #10581. PruittHealth has the 77-bed project approved in St. Johns County via CON #10583.

During the 12-month period ending on June 30, 2019 Subdistrict 4-3 the reviewer notes that total and Medicaid utilization/occupancy rates are 89.36 percent and 58.53 percent, respectively. The reviewer notes the disaggregated Subdistrict 4-3 community licensed bed, bed days, patient days, total and Medicaid occupation/utilization by county and facility for the 12 months ending June 2019 in the table below.

Southeast Duval and St. Johns Counties (Subdistrict 4-3) Community Nursing Home Utilization Summary, July 2018 – July 2019

Facility – Subdivided by County	Comm. Beds	Bed Days	Patient Days	Total Occupancy	Medicaid Occupancy
Southeast Duval County					
Avante Villa at Jacksonville Beach Inc.	165	60,225	41,483	68.88%	76.38%
Bartram Crossing	100	36,500	34,989	95.86%	21.65%
Brookdale Atrium Way 2	84	30,660	28,956	94.44%	34.50%
Consulate Health Care of Jacksonville	116	42,340	38,016	89.79%	70.74%
Cypress Village	120	43,800	39,153	89.39%	23.36%
First Coast Health and Rehabilitation Center	100	36,500	34,756	95.22%	81.68%
Heartland Health Care Center of South Jacksonville	117	42,705	36,309	85.02%	55.79%
Life Care Center of Jacksonville	120	43,800	38,624	88.18%	47.64%
Palm Garden of Jacksonville	120	43,800	40,015	91.36%	66.09%
Regents Park of Jacksonville	120	43,800	42,481	96.99%	69.68%
River Garden Hebrew Home for the Aged	180	65,700	61,596	93.75%	49.27%
Riverwood Center	240	87,600	79,920	91.23%	81.28%
San Jose Health and Rehabilitation Center	120	43,800	37,341	85.25%	73.60%
Taylor Care Center	120	43,800	38,431	87.74%	65.63%
Terrace of Jacksonville, The	180	65,700	64,854	98.71%	64.52%
University Crossing	111	40,515	36,392	89.82%	14.98%
Woodland Grove Health & Rehabilitation Center	120	43,800	41,970	95.82%	76.95%
St. Johns County					
Moultrie Creek Nursing and Rehab Center	120	43,800	38,447	87.78%	57.28%
Ponce Therapy Care Center, The	120	43,800	33,140	75.66%	53.15%
Samantha Wilson Care Center	120	43,800	39,581	90.37%	53.68%
St. Augustine Health & Rehabilitation Center	120	43,800	38,841	88.68%	71.62%
Westminster St. Augustine	5	1,825	994	54.47%	0.00%
Westminster Woods on Julington Creek	52	18,980	17,149	90.35%	23.81%
Total – Subdistrict 4-3	2,770	1,011,050	903,438	89.36%	58.53%

Source: Florida Population Estimates and Projections by AHCA District, published February 2015, and Florida Nursing Home Bed Need Projections by District and Subdistrict, October 2019 Batching Cycle

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The reviewer notes the current and projected population of the individual counties in Subdistrict 4-3, District 4 and the State for the current planning horizon. The reviewer notes that only a portion of Duval County is included in Subdistrict 4-3, however the population estimates found here include the entirety of Duval County, due to the Agency's source for population estimates. Please see the table below; separate tables are generated for southeast Duval and St. Johns Counties, respectively.

**Southeast Duval County, Florida, District 4, Subdistrict 4-3
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
Southeast Duval/4-3	83,280	52,887	136,167	90,916	60,224	151,140
District 4	239,944	161,598	401,542	259,872	183,276	443,148
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
Southeast Duval/4-3	+7,636	+7,337	+14,973	+9.17%	+13.87	+11.00
District 4	+19,928	+21,678	+41,606	+8.31	+13.41	+10.36
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

**St. Johns County, Florida, District 4, Subdistrict 4-3
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
St. Johns/4-3	29,026	18,646	47,672	32,225	22,192	54,417
District 4	239,944	161,598	401,542	259,872	183,276	443,148
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
St. Johns/4-3	+3,199	+3,546	+6,745	+11.02	+19.02	+14.15
District 4	+19,928	+21,678	+41,606	+8.31	+13.41	+10.36
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 reviewer notes that the projected population growth, from July 1, 2019 to July 1, 2022, in Subdistrict 4-3 by the 65+ to 74 cohorts are +9.17 and +11.02 percent for southeast Duval and St. Johns, respectively; for the district the 65+ to 74 cohort it is +8.31 percent and for the State of Florida the 65+ to 74 cohort is +7.06 percent.

The reviewer notes that the projected population growth, from July 1, 2019 to July 1, 2022, in Subdistrict 4-3 by the 75+ cohorts are +13.87 and +19.07 percent for Southeast Duval and St. Johns, respectively; for the district the 75+ cohort it is +13.41 percent and for the State of Florida the 75+ cohort is +10.52 percent.

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The community nursing home beds per 1,000 residents, for the period from July 1, 2019 and July 1, 2029, for the 65+ to 74 cohort and the 75+ cohort, in Subdistrict 4-3 (Southeast Duval and St. Johns Counties), District 4 and the state are shown below. The reviewer notes that the Southeast Duval and St. Johns populations from the previous tables in this report are aggregated for a Subdistrict 4-3 total population figure for this table.

**Subdistrict 4-3 (Southeast Duval and St. Johns Counties) District 4 & 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
Subdistrict 4-3	2,770	112,306	24.66	2,993	123,141	24.31
District 4	9,539	239,944	39.76	9,998	285,785	38.47
State of Florida	81,363	2,379,631	34.19	84,530	2,547,685	33.18

Source: Florida Population Estimates and Projections by AHCA District, published February 2015, and Florida Nursing Home Bed Need Projections by District and Subdistrict, October 2019 Batching Cycle

As of July 1, 2019, Subdistrict 4-3's age 65 to 74 cohort has 24.66 licensed beds per 1,000 compared to the District amount of 39.76 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 24.31 for Subdistrict 4-3, 38.47 for District 4 and 33.18 per 1,000 for the State of Florida.

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+. The reviewer notes that the Southeast Duval and St. Johns populations from the previous tables in this report are aggregated for a Subdistrict 4-3 total population figure for this table.

**Subdistrict 4-3 (Southeast Duval and St. Johns County) District 4 & 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
Subdistrict 4-3	2,770	71,533	38.72	2,993	82,416	36.32
District 4	9,539	161,598	59.03	9,998	183,276	54.55
State of Florida	81,363	1,833,175	44.38	84,530	2,026,052	41.72

Source: Florida Population Estimates and Projections by AHCA District, published February 2015, and Florida Nursing Home Bed Need Projections by District and Subdistrict, October 2019 Batching Cycle

As of July 1, 2019, Subdistrict 4-3's age 75+ cohort has 38.72 licensed beds per 1,000 compared to the district amount of 59.03 and the state's 44.38 beds per 1,000. With the licensed and approved beds and the

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projected population growth for July 1, 2022, these ratios decline to 36.32 for Subdistrict 4-3, 54.55 for District 4 and 41.72 per 1,000 for the State of Florida.

The co-batched applicants proposed projects were submitted in response to the Agency's fixed need pool publication of 66 SNF beds dated October 4, 2019.

PruittHealth – St. Johns County, LLC (CON application #10616) proposes to add 43 SNF beds to its 77-bed facility approved by CON #10583P. The addition of this project (CON application #10616) would create a 120-bed facility in Subdistrict 4-3, St. Johns County, Florida. The proposal is for 43 additional private rooms—100 percent of the rooms having handicapped accessible bathrooms.

As conditioned in CON #10583P, the applicant will locate the facility within the Nocatee, Florida area of St. Johns County, proximate to the Duval County line. Nocatee is an unincorporated, planned community located in northern St. Johns County, Florida that touches on portions of Zip Code areas 32081, 32082, 32095 & 32259; Nocatee is north of St. Augustine and southwest of Ponte Vedra Beach, Florida. PHJ indicates that the population in this area increased from 4,524 residents in 2010 to 17,060 residents in 2019 or a growth of 277.1² percent. Further, Nocatee and the surrounding areas have experienced significant growth in the past several years and more growth is projected into the planning horizon. The applicant indicates that despite this historical and planned growth, there are no existing SNFs in this vicinity; PruittHealth – St. Johns, LLC would be the first of its kind in this area of St. Johns County. The reviewer notes the map on page 5 of Volume 1, Tab 2 of CON application #10616 illustrates where existing SNFs are located—none in this region of St. Johns County.

PHJ expects approximately 36.0 percent Medicare, 61.4 percent Medicaid and 1.8 percent private or self-pay by the second full year of operation. PHJ indicates that 25,620 Medicaid patient days will be provided in the second-year.

PHJ produced a large number of tables, maps and graphs (Volume 1, Tab 2) analyzing the population of Subdistrict 4-3, specific Zip Codes, the current availability of specific types of community SNF beds, hospital proximity and private vs. dual (or higher occupancy) patient rooms. The applicant points out that the projected growth in the elderly cohorts for residents of Subdistrict 4-3, in relation to District 4 as a whole, are higher than that of other subdistricts.

² CON application #10616, Volume 2, Tab 2, page 4.

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PHJ asserts that many dual or higher occupancy rooms existing in Subdistrict 4-3 cannot be fully utilized due to the limits of not mixing genders and exposure to potentially highly infectious and resistant diseases that may require isolation; all-private/single occupancy rooms will address and remedy this constraint. The applicant contends that the proposed project is best suited to meet the predicted growing demand for SNFs. PHJ indicates that due to the design of the proposed project, particularly the all-private/single occupancy rooms, the new 120-bed SNF will most efficiently meet the SNF needs of the residents of Subdistrict 4-3, and will also result in higher quality health care outcomes.

PHJ will enhance programmatic accessibility for Medicaid long-term care enrollees, individuals are not typically enrolled in Medicaid long-term care plans until they are in need of such care. The applicant points out that Medicare, on the other hand, covers short-term care 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 long-term care enrollment provided they financially qualify. Additionally, PHJ comments that those who are disabled, low-income, under Medicare ages, who are enrolled in Medicaid managed care plans and FFS, will immediately meet the income qualifiers to be enrolled in Medicaid long-term care; all of these patients will be housed in private rooms.

The applicant included information concerning Alzheimer's disease, *2019 Alzheimer's Disease Facts and Figures* in Volume 2, Tab 3 of CON application #10616.

PHJ comments that Alzheimer's disease is a degenerative brain disease that can begin 20 years, or more before symptoms are visible in the patient. The applicant indicates that Alzheimer's disease begins with small changes in the brain that are often unnoticeable to the affected patient or loved ones. After years of brain changes, the applicant comments that individuals experience noticeable symptoms, such as memory loss and language problems, individuals typically live with Alzheimer's symptoms for years. PHJ maintains that over time, symptoms increase and start interfering with the person's ability to perform everyday activities. At this point in the disease, the applicant contends that 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 constant care.

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The applicant cites a study that estimated 5.8 million Americans of all ages are living with Alzheimer's dementia in 2019. The study continues by saying that, of those, 5.6 million are 65+ years, and of the 5.8 million people with Alzheimer's dementia, 81 percent are 75+ years.

PHJ cites another study using data from the Established Populations for Epidemiologic Study of the Elderly (EPESE), which claims that approximately 487,000 people aged 65+, will develop Alzheimer's dementia in the United States in 2019.

The applicant also further cites studies that have much higher incidences of Alzheimer's disease. PHJ states that, according to the Chicago Health and Aging Project (CHAP), a population-based study of chronic health conditions of older people, approximately 910,000 of all persons 65+ developed Alzheimer's dementia in 2011; for those ages 65+ to 74, 0.4 percent of people will develop Alzheimer's dementia within a year. The applicant maintains that for those aged 75+ to 84, 3.2 percent of people will develop Alzheimer's dementia within a year; for those 85+, 7.6 percent will develop the disease. PHJ asserts that because of the increasing number of people in the 65+ cohort 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.

PHJ contends that of the total population in the United States:

- 10 percent of people aged 65+ have Alzheimer's dementia
- The occurrence of 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+

PHJ notes that, according to the Alzheimer's Association, it is estimated that there are 560,000 residents aged 65+ in Florida in 2019 who have Alzheimer's disease or some other form of dementia, by 2025, which will increase by 28.6 percent to 720,000 seniors. The applicant indicates that Alzheimer's disease is now the sixth leading cause of death in Florida, and it is estimated that 33.33 percent of seniors die from Alzheimer's disease or some other form of dementia.

PHJ is responding to a growing demand for Alzheimer's-specific services to their patients affected by Alzheimer's disease. The reviewer notes PHJ's conditions #4, #9, #10 and #12 address the 16-bed Alzheimer's disease secure unit and Alzheimer's related services to be provided. PHJ maintains that the quality of care for Alzheimer's disease will be high quality.

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PruittHealth St. Johns also included the primary research article, *2019 Obesity: Characterization of Adult Obesity in Florida* concerning obesity found in Volume 3, Tab 19 of CON application #10616. The applicant indicates an October 2017 study published by the Centers for Disease Control and Prevention that found the prevalence of obesity among adults in the United States increased rapidly between the years 1980 and 2000. PHJ 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+, 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. PHJ maintains that researchers have projected 65 million more adults with obesity in the United States in 2030 than in 2010. PHJ states that despite the recent trends reflecting a reduction in the rate of increase of obesity, six million additional cases of Type 2 diabetes, five million cases of cardiovascular disease and 400,000 cases of cancer are projected by 2030, all of which can be attributed to obesity rates.

PruittHealth states that according to the CDC, the prevalence of obesity varies from state to state. PHJ 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 9 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.

PHJ is responding to the demand to offer bariatric services within an SNF. The reviewer notes Condition #5 – Incorporate four bariatric rooms/beds into the facility design; two beds were previously condition in CON #10583P. These beds are incremental to those two beds.

**Estimates of Residents with Obesity (CON #10616)
Ages 65+, Subdistrict 4-3, 2019 & 2024**

	2019			2024		
	Population	Incidence	Obesity Estimate	Population	Incidence	Obesity Estimate
St. Johns	47,672	27.5%	13,110	57,701	27.5%	15,868
Southeast Duval	78,280	37.5%	29,355	96,308	37.5%	36,116
Subdistrict 4-3 Total	125,952		42,465	154,009		51,983

Source: CON application #10616, Volume 1, Tab 2, page 88 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

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The reviewer notes that while incidence (percentage rate) remains constant, obesity estimates continue to escalate in Subdistrict 4-3 as a corollary of the population increase in all age cohorts.

PHJ maintains that it will address the historically high occupancy rates and reduced offering of services by existing providers by offering/addressing the following:

- Greater access to disease-specific programming
- Greater accommodations for patients with obesity
- Implementation of accommodations for residents experiencing Alzheimer’s-specific needs
- Increased access to nursing home beds for Medicaid LTC population (particularly in private rooms)
- Historical hospital discharges to SNFs by service line
- Growing elderly population who are the most frequent users of SNF services
- The changing dynamics within payees and the payor system

PHJ indicates that it will apply its knowledge of this market, and expand upon existing PruittHealth-affiliated relationships throughout the State of Florida, and the southeastern US, to respond effectively to the unique needs of Subdistrict 4-3. PruittHealth affiliated health care suppliers are listed on Chart 1, CON application #10616, Volume 1, Tab 2, page 38.

PHJ forecasts the following utilization for the 43-bed addition on page 129 of Volume 1, Tab 2 of CON application #10616:

**PruittHealth - St. Johns Forecasted Patient Days
(CON application #10616)
43-Bed Addition - Years One and Two**

Source	Year One: Ending 3/31/2023	Year Two: Ending 3/31/2024
Medicare	1,873	5,208
Medicaid	3,478	10,248
Total	5,351	15,456

Source: CON application #10616, Volume 1, Tab 2, page 129

Wesley Manor, Inc. d/b/a Westminster Woods on Julington Creek (CON application #10617) proposes to add 10 community nursing home beds via conversion of 10 existing sheltered beds, resulting in a 60-bed facility with 55 licensed community beds and five sheltered beds.

The applicant’s proposal addresses the expansion of community beds to provide additional access to members of the general public. WJC comments this project has minimal costs to add the 10 beds; fees are primarily associated with obtaining the CON. The CCRC is located in Jacksonville, Florida, Zip Code 32259, a 20-minute drive to Baptist

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Medical Center South and St. Vincent’s Medical Center Southside. The applicant examined the number of hospital discharges of Duval’s age 65+ cohort who were discharged to a SNF in 2018; 1,815 or 25 percent came from Baptist Medical Center South and St. Vincent’s Medical Center Southside. The applicant contends that the facility’s location is ideal for receiving hospital discharges to its SNF. The applicant states that the Zip Code where the facility exists (32259) has a 65+ cohort of 7,307 presently, and the 65+ cohort is projected to grow to 9,522 by 2024.

WJC states that the compound annual growth rate (CAGR) of 65+ cohort for Zip Code 32259 is projected at 6.2 percent between 2019 and 2024, resulting in the highest Zip Code CAGR within Subdistrict 4-3.

The applicant applied the use rate to the projected population for Fiscal Year 2019 to forecast the resident days for the 10 beds and if this will have a negative impact on existing facilities; these calculations in Table 1-3 are reproduced by the Agency below.

Resident Days July 1, 2018 to June 30, 2019	903,438
Average Daily Census, FY 2019	2,475
Subdistrict 4-3 Population 65+, 2019	130,227
Days Per 1,000 Persons, 65+, FY 2019	6.937
Subdistrict 4-3 Population 65+, 2021	137,355
Resident Days Forecasted for FY 2021	952,888
Average Daily Census, FY 2021	2,611
Proposed Westminster Woods Days	3,650
Deduct Westminster Woods Days	949,238
Average Daily Census, FY 2021, Remaining Days	2,601

Source: CON application #10617, Tab 1, Table 1-3, page 1-11

Westminster Pines, Inc. d/b/a Westminster St. Augustine (CON application #10618) proposes to add 12 community nursing home beds via conversion of 12 existing sheltered beds, resulting in the 30-bed facility having 24 community beds and six sheltered beds.

WSA comments this project has minimal costs to add the 12 beds; fees are primarily associated with obtaining the CON. The CCRC is located in St. Augustine, Florida, Zip Code 32092, a 20-minute drive to Baptist Medical Center South and Flagler Hospital. The applicant examined the number of hospital discharges to SNFs for the age 65+ cohort in CY 2018—2,224 or 30.0 percent came from Baptist Medical Center South

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and Flagler Hospital. The applicant contends that the facility’s location is ideal for receiving hospital discharges to its SNF. WSA states that the Zip Code where the facility is located (32092) has an age 65+ cohort of 5,024 presently—projected to grow to 6,377 by 2024.

WSA states that the Compound Annual Growth Rate for the age 65+ cohort in Zip Code 32092 is projected at 3.7 percent from 2019 to 2024.

The applicant applied the use rate to the projected population for FY 2019 to forecast the resident days—these calculations in Table 1-3 are reproduced by the Agency below.

Table 1-3 (CON application #10618) Forecasted Nursing Home Resident Days for the Subdistrict and 12 New Community Beds FY 2021	
Resident Days July 1, 2018 to June 30, 2019	903,438
Average Daily Census, FY 2019	2,475
Subdistrict 4-3 Population 65+, 2019	130,227
Days Per 1,000 Persons, 65+, FY 2019	6.937
Subdistrict 4-3 Population 65+, 2021	137,355
Resident Days Forecasted for FY 2021	952,888
Average Daily Census, FY 2021	2,611
Proposed Westminster St. Augustine Days	1,458
Deduct Westminster St. Augustine Days	951,430
Average Daily Census, FY 2021, Remaining Days	2,601

Source: CON application #10618, Tab 1, Table 1-3, page 1-12

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, 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 Chapter 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.

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

PruittHealth – St. Johns County, LLC (CON application #10616) indicates that the proposed 43-bed SNF addition will be utilized for Medicaid short-term care and long-term care patients. PHJ will enhance programmatic accessibility for Medicaid long-term care enrollees. The applicant notes that individuals are not typically enrolled in Medicaid long-term care plans until they are in need of such care. PHJ notes that Medicare does cover short-term care stays in SNFs, focused on rehabilitation and skilled care. The applicant contends that when a patient exhausts their Medicare short-term care days in a community SNF, they are converted to Medicaid long-term care enrollment provided they financially qualify. The applicant states that 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. PHJ points out that all of these patients would be housed in private rooms.

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

- \$0 copay for access to a primary care physician 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 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 implementation of technology such as PointRight, Smart Charting, Wanderguard, Careguard, medical kiosks, *INTERACT 3.0* and electronic medical records as evidence. The reviewer notes Condition #s 7, 8, 11 and 13 - 17.

PHJ indicates its ability to offer and maintain to returning admissions the following basic and essential High Quality Services:

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

Additional and Ancillary HQS also readily available:

- Dietetic programming and nourishment care
- Recreational activities programming
- Counseling services

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- Religious services
- Laundry services
- Beauty/barber services
- Pharmacy services
- Volunteer services
- Medication management
- Chronic disease management
- Alzheimer's/dementia programming, including a commitment to have a 16-bed secure Alzheimer's unit
- Bariatric programming, including a commitment to have a four bed secure Alzheimer's unit

PHJ lists services and characteristics that are essential at each PruittHealth skilled nursing and rehabilitation facility that 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

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. PHJ 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

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PHJ notes that PerfectPath is a series of clinical pathways designed for caretakers to help patients navigate their complex journey back to health. The applicant points out that PerfectPath is a communication tool to help physicians, patients, hospitals and families work together more effectively. PHJ contends that 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
- 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

PHJ asserts that it develops a PerfectPath specialty Care program with each of its residents. The applicant states that each of the PerfectPath Specialty Care programs will be implemented at PHJ; 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 and focuses on strength, balance, gait and cardiovascular training via the use of Nautilus and Biodex equipment.

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- UniPulse (Heart Failure Program) – This program is targeted for patients who have chronic cardiac conditions that influence 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 co-morbid cardiac condition while they recover from an acute episode, such as a total knee replacement or hip fractures.
- 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 re-teaches 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 and rehabilitation facilities with indoor therapeutic pools. This aquatics therapy program focuses on restoring strength while reducing pain, ultimately improving the patient’s overall function.

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- 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.
- 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.

The reviewer notes the table entitles, *Subdistrict 4-3 St. Johns and Duval Counties’ Hospitals all ages Discharges to Skilled Nursing by Hospital 12 Months Ending March 32, 3017 through 2019* on page 102, Volume 1, Tab 2 of CON application #10616. The reviewer notes this table lists MS-DRGs by number and percentage of cases, with emphasis on the 65+ cohort.

PHJ states that 12,691 seniors were discharged to SNFs during the 12 months ending March 31, 2019. Hospital discharges to SNFs represent 15.5 percent of total hospital discharges across all ages, and 26 percent of discharges amongst those ages 65+.

The reviewer notes the letters of support from Flagler Health, the only hospital serving St. Johns County, Kindred Hospital of North Florida, located in Green Cove Springs, Clay County and St. Vincent’s Medical

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Center Clay County and St. Vincent's Medical Center Southside, located in Middleburg and Jacksonville. These letters are included on pages on pages 113 -116, Volume 1, Tab 2 of CON application #10616. Excerpts from these letters are included in Section 2. B. Letters of Support.

PHJ asserts that reducing hospital recidivism is a top priority. Therefore, a major emphasis will be placed on safely reducing hospital readmissions at PHJ. To address the industry-wide issue of hospital readmissions, PHJ has adopted *INTERACT 3.0*, (Condition #7) a comprehensive program with tools specifically designed to decrease patient re-hospitalizations.

PHJ asserts that *INTERACT* supports the goals of reducing overall health care costs and improving quality through measures taken to decrease patient re-hospitalizations. The applicant recognizes that the re-hospitalization risk for all patients is high. PHJ understands that those who have had a hospitalization, within the previous 30 days of admission, are at an even higher risk of re-hospitalization. Because of the success that has been achieved by PruittHealth in reducing hospital readmissions by using the *INTERACT* software at some of its affiliated 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. The applicant notes that, 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. PHJ asserts that this condition will be measured by an annual signed declaratory statement confirming its program and activities.

The applicant states that the CallGuard system (Condition #12) will be integrated with a technologically advanced Bed Occupancy Sensor System. PHJ comments that the system connects to the nurse call system for visual status at a glance and incorporates selectable alarm delay times tailored to resident needs. The applicant indicates that CallGuard will notify the staff of the restless sleep of a resident; it will also notify staff when the resident is out of bed. PHJ maintains that this system offers the following advantages compared to other bed sensors:

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

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PHJ indicates that it utilizes WanderGuard (Condition #12) for elopement protection. The applicant notes that residents at risk for elopement will wear a WanderGuard bracelet as indicated by their care plan. The applicant explains that 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. The applicant asserts that this is particularly important for Alzheimer's dementia patient populations.

The reviewer notes that PHJ includes in Volume 1 Tab 2, 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, 25 percent of persons admitted to an SNF from a hospital are a result of recidivism to a hospital within 30-days of their release from a SNF. PHJ comments that this has detrimental effects on the patient that are potentially physically devastating, but can also have potential emotional and psychological individual affects. PHJ 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 - 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 - provide clinical pathways of primary diagnosis with high risk of re-hospitalization.
- SBAR Communication Tool – 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 – 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.

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- Acute Care Transfer Form – check-off sheet of items required in the resident folder for us by the hospital emergency department and hospital discharge planners.
- Quality Improvement Tool – a tool that determines, after re-hospitalization, why recidivism occurs and assists in determining opportunities for improvement.

The reviewer notes the following full-time employee (FTE) table as PHJ’s FTE staffing pattern based upon the applicant’s Schedule 6 data found in Volume 1, Tab 3 of CON application #10616.

**PruittHealth – St. Johns County, LLC
(CON application #10616)
Projected Year One and Year Two FTE Staffing Units**

	Total FTEs Year One ending 2022	Total FTEs Year Two ending 2023
Administration		
Administrator	1.00	1.00
Director of Nursing	1.00	1.00
Admissions Director	1.00	1.00
Secretary	1.40	1.40
Medical Records Clerk (CNA)	0.70	0.70
Other: Financial Counselor	1.00	1.00
Physician		
Medical Director (contracted)	0.20	0.20
Other: Physician Services (contracted)	0.02	0.02
Nursing		
RNs	8.20	16.20
LPNs	7.00	15.00
Nurses’ Aides	21.60	54.60
Other: RN MDS Nurse	0.70	1.00
Ancillary		
Physical Therapist (contracted)	0.90	2.13
Physical Therapy Assistant (contracted)	1.00	2.48
Speech Therapists (contracted)	0.50	1.31
Occupational Therapist (contracted)	1.00	2.42
Occupational Therapy Assistant (contracted)	0.40	0.88
Other: Rehab Aide	1.00	1.00
Dietary		
Dietary Supervisor	1.00	1.00
Cooks	2.70	5.10
Dietary Aides	2.70	5.10
Social Services		
Social Service Director	1.00	1.00
Activity Director	1.00	1.00
Housekeeping		
Housekeepers	5.80	9.80
Laundry		
Laundry Aides	1.40	2.80
Plant Maintenance		
Maintenance Supervisor	1.00	1.00
Total	65.20	130.10

Source: CON application #10616, Volume 1, Tab 3, Schedule 6

Wesley Manor, Inc. d/b/a Westminster Woods on Julington Creek (CON application #10617): The reviewer notes Table 2-1 *MDCs for Subdistrict 4-3 Residents Aged 65 and older*, page 2-3, Tab 2 of CON application #10617. The reviewer notes this table lists MDCs by number and percentage of cases.

The applicant states that Table 2-1 shows the most frequent MDCs for Subdistrict 4-3 residents discharged from a hospital to an SNF during CY 2018. WJC indicates the largest proportion (25.0 percent) of elderly Subdistrict 4-3 residents discharged from a hospital to an SNF were for a musculoskeletal and connective tissue diagnosis; this MDC includes the Diagnostic Related Groups (DRGs) of joint replacement, hip and femur procedures, back problems, fractures, spinal fusion and other related types of diagnoses. The applicant notes that with these types of diagnoses, residents require restorative and rehabilitation services, including physical and occupational therapies. WJC states it currently has these therapies in place. The applicant states that conditions associated with the MDC 5, Circulatory System, was the second most common type of hospital discharge to a nursing facility for Subdistrict 4-3 residents 65+ cohort during 2018; this MDC includes diagnoses and illnesses such as acute myocardial infarction, heart failure, cardiac arrhythmia and other related conditions. WJC indicates other MDCs representing a large number of discharges from hospitals to SNFs for 65+ cohort Subdistrict 4-3 residents included MDC 4 -Respiratory System, MDC 18 – Infectious and Parasitic Diseases, MDC 1 – Nervous System and MDC 11-Kidney and Urinary Tract.

The applicant's Table 2-2 *Most Frequent DRGs Associated with Subdistrict 4-3 Elders Discharged from a Hospital to a Nursing Home CY 2018*, lists DRGs by number and percentage of cases. Table 2-2 shows 320 Subdistrict 4-3 residents age 65+ experienced a major joint replacement, such as a hip or knee replacement. WJC states that its facility offers the rehabilitative services necessary for an elderly resident to regain function and return home.

WJC comments that although MDC 18 – Infectious and Parasitic Diseases does not fall within the most frequently occurring MDCs for hospital discharges of the age 65+ cohort to a SNF, the DRG for septicemia or severe sepsis is the second most frequently occurring DRG when discharges of Subdistrict 4-3 65+ cohort are viewed. The applicant states this diagnosis requires WJC to provide medical management of the condition, including IV care, as well as ensure a hygienic environment that minimizes risk of re-infection or the spread of infection throughout the facility.

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WJC indicates it is both Medicaid and Medicare-certified, offering semi-private rooms for long and short-term stays; the facility has nine private rooms with licensed nursing staff available 24 hours a day.

WJC provides the following services to SNF residents:

- 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
- Medical Management – Management of 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
- Hospice Care – For support of patients and families of patients who are terminally ill in the final stages of life
- Wound Care – Nursing staff that specializes in caring for complicated wounds to ensure the best treatment and healing

WJC's admissions policies and patient assessment tools are included on pages 2-7 and 2-8, Tab 2 of CON application #10617.

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WJC reviews the following in its admissions:

- Routines
- Cognitive patterns
- Communication
- Vision
- Mood and behavior patterns
- Psychological well-being
- Physical functioning
- Continence
- Disease diagnosis and health conditions
- Dental status
- Nutritional status
- Skin conditions
- Activity pursuit
- Medications
- Special treatments and procedures

WJC indicates the discharge plan contains a summary of prior treatment, diagnosis, medications and any indications or issues associated with the resident; WJC staff follows up with agencies to which a nursing home resident was referred to ensure the resident is receiving the necessary services.

The following table depicts WJC's years one and two FTE staffing pattern.

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**Westminster Woods on Julington Creek
(CON application#10617)
Projected Year One and Year Two FTE Staffing Units**

	Total FTEs Year One 03/31/2021	Total FTEs Year Two 03/31/2022
Administration		
Administrator	1.00	1.00
Director of Nursing	1.00	1.00
Admissions Director	1.00	1.50
Bookkeeper	1.00	1.00
Secretary	1.00	1.00
Medical Records Clerk	0.45	0.45
Other: Marketing	1.00	1.00
Other: Nursing Admin	8.17	8.17
Other: Administrative	2.29	2.29
Physician		
Medical Director (contracted)	1.00	1.00
Nursing		
RNs	7.83	7.83
LPNs	5.18	5.18
Nurses' Aides	28.85	28.85
Ancillary		
Physical Therapist	4.01	4.01
Speech Therapist	1.77	1.77
Occupational Therapist	3.81	3.81
Dietary		
Dietary Supervisor	2.00	2.00
Cooks	6.76	6.76
Dietary Aides (includes Servers)	6.76	6.76
Social Services		
Social Service Director & Assistant	1.40	1.40
Activity Director	1.00	1.00
Activities Assistant	2.28	2.28
Housekeeping		
Housekeeping Supervision	1.00	1.00
Housekeepers	5.32	5.32
Plant Maintenance		
Maintenance Supervisor	0.80	0.80
Maintenance Assistance	1.38	1.38
Total	98.05	98.05

Source: CON application #10617, Tab 5, Schedule 6A, pages 17 & 18

The applicant indicates 98.05 FTE's for years one and two. WJC's discharge policies are included on pages 2-9 and 2-10, Tab 2 of CON application #16017. The applicant's Schedule 7 indicates that the 10-bed SNF expansion is expected to have 3,650 total annual patient days in years one and two ending March 31, 2021 and 2022, respectively. The applicant's Schedule 10 indicates an expected issuance of license on March 2020 and an expected initiation of services in April 2020.

Westminster Pines, Inc. d/b/a Westminster St. Augustine (CON #10618): Table 2-1 *MDCs for Subdistrict 4-3 Residents Aged 65 and older*, page 2-3, Tab 2 of CON application #10618 lists MDCs by number

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and percentage of cases. This table shows the most frequent MDCs for Subdistrict 4-3 residents discharged from a hospital to an SNF during CY 2018. WJC indicates the largest proportion (20.4 percent) of elderly Subdistrict 4-3 residents discharged from a hospital to an SNF were for a musculoskeletal and connective tissue diagnosis; this MDC includes the Diagnostic Related Groups (DRGs) of joint replacement, hip and femur procedures, back problems, fractures, spinal fusion and other related types of diagnoses. The applicant notes that with these types of diagnoses, residents require restorative and rehabilitation services, including physical and occupational therapies. WJC states it currently has these therapies in place.

WJC states that conditions associated with the MDC 5, Circulatory System, are the second most common type of hospital discharge to a nursing facility for Subdistrict 4-3 residents age 65+ during 2018. This MDC includes diagnoses and illnesses such as acute myocardial infarction, heart failure, cardiac arrhythmia and other related conditions. WJC indicates other MDCs representing a large number of discharges from hospitals to SNFs for age 65+ Subdistrict 4-3 residents include MDC 4 -Respiratory System, MDC 18 – Infectious and Parasitic Diseases, MDC 1 – Nervous System and MDC 11-Kidney and Urinary Tract.

The reviewer notes Table 2-2 *Most Frequent DRGs Associated with Subdistrict 4-3 Elders Discharged from a Hospital to a Nursing Home CY 2018*, page 2-5, Tab 2, Table 2-2 of CON application #10618 lists DRGs by number and percentage of cases. This table shows 470 Subdistrict 4-3 age 65+ residents experienced a major joint replacement, such as a hip or knee replacement; the facility offers the rehabilitative services necessary for an elderly resident to regain function and return home. WJC comments that although MDC 18 – Infectious and Parasitic Diseases does not fall within the most frequently occurring MDCs for hospital discharges of the 65+ cohort to a SNF, the DRG for septicemia or severe sepsis is the second most frequently occurring DRG when discharges of Subdistrict 4-3 65+ cohort are viewed by DRG; this diagnosis requires WJC to provide medical management of the condition, including IV care, as well as ensure a hygienic environment that minimizes risk of re-infection or the spread of infection throughout the facility.

WJC indicates it is both Medicaid and Medicare-certified, offering semi-private rooms for long and short-term stays; the facility has nine private rooms with licensed nursing staff is available 24 hours a day.

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WJC provides the following services to SNF residents:

- 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
- Medical Management – Management of 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
- Hospice Care – For support of patients and families of patients who are terminally ill in the final stages of life
- Wound Care – Nursing staff that specializes in caring for complicated wounds to ensure the best treatment and healing

The reviewer notes WJC's admissions policies and patient assessment tools on pages 2-7 and 8, Tab 2 of CON application #10618.

WJC reviews the following in its admissions:

- Routines
- Cognitive patterns
- Communication
- Vision
- Mood and behavior patterns
- Psychological well-being
- Physical functioning
- Continence
- Disease diagnosis and health conditions
- Dental status
- Nutritional status
- Skin conditions

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- Activity pursuit
- Medications
- Special treatments and procedures

WJC indicates the discharge plan contains a summary of prior treatment, diagnosis, medications and any indications or issues associated with the resident; WJC staff follows up with agencies to which a nursing home resident was referred to ensure the resident is receiving the necessary services.

The following table depicts WJC’s years one and two FTE staffing pattern.

**Westminster St. Augustine
(CON application #10618)
Projected Year One and Year Two FTE Staffing Units**

	Total FTEs Year One 03/31/2021	Total FTEs Year Two 03/31/2022
Administration		
Administrator	1.00	1.00
Director of Nursing	1.00	1.00
Admissions Director	1.00	1.00
Bookkeeper	0.50	0.50
Secretary	0.50	0.50
Medical Records Clerk	1.00	1.00
Other: Marketing	1.00	1.00
Other: Nursing Admin	2.25	2.51
Physician		
Medical Director (contracted)	1.00	1.00
Nursing		
RNs	3.98	5.00
LPNs	1.29	1.62
Nurses’ Aides	10.66	13.39
Ancillary		
Physical Therapist	1.76	1.96
Speech Therapist	0.09	0.11
Occupational Therapist	0.88	1.11
Dietary		
Dietary Supervisor	1.00	1.00
Cooks	3.37	4.23
Dietary Aides (includes Servers)	3.37	4.23
Social Services		
Social Service Director & Assistant	1.48	1.61
Activity Director	1.00	1.00
Activities Assistant	0.59	0.74
Housekeeping		
Housekeeping Supervision	1.00	1.00
Housekeepers	3.64	4.58
Plant Maintenance		
Maintenance Supervisor	0.31	0.33
Maintenance Assistance	0.39	0.49
Total	44.06	51.89

Source: CON application #10618, Tab 5, Schedule 6A, pages 17 & 18

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The applicant indicates 44.06 FTE's for year one and 51.89 for year two. WJC's discharge policies are included on pages 2-9 and 2-10, Tab 2 of CON application #10618. The applicant's Schedule 7 indicates that the 12-bed SNF expansion is expected to have 1,458 total patient days in year one and 2,962 total patient days in year two ending March 31, 2021 and 2022, respectively. The applicant's Schedule 10 indicates an expected issuance of license on March 31, 2020 and an expected initiation of services in April 1, 2020.

c. Quality of Care. In assessing the applicant's ability to provide quality of care pursuant to Section 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.

PruittHealth – St. Johns County, LLC (CON application #10616) proposes to add 43 SNF beds to its facility under construction. This would combine CON #10583P with CON application #10618, creating a new 120-bed facility in District 4, Subdistrict 3, St. Johns and southeast Duval Counties, Florida, 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. PHJ comments that its ultimate parent corporation, UHS, also has not had a SNF license denied, revoked or suspended within the 36 months prior to the current application.

Wesley Manor, Inc. d/b/a Westminster Woods on Julington Creek (CON application #10617) is an existing CCRC and has not had a nursing facility license denied, revoked or suspended within the 36 months prior to the current application.

Westminster Pines, Inc. d/b/a Westminster St. Augustine (CON application #10618) is an existing CCRC and has not had a nursing facility license denied, revoked or suspended within the 36 months prior to the current application.

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

PruittHealth – St. Johns County, LLC (CON application #10616) is a developmental-stage, for-profit entity formed for the purpose of establishing a community SNF in Subdistrict 4-3, and therefore has not been placed into receivership at any time. PHJ comments that its ultimate parent corporation, UHS, also has not been placed into receivership within the past 36 months.

Wesley Manor, Inc. d/b/a Westminster Woods on Julington Creek (CON application #10617) is an existing CCRC and has not been placed into receivership within the 36 months prior to the current application.

Westminster Pines, Inc. d/b/a Westminster St. Augustine (CON application #10618) is an existing CCRC and has not been placed into receivership within the 36 months prior to the current application.

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

PruittHealth – St. Johns County, LLC (CON application #10616) indicates that this criterion is not applicable, as the applicant, nor their affiliated nursing facilities with UHS, have had a license denied, revoked, suspended or placed into receivership within the past 36 months.

Wesley Manor, Inc. d/b/a Westminster Woods on Julington Creek (CON application #10617) indicates that these criteria are not applicable, as the applicants, nor their affiliated CCRCs through their parent corporation, have had a license denied, revoked, suspended or placed into receivership within the past 36 months.

Westminster Pines, Inc. d/b/a Westminster St. Augustine (CON application #10618) indicates that these criteria are not applicable, as the applicants, nor their affiliated CCRCs through their parent corporation, have had a license denied, revoked, suspended or placed into receivership within the past 36 months.

4. The extent to which the conditions identified within subparagraph 3 were corrected within the time frames allowed by the appropriate state agency in each respective state and in a manner satisfactory to the agency.

PruittHealth – St. Johns County, LLC (CON application #10616) indicates that this criterion is not applicable, as neither the applicant nor its affiliated nursing facilities through UHS have not had a license denied, revoked, suspended or placed into receivership within the past 36 months.

Wesley Manor, Inc. d/b/a Westminster Woods on Julington Creek (CON application #10617) indicates that this provision is not applicable, as there have not been any violations.

Westminster Pines, Inc. d/b/a Westminster St. Augustine (CON application #10618) indicates that this provision is not applicable, as there have not been any violations.

5. **Rule 59C-1.036(4)(f), Florida Administrative Code. 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.**

PruittHealth – St. Johns County, LLC (CON application #10616) is a developmental-stage, for-profit Florida entity that has no operating history in Florida. PHJ notes that its affiliated facilities through UHS, have not had reported claims of Harmful Conditions within the past 36 months prior to the submission of the application for this proposed project.

Wesley Manor, Inc. d/b/a Westminster Woods on Julington Creek (CON application #10617) indicates that this provision is not applicable, as there have not been violations.

Westminster Pines, Inc. d/b/a Westminster St. Augustine (CON application #10618) indicates that this provision is not applicable, as there have not been violations.

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

All applicants indicate that within 45 days after the end of each calendar quarter, the **co-batched applicants** will report their total number of patient days, which occurred in each month of the quarter, and the number of such days, which were Medicaid patient days.

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? Section 408.035(1)(b) and (e), Florida Statutes.**

Subdistrict 4-3 has 23 community nursing homes with 2,770 licensed beds and 223 CON approved community nursing home beds. Subdistrict 4-3 total occupancy and Medicaid utilization rates were 89.36 percent and 58.53 percent for the 12-month period ending June 30, 2019.

PruittHealth – St. Johns County, LLC (CON application #10616) 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-affiliated facilities throughout the southeastern United States. The applicant states that upon licensure and certification, PHJ will adhere to any and all State and Federal nursing home regulations statutes and the entire facility will meet Medicare's Conditions of Participation.

PHJ duplicates the Agency's July 2022 nursing home projections for all of Subdistrict 4-3 to indicate a net need for 66 community nursing home beds.

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.

Wesley Manor, Inc. d/b/a Westminster Woods on Julington Creek (CON application #10617): The applicant indicates it utilizes existing policies and procedures as well as the Quality Assurance Program (QAP) concurrent with WJC's affiliated facilities throughout the United States. The applicant states that upon licensure and certification, WJC will adhere to any and all State and Federal nursing home regulations statutes and the entire facility will meet Medicare's Conditions of Participation.

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.

Westminster Pines, Inc. d/b/a Westminster St. Augustine (CON application #10618): The applicant indicates it utilizes existing policies and procedures as well as the Quality Assurance Program (QAP) concurrent with WSA’s affiliated facilities throughout the United States. The applicant states that upon licensure and certification, WSA will adhere to any and all State and Federal nursing home regulations statutes and the entire facility will meet Medicare’s Conditions of Participation.

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? Section 408.035(1)(c) and (j), Florida Statutes.**

PruittHealth – St. Johns County, LLC (CON application #10616) is a developmental-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 based on its other affiliated facilities. PHJ 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 PHJ is a new entity, the reviewer notes that the applicant is affiliated with PruittHealth, the parent company of three licensed SNF’s with 294 beds. For the three-year period, November 20, 2016 to November 20, 2019, PruittHealth had 12 substantiated complaints, all at PruittHealth – Santa Rosa, LLC, which are summarized in the table below. A single complaint can encompass multiple complaint categories.

**Subdistrict 4-3, (CON application #10616)
PruittHealth – Three-Year Substantiated Complaint History
All for concerning PruittHealth – Escambia County, LLC**

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

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

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PHJ states that it will develop programs, services, protocols and exceed benchmarks in an effort to achieve Gold Seal eligibility. The applicant will strive to be a deficiency-free facility, in order to become a 5-Star rated facility and meet all Quality Award Requirements.

PHJ points out that 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 and 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.

The applicant comments that 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. PHJ maintains that 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 comments that it 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. PHJ contends that PruittHealth's vision, *Committed to Caring*, defines not only what it does, but also the culture in which it works.

The applicant notes that 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. PHJ indicates that this promotes accessibility, and 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

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up facilities, thus assuring timely availability and quality for residents/patients of these facilities. 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 contends 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 allowing 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.

PHJ states that, as a part of *PruittHealth Therapy Services*, it offers the *PerfectPath Road to Recovery* (a PruittHealth-developed and branded program) which 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

PHJ 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 patient will be able to continue with their therapy treatment in a complete gym that is designed and similarly equipped in all PruittHealth facilities.
- 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.

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The reviewer notes that PHJ does not state how long the supplemental power generation will function in an uninterrupted capacity without additional fuel being supplied.

PruittHealth – St. Johns, 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.

Wesley Manor, Inc. d/b/a Westminster Woods on Julington Creek (CON application #10617) states that implementation of these proposals will involve the utilization of existing quality policies and procedures, and a QAP. WJC express a commitment to adhere to any and all State and Federal SNF regulations and statutes in addition to Medicare’s Conditions of Participation.

The applicant is affiliated with Westminster; the parent is a not-for-profit entity, for 10 licensed CCRCs providing 791beds. For the three-year period, November 20, 2016 to November 20, 2019, Westminster-affiliated facilities had 11 substantiated complaints, which are summarized in the table below. A single complaint can encompass multiple complaint categories.

**Westminster Florida SNF’s
Three-Year Substantiated Complaint History**

Complaint Category	Number Substantiated
Quality of Care/Treatment	5
Resident/Patient/Client Neglect	2
Resident/Patient/Client Rights	2
Administration/Personnel	1
Elopement	1
Total Number of Substantiated Complaints	11

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

Westminster Pines, Inc. d/b/a Westminster St. Augustine (CON application #10618) states that implementation of these proposals will involve the utilization of existing quality policies and procedures, and a QAP. WSA express a commitment to adhere to any and all State and Federal SNF regulations and statutes in addition to Medicare’s Conditions of Participation.

The applicant is affiliated with Westminster; the parent is a not-for-profit entity, for 10 licensed CCRCs providing 791 beds. For the three-year period, November 20, 2016 to November 20, 2019, Westminster-affiliated facilities had 11 substantiated complaints, which are summarized in the table below. A single complaint can encompass multiple complaint categories.

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**Westminster Florida SNF's
Three-Year Substantiated Complaint History**

Complaint Category	Number Substantiated
Quality of Care/Treatment	5
Resident/Patient/Client Neglect	2
Resident/Patient/Client Rights	2
Administration/Personnel	1
Elopement	1
Total Number of Substantiated Complaints	11

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

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

PruittHealth – St. Johns County, LLC (CON application #10616):

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

Historically we have compared all applicant financial ratios regardless of type to bench marks established from financial ratios collected from Florida acute care hospitals. While not always a perfect match to a particular CON project it is a reasonable proxy for health care related entities. The applicant provided audited financial statements, where the short-term and long-term measures fall on the scale (highlighted in gray) for the most recent year. All numbers except ratios are in thousands.

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United Health Services, Inc. and Subsidiaries (in thousands)		
	Current Year	Previous Year
Current Assets	\$174,311	\$146,731
Total Assets	\$743,072	\$690,363
Current Liabilities	\$252,682	\$222,241
Total Liabilities	\$651,950	\$579,032
Net Assets	\$91,122	\$111,331
Total Revenues	\$1,053,680	\$1,008,461
Excess of Revenues Over Expenses	(\$17,916)	(\$20,103)
Cash Flow from Operations	\$13,232	\$20,233
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)	-1.70%	-1.99%
Measure of Available Funding		
Working Capital	(\$78,371)	(\$75,510)

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 \$26,853,335, which consists of the application currently under review and a previously approved application (CON #10583).

The applicant states on Schedule 3 that funding for this project will come from operating cash flows and non-related company financing. The applicant provided a letter from PruittHealth pledging funds and Synovus welcoming the opportunity to work with PruittHealth – St. Johns County, LLC to provide the additional necessary funding. The applicant provided audited financials from the parent showing an estimated \$2.6 million in

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cash and cash equivalents and an estimated \$13.2 million in cash flow from operations. The applicant provided a letter from Synovus expressing interest in providing lending, but interest is not a commitment to lend.

Conclusion:

Funding for this project is likely, but not guaranteed.

Wesley Manor, Inc. d/b/a Westminster Woods on Julington Creek (CON application #10617): The purpose of our analysis for this section is to determine if the applicant has access to the funds necessary to fund this and all capital projects. Our review includes an analysis of the short-and long-term position of the applicant, parent, or other related parties who will fund the project. The analysis of the short and long-term position is intended to provide some level of objective assurance on the likelihood that funding will be available. The stronger the short term position, the more likely cash on hand or cash flows could be used to fund the project. The stronger the long-term position, the more likely that debt financing could be achieved if necessary to fund the project. We also calculate working capital (current assets less current liabilities) a measure of excess liquidity that could be used to fund capital projects.

Historically we have compared all applicant financial ratios regardless of type to bench marks established from financial ratios collected from Florida acute care hospitals. While not always a perfect match to a particular CON project it is a reasonable proxy for health care related entities. The Applicant provided audited financial statements, where the short term and long-term measures fall on the scale (highlighted in gray) for the most recent year.

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The Obligated Group		
	Current Year	Previous Year
Current Assets	\$52,164,585	\$54,593,853
Total Assets	\$793,441,234	\$783,285,221
Current Liabilities	\$48,998,071	\$41,850,402
Total Liabilities	\$660,619,178	\$645,480,218
Net Assets	\$132,822,056	\$137,805,003
Total Revenues	\$193,656,796	\$181,676,874
Excess of Revenues Over Expenses	(\$14,009,275)	(\$15,146,267)
Cash Flow from Operations	\$36,265,592	\$59,088,203
Short-Term Analysis		
Current Ratio (CA/CL)	1.1	1.3
Cash Flow to Current Liabilities (CFO/CL)	74.01%	141.19%
Long-Term Analysis		
Long-Term Debt to Net Assets (TL-CL/NA)	460.5%	438.0%
Total Margin (ER/TR)	-7.23%	-8.34%
Measure of Available Funding		
Working Capital	\$3,166,514	\$12,743,451

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 \$6,501,655, which consists of various renovations, repairs, replacing capital equipment and the CON currently under review in the amount of \$47,555.

The applicant states on Schedule 3 that funding for this project will come from cash on hand. The applicant provided audited financial statements in support. The audited financials show an estimated \$20.7 million in cash and cash equivalents.

Conclusion:

Funding for this project is likely.

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Westminster Pines, Inc. d/b/a Westminster St. Augustine (CON application #10618): The purpose of our analysis for this section is to determine if the applicant has access to the funds necessary to fund this and all capital projects. Our review includes an analysis of the short and long-term position of the applicant, parent or other related parties who will fund the project. The analysis of the short and long-term position is intended to provide some level of objective assurance on the likelihood that funding will be available. The stronger the short term position, the more likely cash on hand or cash flows could be used to fund the project. The stronger the long-term position, the more likely that debt financing could be achieved if necessary to fund the project. We also calculate working capital (current assets less current liabilities) a measure of excess liquidity that could be used to fund capital projects.

Historically we have compared all applicant financial ratios regardless of type to bench marks established from financial ratios collected from Florida acute care hospitals. While not always a perfect match to a particular CON project it is a reasonable proxy for health care related entities. The applicant provided audited financial statements, where the short term and long-term measures fall on the scale (highlighted in gray) for the most recent year.

Westminster Pines, Inc. d/b/a Westminster St. Augustine		
	Mar-19	Mar-18
Current Assets	\$5,919,143	\$7,509,815
Total Assets	\$73,254,190	\$72,801,952
Current Liabilities	\$3,150,957	\$3,082,492
Total Liabilities	\$82,429,272	\$78,229,042
Net Assets	(\$9,175,082)	(\$5,427,090)
Total Revenues	\$10,880,473	\$4,082,094
Excess of Revenues Over Expenses	(\$4,136,227)	(\$2,589,735)
Cash Flow from Operations	\$1,546,109	(\$652,984)
Short-Term Analysis		
Current Ratio (CA/CL)	1.9	2.4
Cash Flow to Current Liabilities (CFO/CL)	49.07%	-21.18%
Long-Term Analysis		
Long-Term Debt to Net Assets (TL-CL/NA)	-864.1%	-1384.7%
Total Margin (ER/TR)	-38.02%	-63.44%
Measure of Available Funding		
Working Capital	\$2,768,186	\$4,427,323

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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 \$1,678,955, which consists of various renovations, repairs, replacing a vehicle, and the CON currently under review in the amount of \$47,555.

The applicant states on Schedule 3 that funding for this project will come from cash on hand. The applicant provided audited financial statements in support. The audited financials show \$2,326,973 in cash and cash equivalents.

Conclusion:

Funding for this project is likely.

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

PruittHealth – St. Johns County, LLC (CON application #10616):

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).

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

	Projections Per Applicant			Comparative Facilities	
	Total	PPD	Highest	Median	Lowest
Net Revenues	\$16,350,557.00	\$ 391.87	\$ 502.21	\$ 335.03	\$ 277.33
Total Expenses	\$13,994,372.00	\$ 335.40	\$ 691.21	\$ 343.16	\$ 271.93
Operating Income	\$ 2,356,185.00	\$ 56.47	\$ 62.23	\$ 0.44	\$ (307.09)
Margin	14%				
Occupancy	95%		99%	92%	24%
Medicaid	61%		71%	63%	51%
Medicare	36%		37%	16%	1%

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 both staffing requirements.

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.

Wesley Manor, Inc. d/b/a Westminster Woods on Julington Creek (CON application #10617):

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

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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.

	Projections Per Applicant		Comparative Facilities		
	Total	PPD	Highest	Median	Lowest
Net Revenues	\$ 7,878,300.00	\$ 389.05	\$ 1,863.25	\$ 422.60	\$ 287.92
Total Expenses	\$ 8,146,600.00	\$ 402.30	\$ 1,778.85	\$ 439.32	\$ 284.72
Operating Income	\$ (268,300.00)	\$ (13.25)	\$ 137.99	\$ 2.18	\$ (145.23)
Margin	-3%				
Occupancy	92%		94%	86%	68%
Medicaid	26%		36%	26%	17%
Medicare	25%		53%	37%	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 both staffing requirements.

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.

Westminster Pines, Inc. d/b/a Westminster St. Augustine (CON application #10618): 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. During review, the Agency noted a discrepancy between the net revenues reported on Schedule 8, Column 1 and the sum of net revenues from Schedule 7 for the existing 30-bed

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facility and the additional 12 beds that are being sought from this CON application. The Agency used the net revenues from Schedule 8 for the purposes of this review.

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.

	Projections Per Applicant			Comparative Facilities	
	Total	PPD	Highest	Median	Lowest
Net Revenues	\$3,536,500.00	\$ 391.66	\$ 2,152.49	\$ 719.67	\$ 318.38
Total Expenses	\$5,172,300.00	\$ 436.55	\$ 2,035.29	\$ 789.59	\$ 380.28
Operating Income	\$(1,635,800.00)	\$ (138.07)	\$ 227.86	\$ 27.54	\$ (163.22)
Margin	-46%				
Occupancy	77%		92%	83%	35%
Medicaid	10%		19%	13%	0%
Medicare	29%		94%	32%	8%

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 applicant can only meet the certified nursing assistant requirement in the second year if licensed nursing staff is used and no vacation time is granted to the staff.

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. It should be noted that there are concerns with the facility as the audited financial statements for the facility show significant losses and negative worth in both years. This is exacerbated by the projected operating losses in the financial projections provided for review. In order to continue operations as presented, the facility may need support from a parent company if such an option is available.

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

*The following analysis applies to **all co-batched** applications.*

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? Section 408.035(1)(h), Florida Statutes; Chapter 59A-4, Florida Administrative Code.**

PruittHealth – St. Johns County, LLC (CON application #10616):

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

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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 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.

*The following analysis applies to **both** applications **CON #10617 & CON #10618**.*

The codes and standards regulating the design and construction of skilled nursing facilities are the same for beds licensed as sheltered beds and community beds. The proposed license conversions do not alter the use or function of the resident rooms or support spaces. It is the position of the Office of Plans and Construction that a review of the architectural submissions is unnecessary since the existing beds have already been reviewed and approved by the Agency for use as skilled nursing beds in accordance with Section 400.232, Florida Statutes and Chapter 59A-4.133, Florida Administrative Code.

- 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? Section 408.035(1)(i), Florida Statutes.**

All co-batched applicants maintain that they have an extensive history of participation in Medicaid and providing skilled nursing services to the Medicaid population.

PruittHealth – St. Johns County, LLC (CON application #10616) projects year one patient days -- 700 days for self-pay, 5,414 days for Medicare, 364 days for Medicare HMO, 9,287 days for Medicaid and 243 for Other Payers-VA for a total of 16,008 days. Year one percent of patient days is 4.4 percent for self-pay, 33.8 percent for Medicare, 2.3 percent for Medicare HMO, 58.0 percent Medicaid and 2.0 percent Other Payers-VA. The expected occupancy is 37.0 percent.

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PHJ's projects year two for have 732 days for self-pay, 14,274 days for Medicare, 732 days for Medicare HMO, 25,620 days for Medicaid and 366 for Other Payers-VA for a total of 41,724 days. The percent of patient days is 1.8 percent for self-pay, 34.2 percent for Medicare, 1.8 percent for Medicare HMO, 61.4 percent Medicaid and 1.0 percent Other Payers-VA. The expected occupancy is 95.0 percent.

Wesley Manor, Inc. d/b/a Westminster Woods on Julington Creek (CON application #10617) projects annual patient days in years one and two for the 10beds are 1,483 days for self-pay, 754 days for Medicare, 158 days for Medicare HMO, 126 days for Medicaid, 813 days for Medicaid HMO and 316 for Other Payers-VA for a total of 3,650 days. The percent of patient days is 40.6 percent for self-pay, 20.7 percent for Medicare, 4.3 percent for Medicare HMO, 3.5 percent Medicaid, 4.3 percent Medicaid HMO and 8.6 percent Other Payers-VA. The expected occupancy is 100.00 percent.

Westminster Pines, Inc. d/b/a Westminster St. Augustine (CON application #10618) projects patient days in year one for the 12 beds are 729 days for self-pay, 408 days for Medicare, 15 days for Medicare HMO, 58 days for Medicaid, 233 days for Medicaid HMO and 15 for Other Payers-VA for a total of 1,458 days. The percent of patient days is 50.0 percent for self-pay, 28.0 percent for Medicare, 1.0 percent for Medicare HMO, 4.0 percent Medicaid, 16.0 percent Medicaid HMO and 1.0 percent Other Payers-VA. The expected occupancy is 33.29 percent.

Year two projected patient days are 1,480 days for self-pay, 829 days for Medicare, 30 days for Medicare HMO, 118 days for Medicaid, 474 days for Medicaid HMO and 31 days for Other Payers-VA for a total of 2,962 days. Percent of total patient days is 50.0 percent for self-pay, 28.0 percent for Medicare, 1.0 percent for Medicare HMO, 4.0 percent Medicaid, 16.0 percent Medicaid HMO and 1.0 percent Other Payers-VA. The expected occupancy is 67.63 percent.

F. SUMMARY

PruittHealth – St. Johns County, LLC (CON application #10616) proposes to add 43 beds (CON #10616) to its approved 77-bed (CON# 10583P) community nursing home in Subdistrict 4-3 (St. Johns County).

The applicant expects issuance of license in August 2022 and initiation of service in September 2022.

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The proposed project includes 28,239 GSF of new construction. The construction cost is \$4,235,850. The total project cost is \$6,931,145. The total project cost includes land, building, equipment, project development, financing and start-up costs.

Pursuant to project approval, PHJ offers 18 Schedule C conditions.

Wesley Manor, Inc. d/b/a Westminster Woods on Julington Creek (CON application #10617) is an existing, non-profit entity. The applicant proposes to add 10 community nursing home beds via conversion of 10 existing sheltered beds resulting in the CCRC having 55 licensed community beds and five sheltered beds.

The applicant expects issuance of license on March 31, 2020 and initiation of service on April 1, 2020.

The total project cost is \$47,555. The project involves zero GSF of new construction or renovation. Total project cost includes project development costs.

Pursuant to project approval, WMB offers one Schedule C condition.

Westminster Pines, Inc. d/b/a Westminster St. Augustine (CON application #10618) is an existing, non-profit entity. The applicant proposes to add 12 community nursing home beds via conversion of 12 existing sheltered beds resulting in the CCRC having 24 community and six sheltered nursing home beds.

The applicant expects issuance of license on March 31, 2020 and initiation of service on April 1, 2020.

The total project cost is \$47,555. The project involves zero GSF of new construction or renovation. Total project cost includes project development costs.

Pursuant to project approval, WSA offers two Schedule C conditions.

Need

In Volume 45, Number 149 of the Florida Administrative Register, dated October 4, 2019, need for 66 community nursing home beds was published in the fixed pool for Subdistrict 4-3 for the July 2022 Planning Horizon.

Subdistrict 4-3 has 23 SNFs with 2,770 licensed community beds and 223 CON approved beds.

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As of the omissions deadline for the October 2019 “Other Beds and Programs” batching cycle, December 26, 2019, there were no exemptions or expedited CONs submitted to add additional community nursing home beds in Subdistrict 4-3.

During the 12-month period ending June 30, 2019, Subdistrict 4-3 facilities reported 89.36 total utilization and 58.52 percent Medicaid utilization.

PruittHealth - St. Johns County, LLC (CON application #10616) contends that its project will enhance the availability, accessibility and quality of nursing home services provided to residents of the Subdistrict 4-3. PruittHealth expects either proposal to improve access for bariatric patients, long-term Medicaid patients, short-term rehab, Medicare services and access to private rooms, especially for Medicaid payers. PHJ states either project provides a modern design that supports independence and choice, state-of-the-art rehabilitation programming; and will have extensive clinical programming focused on reducing hospital readmissions.

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

- 100 percent private rooms
- 100 percent handicap accessible rooms
- 16-bed Alzheimer’s disease unit in the aggregated 120-bed project
- Four bariatric rooms/suites in the aggregated 120-bed project
- 60 percent of patient days to Medicaid Long Term Care enrollees
- State of the art rehab suite, extensively equipped to include a Hydroworx therapy pool
- Programs to reduce readmissions that have already been successfully introduced in other PruittHealth facilities
- A commitment to technology, including PointRight, Smart Charting, Wanderguard, Careguard and electronic medical records
- Proven quality initiatives that have a demonstrable effect on the level of care provided from both a start-up to a long-term care perspective.

Wesley Manor, Inc. d/b/a Westminster Woods on Julington Creek (CON application #10617) states the following factors supporting the proposed project:

- Historical occupancy rates of existing providers
- Historical hospital discharges to nursing homes by service line
- Limited access to nursing home beds for Medicaid long-term care population

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- The growing 65+ population who are the most likely users of nursing home services
- Changes in the payor system to increase rates of LTC provided to the Medicaid population

Westminster Pines, Inc. d/b/a Westminster St. Augustine (CON application #10618) states the following factors supporting the proposed project:

- Historical occupancy rates of existing providers
- Historical hospital discharges to nursing homes by service line
- Limited access to nursing home beds for Medicaid long-term care population
- The growing 65+ population who are the most likely users of nursing home services
- Changes in the payor system to increase rates of LTC provided to the Medicaid population

The Agency has determined that within the context of the criteria specified in Section 408.035(1), Florida Statutes, and Rule 59C-1.036, Florida Administrative Code, CON application #s 10616, 10617 and 10618 satisfy the criteria. The Agency notes that the unique needs of Southeast Duval and St. Johns Counties, as demonstrated by CON application #s 10616, 10617 and 10618, all illustrate the need for additional SNF beds within the area as proposed. The Agency has determined that CON application #s 10616, 10617 and 10618 have demonstrated the ability to increase access and availability and enhance health care to the residents of the subdistrict by quality operators of SNFs.

Quality of Care

All applicants demonstrate the ability to provide quality care.

PruittHealth – St. Johns County, LLC (CON application #10616) is a newly-formed/development-stage entity and therefore does not have a historical record available to document. However, the applicant's mission, vision and core values are consistent with demonstrating the applicant's commitment to providing quality care.

The applicant notes that quality assurance will be provided at the proposed facility through a QAPI, PIPs, PDSA projects and a CQI process. The applicant will use MatrixCare® for its electronic health record system.

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Regarding hurricane preparedness, the applicant has recent and successful SNF resident and SNF staff evacuation and relocation experience in the Panhandle, Bay County, Florida (due to the October 10, 2018 landfall of Hurricane Michael). The applicant also has on-hand tools, supplies, equipment and resources (including generators) available to the proposed project.

PruittHealth maintains that its organizational experience and expertise in providing quality skilled nursing services is evidenced by its number of successful programs and its quality assurance practices. PruittHealth operates three facilities in Florida and during the three-year period ended on November 20, 2019 had ten substantiated complaints, all at PruittHealth – Santa Rosa, LLC.

The following statements apply to CON application #s **10617 and 10618**.

Both applicants are affiliates of Presbyterian Retirement Communities, Inc., which operates 10 CCRC's with 791 community beds in Florida. The applicant's parent company has a history of providing quality care in Florida. Agency complaint records indicate that Westminster-affiliated CCRCs had 11 substantiated complaints for the three-year period ending November 20, 2019. A single complaint can encompass multiple complaint categories.

Wesley Manor, Inc. d/b/a Westminster Woods on Julington Creek (CON application #10617):

- WJC received an overall five-out-of-five nursing home rating by both the state and CMS for the most recent inspection rating time period
- Agency licensure records indicate that WJC had no substantiated complaints for the three-year period ending November 20, 2019
- Agency complaint records indicate that the 10 affiliated nursing homes associated with the parent company, for the three-year period ending November 20, 2019 had 11 substantiated complaints in 11 complaint categories

Westminster Pines, Inc. d/b/a Westminster St. Augustine (CON application #10618):

- WSA received an overall five-out-of-five nursing home rating by both the state and CMS for the most recent inspection rating time period
- Agency licensure records indicate that WSA had no substantiated complaints for the three-year period ending November 20, 2019

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- Agency complaint records indicate that the 10 affiliated nursing homes associated with the parent company, for the three-year period ending November 20, 2019 had 11 substantiated complaints in 11 complaint categories

Financial Feasibility/Availability of Funds

The following applies to **all applicants**

- This project does appear to be financially feasible based on the projections provided by the applicant
- Based on the information in Schedule 6, the applicant's projected staffing does meet requirements
- This project is not likely to have a material impact on competition to promote quality and cost-effectiveness

PruittHealth – St. Johns County, LLC (CON application #10616):

- Availability of funding is likely but not guaranteed.

Wesley Manor, Inc. d/b/a Westminster Woods on Julington Creek (CON application #10617 and Westminster Pines, Inc. d/b/a Westminster St. Augustine (CON application #10618)

- Funding for this project is likely.

Medicaid/Charity Care

PruittHealth – St. Johns County, LLC (CON application #10616) projects Medicaid will account for 58.0 percent of patient days in year one and 61.4 percent of patient days in year two for the 43-bed project.

Wesley Manor, Inc. d/b/a Westminster Woods on Julington Creek (CON application #10617) projects Medicaid will account for 25.8 percent of the 10-bed project's and the 60-bed facility's total annual year one and two patient days.

Westminster Pines, Inc. d/b/a Westminster St. Augustine (CON application #10618) projects Medicaid will account for 12.2 percent of patient days in year one and 20.0 percent of patient days in year two for the 12-bed project. For the 30-bed total facility, the applicant projects Medicaid will account for 4.1 percent and 6.6 percent of annual patient days in years one and two, respectively.

Architectural

PruittHealth – St. Johns County, LLC (CON application #10616):

- The applicant submitted all information and documentation necessary to demonstrate compliance with the architectural review criteria
- The project completion forecast for the proposed project provided in Schedule 10 appears to be reasonable
- A review of the architectural plans, narratives and other supporting documents does/not revealed a serious deficiency that will require modifications to the plans which are likely to have a significant impact on construction costs

The following applies to CON applications #10617 and #10618.

The codes and standards regulating the design and construction of skilled nursing facilities are the same for beds licensed as sheltered beds and community beds. The proposed license conversions do not alter the use or function of the resident rooms or support spaces. It is the position of the Office of Plans and Construction that a review of the architectural submissions is unnecessary since the existing beds have already been reviewed and approved by the Agency for use as skilled nursing beds in accordance with Section 400.232, Florida Statutes and Chapter 59A-4.133, Florida Administrative Code.

G. RECOMMENDATION

Approve CON #10616 to add 43 community nursing home beds in District 4, Subdistrict 3, St. Johns County. The total project cost is \$6,931,145. The project involves 28,239 GSF of new construction and a construction cost of \$4,235,850.

CONDITIONS:

Location:

- 1) The Nocatee area of St. Johns County, Subdistrict 4-3, Florida (Zip Code 32081 or eastern portion of Zip Code 32559)

Programming/Operational Conditions:

- 2) All patient beds will be in private patient rooms
- 3) All patient bathrooms will be handicap accessible
- 4) 16-bed Alzheimer's disease secure unit
- 5) Incorporate four bariatric rooms/beds into the facility design; two beds were previously condition in CON #10583P. These beds are incremental to those two beds

CON Action Numbers: 10616, 10617 and 10618

- 6) Seek Joint Commission accreditation or accreditation from some other similarly recognized accrediting body
- 7) Implement a program designed to reduce hospital re-admissions; the current program utilized by PruittHealth-affiliated facilities is INTERACT 3.0. The program to be implemented will be this program or other similarly designed program based on the most recent quality driven program PruittHealth determines to be available at the time of implementation
- 8) Participate in an organization-wide Quality Assurance/ Performance Improvement initiative that entails quarterly visits in regard to clinical, operational, pharmaceutical and reimbursement areas by corporate consultants to ensure compliance with all local, state and federal laws
- 9) As part of the Alzheimer program, provide the It's Never 2 Late ® (iN2L) computer system to residents of the Alzheimer's unit as a tool to empower and engage seniors, specifically those with dementia. Each resident can have his or her individual page on the system, which displays their favorite personal options: music, games, photos and videos, even websites, at their fingertips
- 10) Have at least one Certified Dementia Practitioner on staff on the Alzheimer's unit per shift
- 11) Implement Electronic Medical Records (EMR) at the facility, and include Smart Charting or other similar bedside patient charting tool
- 12) Implement Resident Safety Technology including Call Guard and WanderGuard into the facility
- 13) Implement Clinical Kiosks in appropriate locations throughout the facility
- 14) Assure all staff maintains ongoing training and continuing education credits utilizing PruittHealth University and at no cost to the employees
- 15) Participate in a company-wide Annual Quality Report to demonstrate transparency in operations and make this Quality Report available to the public
- 16) Adopt the PruittHealth patient model of care including the applicable PerfectPath Programs appropriate for this facility and described in the CON Application and Supporting Documents.
- 17) Implement PointRight Technology (or a future similar technology) in the ongoing operations
- 18) In addition to complying with Florida Emergency Management Plans and Operations Center as required by the State of Florida, the Applicant will adopt PruittHealth's policies related to natural disasters and hurricanes will implement the PruittHealth Hurricane Response Plan and be an active participant in PruittHealth's Central Command Center when severe weather events arise

CON Action Numbers: 10616, 10617 and 10618

Approve CON #10617 to add 10 community nursing home beds through the conversion of 10 sheltered nursing home beds in District 4, Subdistrict 3, St. Johns County. The total project cost is \$47,555.

CONDITION: Wesley Manor, Inc. d/b/a Westminster Woods on Julington Creek conditions the award of CON application #10617 on making a nursing home bed available at its nursing home facility to any Lifecare contract holder residing on the Westminster Woods on Julington Creek campus who requires nursing home care.

Approve CON #10618 to add 12 community nursing home beds through the conversion of 12 sheltered nursing home beds in District 4, Subdistrict 3, St. Johns County. The total project cost is \$47,555.

CONDITION: Making a nursing home bed available at its nursing home facility to any Lifecare contract holder residing on the Westminster St. Augustine campus who requires nursing home care.

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