

STATE AGENCY ACTION REPORT
ON APPLICATION FOR CERTIFICATE OF NEED

A. PROJECT IDENTIFICATION

1. Applicant/CON Action Number

Premier Living Centers, Inc./CON #10629

P.O. Box 3376
Ridgeland, Mississippi 39158

Authorized Representative: Donald E. Eicher, III, JD
In-house Counsel
(601) 853-2667

2. Service District/Subdistrict

District 7/Subdistrict 7-4 (Seminole County)

B. PUBLIC HEARING

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

Letters of Support

The Agency received numerous letters of support in which the majority were form letters signed by Seminole County residents. Individually composed letters from local and state government officials conveyed endorsements and a shared sentiment that the proposed project would benefit the growing senior (65+) population of Seminole County, Florida.

Letters of support are noted from the following elected officials:

- Scott Plakon, State Representative, Florida House of Representatives, District 29
- David Smith, State Representative, Florida House of Representatives, District 28
- Jeff Triplett, Mayor, City of Sanford, Florida
- Jordan S. Smith, City Commissioner, Seat 1, Lake Mary, Florida
- Justin K. York, Esq., City Commissioner, Seat 4, Lake Mary, Florida
- Ben Paris, Mayor, Longwood, Florida
- David Johnson, Property Appraiser, Seminole County, Florida

Letters of support are noted from the following local organizations:

- Jason Brodeur, President/CEO, Regional Chamber of Commerce, Seminole County, Florida
- Anna Kesic, President/CEO, IMPOWER, Longwood, Florida

A number of form letters of support were collected from Senior Residents in the City of Sanford in June of 2018, all addressing the applicant's previous CON application (#10531). These support letters were included in the current application. Themes include the following:

- Residents wish to seek skilled nursing care that is available within the local community
- Need for a state-of-the art facility within the community
- Desire for choice/options as the senior population ages

C. PROJECT SUMMARY

Premier Living Centers, Inc. (CON application #10629) a for-profit, Florida entity, also referenced as PLC, proposes to add 54 community nursing home beds to a previously approved Exemption #190006, dated April 4, 2019, which combined CON #10555 (17 beds) and Exemption #180030 (which combined CONs #10516 (61 beds) and CON #10531 (39 beds)) to create an 171-bed skilled nursing facility (SNF) in Subdistrict 7-4, Seminole County, Florida.

PLC proposes to construct an all-private, single occupancy 171-bed community nursing home within the 32771 Zip Code, the northern-most portion of Seminole County, Florida.

The reviewer notes that Hillsborough County Nursing Rehab Center, LLC is stated to be wholly-owned by Premier Living Centers, Inc. in the applicant's financial statements. Hillsborough County Nursing Rehab Center, LLC has CON #10552 approved to establish a 73-bed community nursing home in District 6-1 (Hillsborough County).

PLC is affiliated with, and managed by, Briar Hill Management, LLC (Briar Hill) which currently manages the operations of seven nursing homes in two states, one in Arkansas and six in Mississippi.¹ The owners of Briar each have experience totaling over 30 years with health

¹ The applicant was a little unclear as to how many nursing homes are affiliated with the principle owners, Premier and/or Briar Hill Management. The reviewer checked the Walnut Grove facility and found that Olotor LLC is the licensee - Mr. Robert Rotolo is listed as the registered agent in Louisiana and Mr. David Rotolo, the Incorporator/organizer in Arkansas filings for this entity, so this facility is included as one the seven affiliated facilities indicated on pages 16 and 17 of CON application #10629.

care facilities in multiple states: Arkansas, Louisiana and Mississippi. The owners previously established two nursing homes in Arkansas. The first Arkansas community nursing home was licensed July 1, 2008, for 102 beds and the second was licensed January 8, 2010, for 90 beds. Both facilities were certified for Medicare and Medicaid patients. At Tab 19 of CON application #10629, there is a color brochure of Walnut Grove Nursing and Rehabilitation Center, one of the facilities developed in Arkansas.

The applicant anticipates issuance of license on April 18, 2022 and initiation of services on May 16, 2022.

The project involves 32,068 gross square feet (GSF) of new construction. The construction cost is \$6,584,610. Total project cost is \$9,346,089. Project costs include land, building, equipment, project development and financing costs.

In Schedule C of the application, PLC conditions approval of the project as follows:

- All beds to be dually-certified for both Medicaid and Medicare, as required by Exemption #180030 issued to the applicant, Premier.

Total GSF and Project Costs					
Applicant	CON app. #	Project	GSF	Costs \$	Cost Per Bed
Premier Living Centers, Inc.	10629	54-Bed Addition	32,068	\$9,346,089	\$173,076

Source: CON application #10629: Tab 7, Schedule 1 & Tab 13, Schedule 9

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

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; and applicable rules of the State of Florida, Chapters 59C-1 and 59C-2, Florida Administrative Code. These criteria form the basis for the goals of the review process. The goals represent desirable outcomes to be attained by successful applicants who demonstrate an overall compliance with the criteria. Analysis of an applicant's capability to undertake the proposed project successfully is conducted by evaluating the responses and data provided in the application, and independent information gathered by the reviewer.

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

Rule 59C-1.010(3)(b), Florida Administrative Code, prohibits any amendments once an application has been deemed complete. The burden of proof to entitlement of a certificate rests with the applicant. As such, the applicant is responsible for the representations in the application. This is attested to as part of the application in the Certification of the Applicant.

As part of the fact-finding, William J. Tripp analyzed the application, with consultation from the financial analyst, Everett "Butch" Broussard, of the Bureau of Central Services, who evaluated the financial data and Scott Waltz of the Office of Plans and Construction, who reviewed the application for conformance with the architectural criteria.

E. CONFORMITY OF PROJECT WITH REVIEW CRITERIA

The following indicate the level of conformity of the proposed project with the criteria and application content requirements found in Florida Statutes, sections 408.035 and 408.037; applicable rules of the State of Florida, Chapter 59C-1 and 59C-2, Florida Administrative Code.

1. Fixed Need Pool

- a. Does the project proposed respond to need as published by a fixed need pool? Or does the project proposed seek beds or services in excess of the fixed need pool? Rule 59C-1.008 (2), Florida Administrative Code.**

In Volume 45, Number 194 of the Florida Administrative Register dated October 4, 2019, need for 54 community nursing home beds was published in the fixed need pool for Subdistrict 7-4, Seminole County, Florida for the July 2022 Planning Horizon.

There were no exemptions or expedited CON applications submitted to add beds to Seminole County as of August 19, 2019, the most recent published deadline for Agency decisions prior to publication of the fixed need pool.

The reviewer notes that for the 12-month period ending on June 30, 2019, Subdistrict 7-4 had 10 SNFs with a total of 1,266 licensed community nursing home beds and an occupancy rate of 92.86 percent. See the table below:

Subdistrict 7-4, Seminole County, Utilization July 2018- June 2019				
Facility	Beds	Bed Days	Patient Days	Utilization
AdventHealth Care Center Apopka South	222	75,410	71,077	94.25%
Consulate Health Care at West Altamonte	116	42,340	40,165	94.86%
Healthcare and Rehab of Sanford	114	41,610	37,450	90.00%
Island Lake Center	120	43,800	42,421	96.85%
Lake Mary Health and Rehabilitation Center	120	43,800	42,263	96.49%
Life Care Center of Altamonte Springs	240	87,600	79,008	90.19%
Longwood Health and Rehabilitation Center	120	43,800	41,195	94.33%
Lutheran Haven Nursing Home	56	20,440	17,377	85.01%
Tuskawilla Nursing and Rehab Center	98	35,770	33,017	92.30%
Village On The Green	60	21,900	19,907	90.90%
Totals	1,266	456,470	423,880	92.86%

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

The reviewer notes the current and projected population of Seminole County, the District in total and the State of Florida for the current planning horizon. The projected population growth, both numerically and by percent, is provided in the table below.

**Seminole County, Florida, District 7, Subdistrict 7-4 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
Seminole/7-4	42,749	28,022	70,771	45,978	31,889	77,867
District 7	245,924	167,244	413,168	272,760	187,801	460,561
State of Florida	2,379,63	1,833,17	4,212,806	2,547,685	2,026,05	4,573,737
	1	5			2	
Area/Subdistrict	2019 - 2022 Increase			2019 - 2022 Growth Rate		
	65-74	75+	65+ Total	65-74	75+	65+ Total
Seminole/7-4	+3,229	+3,867	+7,096	+7.72%	+13.76	+10.03%
District 7	+26,836	+20,557	+47,393	+10.91%	+12.29	+11.47%
State of Florida	+168,054	+192,877	+360,931	+7.06%	+10.52	+8.57%

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

The community nursing home ratios per 1,000 residents for the age 65+ to 74 cohort in Subdistrict 7-4 are in the following chart.

**Subdistrict 7-4 (Seminole County) District 7 & Florida
Community Nursing Home Bed to Population Aged 65-74 Ratio
July 1, 2019 & July 1, 2022**

County/Area	Licensed Community Beds	2019 Pop Age 65-74	July 1, 2019 Beds per 1,000	Licensed & Approved Community Beds	July 1, 2022 Pop Age 65 - 74+	July 1, 2022 Beds per 1,000
Seminole	1,266	42,749	29.61	1,383	45,978	30.08
District 7	9,477	245,924	38.54	9,812	272,760	35.97
Florida	81,363	2,379,631	34.19	84,530	2,547,685	33.18

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

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

**Subdistrict 7-4 (Seminole County) District 7 & Florida
Community Nursing Home Bed to Population Aged 75+ Ratio
July 1, 2019 & July 1, 2022**

County/Area	Lic. Community Beds	2019 Pop Age 75+	2019 Beds per 1,000	Lic & Appd Community Beds	2022 Pop Age 65 - 74+	2022 Beds per 1,000
Seminole	1,266	28,022	45.18	1,383	31,889	43.37
District 7	9,477	167,244	56.67	9,812	187,801	52.25
Florida	81,363	1,833,175	44.38	84,530	2,026,052	41.72

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

The reviewer notes that projected growth from July 1, 2019 to July 1, 2022, in Subdistrict 7-4 is 7.55 ~~72~~ percent for ages 65 to 74 individuals and 13.8 percent for 75+ individuals.

As demonstrated in the preceding tables, as of July 1, 2019, Subdistrict 7-4’s age 65 to 74 population has 29.61 licensed beds per thousand compared to the district’s 38.54 and the state’s 34.19 beds per thousand. With the licensed and approved beds and the projected population growth for July 1, 2022, these ratios decline to 27.53 for Seminole County, 39.97 per thousand for District 7 and 31.94 per thousand for the state.

The applicant states that the proposed project is being submitted in response to the Agency’s fixed need pool publication dated October 4, 2019.

Premier Living Centers, Inc. (CON application #10629) proposes to add 54 community nursing home beds to its 117-bed SNF (approved through Exemption #190006) in ZIP Code 32771, the northern-most portion of the Greater Orlando Area (GOA) in Seminole County, Florida. The U.S. Census defines the greater Orlando as the Orlando-Kissimmee-Sanford, Florida Metropolitan Statistical Area (MSA). The Orlando-Kissimmee-Sanford, MSA includes the counties of Lake, Orange, Osceola and Seminole. The principle cities of the MSA are Orlando, Kissimmee and Sanford.

The applicant has conditioned approval of the project on the dual certification of all proposed beds to allow financial accessibility to the residents of the subdistrict. PLC expects approximately 51.5 percent Medicare, 32.5 percent Medicaid and 16 percent private or self-pay by the second full year of operation. The reviewer points out that while most residents are primarily to be residents from the northern-most region of Seminole County, the applicant will make beds available for both short-term and long-term skilled nursing care to all residents of Seminole County.

The table below shows the volume and percentage of hospital discharges to nursing homes for Seminole County residents age 65 and over during CY 2018.

Payer Source for Seminole County Residents Aged 65+ and Older Discharged to a Nursing Home

Payer	Volume	Percent
Commercial Health Insurance	51	1.49
Commercial Liability Coverage	7	0.20
Medicaid	4	0.12
Medicaid Managed Care	7	0.20
Medicare	2,255	65.94
Medicare Managed Care	1,051	30.73
Other	17	0.50
Other State/Local Government	0	0.00
Self-Pay	1	0.03
TriCare/Federal Government/CHAMPUS	3	0.09
VA	24	0.70
Workers Compensation	0	0.00
Grand Total	3,420	100.00

Source: CON application #10629, Tab 4, pages 3 & 4, Table 1

The following table shows the payer sources of residents of Zip Code 32771 aged 65 and over discharged from a hospital to a nursing home for Calendar Year 2018. The reviewer notes that Medicare and Medicare Managed Care are the payer source for almost 96 percent of the total patients aged 65 and over discharges for Subdistrict 7-4. The applicant states that Medicare is predictably going to account for the majority of its admissions.

**Payer Source for Zip Code 32771 Residents, Aged 65 and Older
Discharged to a Nursing Home**

Payer	Volume	Percent
Commercial Health Insurance	11	2.31
Medicaid Managed Care	3	0.63
Medicare	309	64.92
Medicare Managed Care	147	30.88
Other	1	0.21
Self-Pay	1	0.21
TriCare/Federal Government/CHAMPUS	1	0.21
VA	3	0.63
Grand Total:	476	100.00

Source: CON application #10629, Tab 4, page 4, Table 2

PLC produced a large number of tables, maps and graphs regarding the population of Seminole County, and the current availability of specific types of community nursing home beds: private vs. dual (or higher occupancy). The applicant points out the projected growth in the elderly cohorts for residents of Seminole County, Florida. The reviewer notes that the applicant utilized CY 2018 as baseline in the two tables comparing beds per thousand and population projections.

The reviewer notes the inclusion of several maps of the Sanford and 32771 Zip Code showing the facility’s placement in relation to the GOA, major cities, roads and zip codes in Seminole County as well as its proximity to recreational amenities located within Seminole County, Florida.

The applicant states that there is one existing community nursing home with 114-beds in Zip Code 32771. This SNF’s currently reported full-year occupancy rate (CY 2018) was 90 percent; therefore, the proposed project is not anticipated to affect significantly the utilization of the existing SNF. The reviewer notes this facility is Healthcare and Rehab of Sanford, which averaged 90.00 percent utilization during the 12 months ending June 30, 2019.

The applicant contends that the proposed project is needed to meet the predicted growing demand for skilled nursing care in Seminole County, Florida. PLC indicates that due to the design of the proposed project, particularly the all-private/single occupancy rooms, the bed addition will most efficiently meet the skilled nursing care needs of Seminole County residents. PLC asserts that the availability and location of a new 171-bed nursing home in the northern-most portion of Seminole County that accepts both Medicaid and Medicare will result in better health care and outcomes for local residents.

According to CON application #10629, Tab 4, page 15, PLC contends that:

“The conclusion that should be drawn from this analysis is that there may be a short marginal impact in the bed availability within Zip Code 32771, but this is more than offset, due to the growth in the need for Seminole County as a whole. Additionally, we expect that population to grow faster in the Northern part of Seminole County, due to ongoing development and lack of property suitable for housing and business development in the Southern portion of Seminole County. Most importantly, the need for this project, is predicted to be insufficient nursing home bed development to meet need by year 2021 and much less by year 2026.”

The reviewer notes that the applicant’s project is in response to the projected bed need for 54 beds in subdistrict 7-4.

2. Agency Rule Preferences

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

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

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

The application was not submitted to remedy a geographically underserved area as defined above. This project is to address the Agency's published need for 54 new community nursing home beds in District 7, Subdistrict 4, Seminole County, Florida.

- 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.**

The applicant indicates that the proposed facility will be utilized for both short-term and long-term care, with all beds being dually certified for Medicaid and Medicare.

PLC anticipates providing full-service comprehensive skilled nursing, restorative care and rehabilitation services for both short-term and long-term residents. The applicant states that the following services and amenities will be provided at the proposed facility:

- All private, single occupancy rooms
- LTC TreadTracker, a data collection and reporting tool that is owned by American Health Care Association, for comparison to its peer nursing homes
- Electronic Medical Records
- Kiosks for immediate recordation of patient treatment and activities
- Amputee training
- Handicapped accessible bathrooms
- Transitional rehabilitation suite
- Dedicated rehabilitation and therapy rooms with latest equipment
- Wound care program
- Hospice care
- Respite care
- Stroke rehabilitation

- Physical therapy
- Speech therapy
- Occupational therapy
- Respiratory therapy
- Complex medical and pain management
- Orthopedic rehabilitation and services
- Alzheimer and dementia care
- Surgical recovery
- Pharmacy services
- Laboratory services
- Medical transportations assistance
- 24-hour visitation
- Beauty and barbershop
- Therapeutic pool (hot tub)
- Spa room with walk-in tub
- Nurse emergency call system
- WanderGuard protection system
- Bed Occupancy Seniors
- Coffee bar
- Full dining with specialized dietary needs of residents
- Landscaped Courtyards and other outside spaces for residents, employees and visitors
- Full day of calendar activities
- Laundry services
- RN coverage for all shifts (24/7/365)
- In room and common area Wi-Fi for residents and visitors
- Flat screen televisions in every resident room
- Satellite or cable TV with numerous channel selections and programming

PLC notes that all existing non-Florida community nursing homes, operated by its parent company provide a comprehensive team approach in an encouraging atmosphere. The care of residents is guided by the medical director, primary care physicians and nurses, as well as physical, occupational and speech therapists, psychologists, dieticians and geriatric specialists.

The applicant maintains that its experienced team of therapists will develop an individual plan of care for each resident that may include the following:

- Physical therapy to increase strength, ambulation, balance, as well as gait training and transfer techniques
- Occupational therapy to target activities of daily living (dressing, grooming, hygiene, etc.), community reintegration skills, training in fine motor skills, splinting and positioning
- Speech therapy to enhance communication, cognitive and swallowing skills
- In-home assessment prior to discharge to ensure resident success once returning to home

PLC asserts that four patient rooms will be dedicated for specialized clinical needs involving isolation protocols. Each patient will have their own private toilet and shower. The applicant contends that this will allow for increased privacy for daily living, family visits and individual choices for television viewing, reading, etc. A state of the art nurse call system will be provided to alert nursing staff of resident need, with a call station located in each residents' rooms, bathrooms, and showering facilities. All areas are designed to be compliant with accessibility guidelines as outlined by the Americans with Disabilities Act of 1990. All exterior doors are fully alarmed to the unit's nursing station to monitor who is entering and exiting the facility. An additional resident wandering system will be incorporated to meet resident needs for security, and is in accordance with the requirements for locking arrangement of the Life Safety Code and with UL certification of locking systems. PLC points out that the proposed facility, unlike older facilities, is designed to encourage and promote socialization, entertainment, resident activities and will provide maximum patient privacy.

The applicant states that the facility' quality assurance for patients is addressed by a Quality Assurance committee, as described in CON application #10629, Tab 16, page 1).

In Tab 17 of CON application #10629, PLC includes its admission policy 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 comprehensive description of Tab 17 of the CON application #10629.

The reviewer notes that the applicant's Admission/Readmission UDAs Policy includes sample assessment forms for the following:

- Bowel and bladder assessment
- Fall risk assessment
- Hot liquid assessment
- Resident lift/transfer assessment
- Pain assessment
- Restraint necessity assessment
- Restraint reduction assessment
- Self-administration of medication assessment
- Side rail assessment
- Safe smoking assessment

The applicant's Schedule 6 indicates 131 full-time employees (FTEs) for year one (year ending 2021) and 131 FTEs for year two (year ending 2022). The reviewer notes that the applicant does not anticipate initiation of services until May 16, 2022. Therefore, it is unclear whether the first year ends with the calendar year or the fiscal year. The reviewer notes that the applicant's Schedule 10 indicates an initiation of services on May 16, 2022. Therefore, the applicant's Schedule 6 cannot reflect a full 12 months of service. The reviewer notes that the difference between CON application #10555 and Exemption #190006 (Dated April 4, 2019) and CON application #10629 is 27 FTEs.

Direct patient care (nursing – RN and LPN) and certified nursing assistants (CNA) staffing levels are forecasted to be at least 4.07 combined per patient day, with 1.31 nursing staff and 2.76 per patient days for CNAs. This is in excess of the minimums of 1.0 for nursing staff, 2.5 for CNA staff and 3.6 total. Below is the applicant's Schedule 6 staffing pattern.

**Premier Living Centers, Inc. (CON application #10629)
Projected Year One and Year Two Staffing**

	Total FTEs Year One ending 2022	Total FTEs Year Two ending 2023
Administration		
Administrator	2	2
Director of Nursing	2	2
Admissions Director	2	2
Bookkeeper	1	1
Secretary	1	1
Medical Records Clerk	1	1
Other:	2	2
Physician		
Medical Director	Contract	Contract
Nursing		
RNs	10	10
LPNs	18	18
Nurses' Aides	59	59
Ancillary		
Physical Therapist	Contract	Contract
Speech Therapists	Contract	Contract
Occupational Therapists	Contract	Contract
Dietary		
Dietary Supervisor	1	1
Cooks	4	4
Dietary Aides	7	7
Social Services		
Social Service Director	2	2
Activity Director	2	2
Activities Assistant	1	1
Housekeeping		
Housekeeping Supervision	1	1
Housekeepers	9	9
Laundry		
Laundry Aides	4	4
Plant Maintenance		
Maintenance Supervisor	1	1
Maintenance Assistance	1	1
Total	131	131

Source: CON application #10629 Schedule 6

The reviewer notes that the applicant's Schedule 7 data, found in Tab 11, indicates that the average length of stay will be 11.48 days for both year one and year two of operation

Premier intends to offer physical therapy, orthopedic rehabilitation, wound care, stroke rehabilitation, speech therapy, respiratory therapy, complex medical and pain management, and surgical recovery. These services would be appropriate for the most common discharges by major diagnostic category (MDC) and diagnostic-related group (DRG) quantified in the table below. According to PLC, the following data was obtained from the Agency for Health Care Administration Hospital Discharge Data for Calendar Year 2018.

Number of Seminole County residents aged 65 and older discharged to a SNF for Calendar Year 2018, by MDC

MDC	Volume	Percent
08 Diseases & Disorders of the Musculoskeletal System & Conn Tissue	872	25.5%
05 Diseases & Disorders of the Circulatory System	490	14.3%
18 Infectious & Parasitic Diseases, Systemic or Unspecified Sites	413	12.1%
01 Diseases & Disorders of the Nervous System	338	9.9%
04 Diseases & Disorders of the Respiratory System	291	8.5%
11 Diseases & Disorders of the Kidney & Urinary Tract	289	8.5%
06 Diseases & Disorders of the Digestive System	217	6.3%
10 Endocrine, Nutritional & Metabolic Diseases & Disorders	119	3.5%
09 Diseases & Disorders of the Skin, Subcutaneous Tissue & Breast	75	2.2%
16 Diseases & Disorders of Blood, Blood Forming Organs, Immunolog Disord	45	1.3%
07 Diseases & Disorders of the Hepatobiliary System & Pancreas	39	1.1%
23 Factors Influencing Hlth Stat & Othr Contacts With Hlth Serves	36	1.1%
19 Mental Diseases & Disorders	34	1.0%
21 Injuries, Poisonings & Toxic Effects of Drugs	33	1.0%
00 Pre MDC	29	0.8%
03 Diseases & Disorders of the Ear, Nose, Mouth & Throat	26	0.8%
17 Myeloproliferative Diseases & Disorders, Poorly Differentiated Neoplasm	20	0.6%
20 Alcohol/Drug Use & Alcohol/Drug Induced Organic Mental Disorders	16	0.5%
24 Multiple Significant Trauma	16	0.5%
12 Diseases & Disorders of the Male Reproductive System	9	0.3%
13 Diseases & Disorders of the Female Reproductive System	7	0.2%
02 Diseases & Disorders of the Eye	4	0.1%
22 Burns	1	0.0%
25 Human Immunodeficiency Virus Infections	1	0.0%
Grand Total	3,420	100.0%

Source: CON application #10629, Tab 4, pages 23 & 24, Table 8

The reviewer notes that PLC offers a more detailed breakdown of MDC categories 08 and 05, the most common discharge causes by MS-DRG within CON application #10629, Tab 4, pages 23 and 24, Table 9.

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

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

The applicant states that PLC has not had operations in Florida since 2009 and that this criterion does not apply to the applicant. PLC notes that its affiliated facilities through Briar (seven SNFs in Arkansas and Mississippi) have not had their licenses denied, revoked or suspended within the 36

months prior to submittal of the application for the proposed project.

- 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?**

PLC indicates that it is a newly formed Florida entity and has not previously operated in Florida, and therefore the applicant has no operating history in Florida; this also applies to the parent (Briar) and its affiliates. PLC adds that its affiliated facilities, through Briar, have not been placed into receivership, in their corresponding states, within the past 36 months prior to submittal of this application for the proposed project.

- 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.**

PLC is a newly formed Florida entity and has no operating history in Florida.

- 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.**

PLC is a newly formed Florida entity and has no operating history in Florida.

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

PLC is a newly formed Florida entity. Along with its affiliates in Briar, it has no operating history in Florida. PLC notes

that its affiliated facilities outside of Florida have not had reported claims of Harmful Conditions within the past 36 months prior to the submission of the application for this proposed project.

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

PLC affirms that it will provide the required data, according to the above or the applicable rules and requirements, to the Agency or its designee.

3. Statutory Review Criteria

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

As of August 16, 2019, and as noted in the *Florida Nursing Home Bed Need Projections by District and Subdistrict* publication, there was 75 licensed community nursing homes with a total of 9,477 community beds in District 7. Subdistrict 7-4 is composed of Seminole County, and has 10 licensed community nursing homes, with nine of them participating in Medicaid, for a total of 1,266 community nursing home beds and 117 approved community beds as of August 16, 2019. The subdistrict averaged 92.86 percent total occupancy for the 12-month period ending June 30, 2019.

After the application deadline for the October 2019 Other Beds and Programs Batching Cycle, November 20, 2019, with the exception of the applicant's previously mentioned 117 approved beds, there were no exemptions or expedited CON applications submitted to add beds to Seminole County as of December 26, 2019, the omissions deadline for the October 2019 "Other Beds and Programs" batching cycle.

Premier Living Centers, Inc. (CON application #10629) includes volumes of hospital discharges to SNFs by payer major diagnostic category (MDC) for Seminole County residents aged 65+ for CY 2018. PLC maintains that it will be able to offer services and handle admissions from these MS-DRGs.

The applicant provides several maps of Seminole County:

- Seminole County, proximity to Orlando and Orlando Metropolitan Statistical Area (MSA)
- Seminole County, major cities, roads and physical features (including lakes, etc.)
- Seminole County, major recreational activities (golfing, boating, water recreation, parks and nature areas)
- Seminole County, ZIP Codes
- ZIP Code 32771

The applicant states and the reviewer confirms that through the Agency's FloridaHealthFinder.gov website at

<http://www.floridahealthfinder.gov/facilitylocator/ListFacilities.aspx>, there is one nursing home in ZIP Code 32771 – the 114-bed community nursing home, Healthcare and Rehabilitation of Sanford. The applicant notes that the Healthcare and Rehabilitation of Sanford facility had a total occupancy rate of 90.00 percent with 74.12 percent Medicaid occupancy for the 12 months ending June 2019. The applicant asserts that the proposed project is not anticipated to impact utilization of the existing nursing home.

PLC duplicates the Agency's July 2021 nursing home projections for all of District 7 (including Subdistrict 7-4/Seminole County) to indicate a net need for 54 community nursing home beds.

Stating the utilization of The Florida Legislature, Office of Economic and Demographic Research, Population and Demographic Data, by 2025, the Seminole County population projection (for residents age 65+) is expected to be 77,867 (10.03 percent increase from 2019). The reviewer notes that The Florida Legislature, Office of Economic and Demographic Research website is at <http://edr.state.fl.us/Content/>.

PLC explains that by the time the proposed facility is built, licensed and actually admitting residents, the Seminole County population age 65+ will have increased by over 7,000. The reviewer points out that the beds per 1,000 population is lower in Seminole County when compared to the District 7 totals, and State of Florida beds per 1,000 for the 75+ age cohort and comparable with the State of Florida, for beds per 1,000 for the 65+ age cohort.

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

- b. **Does the applicant have a history of providing quality of care? Has the applicant demonstrated the ability to provide quality of care? Is the applicant a Gold Seal Program nursing facility that is proposing to add beds to an existing nursing home? ss. 408.035 (1) (c) and (j), Florida Statutes.**

Premier Living Centers, Inc. (CON application #10629) is a newly formed for-profit Florida entity. PLC is affiliated with Briar, and neither PLC, nor Briar affiliates, has operated in Florida and therefore the applicant has no operating history in Florida. Briar operates six SNFs located in Arkansas and Mississippi.

Premier, being an affiliate of Briar Hill Management, LLC and its six nursing homes, is committed to quality care for its residents that need skilled nursing services. Of the six nursing homes affiliated with Briar, three are rated a four-star facility; additionally, the average of the six nursing homes is a three-star rating and historically has averaged between four- or five-star ratings. None of Briar's current facilities are totally or a majority, private, single occupancy rooms, so the applicant contends that the proposed project should exceed current operations for quality of care and resident satisfaction than currently extant in any Briar affiliate location.

PLC asserts that their patient care model based upon more personal and focused service delivery, translates into better resident care, and the satisfaction of residents and their families in service and care received. PLC maintains that it has an advantage over larger nursing homes for this reason. The applicant states that the focus on resident care and quality of care, due to good ratios of staff to residents, allows staff to better anticipate resident needs and care based on personal knowledge of the resident. Premier asserts that it delivers quality of care, and its quality of care will be excellent, based on its own operations and experiences.

PLC notes that employees of Briar Hill Management are trained in their philosophy of customer service, and are guided by strongly held values in the way they treat each other and the people they serve. The applicant strives to recognize and meet the needs of the people and families it serves, as well as those who work with the applicant to achieve its mission, in an atmosphere of kindness, compassion and understanding. PLC endeavors to conduct its business with fairness and integrity, communicating responsibly and honestly, and thus creating an environment of trust.

The two principals, David Rotolo and Robert Rotolo, have a combined total in excess of 60 years' experience in the business of managing SNF facilities, and both are licensed Nursing Home Administrators.

Premier's affiliates operate under a Quality Assurance Program, an example of which is attached at Tab 16 of this application (CON application #10629). An example of the below listed is included at Tab 17 to support that Premier management is able to replicate and administer a quality nursing home in Florida as it does with its other six nursing homes:

- Brochures of two nursing homes
- Admissions Agreement Checklist
- Inservice Topic for a complete calendar year
- Vulnerable Adults forms and reporting in Mississippi
- Vulnerable Adult Reporting and Investigation Procedure
- Ethics Committee Policy
- Privacy and Confidentiality Policy
- Posting of Direct Care Daily Staffing Numbers Policy
- Accidents and Incidents Investigation and Reporting
- Abuse Program
- Discharge Plan/Summary Policy and Procedure
- Discharge and Transfer Policies Involuntary
- Pre-Admission Policy
- Admission/Readmission Orders Policy
- Admission Policy
- Interdisciplinary Care Plan Meeting Policy
- Care Plans Policy
- Admission Agreement
- Initial Care Plan
- Admission/Readmission UDAs Policy

The reviewer notes that the "brochures of two nursing homes", in Tab 17 of CON application #10629 are a brochure regarding Carrington Nursing and Rehabilitation Center, 307 Reed Road, Starkville, Mississippi 39759 and the River Place Nursing and Rehabilitation Center, 1126 Earl Frye Blvd., Amory, Mississippi 38821.

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

Analysis:

The purpose of our analysis for this section is to determine if the applicant has access to the funds necessary to fund this and all capital projects. Our review includes an analysis of the short and long-term position of the applicant, parent or other related parties who will fund the project. The analysis of the short-term 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.

10629 Premier Living Centers, Inc.		
	Dec-18	NA
Current Assets	\$100,000	\$0
Total Assets	\$344,498	\$0
Current Liabilities	\$32,960	\$0
Total Liabilities	\$32,960	\$0
Net Assets	\$311,538	\$0
Total Revenues	\$0	\$0
Excess of Revenues Over Expenses	\$0	\$0
Cash Flow from Operations	\$0	\$0
Short-Term Analysis		
Current Ratio (CA/CL)	3.0	
Cash Flow to Current Liabilities (CFO/CL)	0.00%	
Long-Term Analysis		
Long-Term Debt to Net Assets (TL-CL/NA)	0.0%	
Total Margin (ER/TR)		
Measure of Available Funding		
Working Capital	\$67,040	\$0

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 \$46,011,979, which consists of a 117-bed Exemption E190006, \$20,269,805; a 67-bed nursing home in Hillsborough County, CON application #10552, \$16,396,085; and this CON application #10629, to add 54 beds to the #E190006, \$9,346,089. As this is a review of CON application #10629, the total cost of this project is \$9,346,089.

The applicant states on Schedule 3 that funding for this project will come from \$50,000 cash on hand and funds assured but not in hand of \$9,296,089. Premier Living Centers, Inc. submitted an account statement from Trustmark with a balance of \$50,000. Trustmark submitted a letter of interest to Briar Hill to provide the financing for the facility, up to \$25,075,000. Briar Hill Management submitted a letter of commitment to draw \$3,750,000 from a line of credit Briar Hill has with Trustmark national Bank. As of December 23, 2019, this LOC is undrawn upon. Funding for this project is likely but not guaranteed.

Conclusion: Funding for this project is contingent on the execution of a loan agreement with Trustmark for up to \$25,075,000.

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

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

operating results from SNFs as reported on Medicaid cost reports (2016, and 2017 cost report years). For our comparison group, we selected SNFs with similar Medicaid utilizations to the utilization projected by the applicant on a per patient day basis (PPD). Comparison group data was adjusted for inflation to match the second year projection (inflation factor was based on the New CMS Market Basket Price Index as published in the 3rd Quarter 2018, Health Care Cost Review).

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

	Projections Per Applicant		Comparative Facilities		
	Total	PPD	Highest	Median	Lowest
Net Revenues	\$23,351,507	402.90	624.43	475.70	388.75
Total Expenses	\$21,231,951	366.33	673.39	467.40	364.23
Operating Income	\$2,119,556	36.57	26.45	16.04	-48.64
Margin	9%				
Occupancy	93%		0.94	0.91	0.67
Medicaid	33%		0.41	0.35	0.27
Medicare	52%		0.58	0.45	0.13

Staffing:

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

The projected NRPD and CPD fall within the group range and are considered reasonable. While the overall profitability appears achievable, it may be overstated. The total cost appears to include at least the minimum staffing required.

Conclusion:

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

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

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

Conclusion:

Strictly from a review of the financial schedules, this project is not likely to have a material impact on price-based competition to promote quality and cost-effectiveness.

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

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

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

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

The five-year Medicaid occupancy for Seminole County, District 7 and the State of Florida is provided in the following table:

**Medicaid Patient Days and Occupancy in Seminole County, District 7 and State of Florida
12 Month Periods Ending June 30**

Medicaid Patient Days					
Region	2015	2016	2017	2018	2019
Seminole County	241,631	241,078	231,992	244,212	259,237
District 7	1,774,373	1,814,280	1,806,594	1,786,963	1,848,437
Florida	15,875,092	16,097,612	16,077,665	15,962,594	16,282,260
Medicaid Occupancy					
Region	2015	2016	2017	2018	2019
Seminole County	60.66%	58.85%	56.63%	58.00%	61.16%
District 7	59.99%	60.98%	60.92%	60.41%	62.62%
Florida	61.88%	62.73%	63.34%	63.23%	64.90%

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

Premier Living Centers, Inc. (CON application #10629) states that it has a long history of participation in Medicaid and providing skilled nursing services to the Medicaid population through its affiliates. PLC indicates having provided care to Medicaid eligible residents in Arkansas Louisiana and Mississippi in the past, and currently provides care to Medicaid-eligible residents in its six SNFs in Arkansas and Mississippi.

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

The reviewer compiled CON application #10629 Schedule 7 data, to account for Medicaid/Medicaid HMO/Medicaid SMMC and self-pay for year one and for year two, along with admissions for both years. The

reviewer notes that the information provided is for the entire 171-bed facility not the 54-bed addition. The applicant expects 20,140 patient/resident days in year one (3,311 admits) and 29,899 patient/resident days in year two (4,915 admits). See the table below.

**Forecast Utilization at Proposed Premier Living Centers, Inc.
171 Community Nursing Home Bed Project
First Two Years of Operation (2022/23)**

Payer	Year One	Year Two	Percent of Total Year One	Percent of Total Year Two
Medicare	20,140	24,455	51.85%	51.59%
Medicaid	13,457	8,395	34.64%	32.54%
Self-Pay	5,249	6,935	13.51%	15.87%
Total	38,846	39,785	100.0%	100.0%
Payer	Year One Admissions	Year Two Admissions		
Medicare	3,311	4,915		
Medicaid	37	70		
Self-Pay	35	60		
Total	3,383	5,045		

Source: CON application #10629, Tab 11, pages 1 & 2, Schedule 7

The reviewer notes that while the applicant indicates in this section having forecasted for Medicaid and charity care, the applicant’s Schedule 7 does not indicate charity care patient/resident days or admissions though PLC does indicate 35 self-pay patient admissions for year one, and 60 for year two. PLC does not state that self-pay is synonymous with charity care.

The applicant, as predicted in this application, asserts that the need for such skilled nursing services will increase as the population increases in-line with the growth of the total population of those residents age 65+ in Subdistrict 7-4, Seminole County, Florida. Premier contends that access will be increased and enhanced should this application be approved.

Based on the applicant’s total patient day estimates in Schedule 7, Medicaid will represent 34.64 percent and 32.54 percent of year one and year two total annual patient days.

The applicant does not propose a Medicaid patient day condition. The reviewer notes that the applicant does condition approval on dually certifying all beds under the Medicare and Medicaid program.

F. SUMMARY

Premier Living Centers, Inc. (CON application #10629), a newly formed for-profit Florida entity, proposes to add 54 all private/single

occupancy community nursing home beds to a previously approved 117-bed community nursing home via Exemption #190006 in Subdistrict 7-4. If approved, the proposed project will result in a 171-bed SNF in Subdistrict 7-4.

The applicant anticipates issuance of license on April 18, 2022 and initiation of services on May 16, 2022.

The 54-bed project involves 32,068 GSF of new construction. The construction cost is \$6,060,610. Total project cost is \$9,346,089. Project costs include land, building, equipment, project development and financing costs.

The applicant conditions approval of the project as follows:

- All beds to be dually certified for both Medicaid and Medicare.

Need

In Volume 45, Number 194 of the Florida Administrative Register dated October 4, 2019, need for 54 community nursing home beds was published in the fixed need pool for Subdistrict 7-4, Seminole County, Florida for the July 2022 Planning Horizon.

The applicant states that the proposed project is being submitted in response to the Agency's fixed need pool publication dated October 4, 2019.

Concerning availability, PLC 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 future utilization of existing providers.

The applicant's Schedule 7 indicates that the average length of stay will be 11.48 days for years one and two of operation. The majority of the facility's admissions are projected to be Medicare patients with 97.87 and 97.42 percent of year one and year two annual totals.

The Agency finds that, on balance, the applicant demonstrated the applicable statutory and rule criteria to merit approval of the proposed bed addition.

Quality of Care

The applicant describes the ability to provide quality care

Premier Living Centers, Inc. provides QAP guidelines and indicates that its management is able to replicate and administer a quality SNF in Florida as it does with its other six affiliated SNFs

Financial Feasibility/Availability of Funds

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

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

Strictly from a review of the financial schedules, this project is not likely to have a material impact on price-based competition to promote quality and cost-effectiveness.

Medicaid/Charity Care

The applicant does not propose to condition project approval to a percentage of Medicaid/Medicaid managed care or charity care days.

Based on the applicant's Schedule 7, Medicaid is projected to represent 34.64 percent and 32.54 percent of the 171-bed facility's total annual year one and year two patient days.

Architectural:

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

G. RECOMMENDATION

Approve CON #10629 to add 54 community nursing home beds in District 7, Subdistrict 4, Seminole County, Florida. The total project cost is \$9,346,089. The project involves 32,068 GSF of new construction and a construction cost of \$6,060,610.

CONDITION: All beds will be dually certified for both Medicaid and Medicare, as required by Exemption #190006.

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