

**STATE AGENCY ACTION REPORT**  
**ON APPLICATION FOR CERTIFICATE OF NEED**

**A. PROJECT IDENTIFICATION**

1. Applicant/CON Action Number

**PruittHealth – Brandon, LLC/CON #10719**

1626 Jeurgens Court  
Norcross, Georgia 30093

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

2. Service District/Subdistrict

District 6, Subdistrict 1, Hillsborough County

**B. PUBLIC HEARING**

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

**C. PROJECT SUMMARY**

**PruittHealth – Brandon, LLC (CON application #10719)**, also referenced as PruittHealth – Brandon, or the applicant is a newly formed Florida entity and proposes the transfer of CON #10585 from PruittHealth – 6-1, LLC which was approved to establish a new 119-bed community nursing home in District 6, Subdistrict 1 (Hillsborough County) awarded in September 2019. PruittHealth states there are no other changes to the proposal sought via this transfer CON application.

PruittHealth – Brandon states that the proposed facility is to be located at the corner of S. Valrico Rd. and Brooker Rd., Brandon, FL 33596 and the site was acquired in December of 2021.

PruittHealth – 6-1, LLC (to whom CON #10585 was awarded) and PruittHealth – Brandon, LLC are PruittHealth affiliates. The applicant states that PruittHealth entities include:

- More than 100 related skilled nursing and rehabilitation centers and assisted living facilities
- 25 hospice agencies
- 26 home health agencies
- 10 home first agencies
- An independent living community
- Six pharmacies
- A medical supply company

PruittHealth affiliates currently operate the following licensed community nursing homes:

- PruittHealth – Santa Rosa (Santa Rosa County/Subdistrict 1-1) – 120 beds
- PruittHealth – Panama City (Bay County/Subdistrict 2-2) – 101 beds
- PruittHealth – Southwood (Leon County/Subdistrict 2-4) – 101 beds
- PruittHealth – Fleming Island (Clay County/Subdistrict 4-2) – 97 beds.

In addition to this project, PruittHealth entities have the following CON projects pending licensure as of July 1, 2022:

- PruittHealth – Escambia, LLC, Exemption #200003 combining CON #10613 to Exemption #180033 which combined (CON #10505) 75 beds and (CON #10527) 45 beds, to establish a new 120-bed facility in Subdistrict 1-1
- PruittHealth - Citrus County, LLC, (CON #10615) to establish a new 93-bed community nursing home in Subdistrict 3-5
- PruittHealth – St. Johns, LLC, (CON #10583P/10616 Exemption #E200004) to establish a new 120-bed facility in Subdistrict 4-3
- PruittHealth - Pinellas, LLC combining (CON #10677) 75 beds and (CON #10622) 45 beds, to establish a 120-bed facility in Subdistrict 5-2
- PruittHealth – Hillsborough County, LLC (CON #10509P/10553/ Exemption #E190010) to establish a new 90-bed community nursing home in Subdistrict 6-1
- PruittHealth - Brevard County, LLC (CON #10626) to establish a 98-bed community nursing home facility in Subdistrict 7-1
- PruittHealth - Orange County, LLC (CON #10627) to establish a new 120-bed community nursing home

The proposed project includes a total of 94,244 gross square feet (GSF) of new construction with a construction cost of \$15,706,300. The total project cost is \$25,817,920. The total project cost includes land, building, equipment, project development, financing, and start-up costs. These costs are the same as those in the original CON #10585.

The applicant expects issuance of license in January 2025 and initiation of service in February 2025.

PruittHealth - Brandon, LLC indicates that it accepts the conditions to approval of the original CON application #10585. These include:

Programming/Operational Conditions:

1. All 119 patient beds will be in private patient rooms.
2. All patient bathrooms will be handicap accessible.
3. Facility will feature a 16-bed Alzheimer's disease secure unit.
4. Incorporate two bariatric rooms/beds into the facility design.
5. 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.
6. 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.
7. 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.
8. Have at least one Certified Dementia Practitioner on staff on the Alzheimer's unit per shift.
9. Implement Electronic Medical Records (EMR) at the facility and include Smart Charting or other similar bedside patient charting tool.
10. Implement Resident Safety Technology including Call Guard and WanderGuard into the facility.
11. Implement Clinical Kiosks in appropriate locations throughout the facility.
12. Assure all staff maintains ongoing training and continuing education credits utilizing Pruitt University and at no cost to the employees.
13. Participate in a company-wide Annual Quality Report to demonstrate transparency in operations and make this Quality Report available to the public.
14. 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.

15. Implement PointRight Technology (or a future similar technology) in the ongoing operations.
16. 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.

PruittHealth states that these conditions will be measured by furnishing the Agency with certificates, declaratory statements, and other information as needed on an ongoing basis.

**Total GSF and Project Costs of CON application #10719**

| <b>Applicant</b>          | <b>CON app. #</b> | <b>Project</b> | <b>GSF</b> | <b>Total Cost</b> | <b>Cost per Bed</b> |
|---------------------------|-------------------|----------------|------------|-------------------|---------------------|
| PruittHealth-Brandon, LLC | 10719             | 119-bed SNF    | 94,244     | \$25,817,920      | \$216,957.31        |

Source: CON application #10719, Schedules 1 and 9

*Should the proposed project be approved, the applicant’s 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 sections 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 best meets the review criteria.

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

As part of the fact-finding, the consultant, Sarah Zimmerman, 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 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.**

PruittHealth - Brandon, LLC submitted CON application #10719 as an expedited review and not in response to a fixed need pool. The number of licensed and approved nursing home beds in Subdistrict 6-1 will remain unchanged as a result of the proposed transfer.

As of July 1, 2022, Subdistrict 6-1 (Hillsborough County) has 29 licensed community NHs with a total of 3,803 licensed community nursing home beds and 276 CON approved beds. Subdistrict 6-1 community nursing homes reported an average of 80.85 percent occupancy during CY 2021. Subdistrict 6-1 community nursing home total occupancy during CY 2021 is shown in the table below.

**Subdistrict 6-1, Hillsborough County  
Community Nursing Home Utilization  
CY 2021**

| <b>Name of Facility</b>                           | <b>Skilled Nursing Facility Beds</b> | <b>Total Patient Days</b> | <b>Total Occupancy Rate</b> | <b>Medicaid Patient Days</b> | <b>Percent Medicaid of Total Days</b> |
|---|--------------------------------------|---------------------------|-----------------------------|------------------------------|---------------------------------------|
| Bayshore Pointe Nursing and Rehab Center          | 117                                  | 35,754                    | 83.72%                      | 21,003                       | 58.74%                                |
| Brandon Health and Rehabilitation Center          | 120                                  | 34,771                    | 79.39%                      | 14,249                       | 40.98%                                |
| Canterbury Towers, Inc.                           | 40                                   | 4,701                     | 32.20%                      | 0                            | 0.00%                                 |
| Carrollwood Care Center                           | 120                                  | 39,664                    | 90.56%                      | 24,805                       | 62.54%                                |
| Central Park Healthcare and Rehabilitation Center | 120                                  | 36,401                    | 83.11%                      | 16,759                       | 46.04%                                |
| Community Convalescent Center                     | 120                                  | 38,557                    | 88.03%                      | 24,047                       | 62.37%                                |
| Concordia Village of Tampa                        | 129                                  | 28,615                    | 60.77%                      | 23,023                       | 80.46%                                |
| Excel Care Center                                 | 120                                  | 38,343                    | 87.54%                      | 23,993                       | 62.57%                                |
| Fairway Oaks Center                               | 120                                  | 34,148                    | 77.96%                      | 24,877                       | 72.85%                                |
| Fletcher Health and Rehabilitation Center         | 120                                  | 40,394                    | 92.22%                      | 25,501                       | 63.13%                                |
| Gandy Crossing Care Center                        | 160                                  | 50,336                    | 86.19%                      | 35,417                       | 70.36%                                |
| Habana Health Care Center                         | 150                                  | 45,890                    | 83.82%                      | 36,166                       | 78.81%                                |
| Hawthorne Health and Rehab of Brandon             | 132                                  | 28,574                    | 59.31%                      | 9,995                        | 34.98%                                |
| Home Association, The                             | 96                                   | 24,119                    | 68.83%                      | 18,398                       | 76.28%                                |
| Luxe at Lutz Rehabilitation Center (The)          | 120                                  | 34,568                    | 78.92%                      | 11,067                       | 32.02%                                |
| Northdale Rehabilitation Center                   | 120                                  | 34,717                    | 79.26%                      | 18,348                       | 52.85%                                |
| Palm Garden of Sun City (+12 beds 1/21/21)        | 132                                  | 36,017                    | 74.96%                      | 18,866                       | 52.38%                                |
| Palm Garden of Tampa                              | 120                                  | 39,067                    | 89.19%                      | 21,716                       | 55.59%                                |
| Plaza West Health Center                          | 113                                  | 32,452                    | 78.68%                      | 10,821                       | 33.34%                                |
| Raydiant Health Care of Brandon                   | 120                                  | 37,755                    | 86.20%                      | 18,525                       | 49.07%                                |
| Rehabilitation and Healthcare Center of Tampa     | 174                                  | 56,154                    | 88.42%                      | 37,326                       | 66.47%                                |
| Solaris Healthcare Plant City                     | 180                                  | 60,615                    | 92.26%                      | 38,453                       | 63.44%                                |
| St. Andrew Post-Acute and Rehabilitation Center   | 45                                   | 12,796                    | 77.91%                      | 4,723                        | 36.91%                                |
| Sun Terrace Health Care Caner                     | 130                                  | 41 ,335                   | 87.11%                      | 18,719                       | 45.29%                                |
| Tampa Lakes Health and Rehabilitation Center      | 179                                  | 51349                     | 78.59%                      | 29,838                       | 58.11%                                |
| The Bristol Care Center                           | 266                                  | 61 ,527                   | 63.37%                      | 44,406                       | 72.17%                                |
| Whispering Oaks                                   | 240                                  | 81 ,022                   | 92.49%                      | 68,907                       | 85.05%                                |
| Woodbridge Care Center                            | 120                                  | 39,271                    | 89.66%                      | 24,126                       | 61.43%                                |
| Ybor City Center for Rehabilitation and Healing   | 80                                   | 23,263                    | 79.67%                      | 17,980                       | 77.29%                                |
| <b>Subdistrict 6-1 Total</b>                      | <b>3,803</b>                         | <b>1,122,175</b>          | <b>80.85%</b>               | <b>682,054</b>               | <b>60.76%</b>                         |

Source: Florida Nursing Home Bed Need Projections by District and Subdistrict, April 1, 2022

PruittHealth – Brandon states the project will enhance competition in the subdistrict and cites the ‘gaps in service’ that it contends were evident pre-pandemic and it expects will continue. The applicant states that it will address the following ‘gaps in service’ upon implementation of the project:

1. Available and accessible secure Alzheimer’s unit
2. Bariatric suites in response to obesity rates and hard to place patients

3. Available and accessible beds for Medicaid Long Term Care enrollees
4. Enhance access to private room accommodations for all patients and payors

Additional information is provided on the topics above. CON application #10719, page 10, includes a table titled - Estimates of Persons Affected by Alzheimer's Dementia in Subdistrict 6-1/ Hillsborough County 2019 and 2024. This table uses more newly published (2021) Alzheimer's Association estimates indicating a total of 27,635 Alzheimer's cases (all age cohorts) by 2024 in Subdistrict 6-1/Hillsborough County, as opposed to a total of 25,218 for the year 2023. PruittHealth – Brandon states that the above data indicates that there must be healthcare programs and providers in place in this market, prepared to treat individuals confronted with Alzheimer's dementia. The applicant notes that there are three nursing facilities in Subdistrict 6-1 that reportedly offer secure Alzheimer's units and these units have historically operated at full occupancy and all have semi-private accommodations.

PruittHealth – Brandon emphasizes that its staff will have specific training, services and experience to care for this patient population. Services specific to the Alzheimer's such as nutrition, care planning, recreation, spirituality and medical care. Further, the 16-bed unit will have an enclosed courtyard and include all private rooms.

In reference to its proposed bariatric suites, PruittHealth indicates there is a growing demand and cites obesity rates. CON application #10719, page 11, includes the table:

- Estimates of Residents with Obesity, Ages 65+, Subdistrict 6-1/Hillsborough County 2019 and 2024

PruittHealth – Brandon's table indicates Hillsborough County obesity case estimates increasing from 86,340 in 2019 to 103,640 by 2024. The reviewer notes that the data presented is indicating a net increase of 17,300 (20 percent) obesity cases in Hillsborough County by 2024 (103,640 – 86,340 = 17,300). PruittHealth – Brandon maintains that CON application #10719 is responding to a growing demand for nursing homes locally, and in the state, to offer bariatric rooms and services to accommodate obese patients.

In reference to available beds for Medicaid Long Term Care enrollees, CON application #10719, page 12, includes a chart showing:

- Medicaid LTC Enrollment Trend, Subdistrict 6-1/Hillsborough County – March 31, 2020, through March 31, 2022<sup>1</sup>:

<sup>1</sup> According to the applicant's estimates, the three-year average enrollment count (March 31, 2020, through March 31, 2022) was 8,033 cases.

- March 31, 2020, total enrollment count at 8,123
- March 31, 2021, total enrollment count at 7,667
- March 31, 2022, total enrollment count at 8,309

This table is comparable to CON application #10585’s graphs, tables, and summation on pages 73 – 77:

- Medicaid LTC Enrollment Trend, Subdistrict 6-1/Hillsborough County – March 1, 2016, through March 1, 2019:
  - March 1, 2016, total enrollment count at 5,233
  - March 1, 2019, total enrollment count at 6,900

PruittHealth – Brandon contends that data supports the position that Subdistrict 6-1 has experienced growth in Medicaid Long Term Care enrollment during the past five plus years. Perusal of the two tables indicates that, with fluctuation between years, Hillsborough County has realized a net increase of 3,076 Medicaid Long Term Care enrollments from March 1, 2016, to March 31, 2022.

In reference to enhancing access to private room accommodations for all patients and payors, PruittHealth contends that providing a state-of-the-art nursing home with specialty programs, accommodations and private rooms to mostly lower income patients will enhance financial access and quality of care within Hillsborough County. PruittHealth utilizes the Agency’s Florida Nursing Home Bed Need Projections by District and Subdistrict, published April 1, 2022 and [www.floridahealthfinder.gov](http://www.floridahealthfinder.gov) (May 2022) to show Hillsborough County NHs, the total number by facility of licensed beds, private beds, beds in multiple bedrooms and the percentage of private beds.

The table below provides the Subdistrict 6-1 total by these categories.

**Subdistrict 6-1  
Community Nursing Home Beds**

| <b>Total Licensed Beds</b> | <b>Number of Private Beds</b> | <b>Beds in Multiple Rooms</b> | <b>Percent of Private Beds</b> |
|----------------------------|-------------------------------|-------------------------------|--------------------------------|
| 3,803                      | 493                           | 3,310                         | 13.0%                          |

Source: CON application #10719, page 14 (partially reproduced)

PruittHealth notes that the proposed facility will become the first all private bed nursing home in Hillsborough County, in stark contrast to Hillsborough County’s 13 percent average for nursing home beds that are private. PruittHealth – Brandon states that 15 of Hillsborough County’s 29 nursing facilities provided greater than 60.8 percent of patient days to Medicaid patients and that these facilities had an average of 9.2 percent of total beds in a private setting, compared to subdistrict’s 13.0 percent.



The applicant’s response to quality of care is addressed in item E.2.b. of this report.

PruittHealth - Brandon includes CON application #10585’s Schedule 7 under TAB 5 of the application indicating year one and year two estimates, by payer source, for each of the following:

- Total admissions
- Total annual patient days
- Percent of total annual patient days

The reviewer generates the following table to account for the applicant’s estimates.

**PruittHealth – Brandon, LLC - CON application #10719  
(PruittHealth – 6-1, LLC - CON application #10585)  
Total Admissions, Total Patient Days and  
Percent of Total Patient Days by Payer Source  
Year One and Year Two**

| Year One                   |          |          |          |              |              |        |
|----------------------------|----------|----------|----------|--------------|--------------|--------|
|                            | Self-Pay | Medicaid | Medicare | Medicare HMO | Other Payers | Total  |
| Total Admissions           | 12       | 41       | 219      | 18           | 4            | 294    |
| Total Patient Days         | 700      | 9,911    | 5,445    | 364          | 243          | 16,663 |
| Percent-Total Patient Days | 4.2%     | 59.5%    | 32.7%    | 2.2%         | 1%           | 100%*  |
| Year Two                   |          |          |          |              |              |        |
|                            | Self-Pay | Medicaid | Medicare | Medicare HMO | Other Payers | Total  |
| Total Admissions           | 13       | 104      | 588      | 36           | 6            | 747    |
| Total Patient Days         | 732      | 24,888   | 14,640   | 732          | 366          | 41,358 |
| Percent-Total Patient Days | 1.8%     | 60.2%    | 35.4%    | 1.8%         | 1%           | 100%** |

Source: CON application #10719, Tab 5

Note: \* This percentage is arithmetically 99.6 percent, likely due to rounding.

\*\* This percentage is arithmetically 100.2 percent, likely due to rounding.

**2. 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? Section 408.035 (1)(2) and (5), Florida Statutes.**

As of July 1, 2022, Subdistrict 6-1 (Hillsborough County) has 29 licensed community nursing homes with a total of 3,803 licensed community nursing home beds and 276 approved beds. Subdistrict 6-1 community nursing homes reported an average of 80.84 percent occupancy during CY 2021. There are also three approved facilities being developed,

PruittHealth – Hillsborough County, LLC (120 beds), Riverview Nursing and Rehab Center, LLC, (67 beds) and PruittHealth – 6-1, LLC, (119 beds - this application to transfer).

The reviewer notes that Subdistrict 6-1 had approximately 42 percent of District 6’s total licensed community beds in CY 2021. As previously indicated in item E.1.a. of this report, the applicant specifically pointed to four “gaps in service” that PruittHealth – Brandon proposes to address:

1. Available and accessible secure Alzheimer’s unit
2. Bariatric suites in response to obesity rates and hard to place patients
3. Available and accessible beds for Medicaid Long Term Care enrollees
4. Enhance access to private room accommodations for all patients and payors

Need was addressed in detail in the original CON application #10585. Both the transferor (PruittHealth – 6-1, LLC) and the transferee (PruittHealth – Brandon) have common ownership and affiliation with PruittHealth, Inc., ultimately parented by UHS.

- 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(3) and (10), Florida Statutes.**

As previously stated in item C of this report, PruittHealth – Brandon is a newly formed, for-profit Florida entity, and therefore does not have an historical record available to document in this CON proposal.

The applicant indicates that since PruittHealth will still be the owner/operator/manager of this facility, the same quality of care information that is in CON #10585 applies to this application. PruittHealth – Brandon states that implementation of this proposal will involve the development of all quality policies and procedures based on its other affiliated facilities. PruittHealth expresses a commitment to adhere to all State and Federal SNF regulations and statutes in addition to Medicare’s Conditions of Participation and to seek Joint Commission accreditation.

PruittHealth – Brandon states that it will use LTC TrendTracker which is a data collection and benchmarking tool that gives nursing care facilities the opportunity to compare staffing levels, resident characteristics, survey findings, revenue and cost, Medicare patient days, and quality

measures with its peer. Further, that when compared to other LTC TrendTracker users, PruittHealth affiliated skilled nursing facilities are leaders in quality care.

PruittHealth – Brandon states it will develop programs, services and protocols and will exceed benchmarks to achieve AHCA Gold Seal eligibility. The reviewer notes that none of PruittHealth’s existing facilities have Gold Seal designation. Per CON application #10719, PruittHealth – Brandon will strive to be a deficiency-free facility, to become a 5-Star rated facility and meet all AHCA Quality Award Requirements. The applicant notes that its affiliates – PruittHealth – Panama City, PruittHealth – Fleming Island and PruittHealth – Southwood, each received zero deficiency surveys when undergoing their Medicare certification surveys, attesting to the quality of services implemented by PruittHealth.

PruittHealth – Brandon points out that annually, PruittHealth honors its outstanding employees to foster a sense of invested ownership in the success and continually improving quality care of their 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.

PruittHealth- Brandon comments that will follow PruittHealth's model for commitment to quality and strive to achieve the same levels of success. The applicant states that its *Committed to Caring Campaign*, set PruittHealth apart from other skilled nursing operators.

The applicant notes that PruittHealth – Brandon, as part of its quality initiative plans, will engage PruittHealth Pharmacy Services to perform random audits of client medication regimens.

PruittHealth explains that it is one of the first and largest utilizers of the INTERACT platform. The applicant states that this is a program integrated between different levels of care to reduce hospital readmissions by addressing clinical symptoms before they escalate to the need to transfer a resident to the hospital.

The reviewer notes that the Agency documents the most current Nursing Home Guide Inspection Ratings issuance (a one-to-five-star rating system with a possible maximum of five stars) for licensed Florida SNFs.

Below is an explanation of the star ratings:

- ★★★★★ Means that for this measure this facility ranked better than 81 percent to 100 percent of the facilities in its region. That is, five stars means that the facility ranked in the top 20 percent of facilities in its region
- ★★★★ Means that for this measure this facility ranked better than 61 percent to 80 percent of the facilities in its region
- ★★★ Means that for this measure this facility ranked better than 41 percent to 60 percent of the facilities in its region
- ★★ Means that for this measure this facility ranked better than 21 percent to 40 percent of the facilities in its region
- ★ Means that for this measure this facility ranked better than 0 percent to 20 percent of the facilities in its region. That is, a single star means that the facility ranked in the bottom 20 percent of facilities in its region
- NR** Means that a rank is not available for this facility. This is typically because the facility just recently opened.

The reviewer generates the following table to reflect the overall inspection star rating for each of PruittHealth, Inc.’s four Florida SNFs, per the Agency.

**PruittHealth-Affiliated NHs Agency-Issued  
Nursing Home Guide Inspection Ratings  
October 2019 - March 2022  
Last Updated May 2022**

| PruittHealth Affiliated Nursing Homes | Overall Inspection Star Rating |
|---------------------------------------|--------------------------------|
| PruittHealth – Santa Rosa             | *                              |
| PruittHealth – Panama City            | ***                            |
| PruittHealth – Southwood              | **                             |
| PruittHealth – Fleming Island         | **                             |

Source: <https://www.floridahealthfinder.gov/index.html>

On July 8, 2022, the reviewer used the Centers for Medicare and Medicaid’s (CMS’) Medicare.gov website to obtain Medicare’s Nursing Home Compare rating for the four PruittHealth-affiliated Florida nursing homes. According to CMS’ Medicare’s Nursing Home Compare, overall quality ratings are issued on a one-to-five-star scale, as follows:

- ★★★★★ Much Above Average
- ★★★★ Above Average
- ★★★ Average
- ★★ Below Average
- ★ Much Below Average
- Not Available** Newly certified nursing homes with less than 12-15 months of data available or the nursing opened less than six months ago, and there were no data to submit or claims for this measure.

The reviewer generates the following table to reflect the overall inspection star rating for each of PruittHealth, Inc.’s Florida SNFs, per CMS Medicare Compare.

**PruittHealth-Affiliated NHs CMS Nursing Home Compare Ratings  
as of July 8, 2022**

| <b>PruittHealth Affiliated SNF</b> | <b>Overall Nursing Home Compare Star Rating</b> |
|------------------------------------|---|
| PruittHealth – Santa Rosa          | **  |
| PruittHealth – Panama City         | ****  |
| PruittHealth – Southwood           | **  |
| PruittHealth – Fleming Island      | ****  |

Source: <https://www.medicare.gov/care-compare/?guidedSearch=NursingHome>

Agency records indicate that, for the three-year period ending July 8, 2022, collectively, PruittHealth, Inc.’s four Florida SNFs had a total of 10 substantiated complaints, which are summarized below. A single compliant can encompass multiple complaint categories.

**PruittHealth, Inc.’s Affiliated Florida SNFs  
July 8, 2019 through July 8, 2022  
Substantiated Complaint History**

| <b>Complaint Category</b>       | <b>Number Substantiated</b> |
|---------------------------------|-----------------------------|
| Quality of Care/Treatment       | 6                           |
| Resident/Patient/Client Rights  | 2                           |
| Elopement                       | 1                           |
| Life Safety Code                | 1                           |
| Resident/Patient/Client Neglect | 1                           |

Source: Agency for Health Care Administration Complaint Records

Note: PruittHealth - Southwood was initially licensed effective May 29, 2020.

**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 (4), Florida Statutes**

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 benchmarks 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.

Below is an analysis of the audited financial statements for the parent, where the short-term and long-term measures fall on the scale (highlighted in gray) for the most recent year.

**United Health Services, Inc & Subsidiaries - CON #10719**

| <b>United Health Services, Inc. and Subsidiaries (in thousands)</b> |                     |                      |
|---|---------------------|----------------------|
|   | <b>Current Year</b> | <b>Previous Year</b> |
| Current Assets  | \$200,477           | \$239,181            |
| Total Assets  | \$830,102           | \$811,552            |
| Current Liabilities   | \$330,203           | \$324,231            |
| Total Liabilities   | \$736,444           | \$720,132            |
| Net Assets  | \$93,658            | \$91,420             |
| Total Revenues  | \$1,084,760         | \$1,095,170          |
| Excess of Revenues Over Expenses                                    | \$22,999            | \$8,847              |
| Cash Flow from Operations   | (\$4,770)           | \$117,247            |
| <b>Short-Term Analysis</b>  |                     |                      |
| Current Ratio (CA/CL)   | 0.6                 | 0.7                  |
| Cash Flow to Current Liabilities (CFO/CL)                           | -1.44%              | 36.16%               |
| <b>Long-Term Analysis</b>   |                     |                      |
| Long-Term Debt to Net Assets (TL-CL/NA)                             | 433.7%              | 433.1%               |
| Total Margin (ER/TR)  | 2.12%               | 0.81%                |
| <b>Measure of Available Funding</b>                                 |                     |                      |
| Working Capital   | (\$129,726)         | (\$85,050)           |

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

**Capital Requirements and Funding:**

The applicant indicates on Schedule 2 capital projects totaling \$25,817,920, which consists solely of this project. The applicant indicates on Schedule 3 of its application that funding for the project will be provided by operating cash flows (\$5,163,576) and non-related company financing (\$20,654,344). The audited financial statements show

a net operating cash outflow of \$4,770,000 in the most recent year. The applicant submitted a letter from Synovus expressing interest in providing financing for the cost of the project. A letter of interest is not considered a firm commitment to lend. Additionally, the letter is showing interest in the previous CON and not the one currently under review.

Given that the funding is supported by a letter of interest and the fact that the applicant, according to the latest audited financial statements, does not have the operating cash flows alluded to in the application, we have no basis to conclude that funding will be available for this project.

**Conclusion:**

Funding for this project is in question.

**d. What is the immediate and long-term financial feasibility of the proposal? Section 408.035 (6), Florida Statutes**

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 (2018, 2019, and 2020 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 4th Quarter 2021, 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     | \$ 16,460,858.00          | \$ 398.01 | \$ 783.39              | \$ 305.51 | \$ 232.94   |
| Total Expenses   | \$ 15,364,272.00          | \$ 371.49 | \$ 781.68              | \$ 302.50 | \$ 232.75   |
| Operating Income | \$ 1,096,586.00           | \$ 26.51  | \$ 61.56               | \$ 1.52   | \$ (117.64) |
| Margin           | 7%                        |           |                        |           |             |
| Occupancy        | 95%                       |           | 99%                    | 90%       | 72%         |
| Medicaid         | 60%                       |           | 69%                    | 59%       | 50%         |
| Medicare         | 37%                       |           | 38%                    | 17%       | 4%          |

**Staffing:**

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

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

**Conclusion:**

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

**e. Will the proposed project foster competition to promote quality and cost-effectiveness? Section 408.035 (7), Florida Statutes**

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 (8), Florida Statutes; Chapter 59A-4, Florida Administrative Code**



PruittHealth – Brandon LLC submitted the exact plans as with CON #10585, indicating there were no changes to the original project. The CON #10585 review follows. The applicant has submitted all information and documentation necessary to demonstrate compliance with the architectural review criteria. The cost estimate for the proposed project provided in Schedule 9, Table A and the project completion forecast provided in Schedule 10 appear to be reasonable. A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have significant impact on either construction costs or the proposed completion schedule.

The plans submitted with this application were schematic in detail with the expectation that they will be necessarily revised and refined prior to being submitted for full plan review. The 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? Section 408.035(9), Florida Statutes**

The transferee states that, “PruittHealth will enhance access for the defined population and enhance quality of care for lower income persons, disadvantaged persons and the elderly”. Further, the proposed project will meet the Access Criteria (with the applicant referencing Rule 59C1.030(2), Florida Administrative Code). PruittHealth-Brandon notes that it is a newly formed entity with no history of providing health services to Medicaid patients and the medically indigent, but it is part of the PruittHealth family of providers (discussed in items C and E.2.b. of this report).

The applicant states that during CY 2021, PruittHealth affiliated facilities provided 1,918,522 Medicaid patient days (67.4 percent of total annual patient days). The applicant emphasizes that PruittHealth’s affiliated SNFs provided more than six million Medicaid patient days during the past three years.

The applicant briefly discusses Medicaid patient day occupancy percentages at each of PruittHealth’s four affiliated SNFs in Florida and offers:

- PruittHealth – Santa Rosa averages 68 percent of its total annual patient days to Medicaid payors
- PruittHealth – Panama City; in calendar year 2020 — despite the pandemic — it maintained a 91 percent occupancy with more than 40 percent Medicaid clients, its 2021 occupancy was 87 percent with 44 percent Medicaid occupancy
- PruittHealth – Fleming Island - calendar year 2020 occupancy was 78 percent with a 40 percent Medicaid percent - in calendar year 2021, it operated at 74 percent occupancy with a 57 percent Medicaid population, and
- PruittHealth – Southwood - calendar year 2021 occupancy was 56 percent with 41 percent Medicaid.

PruittHealth – Brandon, LLC projects 59.5 percent of year one and 60.2 percent of year two total annual patient days will be provided to Medicaid patients.

## **F. SUMMARY**

**PruittHealth – Brandon, LLC (CON application #10719)** proposes the transfer of CON #10585 from PruittHealth – 6-1, LLC which was approved to establish a new 119-bed community nursing home in District 6, Subdistrict 6-1 (Hillsborough County, Florida). The applicant maintains that there are no other changes to the proposal sought via this transfer CON application.

PruittHealth – Brandon, LLC and PruittHealth – 6-1, LLC are affiliates of PruittHealth, Inc., ultimately parented by United Health Services, Inc., and Subsidiaries.

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

PruittHealth – Brandon, LLC states it will accept the conditions on the original CON #10585.

### **Need**

The application is the transfer of CON #10585 and is not in response to the fixed need pool. Need is not at issue in this application.

As of July 1, 2022, Subdistrict 6-1 has 29 licensed community NHs with a total of 3,803 licensed community nursing home beds and 276

approved beds. Subdistrict 6-1 community nursing homes averaged 80.84 percent occupancy during CY 2021.

**Quality of Care**

- The applicant provided a detailed description of its ability to provide quality care.
- PruittHealth’s four Florida NHs had 10 substantiated complaints for the three-year period ending July 8, 2022.

**Financial Feasibility/Availability of Funds**

- Funding for this project is in question.
- Based on the information provided in Schedule 6, the applicant meets the staffing standards during years one and two.
- The project appears to be financially feasible based on the projections provided by the applicant.
- The project is not likely to have a material impact on competition to promote quality and cost-effectiveness.

**Medicaid/Charity Care**

- The applicant states PruittHealth affiliated facilities provided 1,918,522 patient days or 67.4 percent of their total annual patient days to Medicaid patients in CY 2021.
- Medicaid is projected to consist of 59.5 percent of year one and 60.2 of year two total annual patient days.

**Architectural**

- The applicant submitted all information and documentation necessary to demonstrate compliance with the architectural review criteria.
- The cost estimate and the project completion forecast 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 #10719 to transfer CON #10585 from PruittHealth – 6-1, LLC to PruittHealth – Brandon, LLC to establish a new 119-bed community nursing home in District 6, Subdistrict 1, Hillsborough County. The total project cost is \$25,817,920. The proposed project includes a total of 94,244 GSF of new construction and a construction cost of \$15,706,300.

Programming/Operational Conditions:

1. All 119 patient beds will be in private patient rooms.
2. All patient bathrooms will be handicap accessible.

3. Facility will feature a 16-bed Alzheimer's disease secure unit.
4. Incorporate two bariatric rooms/beds into the facility design.
5. 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.
6. 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.
7. 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.
8. Have at least one Certified Dementia Practitioner on staff on the Alzheimer's unit per shift.
9. Implement Electronic Medical Records (EMR) at the facility and include Smart Charting or other similar bedside patient charting tool.
10. Implement Resident Safety Technology including Call Guard and WanderGuard into the facility.
11. Implement Clinical Kiosks in appropriate locations throughout the facility.
12. Assure all staff maintains ongoing training and continuing education credits utilizing Pruitt University and at no cost to the employees.
13. Participate in a company-wide Annual Quality Report to demonstrate transparency in operations and make this Quality Report available to the public.
14. 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.
15. Implement PointRight Technology (or a future similar technology) in the ongoing operations.
16. 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.

**AUTHORIZATION FOR AGENCY ACTION**

The authorized representative of the Agency for Health Care Administration adopted the recommendation contained herein and released the State Agency Action Report.

DATE: August 11, 2022

*James B. McLemore*

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James B. McLemore  
**Operations and Management Consultant Manager  
Certificate of Need**