

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

**A. PROJECT IDENTIFICATION**

1. Applicant/CON Action Number

**PruittHealth - West Central Florida, LLC/CON #10732**  
1626 Jeurgens Court  
Norcross, Georgia 30093

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

District 5/Subdistrict 5-2 (Pinellas County, Florida)

**B. PUBLIC HEARING**

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

**C. PROJECT SUMMARY**

**PruittHealth - West Central Florida, LLC (CON application #10732)**, also referenced as PruittHealth - WCF, or the applicant, is a development-stage Florida entity and proposes the transfer of CON #10667 from PruittHealth - Pinellas, LLC which was approved to establish a new 120-bed community nursing home in District 5, Subdistrict 5-2 (Pinellas County, Florida). PruittHealth's background, operational experience, management resources and financial resources were previously presented in CON applications #10622 and #10667 and the applicant maintains that there are no other ownership or relational party changes to the proposal in this application.

Both PruittHealth - Pinellas, LLC (to whom CON #10667 was awarded) and PruittHealth - West Central Florida, LLC (the applicant) are stated to be single purpose entities and affiliates of PruittHealth, which includes:

- 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 currently operates the following Florida skilled nursing facilities (SNFs):

- PruittHealth - Fleming Island (Clay County/Subdistrict 4-2) - 97 beds
- PruittHealth - Panama City (Bay County/Subdistrict 2-2) - 101 beds
- PruittHealth - Santa Rosa (Santa Rosa County/Subdistrict 1-1) - 120 beds
- PruittHealth - North Tampa, LLC (Hillsborough County/Subdistrict 6-1) - 90 beds
- PruittHealth - Southwood (Leon County/Subdistrict 2-4) - 101 beds

PruittHealth has the following CON projects pending licensure as of March 1, 2023:

- PruittHealth - Brandon, LLC, (CON #10719), to establish a new 119-bed community nursing home in Subdistrict 6-1 (Hillsborough County)
- PruittHealth - Citrus Hills, LLC (CON #10720) to establish a new 93-bed community nursing home in Subdistrict 3-5 (Citrus County)
- PruittHealth - Escambia County, LLC (Exemption #200003) combining (CON #10613) which deleted the need to delicense 11 SNF beds to Exemption #180033 which combined (CON #10505) 75 beds with 11 beds being delicensed at PruittHealth - Santa Rosa and (CON #10527) 45 beds, to establish a 120-bed facility in Subdistrict 1-1 (Escambia County)
- PruittHealth - 4-3, LLC (CON #10721), the transfer of the combination via E#200004 of CON #10583P and #10616 from PruittHealth - St. Johns County, LLC to establish a new 120-bed community nursing home in Subdistrict 4-3 (St. Johns County).
- PruittHealth - Viera, LLC (CON #10722) to establish a new 98-bed community nursing home in Subdistrict 7- 1 (Brevard County)
- PruittHealth - Windermere, LLC, (CON application #10723), to establish a new 120-bed community nursing home in Subdistrict 7-2 (Orange County)

The proposed project includes 91,586 gross square feet (GSF) of new construction which is a decrease of 20,022 GSF from the original CON application #10667. Total construction cost is \$21,064,780. Total project cost, which includes land, building, equipment, project development, financing, and start-up costs is \$33,178,546.

PruittHealth – WCF expects issuance of license in November 2025 and initiation of service in December 2025.

PruittHealth - West Central Florida, LLC indicates it accepts the conditions to approval of the originally issued CON application #10622 and the approved transfer CON application #10667:

1. All 120 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 four 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 entail 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 #10732**

<b>Applicant</b>	<b>CON App.#</b>	<b>Project</b>	<b>GSF</b>	<b>Total Cost</b>	<b>Cost per Bed</b>
PruittHealth - West Central Florida, LLC	10732	120-bed SNF	91,586	\$33,178,546	\$275,488

Source: CON application #10732, Schedules 1 and 9

*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.**

CON application #10732 is an expedited review, which may be submitted at any time and is not in response to a fixed need pool publication. The number of licensed and approved nursing home beds in Subdistrict 5-2 (Pinellas County) will remain unchanged.

PruittHealth - West Central Florida, LLC includes a notarized letter from Neil L. Pruitt, Jr., Chairman and CEO PruittHealth Pinellas, LLC, as authorized representative of PruittHealth Pinellas, LLC, supporting the transfer of the certificate of need.

As of February 10, 2023, Subdistrict 5-2 (Pinellas County) had 68 licensed SNFs with 7,665 licensed and 299 approved community nursing home beds. Subdistrict 5-2 facilities averaged 80.58 percent total occupancy during the six months ending December 31, 2022. The subdistrict's nursing homes reported 79.68 percent total occupancy in CY 2022.

## **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 February 10, 2023, Subdistrict 5-2 (Pinellas County) had 68 licensed SNFs with 7,665 licensed and 299 approved community nursing home beds. Subdistrict 5-2 facilities averaged 80.58 percent total occupancy during the six months and 79.68 percent total occupancy during the 12-months ending December 31, 2022.

The reviewer notes that need was previously addressed in great detail in the original approved CON application #10622 which was awarded to PruittHealth - Pinellas County, LLC in response to the Agency for Health Care Administration's ('AHCA') Fixed Need Pool published in the 2<sup>nd</sup> nursing home batching cycle of 2019. CON #10622 was transferred to PruittHealth - Pinellas, LLC via CON #10667 in September 2021.

PruittHealth - West Central Florida, LLC cites the 'gaps in service' that it contends were evident pre-pandemic, in Pinellas County, Subdistrict 5-2 and expects will continue are listed below. The applicant states that it will resolve these issues when this project is implemented:

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.

The applicant's 'Estimates of Persons Affected by Alzheimer's Dementia in Subdistrict 5-2/Pinellas County 2019 and 2024' table is shown below.

<b>Estimates of Persons Afflicted with Alzheimer's Dementia Subdistrict 5-2: Pinellas County 2019 and 2024</b>						
	<b>2019</b>			<b>2024</b>		
	<b>Population</b>	<b>Prevalence</b>	<b>Alzheimer's Estimate</b>	<b>Population</b>	<b>Prevalence</b>	<b>Alzheimer's Estimate</b>
Age 65 to 74	138,071	3%	142	168,161	5.0%	8,408
Age 75 to 84	72,288	17%	12,289	78,329	13.1%	10,261
Age 85+	38,380	32%	12,282	42,479	33.2%	14,103
Total	248,739	--	28,713	288,969	--	32,772

Source: CON application #10732, page 12 from Claritas/Environics, 2019 Alzheimer's Disease Facts and Figures, Alzheimer's Association used in 2019, updated 2022 Facts and Figures, Alzheimer's Association used for forecast period.

PruittHealth - WCF contends that the population estimates and projections reveal that in 2019 there were 28,713 persons afflicted with Alzheimer's dementia in Subdistrict 5-2 and when applying the updated prevalence rates to the 2024 population, it indicates an increase of 14 percent, to 32,772 people in 2024 which represents an additional three percent increase of this population when compared to the forecast in CON application #10622 which applied the 2019 prevalence rates to the forecasted population.

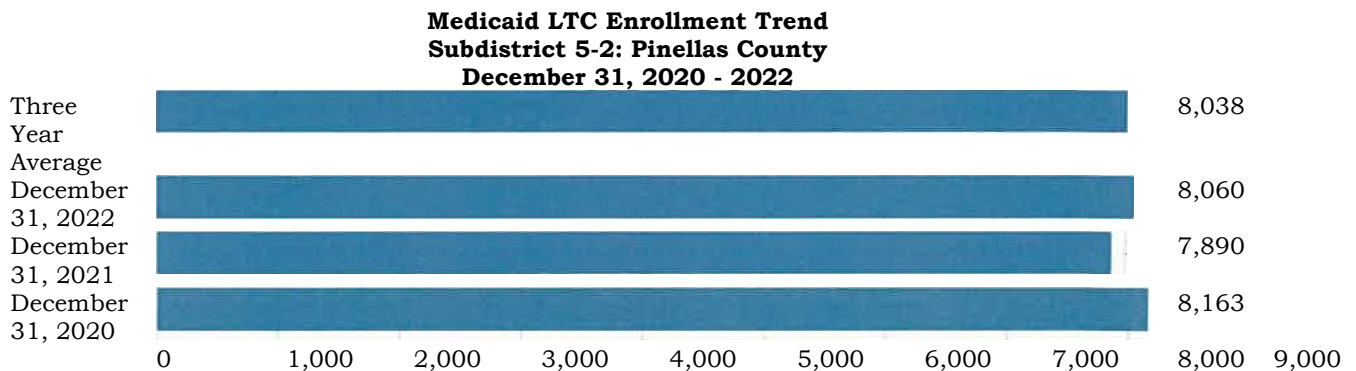
PruittHealth - WCF emphasizes the above data indicates that there must be health care programs and providers in place in this market, prepared to treat individuals confronted with Alzheimer's dementia and that it will have specific training, services and experience to care for this patient population. The applicant points out that currently, there are more than ten facilities reporting secure Alzheimer units in Subdistrict 5-2 noting zero and 10 private beds in their entire facility, meaning virtually all the Alzheimer beds are of semi-private accommodations with only one facility has approximately 25 percent private rooms. PruittHealth - WCF assures that it will be offering all private accommodations in the Alzheimer unit will enhance competition and quality for these long-term residents suffering from Alzheimer's and other related dementias.

Estimates of Residents with Obesity, Ages 65+ Subdistrict 5-2: Pinellas County 2019 and 2024						
	2019			2024		
	Population	Incidence	Obesity Estimate	Population	Incidence	Obesity Estimate
Pinellas	234,697	42.50%	99,746	257,419	42.50%	109,403

Source: CON application #10732, page 13 from Obesity Science & Practice published by John Wiley & Sons Ltd., World Obesity and The Obese Society, Volume 4, Issue 4: Pages 308-317, published May 9, 2018, Environics/Claritas, and NHA Analysis.

PruittHealth - WCF offers the above table to support that the project is responding to a growing demand for nursing homes locally, and in the state, to offer bariatric rooms and services to accommodate obese patients. Further, the four patient rooms at PruittHealth — WCF will be built to accommodate bariatric patients in direct response to the needs stated by various service area constituents, and in response to the growing obese epidemic locally, and throughout the state. The applicant states that for the safety of obese residents and staff, it maintains a lift-free program which includes specialized equipment such as beds, geriatric chairs, wheelchairs, walkers, lifts, shower chairs and shower beds and that centers can accommodate up to 600 pounds.

PruittHealth – WCF offers the table below and contends that the data supports the position that Subdistrict 5-2 has experienced growth in Medicaid Long Term Care enrollment during the past five plus years. Pinellas County Medicaid Long Term Care enrollment increased by 10.4 percent between September 2017 and 2019, from 7,677 to 8,472 enrollees with the current update being “fairly stable Medicaid Long Term Care enrollment, similar to the mid-point of this prior range.” PruittHealth – WCF notes that the Medicaid percentage for the skilled nursing facilities within Subdistrict 5-2 (page 10) shows that the average throughout the subdistrict is 66.4 percent, from a low of zero percent to a high of 90.4 percent.



Source: CON application #10732, page 13 from (AHCA Medicaid Data) [http://ahca.myflorida.com/MedicaidFinance/data\\_analytics/enro/ment\\_repoMndex.shtm/](http://ahca.myflorida.com/MedicaidFinance/data_analytics/enro/ment_repoMndex.shtm/) and NHA Analysis

PruittHealth - WCF notes that Medicaid is projected to be 62.7 percent Medicaid long term care patients in year one, increasing to 66.7 percent in year two with a Medicaid average daily census of 76.2 patients in year two. The applicant contends this demonstrates the substantial commitment by PruittHealth to meet the needs of this medically indigent population providing its fair share of services including a state-of-the-art nursing home with specialty programs, accommodations, and private rooms to lower income patients who will comprise a majority of the beds enhancing financial access and quality within Pinellas County.

PruittHealth – WCF utilizes the Agency’s Florida Nursing Home Bed Need Projections by District and Subdistrict, published September 30, 2022 (for CY 2021) to show Pinellas County SNF’s, the total number by facility of:

- SNF beds
- Number of private beds
- Beds in multiple rooms
- Percentage of private beds

Subdistrict 5-2’s SNF bed configuration is shown in the table below.

**Subdistrict 5-2  
Community Skilled Nursing Home  
Bed Configuration**

<b>All SNFs</b>	<b>SNF Beds</b>	<b>Number of Private Beds</b>	<b>Beds in Multiple Rooms</b>	<b>Percent of Private Beds</b>
Total	7,834	743	7,046	9.5%

Source: CON application #10732, pages 15 – 18 (partially reproduced)

The reviewer notes the total number of licensed beds (7,834) includes community as well as other non-community beds in the subdistrict. Subdistrict 5-2 has 7,665 community beds (see item E.1.a. of this report).

The applicant states that the proposed project will become the first all private bed nursing home in Pinellas County, which is in stark contrast to the current 9.5 percent of nursing home beds that are private. The reviewer notes that all 120 patient beds, including the four bariatric rooms/suites and the 16-bed Alzheimer's unit will be in private patient rooms.

PruittHealth - WCF provides a summary of the Subdistrict 5-2 nursing facilities that had greater than the subdistrict's average percent of Medicaid patient days and provides their average percent of licensed beds that are private in the following table:

<b>Subdistrict 5-2 Nursing Facilities with Greater Than 66.35% of Patient Days Being Medicaid Versus Total Subdistrict 5-2 Facilities 12 Months Ending December 31, 2022</b>			
<b>Name of Facility</b>	<b>Percent of Patient Days, Medicaid</b>	<b>Private Beds</b>	<b>Percentage of Beds, Private</b>
Subtotal of 33 Facilities with Greater than 66.35% Medicaid Days	76.80%	155	4.0%
Subdistrict 5-2	66.35%	743	9.5%

Source: CON application #10732, pages 19 from Florida Nursing Home Bed Need Projections by District and Subdistrict, September 30, 2022, and [www.floridahealthfinder.gov](http://www.floridahealthfinder.gov)

PruittHealth - WCF states that, of the 33 nursing facilities in Pinellas County, with greater than the subdistrict average Medicaid days, these 33 facilities had an average of 4.0 percent of total beds in a private setting, compared to 9.5 percent in the total Subdistrict, less than one-half the subdistrict wide average and 1/25<sup>th</sup> the rate of the applicant. The applicant states that upon the project's completion, the private bed inventory in Pinellas County, Subdistrict 5-2 will increase by 16.2 percent, from 743 private rooms to 863 private rooms and with all PruittHealth patients residing in private rooms, there will be a positive impact on the residents and their quality-of-life environment.

The applicant asserts that PruittHealth - Pinellas, LLC and that all PruittHealth affiliates share the common PruittHealth leadership, mission, vision, values as well as the same quality procedures, protocols and standards. PruittHealth - WCF ensures that it will develop programs, services, protocols and exceed benchmarks to ultimately achieve AHCA Gold Seal eligibility and receipt in due time with its skilled nursing and rehabilitation centers continuing to excel in comparison to national for-profit companies in the CMS Five Star Quality Rating System.

PruittHealth - WCF does not have a documented history of providing quality of care because it is currently a shell single purpose entity awaiting approval of this CON application. However, it will develop all policies and procedures as well as the quality assurance program based on its other PruittHealth facilities throughout the southeastern United States, including its facility in Santa Rosa County, Florida, PruittHealth - Panama City, PruittHealth - Fleming Island, PruittHealth - Southwood, PruittHealth - North Tampa and others under construction. PruittHealth - WCF states that these facilities received zero deficiency surveys when undergoing their Medicare certification surveys, attesting to the quality of services implemented by PruittHealth and that it will adhere to all state and federal nursing home regulations statutes and the entire facility will meet Medicare's Conditions of Participation and has conditioned the application on the provision it will seek Joint Commission accreditation.

The applicant's response to quality of care is briefly addressed in the Project Summary on the application's pages 1-3. See item E. 2. b. of this report.

- b. Does the applicant have a history of providing quality of care? Has the applicant demonstrated the ability to provide quality of care? Is the applicant a Gold Seal Program nursing facility that is proposing to add beds to an existing nursing home? Section 408.035(3) and (10), Florida Statutes.**

As stated previously, PruittHealth - West Central Florida, LLC is a newly formed not-for-profit limited liability company that proposes to construct and operate a 120-bed community nursing home. The applicant offers that its response to this Statutory Review Criteria was previously provided in detail relative to the approved CONs #10622 and #10667 and that since PruittHealth will still be the owner/operator/manager of this facility, the same information applies.

PruittHealth - WCF states that implementation of this proposal will involve the development of all quality policies and procedures as the quality assurance program based on its other affiliated facilities throughout the southeastern United States, including five licensed facilities in Florida and the others under development and construction.

The applicant expresses a commitment to adhere to all state and federal nursing home regulations and statutes in addition to Medicare's Conditions of Participation and to seek Joint Commission accreditation.

PruittHealth – WCF assures that its managing company PruittHealth provides administrative services to more than 100 skilled nursing and rehabilitation centers in four states - Georgia, North Carolina, South Carolina, and Florida:

- Motivated and driven to strengthen core relationships and caring for patients.
- Offering a hands-on, heartfelt approach to caring for individuals and exceeding expectations through state-of-the-art rehabilitative and skilled nursing practices.
- Committed to the appropriate provision of comprehensive, high quality, safe, and cost-effective nursing care facility services to persons in need of such services.
- Experience and expertise in providing quality skilled nursing services is not only evidenced by its number of successful programs but also in its quality assurance practices.

PruittHealth - WCF confirms that its quality program will consist of assigned patient care managers, care transition program, corporate standards, leadership and training, external benchmarking and awards, continuous process improvement, customer service and transparency.

The applicant describes the 2002, PruittHealth "Committed to Caring" campaign sharing its mission and vision statements:

*MISSION: Our family, your Family, ONE FAMILY. Committed to loving, giving, and caring. United in making a difference.*

*VISION: To be innovators in a seamless and superior health care delivery system to the communities we serve.*

PruittHealth - WCF attests that PruittHealth is an integrated family of providers that offers something unprecedented in the southeast region of the Country and that at its very core is its commitment to caring and offers the PruittHealth Commitment to Caring Pledge:

*We, the PruittHealth family of providers, recognize the inherent value of our clients. Whether they are patients, residents, families or friends, volunteers, partners, or the communities in which we are located, we are committed to serving health care needs, gaining customer loyalty and maintaining their satisfaction at the highest level.*

*We, the PruittHealth family of providers, commit that we will promote a timely, courteous rapport with those that affect our industry including the public members of the healthcare workforce, our vendors and referral sources. We will maintain relationships grounded in respect, open communication and professionalism with those in the regulatory agencies, reimbursement agencies and law enforcement.*

*We, the PruittHealth family of providers, commit to open and honest communication which provides a foundation for practicing what we do in an ethical and legal manner. We understand that a creative work environment maximizes performance improvement. We cherish and value partner competency built through continuing professional development.*

*We reward teamwork and empower those that promote quality care and services. We commit to uphold a culture that fosters caring, fairness and respect for people and property.*

*This is OUR "Commitment to Caring".*

*Choose a positive, can-do attitude each and every day.  
Our belief is "we should do it right, because it is the right thing to do."*

*Make each day their day through your day  
Maintain your focus on quality of care  
Improve yourself through education and training  
Take time to speak to everyone  
Treat everyone with dignity and respect  
Each employee is responsible to know and support our organization's goals.  
Display pride in your work, your dress and your speech  
Take the extra step to make a difference  
Our Mission is the principal belief of our organization. It must be known, owned and embraced by all.  
Create and maintain a clutter-free, clean and safe environment  
Always be an ambassador for those entrusted in our care  
Respect the views and beliefs of others.  
Identify opportunities to build teamwork  
Never accept being "average" Always strive for "EXCELLENCE."  
Guests are special; treat everyone like one!*

It is noted that an employee recognition program recognizes employees who best exemplify its "Committed to Caring".

The corporate standards are discussed by the applicant stating that PruittHealth has strict education and certification standards for its staff, and the staff of its affiliates with all staff members being highly educated in their fields, participating in continuing education, and maintaining current certification and licensure.

PruittHealth – WCF offers that all existing PruittHealth affiliated nursing facilities enjoy the benefits of memberships in trade associations where applicable and provides the following list:

- The American Association of Nurse Assessment Coordination
- The American Health Care Association/National Center for Assisted Living
- The American Health Lawyers Association
- Association for Home Care and Hospice of North Carolina
- Association for Home Care and Hospice of South Carolina
- Case Management Society of America
- Georgia Association for Home Health Agencies
- The Georgia Hospice and Palliative Care Organization
- Georgia Long-Term Care Nurses Association
- Georgia, Florida, North Carolina, and South Carolina Health Care Associations
- Health Care Compliance Association
- The National Association for Home Care & Hospice
- The National Association of Health Care Assistants
- National PACE Association

The applicant states that the quality of PruittHealth programs can be seen from a long list of PruittHealth affiliated facilities that have received awards from the American Health Care Association on an annual basis.

These include:

- The American Health Care Association's National Quality Award Program for skilled nursing facilities.
- The AHCA/NCAL National Quality Award program directly supports the "Quality First" principles to cultivate and nourish an environment of continuous quality improvement, openness, and leadership.
- These principles are: Continuous Quality Assurance and Quality Improvement, Public Disclosure and Accountability, Client/Resident and Family Rights, Workforce Excellence, Public Input and Community Involvement, Ethical Practices, and Financial Stewardship.
- The award is a prestigious honor awarded to nursing homes, assisted living facilities and residential care facilities that meet the criteria for quality.
- The awards are determined at three distinct levels with the quality criteria reflecting the Malcolm Baldrige National Quality Award.

PruittHealth - WCF confirms that it will follow PruittHealth's model for commitment to quality and strive to achieve the same levels of success.

The applicant reiterates that PruittHealth continues to pursue The Joint Commission accreditation for its affiliated facilities as it is seen as the benchmark for health care accreditation and that its performance improvement process helps PruittHealth implement and improve the interdisciplinary processes that directly impact person-centered care. PruittHealth - WCF notes that as of January 2023, all but three of PruittHealth nursing facilities are accredited and those which are not yet accredited outside the state are completing their Joint Commission Accreditation this year. Further, all PruittHealth facilities in Florida are accredited and its new facilities in Florida will be accredited.

PruittHealth – WCF discusses that all PruittHealth affiliated facilities and agencies participate in multiple external benchmarking studies to stay on the front-edge of quality care practices one is utilizing the ABAQIS quality indicator program which is a web-based software program that provides reports focused on quality assurance and improvement in 26 different care areas, which are directly tied to Federal and State regulations. The applicant adds that PruittHealth also performs its own Monthly Quality Indicator Reports which is a systematic means of collecting data on quality indicators from individual facilities.

PruittHealth – WCF states that the data is used to determine patterns, trends and resource allocation and is an important part of the overall performance improvement process and includes:

General Information	Report Period Census	Facility and Administrator
Employee Vacancies	Number of vacancies	Number of new hires
Indices	Admissions	Discharges
	Falls	Falls with Injuries
	Multiple Falls	Grievances
	Elopements	Burns
	Skin Tears	Reported Incidents
Resident Conditions	Bedrails	Tie Restraints
	Enablers	Total Restraints
	Antipsychotic Drugs	Chemical Restraints
	Hypnotics	Antianxiety
	Antidepressants	Problem Symptoms
	Behavior Management	Weight Loss
	Supplements	Tube Feedings
	Suctioning	Oxygen
	Respiratory Therapy	Infections
	IV Therapy	Ambulatory
	Bedfast	Chairfast
	Contractures	Dependent for Dressing
	Dependent for Bathing	Dependent for Toileting
	Dependent for Feeding	Restorative Nursing
	Specialized Rehab Svcs	Terminal Residents
	Hospice	Deaths
	Incontinent	Bowel and Bladder
	Catheters	Pressure Sores
	Pressure Sores Acquired	Pressure Sores Inherited
	Unavoidable Sore	Avoidable Acquired Sores
Plant Environment	Smoke Free	Water Temp Log
	Environment	Call System
	Fire/Disaster Drill	Food Temp Log
	Fire Alarm	Adequate Linens
	Preventative	CAN Hours Current
	Maintenance	
	In service Current	

Meetings/Special Events	CQI Meeting Monthly	Ombudsman
	Professional Staff	Family Council
	Quality Assurance	Safety Committee
	Morning Report	Medicare Meeting
	Compliance Rounds	Employee Drug Testing
	Criminal Background Checks	

The applicant shares that indices and resident condition information reported on the Monthly Quality Indicator Report are collected in a Quality Assurance Alert Level report that measures facility performance against national, statewide and PruittHealth goals and tracks facility-by-facility results for the following indicators:

Falls	Falls with Injury	Multiple Falls w/ Injury
Burns	Skin Tears	Tie Restraints
Enablers	Bed Rails	Total Restraints
Antipsychotic Drugs	Chemical Restraints	Sedative Hypnotics
Problem Behavior	Weight Loss	Supplements
Tube Feedings	Suctioning	Percent Receiving Oxygen
Percent Infections	IV Therapy	Bedfast
Chairfast	Contractures	Dependent Dressing
Dependent Toileting	Dependent Feeding	Terminal Residents
Deaths	Incontinent	Bowel/Bladder
Catheters	Pressure Sore Sites	Residents with Pressure Sores
		Number of Pressure Sores

Further, PruittHealth - WCF will follow PruittHealth's established clinical audit, training and quality monitoring practices in conjunction with PruittHealth Consulting Services which is an affiliated company providing clinical audits, training and quality monitoring services that provides audit reports that are reviewed monthly and used by each agency to develop performance improvement plans. The applicant notes that these audits also serve to maintain each agency's compliance with all licensure and certification standards established by the State and CMS.

PruittHealth – WCF states that as part of its quality initiative plans, it will engage PruittHealth Pharmacy Services to perform random audits of client medication regimens. The applicant contends that this service is an experienced provider of clinical pharmacy services and already performs routine medication audits for all PruittHealth affiliated nursing

facility clients each quarter and that these audits have proven to both reduce pharmacy costs and enhance medication efficacy and client safety.

PruittHealth – WCF states 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. These include:

- CMS Five Star Ratings
- CMS Five Star Staffing Report
- CASPER Resident Report
- CASPER Survey Data
- CASPER Staffing Report
- NH Quality Measures Report

PruittHealth – WCF shares that PruittHealth utilizes *My InnerView* which is a program that collects quality data from all PruittHealth managed health centers: resident, family, and staff satisfaction benchmarks. The applicant states that some data are used to compare facilities with regional, state, and national benchmarks, and other data are customized to benchmark internal quality programs and that these metric systems allow PruittHealth to utilize the data from trending analysis to incorporate into the overall Performance Improvement process.

The applicant asserts that PruittHealth has developed specialized Clinical Pathways for clients with chronic illness which focus on treating a client's primary diagnosis while continuing to monitor and care for the client's overall well-being. PruittHealth – WCF shares that the Clinical Pathways are evidenced based and provide staff with a comprehensive check list of assessments, goals, and care plans which will change with the clients' needs and are in the process of being linked between the different PruittHealth service delivery lines.

PruittHealth – WCF explains that PruittHealth is one of the first and largest utilizers of the INTERACT 3.0 platform, which it states 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 applicant asserts that INTERACT supports the goals of reducing overall health care costs and improving quality, recognizing that the re-hospitalization risk for all patients is high and understands that those who have had a hospitalization, within the previous 30 days of admission, are at an even higher risk of re-hospitalization and offers the following tools its affiliated facilities use:

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

The applicant concludes that these assessment tools are designed for use by facility staff at all levels to seek continuous improvement and that everyone within the organization is encouraged to be involved in the process, either by serving on the committee, serving on quality action teams or problem solving groups, and/or being involved in the implementation of the tools or action plan which will develop a strong sense of team and ownership for the growth of the organization and its members.

PruittHealth – WCF explains in detail the PruittHealth Performance Improvement Program which is based on company policies and procedures, standards for licensure and certification, as well as identified industry standards and quality benchmarks. The applicant shares that

the process monitors and utilizes information from the reports of various facility committees, consultant reviews, surveys, monthly QA key indicator data, and internal staff audits. The goal is to provide an avenue to continuously improve care and services to the residents, family members and staff of its facilities, to initiate positive improvements through a strategic change process with the facility administrator coordinating the process and empowering the facility staff teams in the development of ideas for change.

The applicant states that PruittHealth invests in several mechanisms for tracking quality indicators and monitoring facility performance including:

- ABAQIS
- LTC TrendTracker
- PruittHealth Monthly Quality Indicator Reports
- My InnerView

PruittHealth – WCF notes that these and other internal assessment tools are designed for use by program staff at all levels to seek continuous improvement with everyone within the organization is encouraged to be involved in the process, either by serving on the committee, serving on quality action teams or problem solving groups, and/or being involved in the implementation of the tools or action plan. The applicant includes that facilities are graded, and management compensation is tied to performance and that the process is designed to help the facility develop a strong sense of team and ownership for the growth of the organization and its members.

PruittHealth – WCF notes that PruittHealth produces a quality report annually that reflects on the benefits provided through continuous performance improvement activities, including but not limited to identifying customer needs and expectations, measuring, and analyzing performance data, forming quality action teams of empowered employees to develop performance improvement plans, and re-evaluating performance outcomes for successful results.

In 2007, PruittHealth established the "Go for the Gold" program to encourage and reward health care centers that demonstrate outstanding achievement in the following quality indicators:

- Post-Acute Pain
- Customer Satisfaction
- Physical Restraints
- Risk Pressure Ulcers
- Quality Measure Ranking.

Winners are determined by criteria at Gold, Silver and Bronze award levels and receive award plaques and money for a celebration of the achievement with each employee in the winning health care centers receives a monetary award for their contribution to their health care center's success.

PruittHealth – WCF describes PruittHealth's Peer Review Program as being directed by the Peer Review Coordinator that is a home office consultant. The applicant notes that the review is conducted at each facility approximately four months prior to the one-year anniversary date of the previous survey and that a group of trained and certified staff members from PruittHealth affiliated facilities participate in the process under the direction of the coordinator.

PruittHealth - WCF states that PruittHealth employs Specialist Consultants that are highly qualified in both educational and licensure requirements with direct facility experience. Further, the home office consultants utilize checklists specific to their area and designed by the consultant group under the direction of their coordinator, are responsible for keeping home office staff informed of the progress each home is making with respect to quality of care, key visits to each facility at least twice each month, follow up on the corporate performance improvement issues, and assist each facility with their performance improvement program, provide support, education, and direction to the department head in their area, take part in interviewing, hiring, and performance evaluation as requested by the facility administrator which contributes significantly to the overall quality of care and quality assurance.

PruittHealth – WCF shares that PruittHealth's Care Guard program is used with acute change of condition (ACOC) in monitoring and reporting of signs and symptoms in the resident that assists in preventing unnecessary resident hospitalizations and emergency room visits. Specifically, the applicant states it provides direct care staff with a decision tree, tools for linking signs and symptoms to conditions, tools for determining categories of symptoms for ACOCs, and tools for determining when to report vital signs and laboratory values adding that it also provides standardized forms and analysis tools. PruittHealth - WCF states this data is reviewed every Wednesday at all PruittHealth affiliated skilled nursing facilities and is also utilized by PruittHealth Consulting Services' Senior Nurse Consultants to conduct root cause analysis and then trended and reviewed against care paths making changes and updates if needed.

PruittHealth – WCF notes that PruittHealth uses the following PointRight programs for Performance Improvement:

- **RADAR Report**  
Is a daily resident report that features unique predictive scales intended to highlight residents with the highest risk of falling, developing a pressure ulcer, dying within six months or being re-hospitalized which staff uses to identify at risk residents, update care plans, change facility care protocols, and to set-up hospice services.
- **Data Integrity Audit (DIA)** is a web-based tool that analyzes 100 percent of MDS assessments prior to state submission giving instant feedback is given on inconsistencies and documentation requirement to ensure the accuracy of a facility's MDS assessments prior to submission.
- **Green Light Report** is a report that tracks how a facility is performing on QM/QIs (Quality Indicator/Quality Measures), data integrity and compliance in which data can be sorted for the entire organization, a division, a group of facilities, or an individual facility to investigate root cause of performance-based issues. QM/QIs are looked at by the state surveyors and are used in determining a facilities star-rating.

The PointRight web-based services measure data that can be reviewed at the system level and down to an individual facility. Information on PointRight was included in CON #10622 Supporting Documents.

Staffing Training and Career Development is addressed on pages 33-37 of the application and summarized in the categories below:

**Selecting and Supporting**

- PruittHealth places heavy emphasis on recruiting and maintaining a high-quality professional staff by offering a combination of competitive wages, attractive employee benefits, education and training, opportunities for career advancement, and performance evaluation.
- All personnel, from top management to front-line personnel, actively participate in the staff training programs which is a combination of in-service units, selected outside seminars, and continuous onsite supervision, evaluation and skills reinforcement that provides staff members of the facility with state-of-the-art resident care and management skills. PruittHealth offers tuition reimbursement and policies that reward educational achievements.

- Home office consultants assess the need for in-services at PruittHealth affiliated facilities using the annual outline of recommended in-services to meet state and federal regulations offering this training on a regular and an as needed basis to meet the complete care needs of the resident population.
- Staff development programs are conducted monthly to ensure that facility personnel are knowledgeable of the policies and procedures of the facility and of the care of the resident and to comply with federal and state regulations.

PruittHealth – WCF assures that PruittHealth affiliated skilled nursing facilities have a number of innovative staff training programs and submits the following examples to demonstrate its commitment to staff training aimed at providing the highest quality care:

- Pruitt University is an eLearning platform that is designed by PruittHealth's full-time videographer who collaborates with organizational leaders and clinicians to develop video education programs ranging from human resources, benefits awareness, leadership, and customer service skills to clinical-specific programs such as warfarin therapy management that has completed approximately 200,000 courses. PruittHealth also offers a Certified Nursing Assistant Ladder Program, Certified Medication Aide Program, BLS (CPR) Provider Program, Behavior Management and Antipsychotic Reduction Program, among others, whose participants after completion and successful testing, receive continuing education unit (CEU) credits and a certificate.
- Executive Management Advancement Program developed in 2017, through a partnership with Georgia State University, 20 partners per year work to receive MBA/MHA Dual Masters degrees while employed at PruittHealth to instruct on the various service lines and departments that make up PruittHealth.
- Leadership Mirroring is a program puts 40 PruittHealth organizational leaders side-by-side with direct care staff, quarterly, to understand their roles.
- Education Retreat for Certified Nursing Assistants, implemented in 2002, is typically hosted three times each year with an average attendance of about 60 persons offering an opportunity to learn, engage in team building activities, network with other CNAs, and have fun resulting in an increase in morale, education, and productivity. The health care centers may select two CNAs to send to the retreat based on the following criteria:
  - At least one year of continuous service
  - Positive performance appraisal
  - Good attendance record
  - Excellent attitude

- Annual Maintenance, Housekeeping, and Dietary Conference offers these skilled workers an opportunity to network with their peers and exchange best practices.
- Bi-Annual Leadership Conference is a bi-annual, three-day conferences for organizational leaders, administrators, and directors of health services that provides continuing education hours on topics that include, but are not limited to:
  - Strategic planning and goal updates
  - Regulatory and reimbursement updates
  - Leadership and management courses
  - Quality programs and agenda updates
  - Clinical programs and policy courses
- Orientation for Professional Nurses is a two-day workshop is conducted on a quarterly basis for all professional nurses (RNs and LPNs) to provide an overview of their responsibilities, to review policies and procedures, and to discuss issues that impact their job. The workshop encompasses many aspects of care such as skin and wound care, nutrition, performance improvement, medication administration, infection control, and many other issues.
- Infusion Therapy Training are two-day courses conducted by a Certified Registered Nurse Infusionist (CRNI) by the Infusion Nurses Society (INS) in all PruittHealth affiliated facilities with refresher courses designed to meet Joint Commission yearly competency requirement for nurses who have completed the initial infusion therapy course, have completed previous infusion training, or have previous infusion training.
  - Day one topics include legal implications; nursing responsibilities; standards of practice; policies and procedures; basic infusion therapy principles; subcutaneous fluid administration; peripheral infusion therapy with clinical practice for peripheral cannula insertion; assessment of response to infusion therapy including fluid and electrolyte imbalances; administering medication with clinical practice; and use of the infusion pump.
  - Day two topics include types, care, and maintenance of central vascular access devices, both peripherally and centrally placed; clinical practice with central line dressing change of the tunneled central vascular access device or PICC line with injection cap change and accessing the implanted port; complications and documentation; assessing nutritional status; and TPN administration.

- Palliative Care and Pain Management Training is offered to professional nurses and to certified nurse assistants in all PruittHealth affiliated skilled nursing facilities throughout the year, according to an established education plan to and are instructed by a Registered Nurse who has attained National Certification for Hospice and Palliative Care Nurse.
- Diabetes Education Program offers diabetes education that reinforces current diabetes related PruittHealth policy and procedures with curricula designed to meet the various education needs of staff that provide nutrition and clinical care to residents with diabetes and include:
  - Programs in diabetes monitoring and use of the Accu-check glucometer and glucose testing station
  - Appropriate clinical intervention for hypoglycemia and/or hyperglycemia
  - Current clinical and practice guidelines that have included: Diabetes Updates, Medical Nutrition Therapy and Diabetes, and Medications for Diabetes
  - Instruction in the 15 content areas identified by the American Diabetes Association for diabetes outpatient self-management training services
- CPR Instructor Training provides courses according to the standards of the American Heart Association with the goal of having a CPR Instructor in all health care centers to train professional nurses and certified nursing assistants in basic CPR for health care providers. PruittHealth currently has over 50 individuals that are certified as CPR instructors.

PruittHealth – WCF contends that PruittHealth has made its workforce and residents a priority with its various programs and initiatives that help and enhance the workforce in the service area and ensure quality care to the nursing facility residents in this service area. Further, in 2005, PruittHealth initiated a formalized Customer Service Program based on 17 Tenets of Customer Service where each day during "Tenet Time", employees review statements about making customer service work such as "Take time to speak to everyone". Each employee is provided customer service training during orientation and routinely thereafter and assures that it promotes a culture of quality and transparency by allowing all customers to report positive and/or negative issues anonymously, regardless of the reporting method utilized, adding it offers a toll-free customer service line, customer service email and external benchmarking.

PruittHealth – WCF confirms that PruittHealth has a toll-free number posted for residents/clients, family members, or employees to call with complaints or concerns which is staffed at the home office. When a complaint or concern is called to the customer service representative, a log of the complaint/concern is made, the PruittHealth Administrator is notified of the complaint/concern and the Regional Director of Operations sends a letter to the concerned party and follows through on the complaint/concern until it is resolved with the goal to resolve the complaint/concern within 14 days. PruittHealth – WCF assures that each complaint/concern is reviewed at management meetings in the home office and that questions/comments /concerns can also be sent via email with all responses being confidential.

External Benchmarking - PruittHealth strives to provide quality care to its residents and customers by making a concerted effort to gather, analyze and act on data received through questionnaires and audits. The following are the types of benchmarked data provided and available locally:

- Local publication of My InnerView statistics measuring the proposed facility against regional and national facilities.
- Posting quality measures and scores or providing links to scores on appropriate websites.
- Providing quality information to referral sources such as discharge planners.
- PruittHealth will identify specific price transparency plans for the proposed facility.

PruittHealth launched its Senior Care Partner Program in 2006 in which a registered nurse whose primary responsibility is to be a liaison between the health care facility and the patient/family lending a higher level of expertise than the average nursing center offers and increasing overall communications to ensure each resident is receiving the high quality of care they expect. This program offers ongoing educational programs focusing on the communication and the expectations of all involved in caring for the resident which promotes partnerships that share the responsibilities and accountabilities in providing quality resident care and services.

PruittHealth – WCF states that in 2012 PruittHealth established a new customer service manual and training program for employees to use as a guideline and point of reference and began implementation of a proprietary Care Ambassador program which utilizes exceptional, dedicated care partners who encourage, uplift, and assist customers and visitors with their service-related needs. Further, Care Ambassadors work in conjunction with the Senior Care Partner program to provide

steady points of contact and daily support for patients and their families with special training to greet new admissions with the highest level of customer service, and assist with grievance counseling, the celebration of birthdays and anniversaries, kindness gestures such as small beverage and food offerings during difficult times, and overall getting to know the resident to better care for their needs. Oversight to the program is handled by Team Leads who have years of experience and expertise and demonstrate a desire and the capability to lead a group of ambassadors.

The applicant informs that the "Green Sweep" program consists of unannounced visits by PruittHealth's CEO, COO and other leaders to each health care facility and utilizes a standard scoring tool that focuses on areas as seen through the eyes of facility residents which has resulted in enabling facilities to make significant changes that are appealing to the residents/families.

PruittHealth – WCF states that it will strive to be a deficiency-free facility, in order to become a five-star rated facility and meet all AHCA Quality Award Requirements along with its commitment to implement technology such as PointRight, Smart Charting, WanderGuard, Care Guard, medical kiosks, INTERACT 3.0 and electronic medical records. PruittHealth - Panama City, PruittHealth -Fleming Island and PruittHealth - Southwood each had deficiency free Medicare certification surveys less than 60 days after each was licensed.

The reviewer notes that none of PruittHealth affiliated facilities have earned Gold Seal Award recipient status. PruittHealth - Santa Rosa is on the Agency Watch List. The Watch List identifies nursing homes that are operating under bankruptcy protection or met the criteria for a conditional status during the past 30 months.

<b>PruittHealth Affiliated SNF</b>	<b>HF Overall Inspection Star Rating</b>	<b>CMS Overall Rating</b>
PruittHealth – Fleming Island	****	****
PruittHealth – Panama City	****	****
PruittHealth – Santa Rosa	*	*
PruittHealth – Southwood	**	****
PruittHealth – North Tampa	NR	NA

Source: <https://www.floridahealthfinder.gov/index.html>, July 2020 - December 2022, last updated February 2023 and <https://www.medicare.gov/care-compare/?guidedSearch=NursingHome> last updated February 22, 2023.

During the 36 months ending February 23, 2023, PruittHealth affiliated nursing homes had a total of six substantiated complaints, with four complaint categories cited. Below is a table of the substantiated complaints by the applicable complaint category.

Complaint Category	Number Substantiated
Quality of Care/Treatment	3
Resident/Patient/Client Neglect	1
Elopement	1
Life Safety Code	1
<b>Total</b>	<b>6</b>

Source: AHCA Substantiated Complaint History, PruittHealth-Affiliates Substantiated Complaint History by Category, 36 Months Ending February 23, 2023.

Two of PruittHealth's four Florida SNFs had less than 36 months of licensed operation as of February 23, 2023 – PruittHealth-Southwood licensed on May, 28, 2020 and PruittHealth-North Tampa, LLC licensed on December 13, 2022.

**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. The applicant provided audited financial statements of a 3<sup>rd</sup> party financier, where the short term and long-term measures fall on the scale (highlighted in gray) for the most recent year.

United Health Services, Inc. and Subsidiaries		
	Jun-22	Jun-21
Current Assets	\$219,088,000	\$200,477,000
Total Assets	\$885,999,000	\$830,102,000
Current Liabilities	\$435,956,000	\$330,203,000
Total Liabilities	\$789,254,000	\$736,444,000
Net Assets	\$96,745,000	\$93,658,000
Total Revenues	\$1,095,639,000	\$108,476,000
Excess of Revenues Over Expenses	\$1,504,000	\$24,151,000
Cash Flow from Operations	\$34,066,000	(\$4,770,000)
<b>Short-Term Analysis</b>		
Current Ratio (CA/CL)	0.5	0.6
Cash Flow to Current Liabilities (CFO/CL)	7.81%	-1.44%
<b>Long-Term Analysis</b>		
Long-Term Debt to Net Assets (TL-CL/NA)	365.2%	433.7%
Total Margin (ER/TR)	0.14%	22.26%
<b>Measure of Available Funding</b>		
Working Capital	(\$216,868,000)	(\$129,726,000)

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

### Capital Requirements and Funding:

The applicant indicates on Schedule 2 capital projects totaling \$33,178,546, which includes this project only. In addition to the capital costs, the applicant will have to finance a projected year one operating loss of \$1,513,392.

The applicant states on Schedule 3 that funding for this project will come from cash on hand (\$6,635,709) and non-related company financing (\$26,542,837). The applicant provided a letter, dated February 22, 2023, from Synovus stating they would provide construction financing pending final approval of the loan and CON application. A letter of interest does not mean funding will be available. The audited financial statements for United Health Services, Inc. shows positive operating cash flows in the \$34,066,000.

### 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 and 2019 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 3rd Quarter 2022, 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	\$ 16,235,657.00	\$ 389.12	\$ 561.61	\$ 363.04	\$ 278.51
Total Expenses	\$ 14,687,693.00	\$ 352.02	\$ 568.92	\$ 363.81	\$ 73.62
Operating Income	\$ 1,547,964.00	\$ 37.10	\$ 238.76	\$ 1.14	\$ (64.89)
Margin	10%				
Occupancy	95%		99%	91%	61%
Medicaid	67%		76%	68%	57%
Medicare	31%		30%	13%	1%

**Staffing:**

Section 400.23(3)(b)(1), Florida Statutes, specifies a minimum certified nursing assistant staffing of 2.0 hours of direct care per resident per day, a minimum licensed nursing staffing of 1.0 hour of direct resident care per resident day, and 3.6 hours of total direct care staffing. 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's 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**

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 applicant indicates that the design will comply with all applicable codes and standards.

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 applicant assures 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 59C-1.030(2), Florida Administrative Code).

PruittHealth - West Central Florida, LLC states that it is a development-stage 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 which includes five skilled nursing facilities in Florida and more than 100 such facilities throughout the southeastern United States affirming that all of these facilities have a demonstrated history and commitment to the Medicaid population.

PruittHealth affiliated facilities fiscal year 2020 and calendar years 2021 through 2022 Medicaid patient days and percent of Medicaid patient days are shown in the table below. During FY 2020, PruittHealth affiliated facilities provided 2,184,356 Medicaid patient days (65.8 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.

<b>PruittHealth Affiliated Facilities Historical Commitment to the Medicaid Patients                      Medicaid Percent of Total Patient Days                      Fiscal Year 2020 and Calendar Years 2021 and 2022</b>			
	<b>FY 2020</b>	<b>CY 2021</b>	<b>CY 2022</b>
Medicaid Patient Days	2,184,356	1,918,522	1,941,576
Percent of Patient Days	65.80%	67.40%	68.40%

Source: CON application #10732, pages 52 from PruittHealth. Note, calendar years 2014 through 2019 were provided in CON Application #10622 and fiscal years 2019 through 2021 were provided in the transferor CON Application #10667. This information is updated for the most recent two calendar years.

PruittHealth - West Central Florida, LLC states it will not discriminate against anyone based on race, sex, religion, national origin, physical handicap, diagnosis, payment source, and/or any other circumstance or physical condition which classify the individual as underserved. The project's annual patient days are shown below.

Payer	Year One Ending November 30, 2026		Percent of Days	Year Two Ending November 30, 2027		Percent of Days
	Admits	Days		Admits	Days	
Self-pay	12	700	4.4%	13	732	1.8%
Medicaid	42	10,043	62.7%	116	27,816	66.7%
Medicare	188	4,658	29.1%	486	12,078	28.9%
Medicare HMO	18	364	2.3%	36	732	1.8%
Other Payers	4	243	2%	6	366	1%
<b>Total</b>	<b>264</b>	<b>16,008</b>	<b>100.0%</b>	<b>657</b>	<b>41,724</b>	<b>100.0%</b>

Source: CON application #10732, Schedule 7, Tab Five

Note: \* This percentage is arithmetically 100.5 percent, likely due to rounding.

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

## F. SUMMARY

**PruittHealth - West Central Florida, LLC (CON application #10732)** proposes the transfer of CON #10667 PruittHealth – Pinellas, LLC which was approved to establish a 120-bed community nursing home in District 5, Subdistrict 5-2 (Pinellas County). The project consists of 91,586 GSF of new construction at a construction cost of \$21,064,780. Total project is \$33,178,546.

PruittHealth - West Central Florida, LLC expects issuance of license in November 2025 and initiation of service in December 2025.

The applicant states it will accept the conditions as stated on CON #10667.

### Need

- The application is not in response to the fixed need pool.
- As of February 10, 2023, Subdistrict 5-2 has 68 licensed community nursing homes with a total of 7,665 licensed community nursing home beds and 299 approved beds.

- Subdistrict 5-2 facilities reported 80.58 percent total occupancy during the six-month period ending December 31, 2022, and 79.68 percent total occupancy during the 12-month period ending December 31, 2022.
- The project will not change the number of licensed and approved nursing home beds in the subdistrict.

**Quality of Care**

- The applicant provided a detailed description of its ability to provide quality care.
- Agency records indicate that for the three-year period ending February 23, 2023, PruittHealth affiliated nursing homes had six substantiated complaints with four categories cited.

**Financial Feasibility/Availability of Funds**

- Funding for this project is in question.
- Based on the information provided in Schedule 6, the applicant meets staffing standards.
- 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 priced-based competition to promote quality and cost-effectiveness.

**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.

**Medicaid/Charity Care**

- PruittHealth affiliated facilities provided 1,941,576 Medicaid patient days (68.4 percent of CY 2022 total patient days).
- The applicant projects the 120-bed facility will provide 62.7 percent of year one and 66.7 percent of year two (ending November 30, 2026 and 2027) total annual patient days to Medicaid patients.

**G. RECOMMENDATION**

Approve CON #10732 to transfer CON #10667 from PruittHealth - Pinellas, LLC to establish a new 120-bed community nursing home in District 5, Subdistrict 5-2, Pinellas County. The total project cost is \$33,178,546. The project involves 91,586 GSF of new construction and a total construction cost of \$21,064,780.

**CONDITIONS:**

1. All 120 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 four 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 (QAPI) initiative that entail 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**

Authorized representatives of the Agency for Health Care Administration adopted the recommendation contained herein and released the State Agency Action Report.

DATE: April 7, 2023



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