



January 6, 2021

Gainesville City Commission

Re: Eastside Healthcare

On behalf of SIMEDHealth, L.L.C., we respectfully submit this letter of intent stating our desire to be a significant contributor to the short, and long-term solutions to the healthcare needs existing within our east Gainesville and Alachua County regions.

The issues previously identified by this Commission for this region include:

- inappropriate healthcare utilization:
 - higher number of emergency department visits (1.5-2.7 x county average);
 - higher number of avoidable emergency department visits (57-65% of visits, 1.5-2.1 x county average);
 - higher number of hospitalizations (1.3 – 1.4 x county average);
 - higher number of preventable hospitalizations (12-14% of hospitalizations, 7.8-2.0 x county average);
 - increased mental health conditions diagnosed in emergency room visits and hospitalizations;
 - increased oral health conditions diagnosed in emergency room visits and hospitalizations;
- lower percentage of residents with health insurance coverage;
- higher percentage of residents with health insurance coverage, but underinsured – individuals with existing health insurance, but out-of-pocket costs prevent necessary healthcare services from being pursued in a timely fashion to prevent emergent situations;
- few healthcare points of entry within the region;
- few non-traditional hours for healthcare access within the region.

Other issues identified by SIMEDHealth which possibly inhibit healthcare organizations from establishing and maintaining healthcare services in this region:

- limited number of appropriate locations with adequate facility size, layout, parking, transportation access and security;
- inadequate numbers of qualified healthcare and non-healthcare staffing – this issue is not limited to the eastern regions, but is anticipated to be a more significant issue for this location;

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- health insurance demographics for this area are not favorable - in a fee-for-service, volume driven reimbursement model, this requires higher service volumes to meet break even points, although historically lower insured, and lower educated population requires longer periods of healthcare service time, which in turn makes it difficult to meet the volume needs;
- no single insurer has a large enough volume of beneficiaries in the region to enable effective value-based care contracting for adequate population health reimbursement opportunities;
- healthcare training facilities in north central Florida producing inadequate numbers of physicians, dentists, psychologists, allied health providers, nurses, dieticians, managers, staff etc. who are qualified and steered toward the type of location and services necessary in this type of healthcare setting;
 - income needs based on debt, programed expectations, national salary surveys, etc.;
 - home/neighborhood options in this region vs. other parts of city and county;
 - public school options in this region vs. other parts of city and county;
- return on investment is most-likely very far into the future;
- difficulty aligning expectations of healthcare leaders, politicians, community leaders, and community about what success will look like;

The foundation for SIMEDHealth was developed in the late 1980's, and has continued to grow into north central Florida's largest independent health system. Our largest location is in Gainesville with four current practice sites, and we also are planning to open a location in High Springs in early 2022. Other communities where we practice include Chiefland, Ocala, Lady Lake/The Villages, and Lake City. Our one hundred Florida licensed healthcare providers includes 67 physicians (20 of them in Primary Care), 25 advanced care practitioners (nurse practitioners and physician assistants, 6 of them in Primary Care), 7 psychologists and one licensed mental health counselor. All of our sites are integrated on a single electronic medical record to simplify scheduling, referrals, and specialty consultations for our patients. We also provide integrated services including laboratory; diagnostic imaging; physical, occupational, and massage therapy; pulmonary function testing; sleep center; and clinical research, all of which are imbedded in our clinic sites. This integrated approach improves treatment compliance, which in turn, provides our clinicians the ability to provide high levels of coordination of care.

In 2010 SIMEDHealth made a commitment towards population health. Traditional healthcare provides services to improve or maintain the health of the individual patient in front of them, at that moment in time. However, in a population health model of care we look for ways to interact with, improve and maintain the health of our patients 365 days a year, even when they aren't in front of

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us. We achieve this by monitoring and reporting quality metrics to our healthcare teams, and trying to identify those not meeting usual standard of care. With some of our insurance payers we are able to receive utilization data allowing us to interact deeper with those who are not achieving their preventive care screenings, or are more frequently visiting emergency departments, requiring more hospital services, or are expending higher than expected costs of care. Our efforts over the past decade have shown consistent, measurable improvements in our patient population's quality of care and patient satisfaction (measured by third party survey). Importantly these efforts have also been shown to reduce our population's total cost of care, so that it is significantly better than our market peers.

We do not currently have the resources necessary to establish a clinical presence in the east region without sacrificing services in our other location. Therefore the preliminary proposal outlined below will require a bare bones start-up. If given the opportunity we will provide experienced management and leadership of a successful healthcare system that knows what is needed to provide effective, high quality, coordinated primary care with a population health focus to assist the Commission's healthcare goals for the eastern parts of Gainesville and Alachua County.

Proposal:

- 6,000 square foot building space
 - Primary Care – 2,000 sq. ft.
 - Behavioral Health – 1,000 sq. ft.
 - Dental – 1,000 sq. ft.
 - Physical/Occupational Therapy – 500 sq. ft.
 - Diagnostic Services (Lab, Imaging, Cardiac, etc.) – 500 sq. ft.
 - Administration – 500 sq. ft.
 - Community education/meeting space – 500 sq. ft.
- Furnishings and equipment
- Adequate on-site parking for patients and staff
- Hours of operation will depend on availability of staffing – goal would be for extended hours to include early mornings, evenings, and Saturdays to meet the needs of those who can't afford to take time off during the regular work day hours for their healthcare.
- Professional staffing
 - 4 primary care clinicians with at least one being a physician (others can be nurse practitioners and/or physician assistants). Goal would be for two to be present during main hours of the day, and at least one during extended hours.
 - 4 medical assistants
 - 2 clinical coordinators/case managers

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- 1 dietician/nutrition educator
- 1 radiology technician
- 3 behavioral health (1 psychiatrist, 2 psychologists or LMHC)
- 1 dentist
- 2 dental hygienists/assistants
- 1 physical therapist
- 0.5 occupational therapist
- 1 phlebotomist/lab technician
- 3 clinical assistants
- 1 clinic administrator
- 0.25 Facilities/Grounds Support
- 0.25 IT support
- Patient/Community Education
 - Preventive care
 - Nutrition
 - Diabetes
 - Potentially, many, many others
- Assistance needed from others in the region
 - Education and training programs to increase the pool of qualified people capable of filling these staffing needs. The clinic site can serve as a hands-on site for these students to get their clinical experience hours.
 - Assistance from commercial, Medicare Advantage (Part C), and Medicaid insurers in the area to develop truly meaningful, value-based contracting to serve the beneficiaries in the region, and provide meaningful incentive for SIMEDHealth clinicians and staff to achieve the goals of this Commission and our practice.
- Estimated financial assistance to start: \$4,270,000
 - Building - \$1,600,000
 - Furnishings/Equipment - \$300,000
 - Staffing annual costs at current rates - \$2,300,000
 - IT/Data - \$20,000 hardware; \$50,000 annual costs
- Ongoing support required is unknown, and primarily dependent on the success of value-based contracting with the required insurers, and community commitment to the practice type described above.

There are many details and unknowns about this project which will need to be developed. By our submitting this letter of intent, we commit to work with the involved parties to be a main part of the

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healthcare development of eastern Gainesville and Alachua County. This progressive long-ranged vision is what we at SIMEDHealth have been doing for our value-based patient population for many years, and we believe we are the only natural partner within Alachua County to achieve the results the Commission and the community desire. We look forward to your review of this letter of intent and the development of what should be a project other communities will strive to model.

Respectfully submitted,

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