



STATE OF WASHINGTON  
DEPARTMENT OF HEALTH  
*Olympia, Washington 98504*

September 6, 2019

CERTIFIED MAIL # 7016 3010 0001 0575 0204

Dapo Amosun, President, Owner  
Amicable Healthcare, Inc.  
15220 32<sup>nd</sup> Avenue, South Suite B  
SeaTac, Washington 98188

RE: Certificate of Need Application #19-52

Dear Mr. Amosun:

We have completed review of the Certificate of Need application submitted by Amicable Healthcare, Inc. The application proposes to establish a Medicare certified/Medicaid eligible home health agency in King County. Enclosed is a written evaluation of the application.

For the reasons stated in the enclosed decision, the application is consistent with the applicable criteria of the Certificate of Need Program, provided Amicable Healthcare, Inc. agrees to the following in its entirety.

**Project Description**

This Certificate of Need approves Amicable Healthcare, Inc. to establish a Medicare and Medicaid certified home health agency to serve the residents of King County. Services proposed to be directly provided by Amicable Home Health include in-home skilled nursing, medical social work, home health aide and respite services. Additional contracted services include physical, occupational, and speech therapies.

**Conditions**

1. Approval of the project description as stated above. Amicable Healthcare, Inc. further agrees that any change to the project as described in the project description is a new project that requires a new Certificate of Need.
2. Amicable Healthcare, Inc. will finance the project as described in the application.
3. Amicable Healthcare, Inc. will maintain Medicare and Medicaid certification regardless of ownership.

4. Amicable Healthcare, Inc. will provide charity care in compliance with its charity care policies provided in the application.
5. Prior to providing Medicare and Medicaid certified home health services, Amicable Healthcare, Inc. will provide the name and credential number for staff of the home health agency.
6. Prior to providing Medicare and Medicaid certified home health services, Amicable Healthcare, Inc. will submit the executed Partial Space Lease Agreement for review. The executed agreement must be consistent with the draft provided in the application.
7. Prior to providing Medicare and Medicaid certified home health services, Amicable Healthcare, Inc. will submit the executed Physician Advisor Agreement for review. The executed agreement must be consistent with the draft provided in the application.

**Approved Costs:**

The approved capital expenditure associated with this project is \$24,000.

Please notify the Department of Health within 20 days of the date of this letter whether you accept the above project description, conditions, and capital costs for your project. If you accept these in their entirety, your application will be approved and a Certificate of Need sent to you.

If you reject any of the above provisions, your application will be denied. The department will send you a letter denying your application and provide you information about your appeal rights.

Send your written response to the Certificate of Need Program, at one of the following addresses.

Mailing Address:

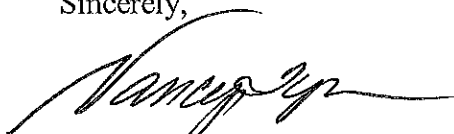
Department of Health  
Certificate of Need Program  
Mail Stop 47852  
Olympia, WA 98504-7852

Physical Address:

Department of Health  
Certificate of Need Program  
111 Israel Road SE  
Tumwater, WA 98501

If you have any questions, or would like to arrange for a meeting to discuss our decision, please contact the Certificate of Need Program at (360) 236-2955.

Sincerely,



Nancy Tyson, Executive Director  
Health Facilities and Certificate of Need

Enclosure

**EVALUATION DATED SEPTEMBER 6, 2019, FOR THE CERTIFICATE OF NEED APPLICATION SUBMITTED BY AMICABLE HEALTHCARE, INC. OF KING COUNTY, PROPOSING TO ESTABLISH A MEDICARE AND MEDICAID CERTIFIED .HOME HEALTH AGENCY TO SERVE KING COUNTY**

**APPLICANT DESCRIPTION**

Amicable Healthcare, Inc. is a for-profit corporation governed by Dapo Amosun and Ferguson Adesoye. Currently Amicable Healthcare, Inc. operates a licensed home care agency that serves King, Pierce, and Snohomish counties.<sup>1</sup> Home care services are defined in Washington Administrative Code 246-335-410 as:

*“...nonmedical services and assistance provided to ill, disabled, or vulnerable individuals that enable them to remain in their residences. Home care services include, but are not limited to: Personal care such as assistance with dressing, feeding, and personal hygiene to facilitate self-care; homemaker assistance with household tasks, such as housekeeping, shopping, meal planning and preparation, and transportation; respite care assistance and support provided to the family; or other nonmedical services or delegated tasks of nursing under RCW [18.79.260\(3\)\(e\)](#).”*

Additionally, Amicable Healthcare, Inc. is currently licensed as a home care provider for King, Pierce, and Snohomish counties, however it does not provide home health services to residents of Washington State. [source: Application, p2 and April 4, 2019, screening response, p1]

For this project, Amicable Healthcare, Inc. is the applicant and will be referenced as ‘Amicable Healthcare.’

**PROJECT DESCRIPTION**

Amicable Healthcare proposes to establish a Medicare and Medicaid certified home health agency to serve the residents of King County. For its home care agency, Amicable Healthcare operates in three separate locations—one each in the counties of King, Pierce, and Snohomish.<sup>2</sup> For this project, Amicable Healthcare proposes to co-locate its home health agency with its home care agency in King County. The agency would be located at 15220 - 32<sup>nd</sup> Avenue South, Suite B, in SeaTac [98188] and be known as ‘Amicable Home Health.’

Services proposed to be directly provided by Amicable Home Health include in-home skilled nursing, medical social work, home health aide and respite services. Additional contracted services include physical, occupational, and speech therapies. [source: Application, p7]

Amicable Healthcare expects to begin providing Medicare and Medicaid home health services to King County residents on April 1, 2020. [source; April 4, 2019, screening response, p2]

The estimated capital expenditure for the project is \$24,000, and is solely for office furnishings and equipment. There are no construction costs associated with this project. [source: Application, p25]

**APPLICABILITY OF CERTIFICATE OF NEED LAW**

This application is subject to review as the construction, development, or other establishment of new health care facility under Revised Code of Washington (RCW) 70.38.105(4)(a) and Washington Administrative Code 246-310-020(1)(a).

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<sup>1</sup> License #IHS.FS.00000215.

<sup>2</sup> The Pierce County home care agency is located at 755 Tacoma Avenue, #7 in Tacoma [98402] and the Snohomish County home care agency is located at 2722 Colby Avenue, #430 in Everett [98201] [source: Application, p3]

## **EVALUATION CRITERIA**

WAC 246-310-200(1)(a)-(d) identifies the four determinations that the department must make for each application. WAC 246-310-200(2) provides additional direction in how the department is to make its determinations. It states:

*“Criteria contained in this section and in WAC 246-310-210, 246-310-220, 246-310-230, and 246-310-240 shall be used by the department in making the required determinations.*

- (a) In the use of criteria for making the required determinations the department shall consider:*
  - (i) The consistency of the proposed project with service or facility standards contained in this chapter;*
  - (ii) In the event the standards contained in this chapter do not address in sufficient detail for a required determination the services or facilities for health services proposed, the department may consider standards not in conflict with those standards in accordance with subsection (2)(b) of this section; and*
  - (iii) The relationship of the proposed project to the long-range plan (if any) of the person proposing the project”*

In the event that WAC 246-310 does not contain service or facility standards in sufficient detail to make the required determinations, WAC 246-310-200(2)(b) identifies the types of standards the department may consider in making its required determinations. Specifically WAC 246-310-200(2)(b) states:

- (b) “The department may consider any of the following in its use of criteria for making the required determinations:*
  - (i) Nationally recognized standards from professional organizations;*
  - (ii) Standards developed by professional organizations in Washington State;*
  - (iii) Federal Medicare and Medicaid certification requirements;*
  - (iv) State licensing requirements;*
  - (v) Applicable standards developed by other individuals, groups, or organizations with recognized expertise related to a proposed undertaking; and*
  - (vi) The written findings and recommendations of individuals, groups, or organizations with recognized experience related to a proposed undertaking, with whom the department consults during the review of an application.”*

To obtain Certificate of Need approval, the applicant must demonstrate compliance with the criteria found in WAC 246-310-210 (need) including applicable portions of the 1987 State Health Plan; 246-310-220 (financial feasibility); 246-310-230 (structure and process of care); 246-310-240 (cost containment).

## **TYPE OF REVIEW**

This application was reviewed under the regular review timeline outlined in WAC 246-310-160, which is summarized below.

## APPLICATION CHRONOLOGY

Action	Date
Letter of Intent Submitted	October 19, 2018
Application Submitted	January 22, 2019
Department's pre-review activities <ul style="list-style-type: none"><li>• DOH 1st Screening Letter</li><li>• Applicant's Responses Received</li></ul>	February 12, 2019 April 4, 2019 <sup>3</sup>
Beginning of Review	April 11, 2019
Public Hearing Conducted	N/A
Public Comments accepted through end of public comment	May 16, 2019
Rebuttal Comments Due	May 31, 2019
Department's Initial Anticipated Decision Date	July 15, 2019
Department's Anticipated Decision Date with a 60 day extension <sup>4</sup>	September 13, 2019
Department's Actual Decision Date	September 6, 2019

## AFFECTED PERSONS

Washington Administrative Code 246-310-010(2) defines "affected person" as:

"...an "interested person" who:

- Is located or resides in the applicant's health service area;*
- Testified at a public hearing or submitted written evidence; and*
- Requested in writing to be informed of the department's decision.*"

As noted above, WAC 246-310-010(2) requires an affected person to first meet the definition of an 'interested person.' WAC 246-310-010(34) defines "interested person" as:

- The applicant;*
- Health care facilities and health maintenance organizations providing services similar to the services under review and located in the health service area;*
- Third-party payers reimbursing health care facilities in the health service area;*
- Any agency establishing rates for health care facilities and health maintenance organizations in the health service area where the proposed project is to be located;*
- Health care facilities and health maintenance organizations which, in the twelve months prior to receipt of the application, have submitted a letter of intent to provide similar services in the same planning area;*
- Any person residing within the geographic area to be served by the applicant; and*
- Any person regularly using health care facilities within the geographic area to be served by the applicant.*

During the review of this project, two representatives from Providence Health and Services requested interested person status as defined above. One representative from the larger entity of Providence Health & Services; and one from Providence Home and Community Care located in King County. Neither entity provided public comments. As a result, neither Providence Health & Services nor Providence Home and Community Care qualify as an "affected person."

<sup>3</sup> Amicable Healthcare was granted an eight day extension to the screening response deadline of March 29, 2019. The extension resulted in a new due date of April 4, 2019.

<sup>4</sup> Thirty day extension letters were sent to Amicable Healthcare, Inc. on July 15, 2019 and August 13, 2019.

## **SOURCE INFORMATION REVIEWED**

- Amicable Healthcare, Inc. Certificate of Need application submitted January 22, 2019
- Amicable Healthcare Inc. screening responses received April 4, 2019
- Compliance history for credentialed or licensed staff from the Medical Quality Assurance Commission and Nursing Quality Assurance Commission
- Compliance history for Amicable Healthcare Inc. from the Washington State Department of Health – Office of Health Systems and Oversight
- DOH Provider Credential Search website: <http://www.doh.wa.gov/pcs>
- Year 2017 OFM population estimates, medium series
- Department of Health internal database – Integrated Licensing & Regulatory Systems (ILRS)
- Amicable Healthcare, Inc. website: <http://www.amicablehealth.net/>
- Washington Secretary of State website: <http://www.sos.wa.gov/corps/>
- Nursing Home Compare: <https://www.medicare.gov/nursinghomecompare/search.html>
- Certificate of Need historical files

## **CONCLUSION**

For the reasons stated in this evaluation, the application submitted by Amicable Healthcare, Inc., proposing to establish a Medicare and Medicaid certified home health agency to serve the residents of King County is consistent with applicable criteria of the Certificate of Need Program, provided Amicable Home Health agrees to the following in its entirety.

### **Project Description:**

This Certificate of Need approves Amicable Healthcare, Inc. to establish a Medicare and Medicaid certified home health agency to serve the residents of King County. Services proposed to be directly provided by Amicable Home Health include in-home skilled nursing, medical social work, home health aide and respite services. Additional contracted services include physical, occupational, and speech therapies.

### **Conditions:**

1. Approval of the project description as stated above. Amicable Healthcare, Inc. further agrees that any change to the project as described in the project description is a new project that requires a new Certificate of Need.
2. Amicable Healthcare, Inc. will finance the project as described in the application.
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6. Prior to providing Medicare and Medicaid certified home health services, Amicable Healthcare, Inc. will submit the executed Partial Space Lease Agreement for review. The executed agreement must be consistent with the draft provided in the application.
7. Prior to providing Medicare and Medicaid certified home health services, Amicable Healthcare, Inc. will submit the executed Physician Advisor Agreement for review. The executed agreement must be consistent with the draft provided in the application.

**Approved Cost:**

The approved capital expenditure associated with this project is \$24,000.

**CRITERIA DETERMINATIONS**

**A. Need (WAC 246-310-210)**

Based on the source information reviewed and agreement to the conditions identified in the conclusion section of this evaluation, the department determines that Amicable Healthcare Inc. **met** the applicable need criteria in WAC 246-310-210.

(1) *The population served or to be served has need for the project and other services and facilities of the type proposed are not or will not be sufficiently available or accessible to meet that need.*

WAC 246-310 does not contain specific WAC 246-310-210(1) need criteria as identified in WAC 246-310-200(2)(a)(i). To assist with the determination of numeric need for home health agencies, the department uses the numeric methodology contained in the 1987 Washington State Health Plan (SHP).

**Home Health Numeric Methodology-1987 State Health Plan**

The 1987 State Health Plan contains a numeric need methodology to project need for additional home health services in a planning area. This methodology uses the following data elements to establish the expected number of home health visits in a planning area:

Age Cohort Population	*	Use Rate by Age Group	*	Number of Expected Visits <sup>5</sup> by Age Group	=	Expected Number of Home Health Visits
Ages 0-64		0.5%		10		?
Ages 65-79		4.4%		14		
Ages 80+		18.3%		21		

The total projected number of visits is then divided by 10,000, which is considered the ‘target minimum operating volume’ for a home health agency. The resulting number represents the maximum projected number of agencies needed in a planning area. The SHP states that fractions should be rounded down to the nearest whole number. [source: SHP, pB-35]

The final step in the numeric methodology is to subtract the existing number of home health agencies in a planning area from the projected number of agencies needed. This results in the net number of agencies needed for the planning area.

**Amicable Healthcare, Inc.**

Amicable Healthcare provided a numeric need methodology based on the five steps identified in the SHP and concluded a gross need for 56 home health agencies in King County in the year 2022. Amicable Healthcare determined that 21 agencies are currently serving King County, resulting in a net need of 35 agencies needed in the county for year 2022. [source: Application, p13]

To determine the existing number of agencies that should be subtracted from the gross need, Amicable Healthcare provided the following information. [source: Application, pp19-21]

*“As stated above, there are 17 Medicare certified/Medicaid eligible home health agencies serving King County. These are the agencies that Amicable considers to be ‘similar’ in that they are generally*

<sup>5</sup> Per Home Health episode of care

available and accessible to the population to be served by Amicable. Table 9 provides information on the 17 agencies.

Applicant's Table 9 is referenced, but is not recreated here.

*In addition to the providers in Table 9, it has been the CN Program's practice, since about 2012, to include some or all of the licensed only agency capacity. While Amicable does not concur with this practice, we did review the most recent King County decision (May 2018 for Eden Home Health) to understand which of the licensed only agencies the CN Program counted in supply. In that CN decision, the CN Program counted 14 additional agencies. In its Eden evaluation, the CN Program stated explicitly that discrepancies in counts do occur (the applicant, Eden, and the CN Program had different counts) and explained it as follows:*

*This is not unexpected- licensed only agencies are not subject to CN review and can be established relatively quickly... Acceptable reasons for exclusion of an agency can include, but not limited to service area limitations, patient type limitations, and service type limitations. Furthermore, it is possible that an agency may claim a county on their license, but the agency website and marketing may indicate a narrower service area.*

*Given that the supply of licensed only comparable can change over a short time, in August 2018, Amicable obtained a listing of all of the agencies with a current in home services license (total of 60). This list of 60 was reviewed against the Department of Health Provider Credential Search to ensure that the licenses were currently "Active." This "Active" list was compared to the listing in the Eden Home Health evaluation and those agencies that the CN Program had concluded were not available or accessible to home health patients were excluded from Amicable's count of 'supply'. Finally, the remaining agencies were evaluated (via website or by phone) to ascertain their availability and accessibility for King County home health patients.*

*Amicable included only those licensed-only home health agencies that comply with the Medicare home health definition, which requires very specific services to be provided including, at a minimum, skilled nursing and therapeutic services. A list of the licensed only home health agencies compliant with the Medicare home health definition, and for the purposes of this application, counted in supply, are also included in Table 9. Agencies excluded, along with exclusion criteria are provided in Exhibit 10. In summary, while only 17 are Medicare certified, Amicable is 'counting' in supply a total of 21 agencies. This compares to 31 agencies noted in the CN Program's Eden decision from 2018. Regardless, even if the CN Program's count is used, there remains need for the agency proposed in this CN application."*

#### Public Comment

None

#### Rebuttal Comment

None

#### **Department's Numeric Methodology and Evaluation**

Below is a discussion of the department's numeric methodology for King County. The numeric methodology is attached to this evaluation as Appendix A.



Based on the department’s internal database<sup>6</sup> and historical records, 68 agencies claim to provide home health services in King County.<sup>7</sup> Table 1 shows a listing of the 68 agencies. The home health agencies shown in bold are Medicare and Medicaid certified agencies either located in King County or provide services to the residents of the county. Those agencies are counted in the department methodology.

**Department’s Table 1  
Agencies Licensed to Serve King County**

<b>Agency Name</b>	<b>Location City</b>	<b>Location County</b>
ADMA Healthcare, Inc.	SeaTac	King
Advanced Health Care	Tacoma	Pierce
Andelcare	Bellevue	King
Advisacare	Seattle	King
Alliance Nursing	Tacoma	Pierce
American Healthcare Services	Seattle	King
Amicable Health Care	SeaTac	King
<b>Assured Home Health</b>	<b>Federal Way</b>	King
Beam	Bellevue	King
<b>Brookdale Home Health, LLC</b>	<b>Federal Way</b>	King
Brookdale Home Seattle	Seattle	King
Care Force	Seattle	King
<b>Careage Home Health</b>	<b>Renton</b>	King
Catherine Dambrosio PHD RN and Associates, LLC	Seattle	King
Chesterfield Health Services	Seattle	King
Children Country Home	Woodinville	King
CHI Franciscan Health at Home	University Place	Pierce
Conscious Home Health Care	Seattle	King
Comfort Keepers	Federal Way	King
Divine Home Health Care	Renton	King
<b>Eden Home Health (recently CN approved)</b>	<b>Seattle</b>	<b>King</b>
EKL Health	Woodinville	King
Elite Nursing	Seattle	King
<b>Envision Home Health</b>	<b>Burien</b>	King
Estelita Su Homecare	Seattle	King
<b>Evergreen Health</b>	<b>Kirkland</b>	King
Family Resource Home Care	Seattle	King
Fedelta Care Solutions	Seattle	King
Kaiser Permanente	Federal Way	King
<b>Harvard Partners</b>	<b>Seattle</b>	King
Health People	Bellevue	King
Home Angels	Seattle	King
J and J Integrity Home Health Care, LLC	Lynnwood	Snohomish
Jewish Family Services	Seattle	King
Judson Park	Seattle	King
Kays Home Health Services	Auburn	King

<sup>6</sup> Integrated Licensing and Regulatory System (ILRS).

<sup>7</sup> It is noted that the applicant relied on the most recent home health review completed for King County—Eden Home Health. In that review, the existing supply was 70 agencies. Between the release of the Eden Home Health evaluation and this evaluation, a net loss of two agencies occurred.

<b>Agency Name</b>	<b>Location City</b>	<b>Location County</b>
<b>Kindred at Home</b>	<b>Bellevue</b>	King
<b>Kindred at Home</b>	<b>Renton</b>	King
<b>Kindred at Home</b>	<b>Tacoma</b>	Pierce
<b>Kline Galland Community Based Services</b>	<b>Seattle</b>	King
Milennia Healthcare	SeaTac	King
<b>MultiCare Home Health Hospice, and Palliative Care</b>	<b>Tacoma</b>	Pierce
New Care Concepts	Seattle	King
Nogah Home Care	Seattle	King
Personal Best Services, LLC	Seattle	King
Proactive Home Care	Seattle	King
Providence Elder Place	Seattle	King
<b>Providence Home Care Services.</b>	<b>Tukwila</b>	King
<b>Providence Hospice and Home Care of Snohomish</b>	<b>Everett</b>	Snohomish
PSA Healthcare	Seattle	King
<b>Rainier Home Health</b>	<b>Seattle</b>	King
Rehab Without Walls	Seattle	King
ResCare Home Care	Lynwood	King
Restoration Home Health Services	Federal Way	King
Right at Home	Seattle	King
Riverstone Home Care Riverstone Healthcare	Bellevue	King
Ro Lan Health	Seattle	King
<b>SeaMar Community Health Center</b>	<b>Seattle</b>	King
Serengeti Home Care	Renton	King
Signature Home Health	Federal Way	King
<b>Signature Home Health</b>	<b>Bellevue</b>	King
Sound Health Medical Supply	Tacoma	King
Sunup Home Care	Sammamish	King
Tacoma Lutheran Support Services	Tacoma	Pierce
Unicare, LLC	Lakewood	Snohomish
Visions Home Health Care	Seattle	King
Wesley Homes at Home, LLC	Des Moines	King
<b>Wesley Homes Hospice</b>	<b>Des Moines</b>	King
Wilderness Shores Nursing	Maple Valley	King

King County inventory of home health providers it received from the department has 68 agencies and of those agencies, 17 have Certificate of Need approval.

For the remaining 51 agencies listed above, the department first reviewed the definition of home health agency and home health services provided in the In Home Services rules. (WAC 246-335-510)

*"Home health agency" means a person administering or providing two or more home health services directly or through a contract arrangement to individuals in places of temporary or permanent residence. A person administering or providing nursing services only may elect to be designated a home health agency for purposes of licensure. " WAC 246-335-510(7)*

*"Home health services" means services provided to ill, disabled, or vulnerable individuals. These services include, but are not limited to, nursing services, home health aide services, physical therapy services, occupational therapy services, speech therapy services, respiratory therapy services, nutritional services, medical social services, and home medical supplies or equipment services." WAC 246-335-510(10)*

Using this information and these definitions, the department has completed an analysis of all agencies serving King County, with a determination of which agencies should be included, below. The department considered licensing information, historical files, and information found on agency websites. The table below and on the next page show this information.

**Department's Table 2  
Department Analysis of Existing Agencies**

Agency Name	Services/Limitations	Include or Exclude	Source
ADMA Healthcare, Inc.	No Longer Licensed Note: this agency is now the applicant-Amicable Health.	Exclude	ILRS & CN Application
Advanced Health Care	Skilled Nursing, Home Health Aide; serves "Tacoma, Olympia, Federal Way, and Surrounding Areas"	Exclude	ILRS
Advisacare	Skilled nursing, home health aide, and therapy services	Include	ILRS & Agency website
Alliance Nursing	Provides medically intensive <sup>8</sup> home health only	Exclude	Agency website
American Healthcare Services	Personal Care, Homemaker, Respite, Skilled Nursing, Home Health Aide	Include	ILRS
Amicable Health Care	Home Care Agency that provides Medical Staffing to Home Health	Exclude	ILRS & Agency website
Andelcare	Change of Ownership - new owner does not provide home health, only home care	Exclude	ILRS
Assured Home Health	CN Approved	Include	CN Historical Records
Beam for Seniors - Capital Place	According to website, does not provide care outside of independent living community	Exclude	Agency website
Brookdale Home Health, LLC	CN Approved	Include	CN Historical Records
Brookdale Home Seattle	CN Approved	Include	CN Historical Records

<sup>8</sup> Unlike the home health services included in the review of this application, medically intensive home health services are targeted specifically towards individuals with medically complex needs, and require at least four hours of continuous skilled nursing care per day. [source: WA Healthcare Authority]

Agency Name	Services/Limitations	Include or Exclude	Source
Care Force	Personal Care, Homemaker, Respite, Skilled Nursing, Home Health Aide	Include	ILRS
Careage Home Health	CN Approved	Include	CN Historical Records
Catherine Dambrosio PHD RN and Associates LLC	Provides medically intensive home health only	Exclude	Agency website
Chesterfield Health Services	Skilled Nursing, no therapies	Exclude	ILRS
Children Country Home	Provides medically intensive home health only	Exclude	Agency website
CHI Franciscan at Home	CN Approved	Include	CN Historical Records
Comfort Keepers	Home Care only - no longer licensed to provide home health	Exclude	ILRS
Conscious Home Health Care	No Longer Licensed	Exclude	ILRS
Divine Home Health Care	No longer claims King on license	Exclude	ILRS
Eden Home Health	Recently CN approved	Include	CN Historical Records
EKL Health	Skilled Nursing, no therapies	Exclude	ILRS
Elite Nursing	Nurse staffing agency based in Yakima with only one FTE – likely not serving King County	Exclude	ILRS
Envision Home Health	CN Approved	Include	CN Historical Records
Estelita Su Homecare	Skilled Nursing, Home Health Aide	Include	ILRS
Evergreen Health Home Care	CN Approved	Include	CN Historical Records
Family Resource Home Care	Skilled Nursing, Home Health Aide; only serves Seattle area	Exclude	ILRS & Agency website
Fedelta Care Solutions	Primarily Home Care agency with Nurse Delegation	Exclude	ILRS & Agency website
Harvard Partners	CN Approved, but not currently serving Medicaid	Exclude	Survey & CN Historical Records
Health People	Skilled Nursing, Home Health Aide	Include	ILRS

Agency Name	Services/Limitations	Include or Exclude	Source
Highline Home Care Services	CLOSED	Exclude	CN Historical Records
Home Angels	Home Care only - no longer licensed to provide home health	Exclude	ILRS
J and J Integrity Home Health Care, LLC	Skilled Nursing, Home Health Aide; only serves Seattle area	Exclude	ILRS & Agency website
Jewish Family Services	Home Care only - no longer licensed to provide home health	Exclude	ILRS
Judson Park	According to website, does not provide care outside of independent living community	Exclude	ILRS & Agency website
Kaiser Permanente Home Health & Hospice	Limited to HMO members	Exclude	ILRS & Agency website
Kays Home Health Services	Nursing, Home Health, Therapies	Include	ILRS
Kindred at Home	CN Approved	Include	CN Historical Records
Kindred at Home	CN Approved	Include	CN Historical Records
Kindred at Home	CN Approved	Include	CN Historical Records
Kline Galland Community Based Services	CN Approved	Include	CN Historical Records
Milennia Healthcare	Skilled nursing, home health aide, and therapy services	Include	ILRS
MultiCare Home Health Hospice, and Palliative Care	CN Approved	Include	CN Historical Records
New Care Concepts	Skilled Nursing, Respite	Exclude	ILRS
Nogah Home Care	Skilled nursing, home health aide, and therapy services	Include	ILRS
Personal Best Services, LLC	Skilled nursing and nurse delegation only	Exclude	Agency website

Agency Name	Services/Limitations	Include or Exclude	Source
Proactive Home Care	Serves "greater Seattle Area"	Exclude	Agency website
Providence Elder Place	Services are not provided in-home, are provided at program location	Exclude	Agency website
Providence Home Care Services.	CN Approved	Include	CN Historical Records
Providence Hospice and Home Care of Snohomish	CN Approved	Include	CN Historical Records
PSA Healthcare	Skilled Nursing, Respite	Exclude	ILRS
Rainier Home Health	CN Approved	Include	CN Historical Records
Rehab Without Walls	Skilled Nursing, Therapies - serves I-5 corridor only	Exclude	ILRS & Agency website
ResCare Home Care	Home Care only - no longer licensed to provide home health	Exclude	ILRS
Restoration Home Health Services	No Longer Licensed	Exclude	ILRS
Right at home	Skilled nursing, home health aide, and therapy services; service area restricted to metropolitan areas	Exclude	ILRS & Agency website
Riverstone Home Care Riverstone Healthcare	Home Care only - no longer licensed to provide home health	Exclude	ILRS
Ro Health	Provides medically intensive home health only	Exclude	Agency website
SeaMar Community Health Center	CN Approved	Include	CN Historical Records
Serengeti Home Care	Skilled Nursing, Home Health Aide	Include	ILRS
Signature Home Health	CN Approved	Include	CN Historical Records
Signature Home Health	CN Approved	Include	CN Historical Records
Sound Health Medical Supply	Skilled Nursing and DME	Exclude	ILRS
Sunup Home Care	Skilled nursing, home health aide, and therapy services	Include	ILRS
Tacoma Lutheran Support Services	No longer claims King on license	Exclude	ILRS
Unicare, LLC	No skilled nursing	Exclude	ILRS

Agency Name	Services/Limitations	Include or Exclude	Source
Visions Home Health Care	Skilled nursing, home health aide, and therapy services	Include	ILRS
Wesley Homes at Home, LLC	Skilled nursing, home health aide, and therapy services	Include	ILRS
Wesley Homes Hospice	CN Approved	Include	CN Historical Records
Wilderness Shores Nursing	Skilled nursing, home health aide	Include	ILRS

Based on the information in Table 2 above, the department concludes that 31 agencies should be included in the numeric need methodology. Table 3 below provides a summary of the factors used in the department’s home health numeric methodology for King County.

**Table 3  
Department’s Numeric Need Methodology Assumptions and Data**

Assumption	Data Used
Planning Area	King County
Population Estimates and Forecasts	Age Group: 0 – 85+ OFM Population Data released year 2017, medium series: Base Year 2017 – 2,051,195 Projected Year 2022 – 2,143,769
Utilization by Age Cohort	Age 0-64 = 0.005 Age 65 – 79 = 0.044 Age 80+ = 0.183
Number of Visits by Age Cohort	Age 0-64 = 10 visits Age 65 – 79 = 14 visits Age 80+ = 21 visits
Existing Number of Providers	32 providers based on Table 3

A summary of the department’s numeric need methodology is presented below in Table 4. The methodology and supporting data is provided in Appendix A attached to this evaluation.

**Department’s Table 4  
King County Home Health Need Projection**

	2020	2021	2022
Total Number of Patient Visits	497,357	512,288	527,218
Divided by 10,000	49.74	51.23	52.72
Rounded Down	49	51	52
Existing Number of Agencies	32	32	32
<b>Net Need</b>	<b>17</b>	<b>19</b>	<b>20</b>

As shown in the department’s table above, based solely on the numeric need methodology above, need for an additional home health agency in King County is demonstrated.

## **WAC 246-310-210**

In addition to the numeric need, the department must determine whether other services and facilities of the type proposed are not or will not be sufficiently available and accessible to meet that need.

### **Amicable Healthcare, Inc.**

*“While Amicable will serve all persons in need of home health services, we do propose a specific focus on minority and immigrant populations given the unmet need as demonstrated in our current agency experience, and also in a number of reports. For example, several community health needs assessments (CHNA), and particularly, Valley Medical Center, Renton (VMC) and the King County Department of Public Health’s (undertaken in conjunction with the Washington State Hospital Association (WSHA) and local area hospitals found access to care and other barriers:*

- *VMC’s CHNA identified four focus areas, with the first being access to care.*
- *King County’s CHNA stated that it expects an increasing need for culturally competent home health services due to the rapidly growing and rapidly aging and changing population, with need doubling from 2010-2020*
- *King County’s CHNA also pointed out the due to the recent national political climate immigrants are more hesitant to seek medical care. Amicable’s minority owners are committed to making minorities in the community feel safe and cared for with culturally competent home health services. Providing culturally competent care has social, health, and business benefits. According to the Health Research & Educational Trust, culturally competent care increases community participation and involvement in health issues, assists patients and families in their care, promotes patient and family responsibilities for care disparities in the patient population, increase cost savings by reducing medical errors, treatments, and legal costs, reduces the number of medical visits, improves efficiency of care services, and increases the market share of the organization.”*

*CMS data for the period of 2017 to 2013 demonstrates that all cause, national inpatient readmission rates are highest among Blacks, Hispanics, American Indian/Alaska Natives, and Asian/Pacific Islanders. High readmission rates are often indicators of a lack of access to transitional services (including home health). In addition, Blacks experience longer lengths of stay for a number of procedures for which home health is proven helpful, including hip arthroplasty, Whipple procedure, and spine surgery.*

*Amicable is uniquely position to serve the needs of minority and underserved populations because of our already respected reputation among immigrant communities, our mission-driven focus, and our desire to provide culturally competent home health services. [Source: Application page 13-14]*

*“More than 75% of Amicable’s existing home care clients are minorities. Included in these clients are members of a number different refugee, immigrant and minority communities including Somali, Ethiopian, Eritrean, Chinese, Vietnamese, Hispanic, Russian, African American, and East Indian. In addition to serving the clients that represent different ethnic and minority populations, Amicable’s home care staff are equally as diverse with staff also representing many of the same communities as our clients. Having staff who share similar backgrounds (and some experiences) with our clients has contributed to Amicable’s successful home care services. For these reasons, Amicable considers itself ‘unique’ in its ability to support the diverse population of South King County.” [Source: Screening Response April 4, 2019 p6]*



### **Public Comment**

During the review of this project, the department received public comments related to this sub-criterion. Excerpts from the comments are below.

African Community Housing and Development (ACHD), operates in SeaTac, Washington providing opportunities for African immigrants and refugee access to healthcare, housing, economic development, legal and educational services. *“The Director of ACHD and on the behalf of the African community we serve, we hereby express our strong support for Amicable Healthcare, because we believe Amicable is working at the intersection of cross-cultural workforce connection between health and safety, providing culturally inclusive support services for our elders and disabled community members.”*

Sound Internal and Aesthetics Medicine, operates in Federal Way, Washington providing services of post-operative, follow-up and restorative home care to many patients within the minorities in south sound region. Medical Director, Ignatius Medani, M.D. is in strong support of Amicable Healthcare Inc. in helping patients within the minorities with their post-hospitalization.

Seattle Southside Chamber of Commerce, is providing services to growing immigrant communities’ access to health care. In full support and endorsement of Amicable Healthcare, *“Amicable has been an active part of our community for more than 20 years. They advocate for and support our African and growing immigrant communities in securing needed social and health services.”*

Watson Chiropractic, Steven Watson D.C., located in SeaTac is also in support of Amicable Healthcare. *“Home health care is an important service for vulnerable populations including the elderly and minority groups. Short term home health services can make a huge difference in helping my patients recover from an illness, accident or surgery. Having a provider, such as Amicable Healthcare, who is well aware of the specific cultural needs of the diverse population residing in many parts of King County, will be a huge asset.”*

Continuum Care Hospice, is providing services to African American and other immigrant access to care services. *“From our research and according to published CMS data, we know that African Americans receive far less hospice care in King County than other cohorts. Continuum offers its full support to the proposal of Amicable to establish a Medicare certified hospice agency in King County.”*

The department also received two supportive letters for Amicable Healthcare, Inc. from two nurses who provide services in King County. One from Blessed Health Services, LLC critical care nurse who is also an owner of Adult Family Homes and a MDS nurse from Auburn, Washington.

### **Rebuttal Comment**

None

### **Department Evaluation**

The letters of support received by the department supports the applicant’s assertions that an additional Medicare and Medicaid home health agency is needed in King County. Letters from existing skilled nursing providers show that if project is approved, they would consider referring home health patients to Amicable Home Health.

Amicable Healthcare stated in the application that it intends to serve the entirety of King County. This is an essential obligation for approval of a new agency in the county. Further, the letters of

support from management staff at the nursing and hospice homes, community organizations, and other medical providers in the south King County area indicated a need for another referral source for home health patients.

Based on the information above, the department concludes that Amicable Healthcare, Inc. demonstrated need for its proposed project, and that this project has the potential to improve access to home health services in King County. Furthermore, the department concludes that approval of an additional Medicare and Medicaid certified home health agency in King County would not result in an unnecessary duplication of services. **This sub-criterion is met.**

(2) All residents of the service area, including low-income persons, racial and ethnic minorities, women, handicapped persons, and other underserved groups and the elderly are likely to have adequate access to the proposed health service or services.

To evaluate this sub-criterion, the department evaluates an applicant's admission policies, willingness to serve Medicare and Medicaid patients, and to serve patients that cannot afford to pay for services.

The admission policy provides the overall guiding principles of the facility as to the types of patients that are appropriate candidates to use the facility and assurances regarding access to treatment. The admission policy must also include language to ensure all residents of the planning area would have access to the proposed services. This is accomplished by providing an admission policy that states patients would be admitted without regard to race, ethnicity, national origin, age, sex, pre-existing condition, physical, or mental status.

Medicare certification is a measure of an applicant's willingness to serve the elderly. With limited exceptions, Medicare is coverage for individuals age 65 and over. It is also well recognized that women live longer than men and therefore more likely to be on Medicare longer.

Medicaid certification is a measure of an applicant's willingness to serve low income persons and may include individuals with disabilities.

Charity care shows a willingness of a provider to provide services to individuals who do not have private insurance, do not qualify for Medicare, do not qualify for Medicaid, or are under insured. With the passage of the Affordable Care Act in 2010, the amount of charity care decreased over time. However, with recent federal legislative changes affecting the ACA, it is uncertain whether this trend will continue.

**Amicable Healthcare, Inc.**

Amicable Healthcare provided copies of the following policies that will be used by proposed King County home health agency. [Source: Application Exhibit 10]

- Admission Policy
- Charity Care Policy

Both policies submitted are new policies for Amicable Healthcare. The applicant provided the following explanation of why new policies must be created for the proposed home health agency. [source: April 4, 2019, screening response, p6]

*“Nearly all of Amicable Healthcare’s current home care clients are Medicaid recipients. For any client who is unable to pay their co-pays or required program participation, Amicable has historically written these unpaid amounts off as bad debt (and has not sought collection) rather than charity care. Therefore, Amicable does not have any historical charity care. Assuming CN approval and Medicare*

certification, Amicable will have a formal process for patients to apply for financial assistance and has assumed 2.5% of its estimated gross patient revenue for its charity care.”

Amicable Healthcare also provided its projected payer mix for the proposed home health agency. The payer mix is recreated in the table below. [source: Application, p28]

**Department’s Table 5  
Amicable Home Health Payer Mix**

<b>Payer</b>	<b>Percentage</b>
Medicare	73.0%
Medicaid	5.0%
Commercial / Other	22.0%
<b>Total</b>	<b>100.0%</b>

Public Comments

None

Rebuttal

None

Department Evaluation

Amicable Healthcare provided the policies it would use for the proposed home health agency in King County. The Admission Policy provides the criteria and process for admission to the home health agency. The policy also provides the following non-discrimination language: *“The Agency will evaluate each individual for the appropriateness of admission without regard to race, age, color, creed, sex, national origin, ancestry, religion, handicap, or disability.”*

The Charity Care Policy provides the criteria used by the home health agency to qualify for charity care. It includes definitions and the most current sliding scale. The policy also includes the process a patient would use to obtain charity care. This policy includes the following policy statement: *“It is the policy of Amicable Healthcare, Inc. to provide necessary medical care to all patients regardless of ability to pay. The agency shall allocate resources to identify charity cases and provide discounted or uncompensated care based upon the information provided at the time of application for charity care by the patient or their representative.”*

During the review of this project, the department noted that both policies provided above include the word ‘reasonable’ when considering either an admission (Admission Policy) or charity care (Charity Care Policy). In response to the department’s inquiry regarding the ‘reasonable’ language, Amicable Healthcare provided the following clarifications. [source: April 4, 2019, screening response, pp14-15]

Admission Policy

*“Amicable’s proposed admission policy is based on the Medicare Conditions of Participation which requires a determination be made that the home health services to be provided are expected to be beneficial to patients. This is determined by the initial assessment and plan of care. The Medicare Conditions of Participation (§484.60) for care planning, coordination of services, and quality of care state:*

*‘Patients are accepted for treatment on the reasonable expectation that an HHA can meet the patient's medical, nursing, rehabilitative, and social needs in his or her place of residence. Each patient must receive an individualized written plan of care, including any revisions or*

*additions. The individualized plan of care must specify the care and services necessary to meet the patient specific needs as identified in the comprehensive assessment, including identification of the responsible discipline(s), and the measurable outcomes that the HHA anticipates will occur as a result of implementing and coordinating the plan of care. The individualized plan of care must also specify the patient and caregiver education and training. Services must be furnished in accordance with accepted standards of practice.'*

*The administrator and clinical manager will work with the referring physician to ensure that the admission is appropriate and consistent with the CMS Interpretive Guidelines definition of "reasonable expectation" to be: "in consideration of the patient's level of acuity, the HHA can effectively and safely provide the patient with the skilled services that the patient needs within the patient's home."*

#### Charity Care

*"As was discussed with CN Program staff on March 11, 2019, reasonable efforts will be deemed to have been undertaken during the processing of the charity care application consistent with Amicable's proposed charity care process as outlined on page 76 of the application. It is Amicable's intent to proactively determine a patient's eligibility for financial assistance. Historically, and under the home care agency, Amicable did not ending any unpaid bills to collection because 100% of our clients are Medicaid. In the home health agency, we expect a different payer mix and therefore, if there is an indication that any charges from Amicable will present a hardship for a patient, Amicable staff will encourage the patient or a patient's representative to proactively apply for charity care.*

*The administrator and the governing body will make the final determination of reasonableness."*

The information above provides clear clarification of the processes to be used for both charity care and admission to the home health agency.

A review of the pro forma financial documents provided by the applicant shows revenues from Medicare and Medicaid and commercial insurance. Since Amicable Healthcare currently provides home care services only in King County, the proposed payer mix is significantly different than the home care agency.

The pro forma financial documents also include a charity care 'line item' as a deduction of revenue. Given that Amicable Health did not track its charity care for the home care agency, the charity care percentage is estimated based on 2.5% of gross revenues.

Based on the information provided in the application, the department concludes Amicable Healthcare, Inc. **meets this sub-criterion.**

- (3) The applicant has substantiated any of the following needs and circumstances the proposed project is to serve.
- (a) The special needs and circumstances of entities such as medical and other health professions schools, multidisciplinary clinics and specialty centers providing a substantial portion of their services or resources, or both to individuals no residing in the health service areas in which the entities are located or in adjacent health service areas.
  - (b) The special needs and circumstances of biomedical and behavioral research projects designed to meet a national need and for which local conditions offer special advantages.
  - (c) The special needs and circumstances of osteopathic hospitals and non-allopathic services.

- (4) The project will not have an adverse effect on health professional schools and training programs. The assessment of the conformance of a project with this criterion shall include consideration of:
- (a) The effect of the means proposed for the delivery of health services on the clinical needs of health professional training programs in the area in which the services are to be provided.
- (b) If proposed health services are to be available in a limited number of facilities, the extent to which the health professions schools serving the area will have access to the services for training purposes.
- (5) The project is needed to meet the special needs and circumstances of enrolled members or reasonably anticipated new members of a health maintenance organization or proposed health maintenance organization and the services proposed are not available from nonhealth maintenance organization providers or other health maintenance organizations in a reasonable and cost-effective manner consistent with the basic method of operation of the health maintenance organization or proposed health maintenance organization.

### **Department Evaluation**

WAC 246-310-210(3),(4), and (5) do not apply to this home health application under review.

### **B. Financial Feasibility (WAC 246-310-220)**

Based on the source information reviewed and applicant's agreement to the conditions identified in the "Conclusion" section of this evaluation, the department concludes that Amicable Healthcare, Inc. has met the financial feasibility criteria in WAC 246-310-220.

- (1) The immediate and long-range capital and operating costs of the project can be met.
- WAC 246-310 does not contain specific WAC 246-310-220(1) financial feasibility criteria as identified in WAC 246-310-200(2)(a)(i). There are also no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that directs what the operating revenues and expenses should be for a project of this type and size. Therefore, using its experience and expertise the department evaluates if the applicant's pro forma income statements reasonably project the proposed project is meeting its immediate and long-range capital and operating costs by the end of the third complete year of operation.

### **Amicable Healthcare, Inc.**

Amicable Healthcare provides home care services to the residents of King, Pierce, and Snohomish counties. The proposed King County home health operations would be part of the overall Amicable Healthcare, Inc. operations. The organizational chart provided in the application shows all healthcare operations under the parent Amicable Healthcare Inc. [source: April 4, 2019, screening response, Attachment 7]

For this project, Amicable Healthcare provided financial statements and assumptions used to prepare the financial statements. The home health agency is expected to be operational on April 1, 2020. As a result, year one is 2020, with 9 months of operation; full year one is 2021 and year three is 2023.

### **Utilization Assumptions**

Amicable Healthcare provided the following assumptions used to project the number of patients and visits for the proposed home health agency. [source: Application, p19 and April 4, 2019, screening response, pp3-4]

*Utilization projections are based on the following assumptions:*

- *Amicable expects to begin providing home health services in March of 2020*
- *An average of 17 visits per patient*

- *The following distribution of visits by discipline*
  - *Skilled Nursing: 42%*
  - *Physical Therapy: 34%*
  - *Speech Therapy: 2%*
  - *Occupational Therapy: 15%*
  - *Social Work: 1%*
  - *Home Health Aides: 6%*
  
- *The following market share, % of total projected King County visits*
  - *2020 (April – December): 0.6%*
  - *2021: 1.3%*
  - *2022: 1.5%*
  - *2023: 1.8%*
  
- *No change in use rates were assumed (use rates were described earlier in the application of the home health methodology)*

*Average number of visits per patient*

*Amicable reviewed recently approved Puget Sound area home health applications and found that the average visits per patient ranged from 16.8 (Careage Pierce and Careage Thurston) to 17.8 (Eden King and Envision Pierce). Of note, both Careage and Envision based their assumptions on their existing King County operations. Based on this review, Amicable assumed 17 visits/patient. Table 1 provides detail by applicant:*

*Applicant’s Table*

**Table 1**  
**Average Visits/Patient by Applicant, 3<sup>rd</sup> Full Year of Operation**

	<b>Eden (King)</b>	<b>Envision (Pierce)</b>	<b>Careage (Pierce)</b>	<b>Careage (Thurston)</b>
<b>Total Visits</b>	<b>12,318</b>	<b>6,050</b>	<b>13,964</b>	<b>5,760</b>
<b>Total Patients</b>	692	360	841	347
<b>Average Visits/Patients</b>	17.80	16.81	16.60	16.60

*Source: CN Program Evaluations (Eden, p. 24, Envision Pierce, P. Careage Pierce (P. 49), Careage Thurston (P. 22).*

*Finally, in preparing the application, Amicable retained a national home health consulting firm, based in Seattle and very knowledgeable of the King County marketplace, to review our assumptions. They concurred that 17 visits per person is an accurate reflection of the current market.*

*Distribution of visits by discipline*

*Amicable reviewed recently approved applications as it developed its distribution of visits by discipline. Specific data is provided in Table 2:*

*Applicant's Table*

**Table 2**

**Percentage of Visits by Discipline, Amicable and Recently Approved Home Health Applications**

	<b>Amicable</b>	<b>Eden</b>	<b>Envision</b>	<b>Careage Thurston</b>	<b>Careage Pierce</b>
RN	42.0%	41.3%	34.1%	26.1%	26.1%
PT	34.0%	35.7%	37.9%	47.5%	47.5%
ST	2.0%	2.6%	0.6%	3.4%	3.2%
OT	15.0%	11.2%	25.7%	17.8%	17.8%
MSW	1.0%	1.3%	0.7%	0.8%	0.9%
HHA	6.0%	7.9%	0.9%	4.5%	4.5%

*Source: CN Evaluations, p. Eden, p. 25, Envision, p. 24, Careage Thurston, p. 23, Careage Pierce, p. 49*

*Given that the two Careage applications projected that nearly 50% of its total visits would be for PT, and because Careage was developing its Agencies, in part, to support patients being discharged from its nursing homes, Amicable excluded the two from the average. Amicable calculated an average (based on the projected visit numbers) and based its projected distribution on the two Eden and Envision. In addition, Amicable also had these assumptions reviewed by the same national home health consulting firm who found that these were generally consistent with national averages.*

*Market share of King County*

*Table 3 of the application estimated total home health visits for King County. Amicable, on page 19, calculated its estimated market share to be 0.6% in 2020; increasing to 1.8% by 2023. By the end of the first full year of operation (2021), Amicable conservatively estimated it would have a 1.3% market share. As detailed in Table 3, according to the CN Program's home health visit projection methodology, between 2018 – 2020 the volume of home health visits in King County is expected to grow by nearly 32,000 visits (more than the number of visits Amicable is projecting to serve by 2023). Amicable's rationale of growing its market share from 0% today (as it provides no home health services) to, conservatively, just under 2%, is based on its interest in serving ethnic and minority populations.*

*Applicant's Table*

**Table 3**

**Projected King County Home Health Visits and Amicable Estimated Market Share**

	<b>2018</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Per CN Methodology, projected King County Visits (Table 4); 2023 added	491,044	522,754	540,945	560,074	580,195
Amicable Projected Visits	0	3,393	6,851	8,451	10,180
Amicable Estimated Market Share	0.0%	0.6%	1.3%	1.5%	1.8%

*Source: Applicant.*

*Finally, the national home health consulting firm based retained by Amicable reviewed our utilization growth assumptions and found these to be reasonable given their knowledge of the King County market.*

Based on the assumptions above, Amicable Healthcare projected the following visits and unduplicated patients for the home health agency. [source: Application, p18]

*Applicant's Table 4 Reproduced*  
**Amicable Healthcare Inc. Utilization Forecasts**

Visits	Year 2020 Partial Year	Year 2021 Full Year 1	Year 2022 Full Year 2	Year 202 Full Year 3
Registered Nurse	1,415	2,877	3,549	4,275
Physical Therapy	1,153	2,329	2,873	3,461
Home Health Aide	206	411	507	611
Occupational Therapy	520	1,028	1,268	1,527
Speech Therapy	56	137	169	204
Medical Social Worker	43	69	85	102
<b>Total Visits</b>	<b>3,393</b>	<b>6,851</b>	<b>8,451</b>	<b>10,180</b>

Restated below are the assumptions used by the applicant to project its revenue, expenses, and net income for Amicable Healthcare and the proposed home health agency for projection years 2020 through 2023. [source: Application, Exhibit 12 and April 4, 2019, screening response, p6, p7, p13, and pp16-17]

Balance Sheet

- *Accounts receivable – 21 days of net patient revenue*
- *Property and equipment – plans for purchases of various office equipment, information technology equipment, and furnishings with a total cost of approximately \$24,000 and useful lives ranging from 3-20 years*
- *Accounts payable – 26 days of expenses (excluding depreciation, salaries, wages, health insurance and benefits, payroll taxes, and business taxes)*
- *Accrued payroll and payroll taxes – 4.2% of salaries and wages, health insurance and benefits, and payroll taxes*
- *Business taxes payable – 1/12 of business taxes*

Income Statement & Change in Shareholder's Equity

- *Patient service revenue – estimated prices for each service were multiplied by estimated volumes. Net revenue for services are listed below.*
- *Skilled Nursing - \$40.85*
- *Physical Therapy - \$35.72*
- *Speech Therapy - \$35.72*
- *OT- \$35.72*
- *MSW/Other - \$35.55*
- *Home Health Aide - \$22.18*
- *Other in patient service revenue includes, but is not limited to commercial, & other government payers.*
- *Contractual allowances – 15% of gross patient service revenue, net of bad debt and the adjustment for charity care*
- *Bad debt – 1.5% of gross patient service revenue*
- *Adjustment for charity care – 2.5% of gross patient service revenue*
- *Salaries and wages – Based on expected staffing levels needed for the expected volumes and estimated salaries for each position. Salaries are found in Table 15.*
- *Health insurance and benefits – 21% of salaries*
- *Payroll taxes – 13.3% of salaries*



- *Supplies – 2.5% of gross patient service revenue*
- *Occupancy Allocation – .75% of gross patient service revenue.*
- *Business taxes – 1.5% of net patient service revenue*
- *Travel and auto expenses – 3.5% of gross patient service revenue*
- *Depreciation – Calculated based on planned purchases of various office equipment, information technology equipment, and furnishings with a total cost of approximately \$24,000 and useful lives ranging from 3-20 years*
- *Contract labor (therapy) - \$90 per visit for contract physical, occupational, and speech therapy*
- *Contract labor (medical director) – \$150 per hour for four hours per month*
- *Allocated overhead – 25% allocation of \$80,000 budgeted for human resources plus \$6,000 annually for Chief Financial Officer allocation*
- *Information technology - \$1,500 per year for software plus 3% of net Medicare revenue*
- *Other – 1% of gross patient service revenue; includes, but is not limited to: Dues and subscriptions, miscellaneous fees, and professional fees & training*
- *Revenue and Expense statement does not include inflation*

**Occupancy Allocation:** *There was no occupancy allocation listed in the revenue and expense statement but there was an occupancy line item. This was for the lease expense. In the revise pro forma financials, contained in Attachment 2, for clarity, the occupancy line item has been changed to ‘lease expense.’*

**Supplies:** *this line item includes medical supplies and office supplies.*

**Physician Advisor:** *Medical Directors are not required for home health agencies; the physician advisor costs are \$7,200 annual.*

**Allocated Overhead:** *administrative overhead from the existing home care staff. The occupancy allocation which is now changed to “lease expense” is for the charge for the space.*

Amicable Healthcare is leasing approximately 1,658 square feet in an existing business center office located at 15220 – 32<sup>nd</sup> Avenue South, #B in SeaTac [98188]. Amicable Healthcare provided a Partial Space Lease agreement for the space it intends to use for the home health agency. The Partial Space Lease is in draft format. The lease is for five years, with options to renew. The agreement includes all costs associated with the space. [source: April 4, 2019, screening response, Attachment 1]

Amicable Healthcare also provided a draft Professional Services Agreement for its physician advisor. This agreement identifies roles and responsibilities for both the physician and Amicable Healthcare. All costs associated with the physician advisor are substantiated in the revenue and expense statement. The agreement is effective for one year from the date of signature, with automatic renewals. [source: Application, Exhibit 2]

Based on the assumptions above, Amicable Healthcare projected its revenue, expenses, and net income for the combined agencies for years 2020 through 2023 shown in Table 6. [source: April 4, 2019, screening response, Attachment 2]

**Department’s Table 6  
Amicable Healthcare, Inc.  
Projected Revenue for Years 2020 through 2023**

	<b>Year 2020 Partial Year</b>	<b>Year 2021 Full Year 1</b>	<b>Year 2022 Full Year 2</b>	<b>Year 2023 Full Year 3</b>
Net Revenue	\$536,000	\$1,082,000	\$1,335,000	\$1,608,000
Total Expenses	\$636,870	\$1,108,160	\$1,290,160	\$1,484,160
<b>Net Profit or (Loss)</b>	<b>(\$100,870)</b>	<b>(\$26,160)</b>	<b>\$44,840</b>	<b>\$123,840</b>

Noting the projected loss in years 2020 and 2021, Amicable Healthcare provided the following information. [source: April 4, 2019, screening response, p7]

*“The losses will be covered by Amicable Healthcare, Inc. Should additional cash be needed for this project, Amicable intends to use funds from its existing operations. As indicated on page 109 of the application, all working capital needs are to be provided by Amicable. In the original application, Amicable provided 2017 audited financials to demonstrate the availability of reserves for this project. Amicable now has 2018 audited financials and is including these in Attachment 3. As demonstrated by the balance sheet in the 2018 audited financials, Amicable has more than \$2.5 million in cash; significantly more than is needed for the initial start-up identified in response to Question #12. Amicable also has access to a \$250,000 line of credit with Bank of America. A letter from Bank of America confirming the line of credit is included in Attachment 4.”*

**Public Comment**

None

**Rebuttal**

None

**Department Evaluation**

To evaluate this sub-criterion, the department reviews the assumptions provided by Amicable Healthcare for its projected revenue and expense (income) statements, and projected balance sheets.

The income statement is a financial statement that reports a company's financial performance over a specific period—either historical or projected. Projected financial performance is assessed by giving a summary of how the business expects its revenues to cover its expenses for both operating and non-operating activities. It also projects the net profit or loss incurred over a specific accounting period.

The purpose of the balance sheet is to review the financial status of the home health agency at a specific point in time. The balance sheet shows what the home health agency owns (assets) and how much it owes (liabilities), as well as the amount invested in the business (equity). This information is more valuable when the balance sheets for several consecutive periods are grouped together, so that trends in the different line items can be viewed.

For this application, the department first reviewed the assumptions used by Amicable Healthcare to determine the projected number of patients and visits by discipline. Since the applicant's healthcare experience in Washington State is for home care services, Amicable Healthcare stated it relied on information provided in past home health applications and the expertise of its consulting firm. This approach is reasonable for this application with no home health experience. The department concludes the applicant assumptions and projected patient visits are reasonable.

Based on its assumptions and projected patient visits Amicable Healthcare provided its projected revenue and expenses for Amicable Healthcare with the home health services. As shown in the revenue and expense summary table above, Amicable Healthcare expects to operate at a net loss in partial year one and full year one. By the end of year three, the agency will be operating at a profit.

Amicable Healthcare provided its draft lease agreement, with terms and all costs identified. If this project is approved, the department would attach a condition to the approval requiring Amicable

Healthcare to provide a copy of the executed agreement prior to providing home health services in King County.

Amicable Healthcare also provided its draft Professional Services Agreement for its physician advisor. If this project is approved, the department would attach a condition to the approval requiring Amicable Healthcare to provide a copy of the executed agreement prior to providing home health services in King County.

The financial statements rely on draft agreements and expertise of both Amicable Healthcare and its consulting firm. The department concludes that the assumptions are reasonable.

Based on the information above and provided the applicant agrees to the condition identified above, the department concludes that the immediate and long-range operating costs of the project can be met. **This sub-criterion is met.**

- (2) The costs of the project, including any construction costs, will probably not result in an unreasonable impact on the costs and charges for health services.

WAC 246-310 does not contain specific WAC 246-310-220(2) financial feasibility criteria as identified in WAC 246-310-200(2)(a)(i). There are also no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that directs what an unreasonable impact on costs and charges would be for a project of this type and size. Therefore, using its experience and expertise the department compared the proposed project's costs with those previously considered by the department.

**Amicable Healthcare, Inc.**

In response to this sub-criterion, Amicable Healthcare provided the following statements. [source: Application, p25 and Exhibit 3 and April 4, 2019, screening response, p7]

*“Estimates of equipment and furniture are from Amicable’s recent experience with its office expansions into Pierce and Snohomish Counties as well as vendor quotes. The estimated start up cash flow for each year is included in Table 5.”*

Applicant’s Table 5  
Amicable Healthcare, Inc.  
Start Up Cash Flow

Item	Amount
Capital Expenditure	\$24,000
Year 1 (2020) Operating Loss	\$92,870
Year 2 (2021) Operating Loss	\$26,160
<b>Total</b>	<b>\$143,030</b>

Source: Applicant

*“Should additional cash be needed for this project, Amicable intends to use funds from its existing operations. As indicated on page 109 of the application, all working capital needs are to be provided by Amicable. In the original application, Amicable provided 2017 audited financials to demonstrate the availability of reserves for this project. Amicable now has 2018 audited financials and is including these in Attachment 3. As demonstrated by the balance sheet in the 2018 audited financials, Amicable has more than \$2.5 million in cash; significantly more than is needed for the initial start-up identified in response to Question #12. Amicable also has access to a \$250,000 line of credit with Bank of America. A letter from Bank of America confirming the line of credit is included in Attachment 4.”*

Public Comment

None

Rebuttal

None

**Department Evaluation**

Within the application, Amicable Healthcare, Inc. stated the capital costs associated with this project is limited to office furniture and equipment. When cost of this project compared to similar home health applications in the past, the department concludes the cost is reasonable. A review of the projected payer mix projected by the applicant is consistent with similar projects payer mix for King County. **This sub-criterion is met.**

(3) The project can be appropriately financed.

WAC 246-310 does not contain specific source of financing criteria as identified in WAC 246-310-200(2)(a)(i). There are also no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that directs how a project of this type and size should be financed. Therefore, using its experience and expertise the department compared the proposed project’s source of financing to those previously considered by the department.

**Amicable Healthcare, Inc.**

In response to this sub-criterion, Amicable Healthcare provided its historical financial statements for years 2015 through 2018. [source: Application, Exhibit 11 and April 4, 2019, screening response, Attachment 3]

Recognizing that the home health agency is projected to operate at a net loss in partial year one (2020) and full year one (2021), Amicable Healthcare provided the following table showing how the agency would cover its losses.

*“Estimates of equipment and furniture are from Amicable’s recent experience with its office expansions into Pierce and Snohomish Counties as well as vendor quotes. The estimated start up cash flow for each year is included in Table 5.”*

Applicant’s Table 5  
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*more than \$2.5 million in cash; significantly more than is needed for the initial start-up identified in response to Question #12. Amicable also has access to a \$250,000 line of credit with Bank of America. A letter from Bank of America confirming the line of credit is included in Attachment 4.”*

As state above, Amicable Healthcare provided both a letter of financial commitment for the project from its Board of Directors. The letter of commitment referenced a combined line of credit for \$500,000 with two nationally recognized banks. Amicable Healthcare also provided a letter from one of the nationally recognized banks confirming a \$250,000 line of credit. [source: Application, Exhibit 14 and April 4, 2019, screening responses, Attachment 4]

Public Comments

None

Rebuttal

None

**Department Evaluation**

Amicable Healthcare, Inc. provided a breakdown of its estimated capital costs and letter from the financial officer confirming applicant’s commitment to finance the project (including startup costs) using its reserves.

The application included projected pro forma balance sheet financial statements, and it shows that cash would be available for this project. The estimated capital expenditure would likely not have any impact on the financial health of Amicable Healthcare, Inc.

If this project is approved, the department would condition the approval requiring the applicant to finance the project as referenced in the application. Based on the source information reviewed the department concludes **this sub-criterion is met.**

**C. Structure and Process (Quality) of Care (WAC 246-310-230)**

Based on the source information reviewed and the applicant’s agreement to the conditions identified in the “Conclusion” section of this evaluation, the department concludes that Amicable Healthcare, Inc. has met the structure and process (quality) of care criteria in WAC 246-310-230.

- (1) *A sufficient supply of qualified staff for the project, including both health personnel and management personnel, are available or can be recruited.*

WAC 246-310 does not contain specific WAC 246-310-230(1) criteria as identified in WAC 246-310-200(2)(a)(i). There are also no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that directs what specific staffing patterns or numbers of FTEs that should be employed for projects of this type or size. Therefore, the department uses its experience and expertise to determine whether the planning would allow for the required coverage.

**Amicable Healthcare, Inc.**

Amicable Healthcare, Inc. provided a table showing the projected number of FTEs (full time equivalents) for the proposed home health agency. The table is reproduced below. [source: Application, p30]

<b>FTE Type</b>	<b>Year 2020 Partial Year</b>	<b>Year 2021 Increase</b>	<b>Year 2022 Increase</b>	<b>Year 2023 Increase</b>	<b>Total FTEs</b>
Registered Nurses	1.64	1.69	0.78	0.84	<b>4.95</b>
Home Health Aide	0.15	0.16	0.07	0.08	<b>0.46</b>
Medical Social Workers	0.05	0.02	0.02	0.02	<b>0.11</b>
Administrator	0.75	0.25	0.00	0.00	<b>1.00</b>
Office Manager	0.75	0.25	0.00	0.00	<b>1.00</b>
Marketing/Business Development	0.38	0.12	0.00	0.00	<b>0.50</b>
Administrative Assistant	0.75	0.25	0.00	0.00	<b>1.00</b>
Account Clerk	0.25	0.00	0.00	0.00	<b>0.25</b>
<b>Total</b>	<b>4.72</b>	<b>2.74</b>	<b>0.87</b>	<b>0.94</b>	<b>9.27</b>

Amicable Healthcare clarified that the table above does not include contracted staff, such as therapists and physician advisor.

Amicable Healthcare also provided its projected staff to visit ratio for the home health agency. The information is shown in the table below. [source: Application, p31]

<b>Type of Staff</b>	<b>Staff/Visit Ratio per 1,000 Patients</b>
Registered Nurses	1.15
Home Health Aide	0.73
Medical Social Worker	1.16

Again, Amicable Healthcare clarified that the table above does not include contracted staff, such as therapists and physician advisor.

To assure that the number and type of FTEs necessary for the home health agency could be recruited and retained, Amicable Healthcare provided the following information. [source: Application, p32]

*“Amicable operates a home care agency in King, Pierce, and Snohomish Counties. As such, we are very familiar with the availability of qualified staff in the King County labor market. Furthermore, Amicable has operated a staffing agency in the past, and is knowledgeable about the avenues and resources used to find and attract qualified staff. Many existing Amicable staff (currently providing home care) will be available for home health staffing based on their skills and licensure.*

*Furthermore, Amicable is aware of current home-care staff such as CNAs and Home Care Aides that wish to further develop their skills as Registered Nurses. Amicable will work with these staff to allow them to pursue their education and create a pipeline of Registered Nurses to deliver home healthcare upon CN approval of this application. To overcome many challenges plaguing agencies today, we have partnered with agencies that offer a suite of recruitment tools to recruit Caregivers, CNAs, Nurses & Home Health Aides such as, myCNAjobs, Care.com, Hand-Shake (Career Site for students), Indeed, Work-Source and International Manpower Connection for foreign workers. Amicable also utilizes social media in our recruitment efforts, such as Facebook and LinkedIn.”*

Focusing on any healthcare staff shortages, Amicable Healthcare provided the following information regarding recruitment and retention. [source: April 4, 2019, screening response, p10]

*“Amicable Healthcare, Inc. recognizes that the key to a home health care agency’s success is the caliber of the health care professionals it attracts. Our goal is to continue recruiting talented, conscientious and motivated individuals who seek to provide care to our Home Health population, with particular emphasis on the ethnicities we serve. Amicable intends to utilize many of the same strategies to recruit its home health staff. In addition, just recently, Amicable improved our online job board so that it is more visible on google search in a continued effort to attract qualified potential job seekers. Amicable also partners with International Manpower Connection to roll out job opportunity announcements globally. This resource is especially helpful in the recruitment of registered nurses. Amicable’s existing relationships with the resources identified on page 32 will also be used for home health recruitment. Amicable also provides on-the-job training and is identifying and working with existing home health aides who are interested in becoming registered nurses. By supporting these employees now in their education, Amicable will have additional staff that will be available to become part of the Home Health program. 40% of our current caregivers are already Certified Nursing Assistants and we also have a pool of nurses in our Nursing Pool Program that would be available for the home health program.*

*To encourage retention, Amicable offers regular salary increases that are based on both job performance and longevity; in addition to a comprehensive benefit package. Amicable also provides educational opportunities for staff that lead to wage increases. Finally, Amicable provides activities throughout the year to recognize employees for their hard work (birthday celebrations and end of the year parties). Amicable’s existing employees have shared their appreciation for these activities.”*

**Public Comment**

None

**Rebuttal**

None

**Department Evaluation**

As shown in the FTE table, the Amicable Healthcare identified need for 1.64 FTEs in partial year 2020, and this number increases to 4.72 FTEs in partial year one which increases to 9.27 FTEs by the end of full year three. Most of the projected FTEs are nurses and home health aides which are positions responsible for direct patient care. Amicable Healthcare also identified its projected staff per patient visit ratio, which is consistent with data provided in past home health applications reviewed by the program.

Amicable Healthcare also provided a draft physician advisor agreement to ensure physician coverage for the home health agency. In the financial feasibility section of this evaluation, the department confirmed that the draft agreement include the necessary costs associated with the services.

Amicable Healthcare also provided rationale and plans for recruitment and retention of necessary staff for the home health agency. Given that Amicable Healthcare is a current provider of home care services in King, Pierce, and Snohomish counties, the department concludes the applicant has its recruitment and retention strategies in place. Further, the strategies identified by Amicable Healthcare are consistent with those of other applicants reviewed and approved by the department.

Based on the above information above, the department concludes that Amicable Healthcare has the ability and expertise to recruit and retain a sufficient supply of qualified staff for this project. **This sub-criterion is met.**

- (2) The proposed service(s) will have an appropriate relationship, including organizational relationship to ancillary and support services, and ancillary and support services will be sufficient to support any health services included in the proposed project.

WAC 246-310 does not contain specific WAC 246-310-230(2) as identified in WAC 246-310-200(2)(a)(i). There are also no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that directs what relationships, ancillary and support services should be for a project of this type and size. Therefore, using its experience and expertise the department assessed the materials contained in the application.

### **Amicable Healthcare, Inc.**

Recognizing that the applicant currently provides home care services to the residents of King, Pierce, and Snohomish counties, much of its ancillary and support services are in place. For this project, Amicable Healthcare provided the following information for this sub-criterion and its proposed home health agency. [source: April 4, 2019, screening response, p11]

*“With over 20 years of operating history as a home care agency, Amicable has developed relationships with various ancillary and support services in King County. In addition, Amicable has some support services arrangements already in place for payroll system, and other financial reporting services, background checks, office support (phones, mailing service), recruiting, and patient satisfaction survey system. Specific to home health, Amicable is aware that it will need to establish relationship with vendors for laboratory services, durable medical equipment, oxygen, and medical supplies. Amicable will establish agreements with these vendors in advance of certification.”*

### **Public Comment**

None

### **Rebuttal**

None

### **Department Evaluation**

With a home care agency located in King County for over 20 years, and other home care agencies located in Pierce and Snohomish counties, the department concludes that much of the ancillary and support resources necessary for the King County agency are available to Amicable Healthcare.

Amicable Healthcare also provided strategies for establishing new relationships and agreements for the home health agency. Based on the information reviewed, the department concludes Amicable Healthcare, Inc. **meet this sub-criterion.**

- (3) There is reasonable assurance that the project will be in conformance with applicable state licensing requirements and, if the applicant is or plans to be certified under the Medicaid or Medicare program, with the applicable conditions of participation related to those programs.

WAC 246-310 does not contain specific WAC 246-310-230(3) criteria as identified in WAC 246-310-200(2)(a)(i). There are known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that a facility must meet when it is to be Medicare and Medicaid certified. Therefore, using its experience and expertise the department assessed the applicant’s history in meeting these standards at other facilities owned or operated by the applicant.

The evaluation of WAC 246-310-230(5) is also evaluated under this sub-criterion, as it relates to facility compliance history. Compliance history is factored into the department’s determination that an applicant’s project would be operated in compliance with WAC 246-310-230(3).



**Amicable Healthcare, Inc.**

In response to this sub-criterion, Amicable Healthcare provided the following information. [source: Application, pp34-35]

*“Amicable has no history with respect to criminal convictions, denial or revocation of a license to practice a health profession, or decertification as a provider of services in the Medicare or Medicaid program.*

*Amicable Healthcare has been providing home care services in the Puget Sound region since 1997, making the organization and owners seasoned in the challenges and opportunities of in-home care. Background information of key personnel is found in Exhibit 16.”*

Focusing on ‘customer satisfaction, Amicable Healthcare provided the following methods it intends to use. [source: Application, pp32-33]

*“As part of its continuous customer and payer experience improvement, Amicable will establish and maintain an ongoing Quality Assessment and Performance Improvement Program (QAPI) comprised of a system of measures that captures significant outcomes that are essential to optimal care and are used in the care planning and coordination of services and events. The QAPI committee will be appointed by the Administrator and approved by the governing body. The DON is responsible for the day to day QI activities.*

*Procedures to measure, monitor, and correct performance are laid out below.*

Procedure:

*A. Monitoring of the QAPI Program*

- 1. The QAPI Committee will be responsible for the ongoing monitoring of the QAPI Program. Findings are to be used by the Agency to contact identified problems and revise policies, if necessary.*
- 2. The QAPI Committee will review the plan at least quarterly within a calendar year and revise the plan if needed.*

*B. QAPI Committee Membership Qualifications and Frequency of Meetings*

- 1. At a minimum, the QAPI Committee must consist of at least (1) the Administrator; (2) the director of nurses; (3) a therapist (one person may represent all therapies, e.g., PT, OT, SLP, SW, provided however, that should be the therapy being delivered); (4) representation from an unskilled discipline.*

*NOTE: A nurse cannot represent the therapies and a therapist cannot represent the skilled nurses.*

- 2. The QAPI Committee must meet at least quarterly and more often if needed.*
- 3. Members are trained on PI (process improvement) activities which include but may not be limited to:*
  - The purpose of PI activities*
  - Persons responsible for coordinating PI activities*
  - Individual’s role in PI*
  - PI outcomes*

*In addition, Amicable will conduct a formal patient satisfaction survey, measuring the quality of care and service provided. Amicable will survey patients upon discharge to obtain information regarding their satisfaction with the services. The information obtained will be analyzed and any problems identified will be addressed.*

Procedure:

- 1. Upon discharge and/or while the patient is under the Agency's care, mail the patient and/or the family a satisfaction survey and pre-addressed return envelope. Phone surveys may also be conducted.*
- 2. DON or designee reviews all returned surveys. Returned surveys, which have narrative comments, are retained in the Agency's administrative files.*
- 3. DON or designee investigates all negative comments and/or scores, documenting findings and actions taken on the Patient Satisfaction Follow-up Report.*
- 4. DON forwards findings to the Administrator if further review is indicated.*
- 5. Include findings of Patient Satisfaction Surveys in QA activities."*

Rebuttal Comments

None

**Department Evaluation**

The department reviews two different areas when evaluating this sub-criterion. One is the conformance with state and federal guidelines for any existing facilities operated by the applicant. The other is the review of known staff credentialed in Washington State or out-of-state.

As stated in the applicant description of this evaluation, Amicable Healthcare and has been a licensed Washington State In-Home Services Agency since 1997. Amicable Healthcare, Inc. provides home care services from three locations: one each in King, Pierce, and Snohomish County. Amicable Healthcare does not operate any out-of-state healthcare facilities.

The department then focuses on its own state survey data performed by the Department of Health's Office of Health Systems Oversight (OHSO). Since year 2015, OHSO has surveyed the home care agency three times.<sup>9</sup> None of the surveys resulted in deficiencies or non-compliance issues. [Source: ILRS survey data and OHSO]

The department also reviews the compliance history of any known staff. Given that Amicable Healthcare does not currently provide home health services in Washington State, known staff could not be provided in the application. If this project is approved, the department would attach a condition requiring Amicable Healthcare to provide name and credential number for its staff identified in the staffing table within this criterion.

The department also reviews the customer satisfaction information provided by the applicant. Amicable Healthcare provided a detailed description of the assessment it proposes to use to ensure customer satisfaction for the home health agency.

Based on the above information and agreement to the staffing condition referenced above, the department concludes there is reasonable assurance Amicable Healthcare, Inc. would operate in compliance with state and federal licensing and certification requirements. **This sub criterion is met.**

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<sup>9</sup> Surveys completed March 2016, June 2017, and March 2018.

- (4) The proposed project will promote continuity in the provision of health care, not result in an unwarranted fragmentation of services, and have an appropriate relationship to the service area's existing health care system.

WAC 246-310 does not contain specific WAC 246-310-230(4) criteria as identified in WAC 246-310-200(2)(a)(i). There are also no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that direct how to measure unwarranted fragmentation of services or what types of relationships with a services area's existing health care system should be for a project of this type and size. Therefore, using its experience and expertise the department assessed the materials in the application.

### **Amicable Healthcare, Inc.**

In response to this sub-criterion, Amicable Healthcare provided the following statements.

*“Amicable already operates home care agencies in King, Pierce, and Snohomish Counties. With CN approval of this project, Amicable will be able to better coordinate any home health and home care needed for their patients, streamlining the patient experience and breaking down any silos or cultural barriers that may exist between home care and home health, as can occur when they are provided by separate agencies. Established relationships with healthcare providers in King County will allow for open and easy communication in order to prevent fragmented care for patients when transitioning to the post-acute care setting. Moreover, Amicable has a history of collaborating and working with other healthcare organizations in King County as a home care agency and will be able to expand these relationship for its home health patients and services.”* [source: Application, p34]

*“Amicable is a contracted provider with the Department of Social and Health services (DSHS) for Medicaid clients. Specifically, Amicable is contracted and authorized to provide In-Home and Personal Care Services, as well as skills acquisition training for the following DSHS Community First Choice or Medicaid Personal Care, New Freedom Wavier, Chore Services, Adult Protective Services, Roads to Community Living, Tailored Supports for Older Adults, and Medicaid Alternative Care and Veteran Directed Home Services. Amicable confirms its understanding of the requirement and will be available to provide Medicare and Medicaid home health services to all residents of King County.”* [source: April 4, 2019, screening responses, pp1-2]

### **Rebuttal Comments**

None

### **Department Evaluation**

During the review of this project, the department received letters of support from existing healthcare entities encouraging approval of this project. Many of the letters that voiced support were family members or patients already receiving home care services by the applicant. The support inferred that continuity of care if the patient transitions into home health service. The support letters provide valuable perspectives related to this sub-criterion.

Given the numeric need for an additional home health provider in King County and Amicable Healthcare proposes to serve both Medicare and Medicaid patients, approval of this project could promote continuity in the provision of healthcare services in King County. Based on the information reviewed, the department concludes **this sub-criterion is met.**

- (5) There is reasonable assurance that the services to be provided through the proposed project will be provided in a manner that ensures safe and adequate care to the public to be served and in accord with applicable federal and state laws, rules, and regulations.

This sub-criterion was evaluated in conjunction with WAC 246-310-230(3) above and **is considered met.**

**D. Cost Containment (WAC 246-310-240)**

Based on the source information reviewed and the applicant’s agreement to the conditions identified in the “Conclusion” section of this evaluation, the department concludes that Amicable Healthcare, Inc. has met the cost containment criteria in WAC 246-310-240.

*(1) Superior alternatives, in terms of cost, efficiency, or effectiveness, are not available or practicable.*

To determine if a proposed project is the best alternative, in terms of cost, efficiency, or effectiveness, the department takes a multi-step approach. First the department determines if the application has met the other criteria of WAC 246-310-210 thru 230. If the project has failed to meet one or more of these criteria then the project cannot be considered to be the best alternative in terms of cost, efficiency, or effectiveness as a result the application would fail this sub-criterion.

If the project has met the applicable criteria in WAC 246-310-210 through 230 criteria, the department then assesses the other options considered by the applicant. If the department determines the proposed project is better or equal to other options considered by the applicant and the department has not identified any other better options this criterion is determined to be met unless there are multiple applications.

If there are multiple applications, the department’s assessment is to apply any service or facility superiority criteria contained throughout WAC 246-310 related to the specific project type. The adopted superiority criteria are objective measures used to compare competing projects and make the determination between two or more approvable projects which is the best alternative. If WAC 246-310 does not contain any service or facility type superiority criteria as directed by WAC 246-310-200(2) (a)(i), then the department would look to WAC 246-310-240(2)(a)(ii) and (b) for criteria to make the assessment of the competing proposals. If there are no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b), then using its experience and expertise, the department would assess the competing projects and determine which project should be approved.

**Step One**

**Amicable Healthcare, Inc.**

The department concluded that Amicable Healthcare met the applicable review criteria under WAC 246-310-210, 220, and 230. Therefore, the department moves to step two.

**Step Two**

**Amicable Healthcare, Inc.**

Amicable Healthcare states that based on the numeric need for an additional home health agency in King County, it only considered two alternatives before submitting this application. However, the only alternative provided and discussed in the application is the alternative of ‘do nothing.’

Amicable Healthcare provided the following information on the ‘do nothing’ alternative.

*“Given the continued large need for additional home health agencies (as identified in earlier sections of this application, Amicable made the decision to again file an application to become a Medicare certified and Medicaid eligible home health agency. As noted earlier, in 2016, Amicable had previously submitted an application for CN approval. Since the 2016 application was found to be deficient and not meet all CN review criteria, Amicable opted to invest time and resources to develop an application that*

*it is confident meets all CN review criteria. Approval of this application will allow Amicable to meet the large need for home health services for King County residents in general and to be able to provide these services, in particular, to the large and growing racial and ethnic minority populations.”*

Public Comment

None

Rebuttal

None

Department Evaluation

The department concluded in the need section of this evaluation that King County can accommodate at least another home health provider. Amicable Healthcare provided documentation to demonstrate the proposed project is a reasonable alternative to ‘do nothing.’ The department did not identify any alternative that was a superior alternative in terms of cost, efficiency, or effectiveness that is available or practicable.

Since there are no construction costs to establish the home health agency, services can be provided with very little financial impact to the applicant or the community.

Taking into account the public comments related to need for additional Medicare and Medicaid home health services in King County, the department agrees that the project is the best available alternative. Therefore, the department moves to step three.

**Step Three:**

This step is applicable only when there are two or more approvable projects. Amicable Healthcare’s application is the only project under review to establish a Medicare and Medicaid certified home health agency in King County. Therefore, this step does not apply.

Based on the information stated above, **this sub-criterion is met.**

(2) In the case of a project involving construction:

(a) The costs, scope, and methods of construction and energy conservation are reasonable;

(b) The project will not have an unreasonable impact on the costs and charges to the public of providing health services by other persons.

Department Review

This project does not require construction. This sub-criterion is not applicable to this application.

(3) The project will involve appropriate improvements or innovations in the financing and delivery of health services which foster cost containment and which promote quality assurance and cost effectiveness.

Amicable Healthcare, Inc.

Amicable Healthcare, Inc. provided the following statements related to this sub criterion. [source: Application, p37 and April 4, 2019, screening response, p12]

*“As an established home care agency, Amicable will be able to build on its existing operations for the provision of home health services. Amicable expects that it will be able to achieve some economies of scale by streamlining and sharing of administrative functions between home care and home health.”*

*“Amicable assumed a minimal amount of shared staffing. In addition, we are also sharing space. Amicable anticipates that it will be able to achieve even more economies and/or efficiencies through the sharing of additional staff and purchasing of ancillary and/or support services after the full start up period. To be conservative, we have not quantified any economies beyond the initial shared staff and the shared space.”*

Public Comment

None

Rebuttal

None

**Department Evaluation**

The statements above by Amicable Healthcare are reasonable and the department agrees with its rationale for applying to establish another home health agency in King County. If Amicable Healthcare is approved, it has the potential to improve delivery of Medicare and Medicaid home health services to King County residents. **This sub-criterion is met.**