



STATE OF WASHINGTON
DEPARTMENT OF HEALTH
Olympia, Washington 98504

November 4, 2021

Lee Johnson, Treasurer of Symbol Healthcare, Inc.
Cornerstone Healthcare Inc.
E-mail: Lee.Johnson@pennantservices.com

RE: Certificate of Need Application #21-42 – Department's King County Evaluation

Dear Mr. Johnson:

We have completed review of the Certificate of Need application submitted by Cornerstone Healthcare Inc. proposing to provide Medicare and Medicaid-certified hospice services to the residents of King County. Attached is a written evaluation of the application.

For the reasons stated in this evaluation, the department has concluded that the project is not consistent with the Certificate of Need review criteria identified below, and a Certificate of Need is denied.

Washington Administrative Code 246-310-220	Financial Feasibility
Washington Administrative Code 246-310-230	Structure and Process of Care
Washington Administrative Code 246-310-240	Cost Containment

This decision may be appealed. The two appeal options are listed below.

Appeal Option 1:

You or any person with standing may request a public hearing to reconsider this decision. The request must state the specific reasons for reconsideration in accordance with Washington Administrative Code 246-310-560. A reconsideration request must be received within 28 calendar days from the date of the decision at one of the following addresses:

<u>Mailing Address:</u>	<u>Physical Address</u>
Department of Health	Department of Health
Certificate of Need Program	Certificate of Need Program
Mail Stop 47852	111 Israel Road SE
Olympia, WA 98504-7852	Tumwater, WA 98501

Appeal Option 2:

You or any person with standing may request an adjudicative proceeding to contest this decision within 28 calendar days from the date of this letter. The notice of appeal must be filed according to the provisions of Revised Code of Washington 34.05 and Washington Administrative Code 246-310-610.

Lee Johnson, Cornerstone Healthcare Inc.
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A request for an adjudicative proceeding must be received within the 28 days at one of the following addresses:

<u>Mailing Address:</u>	<u>Physical Address</u>
Department of Health	Department of Health
Adjudicative Service Unit	Adjudicative Service Unit
Mail Stop 47879	111 Israel Road SE
Olympia, WA 98504-7879	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,



Eric Hernandez, Program Manager
Certificate of Need
Office of Community Health Systems

Attachment

CC: Ricketts, Isaac Isaac.Ricketts@pennantservices.com

EVALUATION DATED NOVEMBER 5, 2021, FOR THREE CERTIFICATE OF NEED APPLICATIONS PROPOSING TO ESTABLISH MEDICARE AND MEDICAID CERTIFIED HOSPICE SERVICES IN KING COUNTY. THE THREE APPLICANTS ARE:

- **ACCENTCARE, INC. (SEASONS HOSPICE AND PALLIATIVE CARE OF KING COUNTY WASHINGTON, LLC)**
- **EMPRES HEALTHCARE GROUP, INC. (EDEN HOSPICE AT KING COUNTY, LLC)**
- **THE PENNANT GROUP, INC. (PUGET SOUND HOSPICE OF KING COUNTY)**

APPLICANT DESCRIPTIONS

AccentCare, Inc./Seasons

Seasons Hospice and Palliative Care of King County Washington, LLC is a Washington State limited liability corporation that is 100% owned by AccentCare, Inc. [source: Application, pp5-7] For this project, AccentCare, Inc. is the applicant. During this review the other applicants referenced this project as ‘Seasons.’ To avoid confusion, sections of this evaluation will refer to AccentCare Inc as ‘AccentCare/Seasons.’ If a Certificate of Need is issued for this project, the department recognizes that the In Home Service license could be issued to Seasons Hospice and Palliative Care of King County Washington, LLC.

Currently, the applicant owns and operates a variety of healthcare facilities in Washington and other states.¹ This application was submitted to establish a hospice agency in King County during the year 2020 hospice concurrent review cycle one.

EmpRes Healthcare Group, Inc./Eden

EmpRes Healthcare Group, Inc. owns 100% of EmpRes Home Health and Hospice, LLC, which owns 100% of Eden Hospice of King County. [source: Application, p11, Appendix 4] For this project, EmpRes Healthcare Group, Inc. is the applicant. During this review, the other applicants refer to this project as Eden; to avoid confusion, sections of evaluation will refer to this applicant as ‘EmpRes Healthcare Group, Inc./Eden.’ If a Certificate of Need is issued for this project, the department recognizes that the In Home Service license could be issued to Eden Hospice at King County, LLC.

Currently, the applicant owns and operates four in home service agencies in Washington and other states.² This application was submitted to establish a hospice agency in King County during the year 2020 hospice concurrent review cycle one.

The Pennant Group, Inc./Puget Sound Hospice

Cornerstone Healthcare Inc., dba Puget Sound Hospice of King County, is registered under one of its subsidiaries³ as a Washington State foreign profit corporation,⁴ all of which are ultimately owned by The Pennant Group, Inc. Although The Pennant Group, Inc. is a publicly traded company, no shareholder has more than five percent ownership interest. To be clear, The Pennant Group, Inc., owns Cornerstone Healthcare Inc., which in turn, owns Paragon Healthcare, Inc., which ultimately owns Symbol Healthcare, Inc. For this project, The Pennant Group, Inc. is considered the applicant.

¹ AccentCare, Inc owns and operates a variety of other healthcare providers in Washington and other states. These healthcare facilities are discussed in this evaluation under WAC 246-310-230.

² EmpRes Healthcare Group, Inc. owns and operates a variety of other healthcare providers in Washington and other states. These healthcare facilities are discussed in this evaluation under WAC 246-310-230.

³ Symbol Healthcare, Inc.

⁴ UBI 603 257 823

The Pennant Group, Inc. plans to operate through its home health subsidiary, the new agency proposed in this project, Puget Sound Hospice of King County. It's home health subsidiary⁵ operates out of an office currently in Tacoma; and provides home health services to King County residents. The Pennant Group, Inc. offers several lines of service, which includes in-home care, via its subsidiary Cornerstone Healthcare, Inc.; and senior living communities, via its subsidiary Pinnacle Senior Living LLC. Cornerstone Healthcare, Inc. through its subsidiaries, owns and operates 10 home care agencies, 41 hospice agencies, 33 home health agencies, four physician groups, and two therapy groups throughout 14 states nationally. This count includes Washington State Certificate of Need-approved hospice services to Asotin, Garfield, King, and Thurston county residents as well as licensed only hospice services to the Whitman County residents. [sources: Application, p9; Pennant's website, About Us; and Certificate of Need facility files]

For this evaluation, the applicant, The Pennant Group, Inc. will be referenced in this evaluation as "Pennant." If a Certificate of Need is issued for this project, the department recognizes that the In Home Service license could be issued to Puget Sound Hospice of King County."

PROJECT DESCRIPTIONS

Under the Medicare payment system, hospice care benefits may consist of the following services: physician and clinical services, nursing care, medical equipment and supplies, symptoms control and pain relief management, hospital based short-term care, respite care, home health aide and homemaker services, physical and occupational therapy, speech-language pathology services, social worker services, dietary counseling, spiritual counseling, grief and loss counseling for patients and family, short-term inpatient pain control and symptom management and respite care.⁶

AccentCare, Inc./Seasons

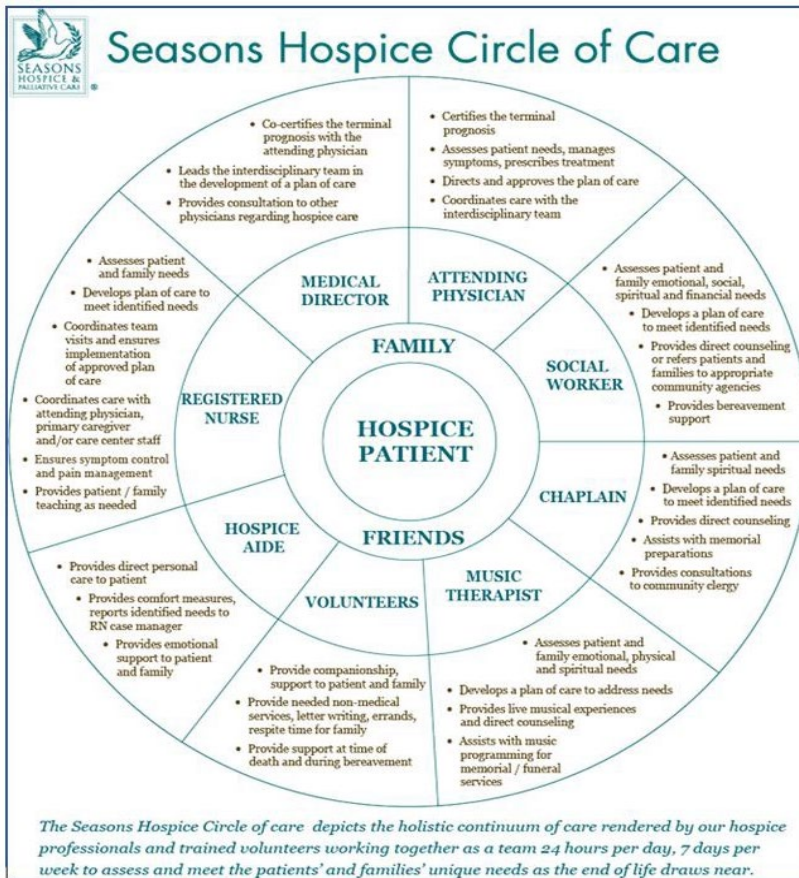
AccentCare, Inc. proposes to establish a Medicare and Medicaid certified hospice agency located at 15 South Grady Way, in Renton [98057] within King County. The applicant stated that the new hospice agency would be available to all residents of the service area as required by WAC 246-310-290(13). [source: Application, p9 and p15]

AccentCare, Inc. provided a description and tables showing the services to be provided by the new hospice agency. [source: Application, pp9-15] Although all information is not restated below, all information is considered in this evaluation.

"Seasons Hospice & Palliative Care of King County, LLC is applying for a certificate of need (CN) to establish a Medicare and Medicaid certified hospice agency to serve residents of King County, Washington. Hospice services include nursing care, pastoral care, medical social work, respite services, home care, as well as 24-hour continuous care in the home at critical periods and bereavement services for the family. Seasons King County proposes an integrated service delivery system that includes the capability to provide palliative care as well as end of life care. The target population resides in King County. The Circle of Care describes the approach to service delivery that places the patient at its center."

⁵ Puget Sound Home Health IHS.FS.603 320 035

⁶ Medicare Hospice Benefits, page 8 Centers for Medicare & Medicaid Services. CMS Product No. 02154, Revised March 2020.



The estimated capital expenditure associated with establishing the new agency is \$91,680, and all costs are associated with the purchase of movable equipment. There are no construction costs associated with this project. [source: Application, p65]

Based on a favorable decision for this project in August 2021, AccentCare, Inc. anticipates it would begin providing Medicare and Medicaid hospice services to the residents of King County in July 2022. The applicant provided the following explanation for this anticipated operational date. [source: Application, p17]

“The project establishes a new hospice agency for King County. Therefore, approximately 9-12 months are needed to prepare for licensure and certification, including furnishing and equipping office space, hiring executive and nursing staff, conducting training, and hold mock surveys prior to licensing and certification surveys.”

For this project, partial year one of the project is 2022, and full calendar year one of the project is 2023; full calendar year three is 2025.

EmpRes Healthcare Group, Inc./Eden

This project requests the establishment of a new hospice agency at 733 – 7th Avenue Suite 110, in Kirkland [98033], within King County. The new agency would be co-located with the applicant’s existing King County home health agency.” [source: Application, p13 and February 25, 2021, screening response, p1]

The applicant stated that the new hospice agency would be available to all residents of the service area as required by WAC 246-310-290(13). [source: Application, p20]

Hospice services to be provided by the new agency include:

- Nursing services.
- Medical social services.

- Physician services.
- Counseling services, including spiritual counseling, dietary counseling, and bereavement counseling
- Hospice aide, volunteer, and homemaker services.
- Physical therapy, occupational therapy, and speech-language pathology services.
- Short-term inpatient care.
- Medical supplies (including drugs and biologicals) and medical appliances.

[source: Application, p13]

There is no capital expenditure associated with establishing the new agency in King County. [source: Application, p50]

Based on a favorable decision for this project in September 2021, EmpRes Healthcare Group anticipates it would begin providing Medicare and Medicaid hospice services to the residents of King County in January 2022. [source: Application, p20] For this project, full calendar year one of the project is 2022 and full calendar year three is 2024.

During the review of this project, AccentCare/Seasons questioned this applicant’s assertions of no estimated capital costs associated with this project by providing the following comments.

Public Comment

AccentCare/Seasons

“Eden states that “there is no additional equipment expected to be purchased since Eden has laptops and other equipment in inventory. Any unanticipated equipment purchases would be considerably below the \$50,000 threshold requiring an amendment to the application.”

“A proposal not identifying any equipment costs fails to fully appreciate the requirements of the business.”

“Eden states that “no expenditure is anticipated,” and that “minor equipment such as laptops and cell phones are expected to be supported by current inventory.” Not allocating specific equipment necessary for the hospice team to provide in-home care fails to account for service needs. Eden further states that “even if some minor equipment had to be purchased that was not expensed, it would be well below \$50,000 threshold for minimum capital expenditures.” If any equipment is needed, the pro forma does not reflect it. If current inventories are available, the applicant should identify it. Furthermore, the financial commitment letter from the CFO of EmpRes Healthcare Management, LLC only agrees to \$100,000 working capital for initial capital outlays and start-up operations. Therefore, any unforeseen capital costs would reduce working capital.”

EmpRes Healthcare Inc./Eden Rebuttal

“As noted in the application, there are no additional equipment costs. Our additional comments about the CoN capital expenditure limits are not applicable for the King County project where in regard to capital expenditures – No capital expenditures means No capital expenditures. Eden Hospice at King County will be co-located with Eden Home Health of King County. Capital expenditures for that facility in terms of all moveable equipment, computer licenses etc. have already been made. Seasons on the other hand allocates \$2 million per new agency to establish an agency regardless of local conditions per its response here and in other applications in Washington State (see pages 65, 66 and page 428 of the Seasons application). It concludes that \$2 million to fund initial capital outlays and operating losses (exceeding \$1.2 million (page 428)) in King County is the best overall approach to achieving savings. Obviously, Seasons is the clear outlier in addressing the provisions of both WAC 246-310-220 (2) and WAC 246-310-230 (4)

“Eden stands by its response that, there is no capital expenditure associated with this project, regardless of the \$50,000 threshold under certificate of need rules. In a prior application Seasons asked for an inventory of

minor equipment. In regard to providing an inventory of minor equipment, there is NO requirement by certificate of need rule or application instructions for applicants to provide information outside of what is included by WAC or application instructions and in fact, applicants are encouraged to not submit superfluous information and to be economical in their application presentation. EmpRes/Eden has been serving the Puget Sound area for over 20 years with home health and nursing home services as well as operating hospices in other states, we fully appreciate the requirements of the business.

“Eden met with the Program and reviewed the startup costs and their presentation in the narrative as well as in the pro forma for its King and King projects. Eden’s detailed response to Question 5 provided a thorough discussion of the assumptions surrounding start-up costs as discussed in the technical consultation. Financial feasibility can easily be determined by noting that the Chief Financial Officer in Appendix 5, page 105 of the certificate of need application commits to providing “the necessary working capital” to implement the project. Not surprisingly, Seasons omitted this portion of the financial commitment letter as well as Eden’s response to Screening Question 12, where Eden confirmed that Page 20 of the audited financial statement included in Attachment 11 showed that Eden maintained a \$40 million line of credit that could be used in addition to funds from ongoing operations to provide any necessary working capital.”

Department’s Evaluation of Estimated Capital Costs for EmpRes Healthcare, Inc/Eden

To evaluate the concerns raised by AccentCare/Seasons, the department reviewed the application, screening responses, and the applicant’s rebuttal statements. Based on all of the information reviewed, the department concludes that the applicant’s statement that there is no capital expenditure for this project is consistent the definition of ‘capital expenditure’ identified in WAC 246-310-010(10). Further, it is consistent with the approach taken in past in home service applications submitted for review. The department concludes that there is no capital expenditure associated with EmpRes Healthcare Group, Inc. project for King County.

The Pennant Group, Inc./Puget Sound Hospice

Pennant proposes to establish a Medicare and Medicaid-certified hospice agency to serve the residents of King County. The agency would be co-located with Pennant’s existing home health agency located at 4002 Tacoma Mall Boulevard, Suite #204, in Tacoma [98409] within Pierce County. The applicant clarifies that the King County agency would have its own state license. [sources: Application, p9 and February 26, 2021, screening response, p1]

The applicant provided the following list identifying the services it intends to provide. [source: Application, p11]

Applicant’s List

✓ Skilled Nursing	✓ Durable Medical Equipment
✓ Home Health Aide	✓ IV Services
✓ Physical Therapy	✓ Nutritional Counseling
✓ Occupational Therapy	✓ Bereavement Counseling
✓ Speech Therapy	✓ Symptom and Pain Management
✓ Respiratory Therapy	✓ Pharmacy Services
✓ Medical Social Services	✓ Respite Care
✓ Palliative Care	✓ Spiritual Counseling
✓ Other (please describe) Massage, Pet Therapy, Music Therapy, Reiki, Aromatherapy, and We Honor Veterans program.	

In response to a few screening questions, Pennant provided the following clarifications of its assumed timeline. [source: February 26, 2021, screening response, p7]

“We will begin operations for Puget Sound Hospice of King County in January of 2022, which includes serving patients as we move toward the ACHC accreditation survey. We plan to be prepared for ACHC survey in February, we will then schedule the survey, and expect the survey to take place in March. We will not be

Medicare certified until we pass the ACHC survey, which, as stated earlier, we anticipate passing in March of 2022. Upon passing the survey, ACHC notifies CMS, and we anticipate within two months receiving the Medicare certification CCN#. The lease extends to the end of 2024, covering three full years from January 2022. We might have misunderstood the question in the table. To summarize, we anticipate being Medicare certified in May of 2022, but we anticipate beginning to serve patients in January of 2022.”

Based on the timeline identified by the applicant, full calendar year one of the project is 2023 and full calendar year three is 2025.

Pennant identified an estimated capital expenditure of \$5,000 for this project. The costs are for a phone system and IT equipment and corresponding tax. There are no construction costs for this project. [sources: Application, p22 and February 26, 2021, screening response, pdf6-7]

Public Comment

AccentCare/Seasons – Oppose

“Pennant states in its screening response that the new hospice agency will be licensed and operational by January 1, 2022, within approximately 3 months. However, the application states being “prepared for survey” by February 2022 and “providing Medicare and Medicaid hospice services” by May 2022. Stating that the hospice will be licensed and operational by January 2022 is insufficient time to hire and train a team sufficient to commence all aspects of operations, including becoming Medicare and Medicaid certified, especially since this will be a new hospice agency and not an extension of an existing hospice agency (as shown in the organization chart in Exhibit 13 of the screening response.) Furthermore, the applicant states in its screening response that Puget Sound Thurston County “is not yet operational.” This belies the assertion that the King County Hospice agency will be operational by January 2022. “

The Pennant Group/Puget Sound Rebuttal

“Seasons’s comments on our operational date as well as the Medicare certification and Medicaid eligibility timeline. Based on Cornerstone’s vast experience with the Medicare and Medicaid certification process, September to January is sufficient time to hire and train the staff to be operational and serving patients by January 1, 2022. It is also reasonable to expect to be Medicare certified and Medicaid eligible in May 2022, five months after we begin serving patients. We will be reimbursed for the patients that we are serving from the day we pass the accreditation survey. Based on these reliable timeframes, our financial projections are appropriate and reasonable. Accordingly, Seasons’s comment on this issue should not be given consideration.

“Seasons’s comments on our Thurston operation timeline, comparing it to the King County timeline, and references Thurston regarding our utilization. Thurston was postponed for eleven months due to legal proceedings which involved another applicant contesting, unsuccessfully, our Thurston CN. Due to this, Thurston was not operational until February 2021. Because of that anomalous issue in Thurston County, Seasons’s references to our Thurston project’s timeline are irrelevant to the proposed King County timeline. Likewise, the Thurston project’s utilization cannot be compared to our King project’s for these same reasons. Our utilization forecast for King County is reasonable. Accordingly, Seasons’s comments on these issues should not be given consideration.”

Department Evaluation

AccentCare commented that statements within Pennant’s application materials are confusing making it difficult to understand Pennant’s intentions and start-up plan. Pennant clarified in rebuttal its two starting dates are for two unique sets of patients. In May 2022, services to patients who are Medicare and/or Medicaid-eligible; as distinct from patients who are not Medicare and/or Medicaid-eligible in January 2022. The department finds this rationale and explanation reasonable.

Each King County applicant identified start-up costs for their project. The concern above seems to focus more on whether the applicant has the financial health to fund start-up costs. The applicant’s rebuttal statements assert that the funds are available. The applicant’s historical financial statements provided in the application confirms this assertion.

In summary, each of the three applicants identified a different timeline for beginning hospice services in King County. The timelines are summarized below by applicant.

**Department’s Table 1
Summary of Timeline by Applicant**

Applicant	Begin Hospice Services	Three Full Calendar Years
AccentCare/Seasons	July 2022	2023, 2024, and 2025
EmpRes/Eden	January 2022	2022, 2023, and 2024
Pennant/Northwest	May 2022	2023, 2024, and 2025

APPLICABILITY OF CERTIFICATE OF NEED LAW

These three applications propose to establish Medicare and Medicaid certified hospice services in King County. This action 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).

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. WAC 246-310-290 contains service or facility specific criteria for hospice projects and must be used to make the required determinations.

To obtain Certificate of Need approval, an applicant must demonstrate compliance with the applicable criteria found in WAC 246-310-210 (need); 246-310-220 (financial feasibility); 246-310-230 (structure and process of care); 246-310-240 (cost containment); and WAC 246-310-290 (hospice standards and forecasting method).

MULTIPLE APPLICATIONS FOR THE YEAR 2020 HOSPICE CONCURRENT REVIEW CYCLES

The department received 17 separate applications during the year 2020 hospice concurrent review cycles. Below is a summary of the applications submitted by each of the three King County applicants:

- AccentCare, Inc/Seasons – King, King, Thurston, and Pierce counties
- EmpRes Healthcare Inc./Eden – King and King counties
- Pennant – King, Grays Harbor, Mason, and Pierce counties

While this evaluation focuses on each applicant’s King County project, some areas of the evaluation must take into consideration the possibility that an applicant could be approved for multiple counties.

TYPE OF REVIEW

As directed under WAC 246-310-290(3) the department accepted these three applications under the 2020 cycle 1 concurrent review timeline for a hospice agency in King County. A chronological summary of the review is below:

APPLICATION CHRONOLOGY

Action	AccentCare, Inc.	EmpRes Healthcare Group, Inc.	Pennant Group, Inc.
Letter of Intent Submitted	November 20, 2020	November 24, 2020	November 25, 2020
Application Submitted	December 30, 2020	December 31, 2020	December 31, 2020
Department's pre-review activities: <ul style="list-style-type: none"> • DOH 1st Screening Letter • Applicant's Responses Received 	January 29, 2021 February 25, 2021	January 29, 2021 February 25, 2021	January 29, 2021 February 26, 2021
Beginning of Review	March 15, 2021		
Public Hearing Conducted and End of Public Comment	June 25, 2021		
Rebuttal Comments Due	July 26, 2021		
Department's Anticipated Decision Date	October 11, 2021		
Department's Actual Decision Date with a 30-day Extension	November 4, 2021		

AFFECTED PERSONS

“Affected persons” are defined under WAC 246-310-010(2). In order to qualify as an affected person someone must first qualify as an “interested person” defined under WAC 246-310-010(34). During a concurrent review, each applicant is an affected person for the other application(s). In addition to each applicant, the following entities requested affected person status.

Providence Hospice of Seattle – is an existing hospice agency located 2811 South 102nd Street, Suite 200, in Tukwila, within King County [98168]. The hospice agency is approved to provide Medicare and Medicaid hospice services to residents of King County. Providence Hospice of Seattle qualifies for interested person status for this King County concurrent review. Since Providence Hospice of Seattle did not submit any comments during this concurrent review, the hospice agency does not qualify as an affected person for these projects.

The following individual persons also requested affected person status during the review of these three King County hospice projects:

- Dennis Barnes is a resident of Lake Forest Park, within King County. Mr. Barnes provided public comments and as a resident of King County, he may qualify as an affected person for this King County project.
- Susan Brooks-Young is a resident of Bremerton, within Kitsap County. While Ms. Brooks-Young provided public comments as a resident of Kitsap County, she cannot qualify as an affected person for this King County project.

SOURCE INFORMATION REVIEWED

- AccentCare, Inc. Certificate of Need application received December 30, 2020
- AccentCare, Inc. screening responses received February 25, 2021
- EmpRes Healthcare Group, Inc. Certificate of Need application received December 31, 2020
- EmpRes Healthcare Group, Inc. screening responses received February 25, 2021
- Pennant Group, Inc. Certificate of Need application received December 31, 2020
- Pennant Group, Inc. screening responses received February 26, 2021
- Public comments received on or before June 25, 2021

SOURCE INFORMATION REVIEWED (continued)

- AccentCare, Inc. rebuttal comments received on or before July 26, 2021
- EmpRes Healthcare Group, Inc. rebuttal comments received on or before July 26, 2021
- Pennant Group, Inc. rebuttal comments received on or before July 26, 2021
- Licensing and/or survey data provided by the Department of Health's Office of Health Systems Oversight
- Department of Health Integrated Licensing and Regulatory System database [ILRS]
- Licensing data provided by the Medical Quality Assurance Commission, Nursing Quality Assurance Commission, and Health Systems Quality Assurance Office of Customer Service
- AccentCare Inc. website at: <https://accentcare.com>
- EmpRes Healthcare Group, LLC website at: <https://www.empres.com>
- Pennant Group website at: <http://pennantgroup.com/>
- CMS QCOR Compliance website: https://qcor.cms.gov/index_new.jsp
- Medicare Hospice Benefits Centers for Medicare & Medicaid Services. CMS Product No. 02154, Revised March 2020
- Washington State Secretary of State corporation data

PUBLIC COMMENTS

During this King County hospice review much public comment, both in support and opposition, was submitted regarding the three projects. For reader ease, the department will identify who submitted the comments and whether the comments were in support or opposition.

CONCLUSIONS

AccentCare, Inc./Seasons

For the reasons stated in this evaluation, the application submitted by AccentCare, Inc. proposing to establish a Medicare and Medicaid certified hospice agency in King County is consistent with applicable criteria of the Certificate of Need Program, provided the applicant agrees to the following in its entirety.

Project Description:

This certificate approves the establishment of Medicare and Medicaid certified hospice services to the residents of King County. The new hospice agency will be located at 15 South Grady Way in Renton [98057], within King County. Hospice services provided for King County residents include physician and clinical services, nursing care, symptom control and pain relief management, respite care, home health aide and homemaker services, physical, speech and occupational therapy, social worker services, dietary counseling, grief and loss counseling. Services may be provided directly or under contract.

Conditions:

1. Approval of the project description as stated above. AccentCare, 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. AccentCare, Inc. will obtain and maintain Medicare and Medicaid certification.
3. AccentCare, Inc. shall finance this project using existing corporate reserves, as described in the application.
4. The approved service area for the Medicare and Medicaid certified hospice services is King County. Consistent with Washington Administrative Code 246-310-290(13), AccentCare, Inc. must provide services to residents of the entire county, regardless of age, for which the Certificate of Need is granted.

5. Prior to providing Medicare and Medicaid certified hospice services to King County residents, AccentCare, Inc. will provide a listing of its staff to Certificate of Need Program for review. The listing shall include the name and professional license number of each staff.
6. Prior to providing Medicare and Medicaid certified hospice services to the residents of King County, the applicant will provide a copy of the executed Physician Independent Contractor Agreement consistent with the draft agreement provided in the application.
7. Prior to providing Medicare and Medicaid certified hospice services to the residents of King County, the applicant will provide a listing of ancillary and support agreements established for the hospice agency.
8. AccentCare, Inc. will adhere to the requirements in Revised Code of Washington 70.245.190 for its King County agency.

Approved Costs:

The approved capital expenditure associated with this project is \$91,680 and all costs are associated with moveable equipment. There is no construction associated with this project.

EmpRes Healthcare Group, Inc./Eden

For the reasons stated in this evaluation, the application submitted by EmpRes Healthcare Group, Inc. proposing to establish a Medicare and Medicaid certified hospice agency in King County is consistent with applicable criteria of the Certificate of Need Program, provided the applicant agrees to the following in its entirety.

Project Description:

This certificate approves the establishment of Medicare and Medicaid certified hospice services to the residents of King County. The new hospice agency will be located at 733 – 7th Avenue, #110, in Kirkland [98033], within King County. Hospice services provided for King County residents include physician and clinical services, nursing care, symptom control and pain relief management, respite care, home health aide and homemaker services, physical, speech and occupational therapy, social worker services, dietary counseling, grief and loss counseling. Services may be provided directly or under contract.

Conditions:

1. Approval of the project description as stated above. EmpRes Healthcare Group, 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. EmpRes Healthcare Group, Inc. will obtain and maintain Medicare and Medicaid certification.
3. The approved service area for the Medicare and Medicaid certified hospice services is King County. Consistent with Washington Administrative Code 246-310-290(13), EmpRes Healthcare Group must provide services to residents of the entire county, regardless of age, for which the Certificate of Need is granted.
4. Prior to providing Medicare and Medicaid certified hospice services to King County residents, EmpRes Healthcare Group, Inc. will provide a listing of staff to Certificate of Need Program for review. The listing shall include the name and professional license number of each staff.
5. Prior to providing Medicare and Medicaid certified hospice services to the residents of King County, the applicant will provide a copy of the executed Medical Director Agreement consistent with the draft agreement provided in the application.

6. Prior to providing Medicare and Medicaid certified hospice services to the residents of King County, the applicant will provide a listing of ancillary and support agreements established for the hospice agency.
7. EmpRes Healthcare Group, Inc. will adhere to the requirements in Revised Code of Washington 70.245.190 for its King County agency.

Approved Costs:

There is no capital expenditure associated with this project.

The Pennant Group, Inc./Puget Sound

For the reasons stated in this evaluation, the application submitted by The Pennant Group, Inc., dba Puget Sound Hospice of King County proposing to establish a Medicare and Medicaid-certified hospice agency in King County is not consistent with applicable review criteria of the Certificate of Need Program and a Certificate of Need is denied.

CRITERIA DETERMINATIONS

A. Need (WAC 246-310-210) and Hospice Services Standards and Need Forecasting Methodology (WAC 246-310-290)

AccentCare, Inc.

Based on the source information reviewed, the department concludes that the applicant **has met** the need criteria in WAC 246-310-210, and any applicable criteria in WAC 246-310-290.

EmpRes Healthcare Group, Inc.

Based on the source information reviewed, the department concludes that the applicant **has met** the need criteria in WAC 246-310-210, and any applicable criteria in WAC 246-310-290.

The Pennant Group, Inc.

Based on the source information reviewed, the department concludes that the applicant **has met** the need criteria in WAC 246-310-210, and any applicable criteria in WAC 246-310-290.

(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 246-310-290(8)-Hospice Agency Numeric Methodology

The numeric need methodology outlined in WAC 246-310-290(8) uses hospice admission statistics, death statistics, and county-level population projections to predict where hospice services will be needed in Washington State. If a planning area shows an average daily census of 35 unserved hospice patients three years after the application data year, there is numeric need and the planning area is “open” for applications. The department published the final and corrected version of the step-by-step methodology in October 2020 – it is attached to this evaluation as Appendix A.

The numeric methodology follows the Washington Administrative Code standards as written. Any alternate methodologies that historically have been suggested or past public comments that suggest an alternative to the stated rules will not be included in this review.

Applicants’ Numeric Methodologies for King County

To demonstrate numeric need for each of their respective projects, all three applicants referenced the department’s year 2020 numeric need methodology posted to the department’s website in October 2020. The numeric methodology projected a numeric need for three hospice agencies in King County for projection year 2022. [sources: AccentCare Inc./Seasons, Application, p40, EmpRes Healthcare Group, Inc. Eden, Application, p40, and The Pennant Group, Inc. dba Puget Sound Hospice application p19]

Department Evaluation of Numeric Need for Three King County hospice Projects

The 2020-2021 hospice numeric need methodology was released near the end of October 2020; and followed the steps required by WAC 246-310-290(8). The methodology relies on 2019 historical data and projects to year 2022. Each applicant acknowledged that the numeric methodology posted to the department’s website identifies need for three Medicare and Medicaid certified hospice agencies in King County in projection year 2022. The results of the numeric methodology are shown in the table below:

Department's Table 2

King County Hospice Methodology Projection Summary for Year 2022

Year 2022 - Unmet Patient Days divided by 365	105
Year 2022 - Number of Agencies Needed (divide by 35) *	3

* the numeric need methodology projects need for whole hospice agencies only – not partial hospice agencies. Therefore, the results are rounded down to the nearest whole number.

In conclusion, the numeric methodology is a population-based assessment used to determine the projected need for hospice services in a county (planning area) for a specific projection year. Based solely on the numeric methodology calculated by the department, there is demonstrated need for three hospice agencies in King County. The department concludes that all three applicants demonstrated numeric need for their respective projects.

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 the planning area resident's needs. Below is a review of each application as it relates to the department's criterion.

AccentCare, Inc./Seasons

"King County has a large, diverse population. Reaching residents across the area and from all walks of life takes innovation and diligence, in addition to increased resources in the form of additional hospice agencies. Under-service to specific patient populations demonstrate access issues that can be addressed through the introduction of a new hospice agency such as Seasons King County that has an array of innovative programs and services to identify and serve those in need. Access barriers range from a lack of information about hospice and what it is, to financial barriers or isolation from society.

"In the wake of the COVID-19 pandemic, residents are often fearful to reach out for medical care or other services. Increased efforts to safely connect throughout the population is critical to identifying potential hospice patients to break down these barriers and improve service to the community. Across the nation, Seasons Hospice affiliates admitting Covid positive patients, helping hospitals by admitting them at home with hospice, avoiding the isolation from family that results from hospitalization. Daily monitoring of staff health, education about proper use of personal protection equipment (PPE), and securing adequate supplies of PPE to keep staff safe ensures staff are cared for, alongside the patients they serve.

"Seasons King County breaks barriers by developing targeted programs to expand access and offer additional services where they are most needed by complementing, rather than competing with existing service providers. Specifically, access issues exist for the following groups.

- *The Homeless*
- *Minority populations, including Asians, African-Americans, Hispanics and LGBT community*
- *Children*
- *The elderly, including those residing in Nursing Homes and Assisted Living Facilities"*

The applicant provided extensive information focused on the bullet points above. While the information is not repeated here, it is considered in this review. [source: Application, pp49-58]

Public Comment focused on AccentCare, Inc./Seasons

AccentCare/Seasons submitted a packet of 15 letters of support for its project. Among those letters, eight were submitted by healthcare providers outside of Washington State and seven were submitted from a Washington State entity. Of note, one of the letters was submitted by the administrator of Canterbury House, a skilled nursing facility in King County operated by competing applicant EmpRes Healthcare Group. While the out-of-state letters of support are considered, they are not restated in this evaluation.

Below is an excerpt from one of the letters of support from a Washington State provider. The other letters are considered, but not restated in this evaluation.

Rainbow Center-Support

“Through education, advocacy, and celebration, the Rainbow Center expands resources and safe space for the lesbian, gay, bisexual, transgender, queer, and allied (LGBTQA) community. As part of that, we provide training for medical professionals and have identified a need for more advanced training in serving the transfer community in particular. I was thrilled to learn that Seasons Hospice & Palliative Care is SAGE (Advocacy & Services for LGBT Elders) Platinum Certified in all of their programs nationally and will become certified in Washington State if awarded the CON.

“The representative of Seasons Hospice shared a beautiful legacy project their music therapist completed with one of their transgender patients in San Diego. This is a prime example of their competence in serving the LGBTQA community as well as demonstrates their unique programs such as Music Therapy and Leaving a Legacy.

“You can see this amazing legacy project at <http://m.youtube.com/watch?v=Ix3RofVx01M>. Knowing that our community needs competent medical providers to serve the community, I am encouraged that seasons is applying to operate in Washington state (King, King, Thurston & Pierce Counties). I know of no other hospice provider in our area who is SAGE Platinum Certified and demonstrating their commitment to the LGBTQA community to the extent that Seasons Hospice does.

“Sadly we also see a disproportionate number of homeless who are members of the LGBTQA community, and I understand Seasons has a Homeless Assistance Program that would assist these clients in securing housing so their end of life experience could be provided with dignity and respect. I believe Seasons would be a welcome addition to the hospice landscape here in Washington and I encourage you to approve their application.”

Pennant/Puget Sound - Oppose

“It appears that Seasons does not agree with the CN departments need methodology. Utilizing their historical start up data, Seasons states that patients have lower lengths of stay than the 62.66 that the DOH has identified. While we can appreciate the length of stay data that Seasons collected for their startups, it is not feasible to predict that the average length of stay will be shorter during a startup in King County. It is impossible to know how long a patient will live or when they will discharge once they are admitted to a hospice agency. Simultaneously, it is not possible to assume the average length of stay will increase over time in King County. Changing the average length of stay number also changes the numeric need in the county. This leads to the question, why did Seasons choose not to use the DOH’s length of stay of 62.66, a number the CN department has provided through their proven and reliable method?”

AccentCare, Inc./Seasons Rebuttal to Pennant/Puget Sound:

“Seasons King County agrees with the CN Department’s need methodology for determining need for additional hospice programs and has therefore applied in response to published need to establish a new hospice in King County. Emerald confuses the state’s need methodology for determining when and where a new hospice agency is needed with an applicant’s forecast model for determining its utilization projections specific to the hospice agency.

Many factors determine hospice length of stay, including a patient’s diagnosis, with some conditions progressing more rapidly than others, and when that person is referred to hospice, which is influenced by a hospice’s ability to establish relationships within the community and educate gate keepers and the general public. For these reasons, length of stay varies from patient to patient and from hospice to hospice. Seasons King County forecasts its utilization based in part on the unmet need, but also on its own

operational experience, to provide an accurate, conservative future estimate of service to erase all doubt about achieving the projections.

“There are many ways of developing a forecast model and many different variables. There is no single methodology that is right for every occasion. For instance, a forecast methodology that projects a static ALOS over a period of time, may in fact have some years with a lower ALOS and other years with a higher ALOS so that an average is achieved across all years. In this instance, Seasons King County takes a more conservative and precise approach for a new hospice agency based on start-up experience for this particular hospice program and how it operates, with a lower ALOS in the beginning, that levels off at the statewide ALOS by the second full year of operations. In fact, if one were to look at the first two months of a forecast period, it would be mathematically impossible to achieve an average length of stay of 62.66 days, given the program is operating for less than 62 days, which is why a lower ALOS is assumed for the first six months than for the next 12-month period. Therefore, as time goes by, and more patients and discharges occur, the ALOS increases. Seasons provides evidence of this in Exhibit 13 of its CN application and Attachment 1 of its screening response, demonstrating its start-up experience. In fact, 11 of the 13 hospices increased its length of stay from year 1 to year 2. Furthermore, the ALOS for all start-up hospices increases from 53 in year 1, to 67 in year 2, to 75 in year 3 as shown in the exhibit.”

AccentCare, Inc./Seasons did not provide rebuttal comments to any of the letters of support.

EmpRes Healthcare Group, Inc./Eden

For this sub-criterion, the applicant provided extensive statements, tables, and historical data to support its statements of why the new agency should not be considered an unnecessary duplication of services for King County. Excerpts from the information provided is below, however all information provided under this sub-criterion is considered in this evaluation. [source: Application, pp38-46]

“Table 19 provided the list of nine hospice agencies approved to serve King County. Most of the hospices, with the exception of the Kaiser Health Plan and Wesley Homes Hospice, serve the entire population of King County. Kaiser Health Plan serves its members and Wesley Homes Hospice supports its existing retirement communities.

“While six of the eight operating hospices serve all or more limited King County Medicare, Medicaid and commercial insurance population cohorts as well as providing charity care; the actual utilization of hospice services in King County is below national averages for the Dual Eligible and Non Dual Eligible (low income) Medicare population. Table 12 shows that the dual eligible population hospice admission rate is only 87% of the National dual eligible hospice admission rate and that the overall dual eligible utilization rate is only 86% of the King County non-dual eligible admission rate.

“While dual-eligible individuals comprise 20% of the Medicare population, they account for 34% of total Medicare expenditures. Similarly, dual-eligible individuals comprise only 15% of the Medicaid population, account for 32% of total Medicaid expenditures. Table 13 provides an example of how this higher acuity level contributes to healthcare expenditures for Medicare and Medicaid and patients as well.

“Table 14 provides an example of 2019 Medicare costs for beneficiaries hospitalized in the final 30 days of life by King County hospital and by the actual expected level of hospice utilization. The median of Medicare beneficiary costs of 13 King County hospitals is then compared with the national Medicare costs for all patients hospitalized within the final 30 days of their lives and the national Medicare costs for hospice patients hospitalized within the last 30 days of life. The 13 King County hospital Medicare costs were 96% of the national average of Medicare costs for patients hospitalized within the last 30 days of life. The national average was then compared to the national average of Medicare patients discharged to a hospice. The national average for Medicare patients discharged to a hospice was 75% of the national

average of patients with a hospitalization within the final 30 days of life. The difference per patient on the national level was \$4,746..

“Examining the impact of improved access to hospice care is complicated– interpreting healthcare cost data is more evolved in comparison to data that measures “Better Health” and “Better Healthcare”. As such, healthcare costs become the focus, this is unfortunate. For example, we know from several patient studies that patients live longer when discharged to hospice, compared to patients that remain in the hospital. Families who have experienced hospice often regret not engaging in its services earlier. Hospice providers should provide extensive outreach and support to patients and their families. More studies about the positive impact of outreach and support are needed, but Eden is keenly aware of the positive effects and strives to be the best in an under researched area of hospice care.

“The proposed Eden Hospice project will reach an ADC of 13 patients in 2022, expanding to 46 patients in the third year of operation. While seven of the existing hospice agencies in King County are large and well-established, they are not able to meet hospice need as described in previous metrics involving disparity for low-income King County residents (see Table 19); as well as the general unmet medical need among Black residents, which exceeds 20% of the population and among Hispanic residents, which approaches 30% of respondents (see Exhibit 3). Hospice services are the logical extension of acute healthcare services. Attention to outreach to these two population cohorts, which would include attention to Spanish language based services (see Exhibit 1) and outreach into South and East King County federally qualified health centers to reach these population cohorts requires a massive effort among all hospice providers.”

- 1) *King Hospice Admissions per 1,000 Deaths at 564 admissions per 1,000 deaths, is below the national average of 604 admissions per 1,000 Deaths*
- 2) *An analysis of length of stay for King County hospice patients shows that while King County hospices’ median length of stay at 71 days is higher than the statewide ALOS of 62.66 days; three hospices have lower lengths of stay than the statewide average.*
- 3) *The percentage of King County hospice-eligible patients receiving hospice services is 4% below the expected statewide average;*
- 4) *Table 21 shows that King Hospice dual eligible Admissions per 1,000 Deaths at 501 admissions per 1,000 deaths is below the King County non dual-eligible rate of 583 admissions per 1,000 Deaths for the Medicare population as calculated by Berg Data Solutions, LLC.*
- 5) *Table 19 shows that the median length of stay for 8 reporting hospices in King County is 71 days. This is lower than the national length of stay in 2018 of 90.2.*
- 6) *Only six of eight operating hospices serving King County serve the entire population needing hospice services.*
- 7) *Only four of eight currently operating hospices in King County serve only King County patients.*

“The obvious conclusion is that King County needs additional hospices with an exclusive interest in serving King County residents, particularly low-income, Medicaid-eligible residents and low income, dual-eligible Medicare patients. Since there is future net need for 3 hospice agencies, there is no duplication of services. This application has documented the following:

- *There is disparity for the King County total Medicare population as measured by King County admissions per 1,000 deaths by beneficiaries compared to the national population.*
- *There is disparity for the King County non dual-eligible population as measured by admissions per 1,000 deaths by beneficiaries in the dual-eligible national population.*
- *There is disparity for the King County dual eligible population as measured by admissions per 1,000 deaths by King County beneficiaries in the dual-eligible population.*

- *By extension, there is disparity in admissions per 1,000 deaths by low income, Black and Hispanic King County beneficiaries as measured by unmet Medical need.*
- *Two of the hospices approved to operate in King County have their principal location sites in Pierce County, while two of the hospices within King County serve multiple counties.*
- *Two of the nine approved hospices restrict their access to member populations – Kaiser Foundation Health Plan and Wesley Homes Hospice, which may have limited community outreach.*

Applicant’s Table 19 Referenced in the Statements Above

2019 Admissions and Length of Stay for CoN Approved Serving King County		
Total Admissions and Length of Stay for CoN Approved Hospices in King County		
Hospice Agency	Average LOS	Total Admissions
Kindred Hospice -501541	105.1	271
Franciscan Hospice - 501526	94.8	3,098
Providence Hospice of Seattle - 501515	80.0	1,998
Multicare Hospice - 501508	75.9	1,275
Kline Galland Hospice Services - 501540	64.2	346
Evergreen Health Hospice Care - 501523	62.1	2,742
Kaiser Foundation Health Plan of Washington -- 501521	59.2	796
Wesley Homes Hospice, LLC 501543	47.1	69
Envision Hospice - King County	N.A.	0
King County Admissions Only for Multi-County Hospices		
Evergreen Health Hospice Care - 501523		2,250
Franciscan Hospice - 501526		921
Kaiser Foundation Health Plan of Washington -- 501521		526
Multicare Hospice - 501508		176

Berg Data Solutions 2019 Medicare Fee for Service and cost report data, Social Security Enrollment Data

The Pennant Group, Inc./Puget Sound Hospice

Pennant provided the following statement on this sub-criterion. [source: Application, pp15-16]

“We understand that there may be unforeseen challenges getting an agency established. We did not foresee [sic] a worldwide pandemic in 2020 when Cornerstone was starting up its hospice in King County. While it has been a challenge to start a hospice with unique restrictions and conditions on providing hands on care to patients, we were able to adjust our care according to the needs of the clients, care settings, and state and federal guidance. We have been successful in King County operating an agency that is caring for individuals who need hospice care, despite the global pandemic.

We also recognize that a lack of hospice education and the misunderstanding of what hospice [sic] is can be a barriers. We will employ our deep experience in hospice care to help educate and bring clarity to the King County community. We hope to break down the barriers by integrating ourselves with local physician groups, community centers, nursing homes and anyone who might benefit from understanding [sic] what the hospice benefit truly is.

Our project seeks to address the unmet need for additional hospice services in King County. The need for additional hospice agencies, as determined by the eight step methodology contained in WAC 246-310-290, which is found below, indicates an unmet Average Daily Census (ADC) of 11 in 2020, 58 in 2021 and 105 in 2022. This unmet ADC translates into unmet patient days of 3,960 in 2020, 21,177 in 2021, and 38,394 in 2022.

The need for additional hospice agencies is determined by the same methodology referenced above. As applied to King County, it identifies the need for three additional hospice providers. Please see the Step 8

table below for a summary of the unmet ADC per year and the numeric need of three new hospice agencies.”

Pennant provided the following statement as it relates to how this project does not represent an unjustified duplication of services. [source: February 26, 2021, screening response, p2]

“There are currently 10 Medicare Certified Hospice agencies in King County including one provider, Kaiser Permanente Home Health and Hospice, who only serves their own members. Evergreen Health Home Care Services, Providence Hospice of Seattle, and Franciscan Hospice have the largest market share in King County with longer than expected wait times for hospice admission. King County hospice referral sources consistently share with Puget Sound Home Health a community delay in access to timely hospice admissions, with delays in admissions up to 2 weeks and sometimes longer. These referral sources have expressed a need for additional hospice services and would welcome another hospice provider to meet the needs of timely hospice services. Emerald already has well established relationships with the above home health and hospice providers to partner with and coordinate care to meet the timely hospice needs of King County. The numeric need for 3 additional hospice agencies in the need methodology in addition to the above summation of the current trend in the county, demonstrate there will not be an oversupply or duplication of hospice services in the county.

There were no public comments or rebuttal comments provided under this sub-criterion for this applicant.

Department Evaluation for AccentCare, Inc./Seasons, and EmpRes Healthcare Group, Inc./Eden, and Pennant Group/Puget Sound Hospice

This section of the application allows an applicant to explain why the proposed project is not an unnecessary duplication of services. The rationale and discussion provided by each is based on information specific to King County. Each applicant provided an analysis of the county’s existing hospice agencies and ADC, relative to the county’s population. The department finds this approach to be reasonable.

The department notes that, while only AccentCare received letters of support for their specific project, no opposition to any of the three projects was provided other than some public comments expressing concerns with approval of providers that might not provide patients with access to services under Washington’s Death with Dignity law. No existing providers objected to these projects, nor was there any sentiment expressed by any entity that additional hospice providers should not be approved in King County.

The results of the numeric methodology show that three additional hospice providers could be approved for King County. Based on the county statistical and population data above, the department concludes that approval of an additional provider in King County planning area will result in an additional hospice option for many terminally ill home health patients in the area.

Based on the information above, the department concludes that all three applicants provided complete rationale to support their respective project and the statements in the applications support need for an additional provider in King County. **This sub-criterion is met for all three King County applications.**

(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 do 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.

The review of these applications proposing King County hospice services included community interest specifically related to death with dignity services. Community members provided public comments, rebuttal comments, and participated in a public hearing. Some of the comments reasoned that access to such services is reviewable under this sub-criterion, asserting that all hospice patients are marginalized, discussing the impacts of approving an applicant that may not directly provide such services, and concluded that an agency not providing death with dignity access is an unnecessary duplication of services. The department's position is that this sub-criterion allows the department to confirm an applicant's intention to provide services to all members of the planning area (county), rather than to require applicants to provide a specific set of services.

The department considered community involvement, comments, and rebuttal helpful in making its determination, however, in this specific case, this sub-criterion does not allow the department authority to require death with dignity policies and procedures as some comments assert.

AccentCare, Inc./Seasons

In response to this sub-criterion, the applicant provided a copy of the following policies. [source: Application, Exhibit 14, and February 25, 2021, screening response, Attachments 7 & 8]

Charity Care Policy-Executed

Stated purpose: To help patient's get access to hospice care regardless of payor source. Seasons does not discriminate based on a patient's ability to pay.

The policy also outlines the process one would use to access charity care or financial assistance and includes a sliding scale for Federal poverty levels.

Patient/Family Rights and Responsibilities-Executed

Stated purpose: As a hospice provider, we have an obligation to protect your rights and to provide these rights to you or your representative verbally and in writing in a language and manner you can understand, during the initial assessment visit before care is provided on an ongoing basis, as needed.

This policy outlines rights and responsibilities for patients, families, and the hospice provider. The applicant also provided the following clarification regarding the presentation of this policy. [source: February 25, 2021, screening response, p, 5]

"For brevity, the Patient Rights document appearing in Exhibit 14 of the application included only those pages containing text. Attachment 8 to this screening response includes the entire Patient Rights document, including the backside of the printed pages which identify the missing page numbers."

Non-Discrimination & Grievance Procedure-Executed

State purpose: *Seasons Hospice & Palliative Care complies with applicable federal civil rights laws and does not discriminate, exclude, or treat people differently on the basis of social status, marital status, political belief, sexual orientation, gender identity, gender expression, race, color, religion, national origin, diagnosis, disease, age, sex, physical/mental disabilities, citizenship, veteran status, ability to pay or source of payment with regard to admission or access to treatment whether carried out by Seasons Hospice directly or through a contractor or any other entity with which Seasons Hospice arranges to carry out its program and activities.**

The asterisk notation states: *This policy is in accordance with the provisions of Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and Regulations of the U.S. Department of Health and Human Services issued pursuant to these statutes at Title 45 Code of Federal Regulations Parts 80, 84, 91 and 92.*

The policy states it “*is disseminated to staff, volunteers, patients, families, referral sources, and other interested parties via the following methods...[and] outlines the procedures to be used to inform patients and families of rights and responsibilities.*” It also provides the process and procedures to be used to file a discrimination grievance.

Contracted Services Policy-Executed

State purpose: *Seasons Hospice will retain professional, financial and administrative responsibility for contracted services and will require that they be provided in a safe and effective manner by qualified personnel and in accordance with the written plan of care in order to ensure excellence in care for all Seasons Hospice’s patients.*

This policy is used to ensure Seasons-contracted employees are trained and available to serve hospice patients.

Availability of Services Policy-Executed

Stated purpose: *All covered services are available 24-hours a day, seven days a week including during the bereavement period to the extent necessary for the palliation and management of the terminal illness and related conditions.*

This policy outlines the procedures to be used to ensure hospice services are available when needed.

Interdisciplinary Group Policy-Executed

Stated purpose: *Seasons Hospice will designate an interdisciplinary group or groups composed of individuals who work together to meet the physical, medical, psychosocial, emotional and spiritual needs of the hospice patients and families facing terminal illness and bereavement.**

The asterisk notation states: *IDG (Interdisciplinary Group) and IDT (Interdisciplinary Team) are used interchangeably at Seasons Hospice and have the same meaning.*

This policy outlines the staff associated with the IDG.

Standards of Practice-Executed

Stated purpose: *Seasons Hospice is committed to providing care and services in compliance with acceptable professional standards as well as all state and federal laws and regulations.*

This policy is used to ensure adequate staff is available for the patient and family.

Admission Criteria Policy-Executed

Stated purpose: *Patients will be accepted for care and treatment based on reasonable criteria and under the expectation that the physical, emotional, social and spiritual needs of patients and families can be met adequately by Seasons Hospice, primarily in the patient’s place of residence.* It further includes the following non-discrimination language: *As a recipient of Federal financial assistance, Seasons Hospice does not exclude, deny benefits to, or otherwise discriminate against any person on the basis of race, color, creed, religion, gender, national origin, ancestry, disability, handicap, diagnosis, sexual orientation, age, marital status, pregnancy, childbirth, ability to pay, cost of therapy, life circumstances, the presence of a contagious disease or DNR status in admission to, participation in, or receipt of the services and benefits under any of its programs and activities.* This policy provides the process used to admit a patient for hospice services.

Patient Discharge Policy-Executed

Stated purpose: *Seasons Hospice will not automatically or routinely discharge a patient at its discretion, even if the care promises to be costly or inconvenient, or the State allows for discharge under State requirements.*

This policy outlines the reasons and the process for discharging a patient from hospice care. It also includes the following non-discrimination language: *No patient will be discharged due to an inability to pay for hospice services or for punitive reasons.*

AccentCare, Inc./Seasons provided the following payer mix for the King County hospice services in year three: [source: Application, p69]

**Department’s Table 3
AccentCare, Inc./Seasons
Projected Payer Mix and Percentage**

Payer	Percent
Medicare & Medicare Managed Care	91.0%
Medicaid	1.0%
Commercial, TriCare, Private Pay, etc.	8.0%
Total	100.0%

The applicant provided the following information regarding assumptions used to determine the projected payer mix above. [source: February 25, 2021, screening response, p3]

“The payor mix shown in Table 25 on page 69 is based on the information in Exhibit 16, although it combines Medicare (at 27.3% of patient days) and Medicare Managed Care (63.7% of patient days) as shown in Exhibit 16, Workpaper 3, page 486, for a combined 91.0%. The percent of Gross Revenue shown in Table 25 is calculated from the revenues shown in Exhibit 16, page 484. Charity care is a deduction of private pay revenue, and therefore represents 1% of patient days, but 0% of Gross Revenue.”

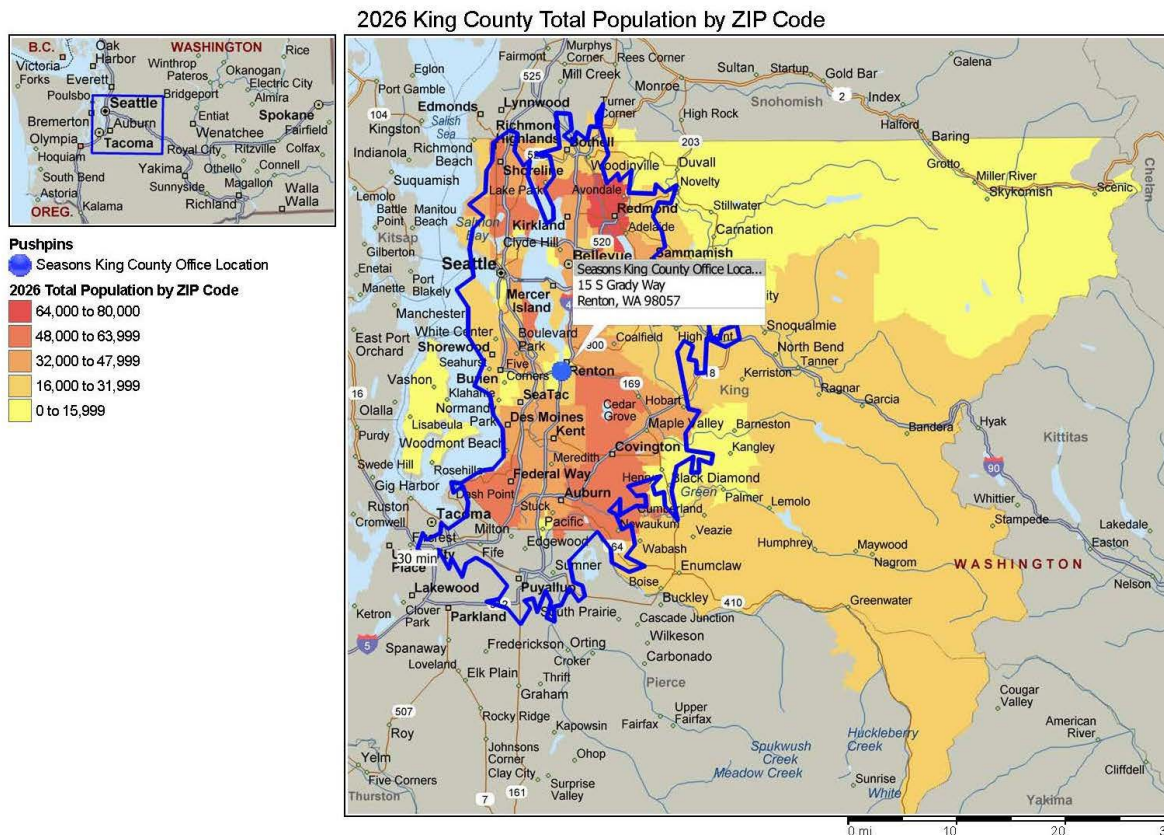
WAC 246-310-290(13) Any hospice agency granted a certificate of need for hospice services must provide services to the entire county for which the certificate of need was granted.

The applicant stated that the new hospice agency would be available to all residents of the service area as required by WAC 246-310-290(13) and provided the following specific information regarding its availability. [source: Application, pp15-16]

“The proposed agency will establish its office centrally, within the most populous area of King County to ensure availability and accessibility to the entire geography of the county. Enrolled patients receive hospice services in their own homes. However, when necessary, a patient may require inpatient respite or general inpatient services, which are temporary and typically less than one week, at a facility under

contract. Therefore, the location of the business office is the repository for medical records, staff training and staff conferences for the purpose of care team meetings. All care staff are dispatched generally from their homes to provide in-home care to patients. All staff use computer technology to communicate with the office as well as each other, and the call center.

“The figure that follows shows the location of the home office on a map with a 30 minute drive time contour around it. The contour establishes the feasibility of staff being able to access the home office for meetings, in-service training, care team conferences and medical records. The location allows an access point to the majority of the population, as indicated in the map. Specifically, the map shows the projected 2026 population by Zip Code. The 30-minute drivetime contour captures 87.5% of the total population, documenting accessibility of the proposed program.



AccentCare, Inc./Seasons provided the following statements regarding hours of operation and patient access to services outside of the hours of operation. [source: Application, p84]

“Seasons King County’s hours of operation are 24 hours a day, seven days a week. The administrative office will be open Monday-Friday 8:30-5:00 p.m. with the clinical team working and available 24 hours a day, seven days a week. Seasons’ call center and clinical team respond to patient/family and referral source needs 24 hours a day, seven days a week, year round, even during times of administrative office closings due to inclement weather or emergencies.”

There was no public comment or rebuttal provided under this sub-criterion.

Department Evaluation

As of the writing of this evaluation, the applicant does not operate any in home service facilities, including hospice services, in Washington State.

The executed Admission Policy describes the process and criteria that would be used to admit a patient to its proposed hospice agency. The Admission Policy includes extensive language to ensure all patients would be admitted for treatment without discrimination. The Admission Policy and documentation provided in the application are clear that the proposed hospice agency would be available to all residents of the services area, include pediatric patients.

The applicant also provided a copy of its executed Charity Care Policy that will be used for its King County hospice agency. The policy provides the circumstances that a patient may qualify for charity care and where to access information about appealing a charity care determination. The pro forma financial statements provided by AccentCare also include charity care as a deduction of revenue.

AccentCare/Seasons also provided an executed Non-Discrimination Policy that demonstrates its intent to be available and accessible to all residents of King County. The policy includes the process and procedures one would use to file a grievance.

Other executed policies provided in the application related to hospice services include: Contracted Services Policy, Availability of Services Policy, Interdisciplinary Group Policy, Standards of Practice, Patient Discharge Policy, and Patient/Family Rights and Responsibilities. All policies provide detailed information.

The applicant anticipates its King County agency's combined Medicare and Medicaid revenues to be 92% of total revenues and commercial/other to make up the remaining 8% of revenues. The applicant also provided pro forma financial statements that show each of these revenues are anticipated in projections for the hospice agency. These percentages of revenues are not expected to change over time.

WAC 246-310-290(13)

Consistent with WAC 246-310-290(13), the applicant provided statements within the application confirming that the new agency would provide Medicare and Medicaid hospice services to King County in its entirety.

Based on the information above, the department concludes that the AccentCare/Seasons project meets this sub-criterion.

EmpRes Healthcare Group, Inc./Eden

For this sub-criterion, EmpRes Healthcare Group, Inc./Eden provided copies of the following policies. [source: Application, Appendices 14-17 and February 25, 2021, screening response, Attachment 10]

Admission Policy-Executed

The stated purpose of this policy is “[t]o keep acceptance of patients consistent with Eden Hospice’ mission and scope of services based on the reasonable expectation that the patient’s care and service needs can be appropriately and safely met in the patient’s place of residence.” This policy states that patients will be admitted if they meet the admission criteria, and then identifies the admission criteria. The policy also provides the following non-discrimination and eligibility language: “Hospice does not base eligibility for participation on the patient’s race, color, creed, sex, age, disability (mental or physical), communicable disease, or place of national origin. The patient meets the eligibility criteria for Medicare, Medicaid, private Hospice benefit. The Agency accepts patients based on their care needs. The Agency considers the adequacy and suitability of staff and the resources required to provide the service. A reasonable

expectation exists that the Agency can adequately take care of the patient at home. The Agency accepts patients based on a patient's ability to pay for hospice services, either through state or federal assistance programs, private insurance, personal assets or the Eden Hospice Charity Care eligibility criteria." The policy also provides information regarding the admission process.

Charity Care-Executed

This policy provides the following clarification: "Patients may be eligible for charity care at the time of admission to Eden Hospice or during the period when they receive hospice services, consistent with the Income Guidelines set out below. Admitted patients can appeal charity care determinations according to the Patient Concerns and Grievances policy. Eligibility for charity care under this policy is at all times contingent upon the patient's cooperation with the application process, including the timely submission of all information that Eden Hospice deems necessary or appropriate to enable it to make a charity care determination. Patients' eligibility for free or discounted care is based on household income and family size as identified in Exhibit 1, which is updated annually, and is based on eligible services.

- Income Level of 200% or less — 100% discount level*
- Income Level of 201% to 300% — 75% discount level*
- Income Level of 301% to 400% — 50% discount level"*

The policy also provides the procedures used by the agency to determine if a patient qualifies for charity care.

Intake / Referral Policy-Executed

The policy provides the following stated purpose and specific language regarding accessibility to hospice care. *"The Hospice intake process is an important first step in a potential hospice patient's experience, to guarantee the Agency can provide applicable care, treatment, and services to the patient. The Agency's intake process functions 24 hours a day, seven days a week. This process strives to enable same day admissions."* The policy also outlines the procedures the agency would use to accept a patient for hospice services.

Volunteer Services Policy-Executed

This policy is used by the volunteer coordinator to ensure training and recruitment of volunteers for the agency. The policy outlines the roles and responsibilities of volunteer and the hospice agency.

In addition, the applicant provided the following statements regarding types of patients to be served by the hospice agency. [source: Application, pp43-46]

The Eden Hospice at King County, LLC will be available and accessible to the entire population. Eden Hospice at King County, LLC will admit Pediatric patients in collaboration with other hospices..

"EmpRes has been a King County healthcare provider for 23 years. Its Whatcom County home-health agency commenced in 2014, and its Whatcom homecare agency in 2016 and skilled nursing facilities in King County were established in 1997. Eden understands each patient and family is special. For this reason, Eden tailors its team approach to the specific needs of each patient and family. Hospice services are provided in the patient's home, no matter where that home is located. It may be a private residence, an assisted living community, an adult care home, or a residential or intermediate care community. The proposed hospice will provide care to Medicare and Medicaid eligible patients as well as all other patients, regardless of the source or availability of payment for care.

"Dual Eligible Patients: Despite ongoing efforts by existing King hospice providers, King County hospice admission rates are 5% below the nationwide rate for non-dual (Medicare only) eligible hospice patients and over 18% below the nationwide rate for dual- eligible (Medicare and Medicaid) hospice patients.

Addressing the large disparity in access and utilization of hospice services in King County among low income, dual-eligible Medicare patients would add nearly 200 King County hospice patients and add a 33- patient average daily census using 2020 hospice data.

“Eden has a plan and a strategy to address current unmet need as well as increasing hospice service access through outreach to the dual-eligible Medicare population through collaborative and augmented, culturally competent services to hospice patients, along with their families and friends, who are currently underserved. To reduce disparity for the dual-eligible population requires outreach through existing agencies such as federally qualified health centers and healthcare providers who disproportionately serve the following cohorts:

- *Medicaid population*
- *Dual-eligible and low income, Medicare population*
- *Black/African American populations*
- *Hispanic populations*
- *Pediatric patients*

“Each of these population cohorts have socio-economic characteristics that lead to health disparity and access barriers resulting in lower utilization of hospice services. Additionally, each target population cohort is entitled to hospice services that are culturally sensitive, respectful and competent.

“This strategy of increasing hospice utilization to underserved King County residents will not only improve the quality of life for patients facing death and for their families and friends who will grieve their loss, but it will:

- *Reduce healthcare costs*
- *Meet the DSHS LTSS Dual-Eligibility service goals and Washington’s Triple Aim for healthcare services*

“Hispanic Patients: Table 16 shows that the Hispanic or Latino population (any race) comprised 9.8% of the King County population. Poverty (below 200% of the Federal Poverty Rate affects 31% of residents in South King County and 26% in Seattle. Poverty among the Hispanic population is at 48%, second only to the 50% poverty level among the Black/African American non- Hispanic population. In regard to access to healthcare 28% of Hispanic respondents reported unmet health need (Exhibit 3). 26% of Hispanic respondents to a language survey reported that they had difficulty understanding English. As noted in our discussion of dual-eligible patients our overall outreach strategy of working with federally qualified health centers will reach a large portion of the Hispanic population that needs hospice services. Eden will supplement its language and cultural competence capabilities through working with the federally qualified health centers and the National Hospice and Palliative Care Organization (NHPCO) as well as recruiting Hispanic team members for this population cohort.

“Veterans: American Fact Finder reports that King County had over 104,000 veterans during the 2014 – 2018 time period. Eden Hospice in Nevada is a member of the NHPCO and is a “partner” participating in the “We Honor Veterans Program”. As mentioned earlier, Eden is part of the TriWest Healthcare Alliance (TriWest) which is an honored third party administrator for the U.S. Department of Veterans Affairs (VA). TriWest works with high-performing, credentialed community providers that partner with VA to provide health care to Veterans in their local community. Eden Hospice at King will also achieve “partner” standing with “We Honor Veterans Program” with a CoN approval.

“All Ethnic Diversity Patients: Ethnically diverse populations require culturally competent and respectful outreach to increase the knowledge and acceptance of hospice services that are designed to meet each

ethnic cohorts' expectations. As noted, the Black/African American population cohort poverty level is at 50% and the reported unmet medical need is 21%. Ethnic diversity contributes to disparity in health status and healthcare outcomes, which will be discussed in a later section. Even 32% of the Asian population cohort that has high life expectancy and the lowest unmet medical need rate of 9% reports difficulty with the English language. Eden Hospice at King County will build on its 7 years of relationships in the community to establish effective outreach and as noted in the previous section on dual-eligible residents will partner with FQHCs such as the International Community Health Services that maintains a language bank of healthcare interpreters and providers. Table 16 provides the 2018 demographic profile for King County prepared by the Employment Security Department for Washington State.

“Secular Hospice: As noted throughout the CoN application, the residents of King County who face terminal illness and need hospice, also have the right to be informed and have access to Washington State’s Death with Dignity end-of-life option. Eden will provide an additional resource for patients and healthcare providers for supporting the Death with Dignity end-of-life statute.

“LGBTQ Population: Approximately 5.5% of the King County adult population identifies as being in the LGBT population compared to 4% statewide. It is estimated that there are nearly 3 million LGBT people age 50 and older. By 2030 these estimates rise to nearly 7 million. And while no precise data exists on the number of transgender older people nationwide, it is estimated that there are hundreds of thousands of older adults who are transgender—and many more over the next few decades.

“In 2019 more than half of Washington’s same-sex couples live in King County, which has not only the largest number of these couples, but also the highest percentage — there are 12.1 same-sex couples for every 1,000 households in the county (or 1.2 percent of all households). That ranks King as the county with the 19th highest percentage of same-sex couples of all counties in the United States. Three other Washington counties rank in the top 100 nationally: Jefferson, San Juan and Thurston, in that order. In Seattle alone, at least 2.3 percent of households being same-sex partners. That ranks Seattle as 38th nationally, but it should be noted that among America’s large cities (250,000+ population), Seattle ranks 2nd only to San Francisco. Of course, many LGBTQ live outside of Seattle but reside in King County.

*“In a 2018 AARP study, entitled *Maintaining Dignity, Understanding and Responding to Challenges Facing Older LGBT[Q] Americans – An AARP survey of LGBT adults age 45 – plus*, noted that “Black and Latino Americans are more concerned about multiple forms of discrimination and negative outcomes in healthcare as they age. The most striking differences by race/ethnicity were fears of discrimination and bad health outcomes, in particular for the black LGBT older adult community. For LGBT people of color, concern about discrimination due to their sexual orientation or gender identity is not disentangled from concern about discrimination due to their race or ethnicity.”*

“There is significant concern within the LGBTQ community regarding healthcare and discrimination or prejudice. The greatest concern is healthcare providers who are not sensitive to LGBTQ patient needs, followed by discrimination or prejudice affecting quality of care.” Of course, for patients and their supporters facing end-of-life issues, it is extremely important they have unbiased, non-religious, non-judgmental and quality in-home hospice care readily available. Eden is acutely aware of the complex multilayered discrimination issues the LGBTQ patients may face in healthcare and hospice will embrace King County LGBTQ community.

“Given that a large hospice provider in King County is restricted by religious directives, the LGBTQ patients and their support community need and want hospice options that have no overarching religious affiliation. The special challenges facing many LGBTQ older adults must be kept in mind and adequately addressed when designing and providing hospice services to the aging – Eden is eager to participate in the special needs of the LGBTQ community. Should Eden be granted the CoN, and as mentioned earlier,

Eden will become involved with organizations in King County and the State of Washington that support the healthcare/hospice needs of the LGBTQ community.

“Pediatric Population: Eden Hospice at King County will collaborate with other hospices and admit pediatric patients when appropriate.”

EmpRes Healthcare Group, LLC/Eden provided the following clarification regarding its availability to serve pediatric patients and work in collaboration with existing providers. [source: February 25, 2021, screening response, pp3-4]

“As noted in the application, Eden will reach out to Federally Qualified Health Centers, which serve communities of color and ethnic background that is diverse. Eden has contacted Providence Hospice of Seattle that offers pediatric hospice services and they have shared their current census information, which is approximately 11 patients. The Eden King County business and marketing plan template (See Attachment 1) does not breakout Pediatric patients from other patients because the expected annual volume would be less than 6 patients/families per year (an average daily census of less than 1 patient) would request Pediatric hospice services that Eden would be qualified to provide. Eden does not intend to ‘compete’ with Providence Seattle which receives most of its hospice referrals from Seattle Children’s Hospital serving King County.

“Eden will provide hospice services to Pediatric patients wherein a relationship is established with the Eden Home Health of King County, or where families wish to receive Pediatric hospice services provided by a non-denominational community hospice. Eden would accept these patients based on its ability to meet the patient’s and family’s needs.

“Eden would first look to Eden Hospice at Whatcom County, which is currently developing Pediatric hospice access services for services such as pharmacy service consultation. Eden has identified a specialty, Pediatric nurse who is interested in working with Eden if a hospice is approved in King County. during the first year of operation, Eden Hospice at King County will reach out to Providence Hospice of Seattle to determine whether a transfer agreement or some form of contract is necessary to assure that Eden could effectively serve Pediatric hospice patients that request our services to assure that all patients presenting to Eden can receive the services that they require.”

EmpRes Healthcare Group, LLC/ Eden provided the following payer mix for the King County hospice services: [source: Application, p52]

**Department’s Table 4
Eden King County Agency
Projected Payer Mix and Percentage**

Payer Mix	Percentage of Gross Revenue	Percentage by Patient
Medicare	90.0%	90.0%
Medicaid – CHPW Molina	5.0%	5.0%
All Other Payers*	5.0%	5.0%
Total	100.0%	100.0%

* All other includes commercial, Tri-Care, CHAMPUS, VA, etc.

The applicant provided the following information regarding assumptions used to determine the projected payer mix above. [source: February 25, 2021, screening response, pp1-3]

“The hospice methodology projects an average daily census need for three additional hospices in King County for 2022. One approach to pro forma development would rely on the State Methodology and could be described as the “Build it and they will come” strategy. While this is not the approach that Eden has

taken, it is the beginning assessment of feasibility – a finding of a need for three additional hospices. Our approach is to address what Eden believes is the priority – correcting the disparity in access for low income Medicare beneficiaries classified as dual-eligible beneficiaries and translating Need into Services.

“Eden Hospice at King County will employ several outreach strategies to generate the utilization projections in Table 17 as described below using its outreach and administrative staff to develop relationships with King County providers and community agencies.

- a. *Eden identified that there is substantial disparity in the utilization of hospice services in King County between Medicare non-dual patients who are admitted to hospice services at a rate that is 95% of the national non-dual hospice admission rate and King County dual-eligible patients (low income Medicare beneficiaries who also qualify for Medicaid). In King County dual-eligible beneficiaries are admitted to hospice at 86% of the King County non-dual rate. This disparity is primarily due to general access barriers facing low income residents. Attachment 1 (Market and Business Plan Template) shows that Eden expects to reduce this disparity progressively over three years by 50% which will generate 81, 171 and 284 admissions. This admission total also includes modestly increasing referrals from non—dual Medicare beneficiaries and Medicare Advantage Plan patients.*
 - *Initially, Eden will reach out to the larger FQHCs serving King County (e.g., SeaMar, Healthpoint, International Community Health Services and Country Doctor) and then over the three-year period reach out to other FQHCs as well as community agencies.*
- b. *Eden Hospice at King County has adopted a charity care policy that provides reduced or free care for hospice-eligible charges at Family poverty levels of up to 300% of family income. This will be a value-added benefit for the FQHCs to work with Eden as well as generating Medicaid patients. Eden’s pro forma assumption is that 5% of patients will be Medicaid-only patients but charity care discounts may apply to a larger percentage of patients than are reported in the pro forma depending on referrals from providers. This would mean that the overall volume of patients would increase over the pro forma assumptions concurrently with an increase in Medicaid percentage.*
- c. *Eden will reach out to the four EmpRes skilled nursing homes located in King County to improve the knowledge base of families and patients receiving services. Most SNFs in King County refer low numbers of patients to hospice including the EmpRes SNFs. Our initial analysis indicates that the four EmpRes SNFs should generate 24 hospice referrals with most of the patients selecting Eden Hospice at King County for continuing hospice care since Eden would be using these EmpRes SNFs for respite care and can continuously educate the staff and patients about the benefits of hospice. This approach should progressively contribute 12, 14 and 28 patients to the first three years’ volume projections.*
- d. *Eden in addition to carrying out outreach to FQHCs will also be culturally friendly for the LGBTQ population, Hispanic population and Medicare beneficiaries who express an interest in the Washington Death with Dignity statute. Several of the FQHCs carry out their own outreach to reduce disparity which is associated with cultural beliefs, color or ethnic background. Eden expects beneficiaries meeting these criteria to make up 27, 41 and 54 patient admissions respectively over the three year pro forma period.*
 - *Disparity in access particularly for Hispanic King County residents wherein 28% report unmet medical need and 26% report English language difficulty as well as 21% of Black/African American residents who report unmet Medical need. In addition, our community interviews have identified access issues for LGBTQ residents as well, who make up 5.5% of the adult population a full 38% higher percentage than the statewide average estimate.*

e. *The business plan and outreach strategy summary matrix presented in Attachment 1 assumes conservative assumptions on market share potential in each of the above categories and then the pro forma assumes a smaller percentage of actual referrals ranging from 63% - 71% of estimated patient referral potential. Eden acknowledges the challenges in the culture for patients and providers in addressing terminal illness. So, beyond the special strategies that Eden is employing above, like other hospice providers, Eden will utilize hospice industry support services, e.g., Trella Health;” to identify community physician, and healthcare organizations like SNFs and home health agencies to help patients and families through the dying process. Trella annually reviews 1.2 billion Medicare claims to help Eden and other hospice agencies to focus their resources on individual healthcare providers to improve the hospice referral process.”*

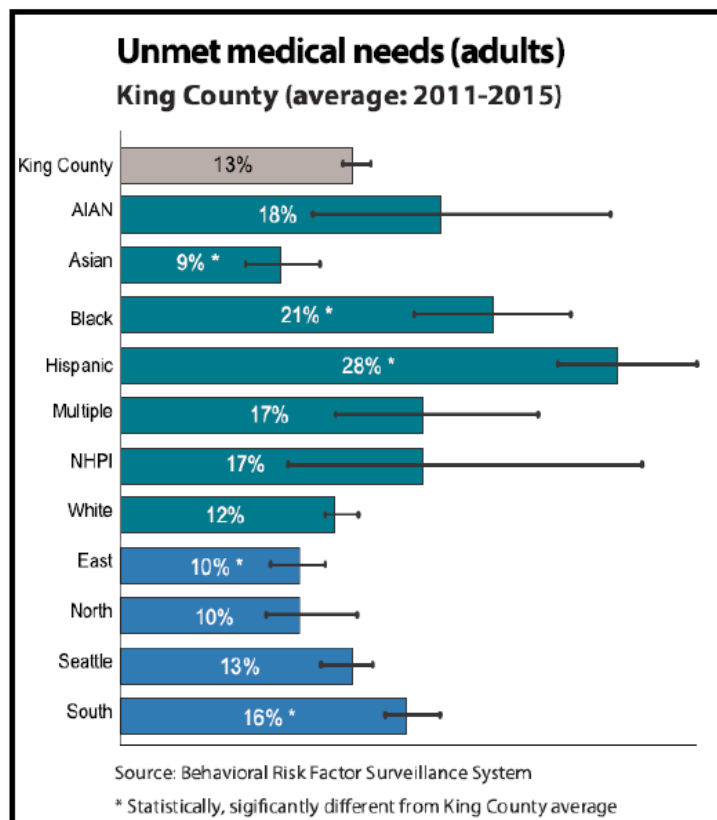
WAC 246-310-290(13) Any hospice agency granted a certificate of need for hospice services must provide services to the entire county for which the certificate of need was granted.

The applicant stated that the new hospice agency would be available to all residents of the service area as required by WAC 246-310-290(13) and provided the following specific information regarding its availability. [source: Application, p43]

“The Eden Hospice at King County, LLC will be available and accessible to the entire population. Eden Hospice at King County, LLC will admit Pediatric patients in collaboration with other hospices.”

“Exhibit 3 identifies the percentage of unmet medical needs by, ethnic group and geographic area. It demonstrates that the greatest need is in the South geographic area among the Hispanic population”.

Applicant’s Exhibit 3 Table
Exhibit 3



Eden continues its discussion of extending hospice services to geographically and ethnically distinct populations: [source: Application, p45]

“Table 16 shows that the Hispanic or Latino population (any race) comprised 9.8% of the King County population. Poverty (below 200% of the Federal Poverty Rate affects 31% of residents in South King County and 26% in Seattle. Poverty among the Hispanic population is at 48%, second only to the 50% poverty level among the Black/African American non- Hispanic population. In regard to access to healthcare 28% of Hispanic respondents reported unmet health need (Exhibit 3). 26% of Hispanic respondents to a language survey reported that they had difficulty understanding English. As noted in our discussion of dual-eligible patients our overall outreach strategy of working with federally qualified health centers will reach a large portion of the Hispanic population that needs hospice services. Eden will supplement its language and cultural competence capabilities through working with the federally qualified health centers and the National Hospice and Palliative Care Organization (NHPCO) as well as recruiting Hispanic team members for this population cohort.”

The applicant provided the following statements regarding hours of operation and patient access to services outside of the hours of operation for the new King County agency. [source: Application, p56]

“The intended hours of operation will be from 8:00 a.m.-5:00 p.m. daily for regular office hours, with 24/7 access to nursing, including nursing visits.”

Public Comment

Pennant/Puget Sound - Oppose

“Eden states, “One approach to pro forma development would rely on the State Methodology and could be described as the “Build it and they will come” strategy. While this is not the approach that Eden has taken, it is the beginning assessment of feasibility – a finding of a need for three additional hospices. Our approach is to address what Eden believes is the priority – correcting the disparity in access for low income Medicare beneficiaries classified as dual-eligible beneficiaries and translating Need into Services.” These statements leave open questions about Eden’s need assessment and their focus on low income populations. We address these questions below.

“Eden brings awareness to several underserved populations, LGBTQ, the Hispanic community and the homeless. If their intention is to support these underserved populations, why then have they set their Medicaid reimbursement at just 5%? They have also defined their third-party payors at 5% reimbursement. Often, the underserved and poverty stricken do not have medical insurance. Eden shows charity care at 1.5% of revenue in their proforma, which aligns with the average industry percentage, but in reading their policy, a potential client/patient may wait up to two weeks while Eden decides whether to admit the patient or not. It should not take more than 48 hours to admit a hospice patient in most cases. We are struggling to see how Eden’s policies align to support the underserved when it is possible that an individual will die waiting two weeks for care. This goes against the genesis of why hospice care and the CN program exist. If an agency is awarded a CN, it should be the company’s priority to be timely when supporting individuals seeking hospice care. Meeting the need in King county will be hindered by Eden’s policies and procedures processes. The “access barriers facing low income residents” that Eden refers to will not be improved with two week waits for patients.

“Furthermore, the pediatric policy seems inconsistent with the requirement to serve all patients without regard to age, race, religion etc. Eden explains how they will partner with other providers, and that they will plan to build a program, but their verbiage creates a noncommittal feeling to taking on a pediatric patient if the need arises.”

AccentCare, Inc./Seasons-Oppose

“Of the services identified in the application form, Eden does not specify providing the following services:

- *Symptom and Pain Management*
- *Spiritual Counseling*

*“Eden states it will admit Pediatric patients in collaboration with other hospices. However, Eden states in its screening response that its marketing plan “does not breakout Pediatric patients from other patients because the expected annual volume would be less than 6...that Eden would be qualified to provide.” Eden further states it has “contracted Providence Hospice of Seattle” and “does not intend to ‘compete’ with Providence Seattle.” Eden does not appear to have an established Pediatric Program protocol that would allow them to adequately serve this patient population, stating “Eden would accept these patients based on its ability to meet the patient’s and family’s needs.” Then refers to another hospice program, “Eden Hospice at Whatcom County, which is currently developing Pediatric hospice access services for services such as pharmacy service consultation.” However, referring to a program in a different county that provides pharmacy consultation does not help families with terminally ill children in King County. Eden further discusses “whether a transfer agreement or some form of contract is necessary to assure that Eden could effectively serve Pediatric hospice patients.” **In other words, unlike Seasons King County that has an established Pediatric Program, Kangaroo Kids, Eden appears to simply be exploring this opportunity and has no experience or inclination to fully serve the pediatric population of King County**” [emphasis in original]*

“Eden states, “The intended hours of operation will be from 8:00 a.m.-5:00 p.m. daily for regular office hours, with 24/7 access to nursing, including nursing visits.” However, Eden fails to explain how patients will have access to services outside the intended hours of operation. Usually, hospice providers will utilize a “call service” to take messages. However, this limits access to hospice patients and their families who may experience urgent needs at any time of the day or night and on any day of the week or year.”

EmpRes Healthcare, Inc./Eden Rebuttal Comments

Eden Rebuttal to Pennant/Puget Sound

“Eden Response to Medicaid and Commercial Insurance: The thrust of the program strategy for Eden’s King County hospice project is to reduce the hospice use disparity for the dual-eligible Medicare population. Dual-eligible Medicare beneficiaries have full Medicare coverage but also qualify for Medicaid coverage due to their low income. Hospice services to these patients is categorized as Medicare revenue even though the hospice patients also have Medicaid coverage. So, while Eden plans to serve a much larger low-income population, many of those patients are on Medicare. Attachment 1: Business and Marketing Plan, page 14 of the Eden screening response, identifies that Eden expects to admit over 25% of the total hospice admits who are dual-eligible Medicare, low-income patients in addition to the 5% of patients who are Medicaid patients.

“Eden Response to Charity Care (by Cornerstone): In regard to 1.5% charity care for Eden, Cornerstone answers its own question stating, “Eden shows charity care at 1.5% of revenue in their proforma, which aligns with the average industry percentage . . .” Providence Hospice of Seattle listed its 3-year King County charity care experience as .68% of gross revenue (page 70 of Exhibits in the Providence Pierce Hospice CN21-52). Eden is prepared to provide twice the level of charity care as Providence Hospice of Seattle, as well as admit 25% of its hospice patients as dual-eligible Medicare (low income) patients!

“Cornerstone then goes on to incorrectly assert that “. . . in reading their policy, a potential client/patient may wait up to two weeks while Eden decides whether to admit the patient or not.” Cornerstone knows that the Eden charity care provisions mirror Washington hospitals’ charity care policy and patients would not experience delayed services as suggested. Eden reviewed its charity care policy with the Program as noted in its response to Screening Question 25:

“The admission policy and charity care policy were reviewed with the Program in an application consultation and found to be consistent with Washington certificate of need rules. If modifications are required, the submitted policy should be considered a draft that will be revised and reviewed by the Program as a condition of the certificate of need application.”

“As noted, Eden would accept a condition that it provide a revised Charity Care Policy or Admissions Policy, if such a condition is requested by the Program to clarify in implementation, the clear intent of providing excellent charity care access.

“Eden Response to Pediatric Care: Cornerstone asserts that partnering with other providers as Eden builds its program . . . creates a noncommittal feeling to taking on a pediatric patient if the need arises. Here, Cornerstone like several other hospice providers in this review cycle has turned health care planning and the Triple Aim on its head. Never has Eden seen such impassioned defense of duplication of specialty services in a certificate of need process. Eden will not duplicate specialty, Pediatric hospice services that would thin the critical base of services to our most vulnerable hospice population, dying children and their parents who depend on our hospice programs to do the right thing.

“Our literature search confirmed only that there is evidence-based need methodology to discern the need for Pediatric hospice services in King County. Eden, in preparing this application then spoke with Providence Hospice of Seattle serving King County, Providence of Everett serving King County as well as representatives of PeaceHealth hospice in Clark County to get “on the ground” evidence for a need assessment. These three large, community hospices estimated their Pediatric average daily census at 11 patients, 5 patients and 2 patients, respectively. We conducted a separate analysis and roughly estimated that conservatively estimated that the King County Pediatric population would have approximately 26 qualifying patients given the 2015 (latest data) overall Pediatric deaths in King County. It is difficult to develop a statistically based calculation of incidence and prevalence for the Pediatric hospice population in King County but Eden forged forward. On an overall basis, about two thirds of Pediatric deaths are for infants and another large cohort die from accidents. On this basis we determined that there are about 6 – 10 patients annually that are not served through Children’s’ Hospital for palliative care and Providence Hospice of Seattle.

“Eden will have the expertise to accept Pediatric hospice patients and will accept those we can effectively serve. Our analysis indicates that Eden can expect approximately 1-3 pediatric patients annually. Upon approval, Eden will continue to reach out and become a strong Pediatric hospice advocate and collaborative provider for all Pediatric hospice patients. Furthermore, (as mentioned in our application), through the learning opportunities available, we will fully support medical staff who wish to focus on pediatric hospice and become fully certified in pediatric hospice care. Eden will join and support Camp Erin in Pierce, King and King counties. (Camp Erin provides grief support to children.). Without question, Eden will also provide culturally sensitive bereavement services to our Eden hospice families. Eden believes that its evidence-based analysis of Pediatric hospice need demonstrates our commitment to providing pediatric hospice. Again, we have whole-heartedly promised to collaborate with other agencies – the CoN Program and our communities expect (and desperately need) legitimate commitment. Eden’s own experience acknowledges that cooperation and collaboration with other healthcare providers creates a more healthy, responsive, and positive environment for all involved. In today’s uncertain healthcare environment, divisive attitudes (demonstrated by Seasons and Cornerstone) fosters exclusion and creates barriers to doing the right thing. Eden actively supports creating a vibrant, diverse, and culturally sensitive healthcare environment. We are employee owned and our attitudes and actions matter both at home, and in the communities we serve. Our goal is to be an exemplary provider of hospice in King County (and anywhere we provide healthcare services).”

Eden Rebuttal to AccentCare/Seasons

“Eden’s admission policy indicates that it will accept patients of all ages. Question 19 and Question 20 require applicants to explain how their project will promote continuity in the provision of health care services in the planning area, and not result in an unwarranted fragmentation of services. Seasons seems to be unaware that avoiding duplication of specialty services is expected of applicants and collaboration and coordination, e.g., improved continuity of care and reduced fragmentation, are mandated for applicants if they wish to obtain approval of a Washington State certificate of need.

“In regard to specialty services WAC 246-310-010 (58) defines specialty services as follows:

“Tertiary health service means a specialized service meeting complicated medical needs of people and requires sufficient patient volume to optimize.”

“Eden researched the Seasons application as well as the Kangaroo Kids Program, which Seasons describes as their Pediatric hospice program. Only the Seasons Foundation website describes the program and in some detail. The website describes the Kangaroo Kids camp as a general Pediatric bereavement camp apparently open to all eligible children who have experienced a death of a loved one. The description of the Kangaroo Kids “program” in the application and the description of the Kangaroo Kids camp on the foundation website are totally confusing. Incidentally, for clarity’s sake, Seasons has not established the program in King County at this time. In short it is not a Seasons hospice bereavement program that is part of the Seasons hospice but rather it is a Pediatric bereavement program funded by the Seasons Foundation possibly sponsored by the Seasons hospice program, but this is unclear by the documentation. Seasons is not operating a specialty Pediatric camp in King County at this time. On the other hand, Eden has committed to collaboration and not duplicating specialty resources.

“Our interviews in King County indicated that on a countywide basis Providence Hospice of Seattle serves an approximate census of 11 pediatric hospice patients. For this low volume and critical specialty service, collaborating and cooperating are necessary to assure that every patient and family benefits by the pursuit of Washington’s Triple Aim for Better Health, Better Healthcare and Controlling health care costs. Eden stands up for collaboration and coordination even if it means that it may lose a point on providing specialty Pediatric hospice services. Seasons is fully insensitive to the quality impact of “thinning the soup” in developing a specialty tertiary service without any evidence-based analysis of need and impact on other providers.

“Eden normally would have no issue with the Kangaroo Kids concept, which Seasons takes great pride in presenting because it is a signature element of their hospice program. The problem in King County is that Kangaroo Kids completely duplicates a community-wide bereavement camp and duplicates an existing scarce resource. The Camp Erin program depends on volunteers and financial support from the community as well as the national Eluna Network since 2002. It is worth noting that Kangaroo Kids is run by a totally separate 501(c) 3, “Seasons Hospice Foundation” and funding levels are unknown in that the foundation requests \$300 sponsorships for each child to attend.

“Please see: https://seasonsfoundation.org/wp-content/uploads/2014/02/SHF_CampKangaroo_Miami_InfoForm_booklet.pdf

“Seasons Hospice Foundation is a 501(c)(3) nonprofit organization. Your contribution is tax-deductible to the extent allowed by law. Seasons Hospice Foundation is a registered 501(c) (3) nonprofit charity. Camp Kangaroo is made possible by the generosity of donors. To learn more visit www.seasonsfoundation.org or call 847-692-1000. SEASONS HOSPICE FOUNDATION 8537 SOLUTION CENTER CHICAGO IL 60677-8005”

“As a potentially new Washington hospice entrant, Seasons may not be aware that Camp Erin was born in King County. Camp Erin provides bereavement services for all children undergoing personal grief. Providence Seattle and Providence Everett each partner with Eluna, a national non-profit organization that was initially created in the Puget Sound by the Moyer family. Providence Hospice of Seattle specifically partners with Eluna to provide this volunteer-based camp in King County.¹ No local hospice wants to weaken the Camp Erin program by competing with it and competing in specialty Pediatrics. The question is: why does Seasons continue to emphasize a bereavement service when the community has been served for 20-years by the Camp Erin program? Why would Seasons isolate itself and the children they purport to serve, rather than collaborate and support a vibrant all-encompassing child-bereavement program that was developed in King County years ago? Reducing the patient base for specialty Pediatric hospice specialty services with its small population base detracts from quality of care and is contrary to WAC 246-310-230 (4) and should be a consideration for denial of Seasons’ application.

“In response to Eden working with its other Washington State based hospice organizations to coordinate specialty Pediatric support services for Pediatric cases, this is the whole point of WAC 246-310-220 (2) and WAC 246-310-230 (4), which is to collaborate and organize services that strengthen this specialty system while moderating costs. Such collaboration includes referring children to the Camp Erin bereavement camp and participating in volunteer or direct funding support. Clearly, not all families will be comfortable with a single provider so like other hospices, Eden will serve Pediatric patients. The likely source of Pediatric hospice patient referrals will be through the Eden Home Health agency in King County. In terms of support, Eden can rely on central educational resources of EmpRes/Eden as well as working with other Washington State approved hospices.

“Seasons disregards the rules around collaborating and organizing services to strengthen the entire system. As a detailed example of Eden’s approach to Pediatric specialty care, Eden will fully collaborate with community agencies throughout King County including the sponsoring agency Eluna Camp Erin program (Providence Hospice of Seattle) to address specialty services such as Pediatric bereavement services offered through the Eluna Network which developed the Camp Erin Program. Eden’s role may be to refer grieving children, either patients or family members to Camp Erin; Eden may also be providing volunteer services locally or financially support the Eluna Network at a national level or at a Puget Sound level. Our role will be defined through meeting with community agencies. The goal of this support is to strengthen and expand the Camp Erin program which directly supports the intent of WAC 246-310-220 (2) and WAC 246-310-230 (4) . Unlike Seasons, Eden will NOT compete with an established pediatric bereavement program that uses a proven collaborative approach that works. Seasons shows no interest in meeting the provisions of WAC 246-310-220 (2) and WAC 246-310-230 (4) and wishes to independently carve out specialty services that are available only to its own patients.

Department Evaluation

The applicant has been providing Medicare and Medicaid home health services to the residents of several Washington State counties through existing agencies. Healthcare services have been available to low-income, racial and ethnic minorities, handicapped and other underserved groups. The applicant was recently approved to provided Medicare and Medicaid home health services in in Clark County and Medicare and Medicaid hospice services in Whatcom County.⁷

The Intake Referral Policy and Admissions Policy describes the process and criteria that would be used to admit a patient to its proposed hospice agency. The Admissions Policy includes extensive language to ensure all patients would be admitted for treatment without discrimination. The Admission Policy and documentation provided in the application are clear that the proposed hospice agency would be available

⁷ CN #1857 was issued on September 11, 2020, for Clark County; CN #1858 was issued on October 2, 2020 for Whatcom County. Both agencies are not yet operational as of the writing of this evaluation.

to all residents of the services area, including pediatric patients. The Intake Referral Policy also includes language regarding accessibility to hospice care.

The applicant anticipates its King County agency's combined Medicare and Medicaid revenues to be 95% of total revenues and commercial/other to make up the remaining 5% of revenues. The applicant also provided pro forma financial statements that show each of these revenues are anticipated in projections for the hospice agency. These percentages of revenues are not expected to change over time.

The applicant also provided a copy of a charity care policy that will be used at its King County hospice agency. The policy provides the circumstances that a patient may qualify for charity care and where to access information about appealing a charity care determination. The pro forma financial statements provided by the hospice agency also include charity care as a deduction of revenue.

The Admission, Charity Care, and Intake/Referral policies provided in the application include identifying logo to connect to Eden Health and Hospice and include an effective date. As a result, the department concludes that the policies are executed and would also be used for its other Washington State hospice agencies.

Other policies provided by the applicant that are relevant to hospice services include: Intake / Referral and Volunteer Services. Both policies are executed.

Public comments expressed concerns with EmpRes Healthcare Group, Inc./Eden's statement in the application that it would serve pediatric patients '*in collaboration with other hospices and admit pediatric patients where appropriate.*' The commenters expressed concerns that Eden did not have sufficient experience with, or commitment to serving pediatric patients. The commenters expressed similar concern about Eden's proposed amounts of charity care. In its rebuttal comments, EmpRes Healthcare Group, Inc./Eden provided extensive clarification regarding its approach to pediatric patients and the existing specialized services provided by Providence and already in place in the county. The applicant's intent with this statement is to ensure collaboration with the existing pediatric provider(s), yet to also be available to admit a pediatric patient if needed. This approach by EmpRes Healthcare Group, Inc./Eden is practical and demonstrates collaboration with other providers. This approach is acceptable for pediatric patients who generally need specialized care and are not the majority of patients typically requiring hospice services. Eden also clarified and restated its commitment to providing appropriate levels of charity care.

WAC 246-310-290(13)

Consistent with WAC 246-310-290(13), the applicant provided statements within the application confirming that the new agency would provide Medicare and Medicaid hospice services to King County in its entirety.

Based on the information above, the department concludes that with written agreement to the condition in the conclusion section of this evaluation, the EmpRes Healthcare Group, Inc./Eden project **meets this sub-criterion.**

The Pennant Group, Inc./Puget Sound

In response to this sub-criterion, Pennant provided copies of the following policies: [source: Application, Exhibit 6]

Admission Criteria and Process – Draft

Stated purpose: *To establish standards and a process by which a patient can be evaluated and accepted for admission.*

This policy states that patients will be admitted if they meet the admission criteria, and then identifies the admission criteria. The policy also provides information regarding the admission process, and the following non-discrimination language: *Patients will be accepted for care without discrimination on the basis of race, color, religion, age, gender, sexual orientation, disability (mental or physical), communicable disease, or place of national origin.*

Charity Care – Draft

Stated purpose: *To detail the process utilized for patients in need of hospice services under the charity care policy as required by the Washington State Department of Health.*

The policy provides the procedure to determine if a patient qualifies for charity care; and states that: *The organization will consistently apply the charity care policy.* The policy also includes the following non-discrimination language: ***Once Federal and State hospice clinical admission guidance, all patients in need of hospice will receive Alpha Hospice services expeditiously regardless of ability to pay, race, color, gender, gender identity, religion, age, or citizenship.*** [emphasis in original] The policy identifies that the Executive Director/Administrator with the appropriate program director, will determine the appropriate amount of charity care to be provided.

Nondiscrimination Policy and Grievance Process – Draft

Stated purpose: *To prevent organization personnel from discriminating against other personnel, patients, or other organizations on the basis of race, color, religion, age, sex (an individual's sex, gender identity, sex stereotyping, pregnancy, childbirth and related conditions), sexual orientation, disability (mental or physical), communicable disease, or national origin.*

This policy documents the efforts Pennant will make to prevent discrimination in its delivery of hospice services and outlines the process for filing grievances or complaints on the basis of discrimination.

In response to this sub-criterion, Pennant provided the following statements. [source: Application p19]
“King County will be served in its entirety by Puget Sound Hospice of King County. Puget Sound Hospice of King County clinical staff will be available 24hours/per day, seven days a week, to meet patient and family needs. We plan to provide our full range of services for all residents of King County.

Within King County, gaps of up to 10 years in life expectancy [sic] have been found in different neighborhoods. 10 Residents in South King County have been identified as one of the most diverse communities [sic] in the county and experience disparities in multiple health and social indicators. Puget Sound Home Health of King County has an established footprint in South King County to align with hospice and other upstream healthcare providers to bridge the gap of some of these health disparities and to transition patients to hospice services faster and more appropriately [sic].”

Additionally, Pennant provided the following anticipated payer mix for King County hospice services, and states *“The numbers in the payer mix table below are averages across all Cornerstone-affiliated hospice agencies.”* [sources: Application, p24]

**Department's Table 5
Pennant's King County Projected Payer Mix**

Payer	Percent of Gross Revenue	Percent by Patient
Medicare	94.6%	95.2%
Medicaid	4.0%	3.73%
Commercial	1.2%	0.87%
Self-Pay	0.2%	0.2%
Total	100.0%	100.0%

In response to a screening question, Pennant provided the additional justification for the use of the preceding payer mixes. [source: February 26, 2021, screening response, p7]

“The payer mix percentages are the same percentages used in our Thurston County application and King County application, which were accepted by the Certificate of Need Department in 2019. The payer mix blended averages are also consistent with the current payer mix averages for five of our hospice and home health agencies in Washington state. These agencies are in King county, Asotin county, Pierce county, King county and Benton county. While the payer mixes vary, the variations are minor from county to county. Based on this, we are confident the payer mix will be similar for Puget Sound Hospice of King County.”

WAC 246-310-290(13) Any hospice agency granted a certificate of need for hospice services must provide services to the entire county for which the certificate of need was granted.

The applicant stated that the new hospice agency would be available to all residents of the service area as required by WAC 246-310-290(13) and provided the following specific information regarding its availability. [source: Application, pdf10]

“Puget Sound Hospice of King County will be available and accessible to the entire geography of King County. Puget Sound Home Health has served the entire geography of King County for many years, and we intend to continue this level of coverage with the addition of the hospice service line.”

Pennant provided the following information regarding hours of operation and patient access to services outside the hours of operation. [source: Application, p30]

“Puget Sound Hospice of King County’s office hours of operation will be 8 am to 5 pm, Monday through Friday, however, we will provide hospice services 24 hours a day, 7 days a week. Puget Sound Hospice of King County admissions packet will include instructions to the patient and family/caregiver as to how to reach the agency at all hours. During non-business hours, Puget Sound Hospice of King County’s main phone number will be rolled to an on-call phone. This phone will be assigned to an on-call nurse.

“If the on-call nurse does not answer (extraneous circumstance), the outgoing message will instruct the client/caregiver to call the nurse administrator on-call if no return call occurs within 15 minutes.”

There was no public comment or rebuttal submitted on this sub-criterion.

Department Evaluation

The draft Admission Criteria and Process Policy provided by the applicant describes the criteria for admission and the procedure Pennant would use to admit a patient to its hospice agency. The policy includes language to ensure all patients will be admitted for treatment without discrimination.

Pennant anticipates its combined Medicare and Medicaid revenues for the proposed hospice agency will be approximately 98.6% of its total revenues. In addition, the financial data provided shows that Medicare and Medicaid revenue is expected.

Pennant also provided a copy of its draft Charity Care Policy. The policy includes non-discrimination language ensuring all patients eligible for hospice services would be served by the agency. The policy also provides the procedure to apply for charity care, as well as the steps the agency takes throughout the process. Additionally, the pro forma financial statements provided show a charity care line item as a deduction from gross revenue.

In conclusion, the department finds that Pennant's draft Admission Criteria and Process Policy and draft Charity Care Policy demonstrate Pennant's intention that all residents of the service area will be accepted for services. If this project is approved, the department would attach conditions to the approval requiring submission of final executed policies. With agreement to these conditions, the department concludes that **this sub-criterion is met.**

- (3) The applicant has substantiated any of the following special 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 not 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

This sub-criteria under WAC 246-310-210(3), (4), and (5) are not applicable for these applications.

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

AccentCare, Inc.

Based on the source information reviewed, the department concludes that the applicant **has met** the financial feasibility criteria in WAC 246-310-220 and any applicable criteria in WAC 246-310-290.

EmpRes Healthcare Group, Inc.

Based on the source information reviewed, the department concludes that the applicant **has met** the financial feasibility criteria in WAC 246-310-220 and any applicable criteria in WAC 246-310-290.

The Pennant Group, Inc.

Based on the source information reviewed, the department concludes that the applicant **has not met** the financial feasibility criteria in WAC 246-310-220 and any applicable criteria in WAC 246-310-290.

(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.

To evaluate this sub-criterion, the department reviews the assumptions provided by an applicant, projected revenue and expense (income) statements, and projected balance sheets. The assumptions are the foundation for the projected statements. 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.⁸

The purpose of the balance sheet is to review the financial status of company at a specific point in time. The balance sheet shows what the company 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.

As a part of its review, the department must determine that a project is financially feasible – not just as a stand-alone entity, but also as an addition to its own existing operations, if applicable. To complete its review, the department may request an applicant to provide projected financial information for the parent corporation if the proposed agency would be operated under the parent.

AccentCare, Inc./Seasons

The applicant provided the assumptions used to determine the projected number of patients and visits for the proposed King County hospice agency. The assumptions are restated below: [source: Application, p42, p59-60 and Exhibit 13]

“The forecast below for Seasons King County is consistent with most recent need methodology produced by the Department of Health. The Financial forecast and visit estimates use Seasons Hospice & Palliative

⁸ One purpose behind the income statement is to allow key decision makers to evaluate the company's current situation and make changes as needed. Creditors use these statements to make a decision on loans it might make to the company. Stock investors use these statements to determine whether the company represents a good investment.

Care of Sacramento as a proxy, having similar programs and services as the proposed project, and a location with multiple hospice providers and similar population size and demographics as King County. Demographic data comparing King County with the Sacramento Service Area is provided in Exhibit 13.

Applicant's Table

Table 6
Seasons King County Forecast, First Three Years

King County	Partial Year 7/22-12/22	Year 1 CY 2023	Year 2 CY 2024	Year 3 CY 2025
Total number of admissions	61	151	256	359
Total number of visits	1,838	4,526	7,671	10,778
Projected number of visits/patient	30	30	30	30
Patient Days	2,451	8,298	16,022	22,511
Average Length of Stay	40.00	55.00	62.66	62.66
Average Daily Census	13	23	44	62

Note: Visits per patient are based on CMS 2018 Public Use File for Hospice programs operating in Washington (833,154 total visits and 27,490 total patients/beneficiaries).

“Seasons King County’s admissions and patient days are similar to other Seasons Hospice programs and their start-up experience nationwide. (See Exhibit 13 for the start-up utilization of new hospice programs over the past 10 years which have Administrative Services Agreements with Seasons Healthcare Management, LLC.) The Financial forecast and visit estimates use Seasons Hospice & Palliative Care of Sacramento as a proxy, having similar programs and services as the proposed project and a location with similar population size and demographics as King County. Demographic data comparing King County with the Sacramento Service Area is provided in Exhibit 13.”

Exhibit 13 referenced above and provided in the application is a table comparing King County in Washington State with the following five California counties: El Dorado, Placer, Solano, Yolo, and Sacramento. The table provides extensive comparison data with highlighted sections. Below is an excerpt of the table showing the highlighted areas.

Fact	Fact Note	El Dorado County, California	Placer County, California	Solano County, California	Yolo County, California	Sacramento County, California	Sacramento Area Totals	Sacramento Area Totals	King County, Washington
Population estimates, July 1, 2019, (V2019)		192,843	398,329	447,543	220,500	1,552,058	2,811,373		2,252,782
Population estimates base, April 1, 2010, (V2019)		181,058	348,502	413,343	200,855	1,418,735	2,562,493		1,931,287
Population, percent change - April 1, 2010 (estimates base) to July 1, 2019, (V2019)		6.50%	14.30%	8.30%	9.80%	9.40%		9.71%	16.60%
Population, Census, April 1, 2010		181,058	348,432	413,344	200,849	1,418,788	2,562,471		1,931,249
Persons under 5 years, percent		4.60%	5.30%	6.00%	5.30%	6.30%			5.70%
Persons under 18 years, percent		19.80%	22.10%	22.00%	20.80%	23.40%			20.00%
Persons 65 years and over, percent		21.90%	19.90%	16.30%	12.90%	14.50%	447,959	15.93%	13.50%
Female persons, percent		50.10%	51.20%	50.20%	51.50%	51.10%			49.70%
White alone, percent		88.60%	83.90%	59.60%	74.00%	62.80%	1,909,715	67.93%	66.20%
Black or African American alone, percent	(a)	1.00%	1.90%	14.80%	3.00%	10.90%	251,537	8.95%	7.00%
American Indian and Alaska Native alone, percent	(a)	1.30%	1.10%	1.30%	1.80%	1.50%	39,958	1.42%	1.00%
Asian alone, percent	(a)	4.80%	8.20%	16.20%	15.10%	17.00%	411,583	14.64%	19.70%
Native Hawaiian and Other Pacific Islander alone, percent	(a)	0.20%	0.30%	1.00%	0.60%	1.30%	27,557	0.98%	0.80%
Two or More Races, percent		3.90%	4.60%	7.10%	5.60%	6.50%	170,858	6.08%	5.20%
Hispanic or Latino, percent	(b)	13.20%	14.40%	27.30%	31.90%	23.60%	641,646	22.82%	9.90%
White alone, not Hispanic or Latino, percent		77.20%	71.50%	37.20%	46.00%	43.80%	1,381,435	49.14%	58.10%
Veterans, 2014-2018		13,997	26,333	32,811	8,111	80,343	161,595		104,243
Foreign born persons, percent, 2014-2018		9.60%	11.00%	20.00%	22.80%	20.80%			22.50%
Housing units, July 1, 2019, (V2019)		91,660	168,919	159,806	79,263	578,937	1,078,585		970,301
Owner-occupied housing unit rate, 2014-2018, (V2019)	(c)	35.57%	43.60%	62.70%	53.58%	44.76%	3,410,919		3,225,758
Total health care and social assistance receipts/revenue, 2012 (\$1,000)	(c)	680,939	3,125,443	3,241,785	846,965	12,358,663	20,253,795		17,719,220
Total manufacturing shipments, 2012 (\$1,000)	(c)	\$47,382	\$41,508	\$33,700	\$32,598	\$31,311	\$33,500		\$49,298
Persons in poverty, percent		8.10%	7.10%	7.90%	20.10%	14.30%			9.20%
Total employer establishments, 2018		14,567	26,283	21,710	11,829	96,575	170,770		175,951
Population per square mile, 2010		106	247.6	503	197.9	1,470.80	475.22		912.9
Land area in square miles, 2010		1,707.88	1,607.01	891.77	1,014.60	654.64	5,015.00		2,465.77

Based on the assumptions above, AccentCare, Inc./Seasons provided its projected utilization shown in the table below: [source: Application, p42]

**Department’s Table 6
King County Utilization Projections**

	Year 2022-6 Months	Year 2023 Full Year 1	Year 2024 Full Year 2	Year 2025 Full Year 3
Total Number of Admissions (unduplicated)	61	151	256	359
Total Number of Patient Days	2,451	8,298	16,022	22,511
Average Daily Census	13	23	44	62

AccentCare, Inc./Seasons also provided the following summary of the basis for the assumptions used to project the pro forma statements for its King County agency. The assumptions are restated below: [source: Application, Exhibit 15; screening responses, Attachment 9]

“Revenues

Patient Care Revenues:

Revenues are forecast on the basis of the Season’s historical experience in other services areas. Charges are set to be generally consistent with expected Medicare reimbursement by level of service.

“In order to reflect patient care services rendered, charges assessed to charity care patients and to bad debts are initially recorded as private pay revenue. The allowances for charity care and bad debts are deducted from the gross revenues projected for the private pay payor group.

“All payor groups are projected to access the four categories of patient care routine, continuous care, respite, and GIP in the same distribution.

“Non-Operating Revenues:

“Non-Operating revenues are billings for physician services outside of the Medicare hospice benefit. The amount shown is based on the experience of the Seasons-Affiliated program Seasons Hospice and Palliative Care of Sacramento, California.

“Net Patient Service Revenues:

“Net Patient service revenues by payor are computed as follow:

- *Medicare: Medicare Net patient service revenues are forecast on the basis of the October 2021 Medicare rates applicable to the Applicant’s proposed service area. For purposes of computing the blended routine care rate, it is assumed that 52 percent of the routine patient days delivered at the proposed hospice will be reimbursed at the rate applicable to days 1 – 60. The balance of the projected patient days will be reimbursed at the rate applicable to days 61 and beyond. This mix of routine days is based on the experience of SHCM with start-up programs.*
- *Medicare Managed Care: It is assumed that managed care providers will negotiate and average discount of 5 percent below the published Medicare rates.*
- *Medicaid: It is assumed that net reimbursement for Medicaid patients will be approximately 10 percent lower than published rates for Medicare patients.*
- *Other Payors: Net reimbursement for other payors is projected on the basis of percentages of charges:*

Applicant's Table Recreated

Payer	Percentage of Charges Collected
<i>Healthy Options</i>	80
<i>Private Pay*</i>	12
<i>Third Party Insurance</i>	95
<i>Other**</i>	75

** A portion of the write-off from Private Pay Charges is attributable to Charity Care.*

*** Other payors include relatively small payors such as VA, Worker's Comp and Tri-Care*

Expenses

Advertising:

Advertising costs are based on the 2019 experience of Seasons Hospice and Palliative Care of Sacramento, California, which was \$36,379. No inflation adjustment has been made to this amount. Advertising costs are treated as fixed and do not respond to changes in clinical volume. An advertising budget of \$2,000 is also included in the pre-opening expenditures of the Applicant.

Depreciation and Amortization:

Depreciation and Amortization is computed on the basis of the capital assets to be acquired in connection with this project. Depreciation is forecast on a straight-line basis with useful lives provided by the Northwestern University Kellogg Business School.

Dues and Subscriptions

The Applicant has projected the cost of dues and subscriptions based on its experience with other start-up programs. It is assumed that this line item is not sensitive to increases in clinical volume. No inflation adjustment is made to this amount.

Education and Training

The budget for this line item is based upon the 2019 expenses at of Seasons Hospice and Palliative Care of Sacramento, California for Conferences and Training, which was \$597 and its expenses for Employee Relations which was \$9,884. Conferences and Training Costs are treated as fixed costs and do not respond to changes in clinical volume. Employee Relations Costs are treated as variable.

Based on the 14,536 patient days delivered at Seasons Hospice and Palliative Care of Sacramento in 2019, the \$9,884 expense for Employee Relations converts to a per diem cost of Approximately \$0.68 per diem. ($\$9,884 / 14,536 = \0.68)

Total Education and Training costs are computed as follows:

Applicant's Table

Projection of Education and Training Expense	Initial 6-Months	Year 1	Year 2	Year 3
<i>Fixed Costs</i>				
Conferences and Training	\$ 301	\$ 597	\$ 597	\$ 597
<i>Variable Costs</i>				
Patient Days	2,451	8,298	16,022	22,511
Per Diem Employee Relations Expense	\$ 0.68	\$ 0.68	\$ 0.68	\$ 0.68
Projected Employee Relations Expense	\$ 1,667	\$ 5,642	\$ 10,894	\$ 15,307
<i>Total Education and Training Expense</i>	\$ 1,968	\$ 6,239	\$ 11,491	\$ 15,904

“No inflation adjustment has been made to this amount. This budget does not reflect salary costs of professional clinical managers who will be employed by the Applicant in connection with this project. Those costs are captioned under Salaries and Wages, Payroll Taxes and Employee benefits.

“Employee Benefits

“Employee benefits are projected to equal 15 percent of salaries and wages. This percentage does not include provision for Employer FICA contributions, which are forecast under the caption of Payroll Taxes.

“Information Technology Computers

“The budget for this line item reflects the acquisition of the costs of purchasing computer hardware, cell phones, computer monitors, desk phones and applicable charges for internet connections and telecom charges. Such charges will be incurred as staffing levels require. For this reason, the largest expense is in year one. Internet and telecom charges are fixed, others are incremental. The schedule of acquisitions and expenses is shown below.

Applicant’s Table

Telecommunications and EMR														
		Six Months	Calendar Year				Six Months	Calendar Year						
		Ending	31-Dec-23	31-Dec-24	31-Dec-25	Ending	31-Dec-23	31-Dec-24	31-Dec-25	31-Dec-25				
		31-Dec-22				31-Dec-22								
Toshiba Protégé x20W-D, Lap Top	\$	1,400	6	2	4	5	\$	8,400	\$	2,800	\$	5,600	\$	7,000
Samsung S8 Cell Phone	\$	700	6	2	4	5	\$	4,200	\$	1,400	\$	2,800	\$	3,500
Lenovo Think Center M7 10Q Computer	\$	700	4	1	1	1	\$	2,800	\$	700	\$	700	\$	700
Monitor	\$	150	6	2	4	5	\$	900	\$	300	\$	600	\$	750
Desk Phone	\$	300	6	2	4	5	\$	1,800	\$	600	\$	1,200	\$	1,500
Internet Charges	\$	8,400	1	1	1	1	\$	8,400	\$	8,400	\$	8,400	\$	8,400
Telecom Charges	\$	3,600	1	1	1	1	\$	3,600	\$	3,600	\$	3,600	\$	3,600
Total							\$	30,100	\$	17,800	\$	22,900	\$	25,450

“Insurance

“The insurance expense of \$12,500 is based on the experience of other Seasons-affiliated organizations. This expense is not forecast to be sensitive to increases in clinical volume.

“Interest

“There is no long or short-term debt forecast in connection with this projector its operations.

“Legal and Professional

“Legal and Professional fees are based upon the \$7,858 in printing costs and \$8,068 in Outside services expensed at of Seasons Hospice and Palliative Care of Sacramento in 2019. The outside services are treated as 100 percent fixed. 80 percent of the printing expense of \$7,858 is treated as fixed – or \$6,286. The balance of \$1,572 is considered to be variable and computes to a per diem amount of \$0.0665 per diem ($\$1,572 / 23,634 = \0.0665).

“The Table below shows the computations that result in the expense projection for Legal and Professional Fees shown in the pro forma Income and Expense projections:

Applicant's Table

Projection of Legal and Professional Expense	Initial 6 Months	Year 1	Year 2	Year 3
<i>Fixed Costs</i>				
Outside Services	\$ 59,011	\$ 117,079	\$ 117,079	\$ 117,079
Printing	\$ 4,521	\$ 8,969	\$ 8,969	\$ 8,969
<i>Variable Costs</i>				
Patient Days	2,451	8,298	16,022	22,511
Printing Cost Per Diem Expense	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15
Variable Printing Cost Expense	\$ 378	\$ 1,280	\$ 2,471	\$ 3,472
<i>Total Legal and Professional Expense</i>	\$ 63,910	\$ 127,308	\$ 128,499	\$ 129,500

“Licenses and Fees

“Licenses and Fees include a \$5,000 annual provision for state and local licenses. In addition to this amount, the following computer software and licensing fees are projected in connection with the office computer equipment to be acquired in connection with the project.

Applicant's Table

Licenses		Six Months Ending		Calendar Year		Six Months Ending		Calendar Year	
		31-Dec-22	31-Dec-23	31-Dec-24	31-Dec-25	31-Dec-22	31-Dec-23	31-Dec-24	31-Dec-25
Windows 365 & Related	\$ 540	4	1	1	1	\$ 2,160	\$ 540	\$ 540	\$ 540
EMR Costs Operating	3,500	1	1	1	1	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500
EMR Costs Incremental	\$ 2,500	3	4	5	6	\$ 7,500	\$ 10,000	\$ 12,500	\$ 15,000
Total *						\$ 13,160	\$ 14,040	\$ 16,540	\$ 19,040

**These costs added to the \$5,000 annual license allowance referenced above result in the projections that appear in the pro forma income and expense statement.*

“Medical Supplies

“Medical Supplies are forecast on the basis of the experience of Seasons Hospice and Palliative Care of Sacramento in 2019. These expenses include Clinical Supplies of \$98,555; DME Expense of \$227,260; Pharmacy Costs of \$261,256; and Open Access of \$17,585. These amounts sum to \$604,656. Application of the 14,536 patient days delivered at of Seasons Hospice and Palliative Care of Sacramento in 2019 results in a per diem expense of \$41.60.

“The table below shows the computations used to develop the Supply Expense projection for the Pro Forma Statement of Income and Expense:

Applicant's Table

Projection of Supply	Initial 6 Months	Year 1	Year 2	Year 3
<i>Variable Costs</i>				
Patient Days	2,451	8,298	16,022	22,511
Supply Cost Per Diem	\$ 41.60	\$ 41.60	\$ 41.60	\$ 41.60
<i>Projected Supply Cost</i>	\$ 101,955	\$ 345,173	\$ 666,469	\$ 936,393

“Payroll Taxes

“Payroll Taxes are projected to equal 6.5 percent of Salaries and Wages.

“Postage

“Postage is based on an estimated per-diem expense of \$0.10 per patient day of care.

“Purchased Services

“Purchased services consist of the fees paid to hospitals and nursing homes that provide inpatient services on a subcontracted basis to the Applicant’s projected hospice inpatients. It is assumed that these facilities will be paid an amount to 85 percent of the GIP charges. The computations used to project the costs of purchased services appear in the table below.

Applicant’s Table

Projection of Purchased Services Expense		Initial 6 Months	Year 1	Year 2	Year 3
GIP Days		37	124	240	338
Projected GIP Per Diem Charge		\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200
Projected GIP Per Diem Contract Payment	85%	\$ 1,020	\$ 1,020	\$ 1,020	\$ 1,020
Total Purchased Services		\$37,500	\$ 126,959	\$ 245,137	\$ 344,418

“Rental \ Lease

“The amount shown under rental and lease expense represents the costs of leasing the office space from which the proposed hospice will conduct its operations. The lease amounts are documented in the Appendices to this application. The lease payment is inclusive of utilities for the rental space. In addition to these costs, the Applicant is responsible for an apportioned portion of the property taxes, common area utility costs and other expenses for the building in which its office space is to be located. The tenant is not responsible for these apportioned costs during calendar year 2021. The total rental and other costs as defined in the lease agreement are illustrated in the Table below:

Applicant’s Table

	Six Months Ended		12-Month Periods Ended Dec 31,		
	Pre-Opening	Dec 31, 2022	2023	2024	2025
Rental Expense	\$ 82,584	\$ 46,434	\$ 95,184	\$ 97,572	\$ 100,008
Utilities, Taxes and Other	\$ 511	\$ 511	\$ 1,052	\$ 1,084	\$ 1,116
Total	\$ 83,095	\$ 46,945	\$ 96,236	\$ 98,656	\$ 101,124

“Repairs and Maintenance

“The Applicant estimates that repairs and maintenance will be relatively minor expenditures in its early years of operations but has included a budget of \$3,500 per year to cover unexpected costs of this type.

“Salaries and Wages

“Salaries and wages are detailed in the applicable narrative sections of this application. Staffing levels are based on the projected daily census of the proposed hospice and Seasons staffing model.

“Salary expense for the pre-opening period includes provisions for pre-opening hiring of staff to permit orientation and training before clinical operations commence.

“Supplies

“The Supply line item refers to general office supplies. This line item is assumed to be variable with respect to clinical volume. An allowance of \$1.00 per diem is made for this line item.

“Telephones/Pagers

“The expenses included in this line item include the Information Systems and Call Center expenses at of Seasons Hospice and Palliative Care of Sacramento in 2019. These expenses totaled \$93,085 and are assumed to be fixed with respect to the clinical volume changes forecast in this application.

“Service Fees

“Service Fees consist of the management fee paid by the Applicant to Seasons. This fee is fixed at \$60,000 per year.

“Washington State B&O Taxes

“This tax is computed as 1.5 percent of Revenues.

“Travel, Patient Care and Other

“The expenses included in this line item include the following line items form the 2019 Income and expenses statement of Seasons Hospice and Palliative Care of Sacramento.

<i>Other Direct Expense:</i>	<i>\$31,397</i>
<i>Travel:</i>	<i>\$ 336</i>
<i>Other Operating Expense:</i>	<i>\$19,817</i>
<i>Total:</i>	<i>\$51,550</i>

“These costs include not only travel, but other operating costs. For budgeting purposes, the following assumptions were made concerning the sensitivity of these expenses to clinical volume:

Applicant’s Table

Line Item	Amount	Percent Fixed	Percent Variable	Amount Fixed	Amount Variable
Other Direct Expenses	\$ 31,397	0 %	100 %	\$ 0	\$ 31,397
Travel	\$ 336	70 %	30 %	\$ 235	\$ 101
Other Operating Expenses	\$ 19,817	100%	0 %	\$ 19,817	\$ 0
Total	\$ 51,550			\$ 20,052	\$ 31,498
Seasons Sacramento Patient Days 2019					14,536
Variable Per Diem Expense Travel and Other					\$ 2.17

“The detail of the forecast for this line item is presented below:

Applicant’s Table

Projection of Travel Expense	Initial 6 Months	Year 1	Year 2	Year 3
<i>Fixed Costs</i>				
Travel	\$ 118	\$ 235	\$ 235	\$ 235
Other Operating Costs	\$ 9,990	\$ 19,817	\$ 19,817	\$ 19,817
<i>Variable Costs</i>				
Patient Days	2,451	8,298	16,022	22,511
Variable Per Diem Costs	\$ 2.17	\$ 2.17	\$ 2.17	\$ 2.17
Variable Travel and Other Cost Projection	\$ 5,311	\$ 17,981	\$ 34,718	\$ 48,779
<i>Total Travel Expense</i>	\$ 15,420	\$ 38,033	\$ 54,770	\$ 68,831

“Contributions to Foundation

“These amounts reflect the commitment of the Applicant to provide funding for identified special programs as discussed in the application.”

In addition to the assumptions identified above, the applicant also provided its worksheets and mathematical calculations used to project the pro forma statements for its King County agency. The worksheets are extensive and provide the line-by-line calculation of each revenue source and mathematical calculations. [source: Application, Exhibit 15]

AccentCare, Inc/Seasons also provided its projected payer mix for the new hospice agency, explained why it is reasonable for King County, and provided its assumptions used to determine the payer mix. [source: Application, p68; screening responses, p3]

Applicant’s Table

Table 25
Seasons King County’s Percentage of Gross Revenue and Patient Days by Payor

Payor	Percent of Gross Revenue	Percent of Patient Days
Medicare & Medicare Managed Care	91.0%	91.0%
Medicaid & Medicaid Managed Care	1.0%	1.0%
Health Options (BHP)	2.0%	2.0%
Charity Care	0.0%	1.0%
Private Pay	2.5%	1.5%
Third Party Insurance	3.0%	3.0%
Other (Champus, VA)	0.5%	0.5%
Total Gross Patient Service Revenues	100.0%	100.0%

Payer Mix

“The payer mix is based on the experience of the applicant in other service areas. Hospice services are overwhelmingly accessed by elderly patients who are Medicare beneficiaries. The 90 percent Medicare payer distribution reflects this fact. The Applicant has projected that Medicare recipients will, in the

majority of cases, adopt a Medicare supplement program. In the pro formas, these payors are assumed to negotiate reductions in net payments with providers. To this extent, the assumption that Medicare Managed Care payors will make up the bulk of this results in a somewhat lower net reimbursement.”

If this project is approved, the new hospice agency in King County would be operated under the parent, AccentCare, Inc. To assist in this evaluation, the applicant provided pro forma financial statements for the King County hospice agency alone which is summarized in Table 6 below:

Department’s Table 6
AccentCare, Inc./Seasons King County
Revenue and Expense Statement for Projected Years 2022 through 2025

	Six Months Year 2022	Full Year 1 Year 2023	Full Year 2 Year 2024	Full Year 3 Year 2025
Net Revenue	\$514,927	\$1,743,312	\$3,366,033	\$4,729,296
Total Expenses	\$1,024,188	\$2,214,218	\$3,315,609	\$3,889,938
Net Profit / (Loss)	(\$509,261)	(\$470,906)	\$230,424	\$839,938

The ‘Net Revenue’ line item is gross revenue minus deductions for contractual allowances, bad debt, and charity care; it also excludes non-operating revenue. Total expenses include all expenses associated with the operations of the King County agency.

Further, the applicant provided pro forma financial statements for AccentCare, Inc. that includes all four hospice applications submitted by AccentCare during this 2020 concurrent review cycle.⁹ The combined information is summarized in the tables below: [source: Application, Exhibit 15 and screening response, Attachment 4]

Department’s Tables 7
AccentCare, Inc./Seasons with King, Pierce, King, and Thurston Counties
Revenue and Expense Statement for Years 2020 through 2025

	Full Year 2020	Full Year 2021	Full Year 2022
Net Revenue	1,402,902,348	1,604,759,298	1,743,162,779
Minus Total Expenses	1,223,355,302	1,607,581,905	1,705,233,472
Net Profit / (Loss)	\$179,547,046	(\$2,822,608)	\$37,929,307
Plus 4 Washington Hospice Projects	\$0	\$0	(\$1,784,051)
Net Profit / (Loss)	\$179,547,046	(\$2,822,608)	\$36,145,256

	Full Year 2023	Full Year 2024	Full Year 2025
Net Revenue	\$1,883,861,298	\$2,034,946,142	\$2,192,512,166
Minus Total Expenses	\$1,821,088,689	\$1,946,981,066	\$2,080,192,276
Net Profit / (Loss)	\$62,772,609	\$87,965,076	\$112,319,890
Plus 4 Washington Hospice Projects	(\$2,194,960)	\$633,591	\$2,800,956
Net Profit / (Loss)	\$60,577,659	88,598,667	\$115,120,846

⁹ During this 2020 hospice review cycle, AccentCare, Inc/Seasons submitted applications for King, Pierce, King, and Thurston counties.

For the combined summary above, ‘Net Revenue’ is gross revenue minus deductions for contractual allowances, bad debt, and charity care. ‘Total Expenses’ include all expenses associated with the operations of the parent, AccentCare, Inc./Seasons.

AccentCare, Inc./Seasons also provided projected balance sheets for the proposed King County hospice agency alone. A summary is shown in the table below: [source: Application, Exhibit 15; screening responses, Attachment 2]

Department’s Table 8
AccentCare, Inc./Seasons-King County
Balance Sheet for Projection Years 2022 through 2025

ASSETS	Six Months Year 2022	Full Year 1 Year 2023	Full Year 2 Year 2024	Full Year 3 Year 2025
Current Assets	\$1,234,473	\$855,308	\$1,158,176	\$2,057,835
Property and Equipment	\$91,680	\$91,680	\$91,680	\$91,680
Minus Depreciation	(\$5,323)	(\$15,881)	(\$26,440)	(\$36,999)
Total Assets	\$1,320,830,	\$931,107	\$1,223,416	\$2,112,516

LIABILITIES	Six Months Year 2022	Full Year 1 Year 2023	Full Year 2 Year 2024	Full Year 3 Year 2025
Current Liabilities	\$69,744	\$150,925	\$212,809	\$231,972
Long-Term Debt	\$0	\$0	\$0	\$0
Equity	\$1,251,086	\$780,181	\$1,010,606	\$1,850,544
Total Liabilities, Long-Term Debt, and Equity	\$1,320,830	\$931,106*	\$1,223,415*	\$2,112,516

* Variation of \$1.00 is presumed to be a rounding error in the applicant’s table

AccentCare, Inc./Seasons also provided projected balance sheets that includes all four hospice applications submitted by AccentCare during this 2020 concurrent review cycle.¹⁰ The combined information is summarized in Table 9: [source: Application, Exhibit 15]

¹⁰ AccentCare/Seasons submitted for King, Pierce, King, and Thurston counties.

**Department's Table 9
AccentCare, Inc./Seasons
Combined Balance Sheet Years 2022 through 2025**

ASSETS	Full Year Year 2022	Full Year 1 Year 2023	Full Year 2 Year 2024	Full Year 3 Year 2025
Current Assets	\$342,109,692	\$354,925,148	\$378,262,141	\$404,249,542
Property and Equipment	\$45,913,892	\$45,913,892	\$45,138,92	\$45,913,892
Other Assets	\$1,820,776,880	\$1,763,366,803	\$1,292,731,717	\$1,648,546,648
Total Assets	\$2,208,800,464	\$2,164,205,843	\$2,130,132,750	\$2,098,710,082

LIABILITIES	Full Year Year 2022	Full Year 1 Year 2023	Full Year 2 Year 2024	Full Year 3 Year 2025
Current Liabilities	\$192,407,898	\$199,621,553	\$214,968,183	\$231,355,312
Long-Term Debt	\$1,137,635,383	\$1,023,054,499	\$885,669,709	\$725,540,014
Equity	\$878,757,183	\$941,529,791	\$1,029,494,867	\$1,141,814,756
Total Liabilities, Long-Term Debt, and Equity	\$2,208,800,464	\$2,164,205,843	\$2,130,132,759	\$2,098,710,082

Public Comment

Pennant/Puget Sound - Oppose

"We have identified several inaccuracies in Seasons financials.

"1. Seasons pro forma income statement lists licenses and fees for each year. The WA State renewal license fee is every other year. We were unable to find any assumptions outlined that Seasons may have used for additional fees. Unless Seasons is accounting for fees other than the state license renewal, which are not identified, this deems the pro forma inaccurate.

"2. There are operational expenses for all new agencies prior to Medicare and Medicaid certification. Seasons pro forma income statement does not reflect any financials for the first 6 months from January 1, 2022 to July 1, 2022 leading up to the Medicare and Medicaid certification. How can the CN department determine financial feasibility without six months of expense reflected in the pro forma?"

"3. Lastly, Seasons states that "The Applicant has projected that Medicare recipients will, in the majority of cases, adopt a Medicare supplement program." Whether this is accurate or not, when patients qualify for the Medicare hospice benefit, the agency is reimbursed by Medicare Part A for all Hospice services. I This would not result in a lower reimbursement as Seasons suggests. Based on this, how can the CN department determine financial feasibility since Seasons stated that some of their revenues/reimbursement would be coming from a Medicare supplemental program?"

AccentCare/Seasons Rebuttal

"The provision for licenses and fees includes but is not limited to the initial and periodic state licensure fees for hospice agencies. For instance, the assumptions on page 454 of the application also identify computer software and licensing fees. The agency has also budgeted funds to cover the cost of memberships in professional organization and external accreditation organizations.

"The above comment is not correct. Expenditures are identified prior to July 1, 2022, the date the hospice is expected to be licensed and operational. Specifically, pre-opening costs are shown on pages 424, 425, and 429, including rental expense, staffing and other expenditures. Expenditures related to operations are allocated to the period from July 1, 2022 forward.

“Although Medicare Advantage plans do not currently offer hospice services, the Center for Medicare and Medicaid Innovation (CMMI) is currently evaluating expansion of the hospice benefit to such plans. The CMMI began accepting applications from interested providers in March 2020. The financial projections contained in the Seasons King County application are forward looking and assume that hospice benefits will be offered by Medicare Advantage programs by the time that the program is licensed and operational in mid-2022. The Applicant has assumed that Medicare Advantage programs will negotiate some discount to traditional Medicare rates. If this assumption is not realized in fact, the only impact on the financials will be a slight understatement of Medicare revenues resulting from all Medicare-eligible patients being reimbursed at the higher rates forecast for traditional Medicare beneficiaries. This outcome, while not expected, does not impair the Program’s ability to assess the financial feasibility of the proposed program.”

Department Evaluation

Utilization Assumptions

An applicant’s utilization assumptions are the foundation for the financial review under this sub-criterion. The applicant does not currently operate a hospice agency in Washington State, so it based its projected utilization of the proposed service area expansion on specific factors:

- Average length of stay of 62.66 days based on the department’s numeric methodology;
- An extensive comparison of King County, Washington with five California counties (El Dorado, Placer, Solano, Yolo, and Sacramento.). Based on this comparison, market share and referral rates were based on affiliate experience in California.
- Based on the factors above, the three-year average daily census calculates to 13 in partial year 1 (2022) and full years one, two, and three were estimated at 23, 44, and 62, respectively.

As a new Washington State provider, the department concludes that applicant’s utilization assumptions are reasonable.

Pro Forma Financial Statements

As stated earlier, since AccentCare/Seasons has four hospice applications currently in process, they provided extensive financial statements, with varied scenarios anticipating a mixture of potential approvals. These various statements were helpful for the department to determine potential impacts of one project on existing operations as well as on other potential approvals or denials.

The department first examined the financial feasibility of the King County project alone. AccentCare/Seasons provided extensive assumptions used to prepare the proposed agency’s pro forma Revenue and Expense Statement. As summarized in Table 6, the new agency is expected to operate at a net loss in partial year one (2022) and full year one (2023). Once profitable in year two (2024), the agency is expected to increase profits to \$839,9381 by the end of full year three (2025).

Given that AccentCare/Seasons submitted three other applications during the 2020 hospice concurrent review cycles, a review of its pro forma Revenue and Expense Statement showing AccentCare/Seasons with all four approvals was reviewed and summarized in Table 7. As noted in the summary, for current year 2021, the parent is expecting to end the year with more than a \$2.8 million loss. The reason for the loss is not identified in the application. Further, if all four Washington State projects are approved during this 2020 review cycle, all four agencies are expected to operate at a combined loss of \$1,784,051 and \$2,194,960 for projection years 2022 and 2023, respectively. However, the operational loss in these first two years of operation is not expected to affect the overall financial health of the parent for years 2022 through 2025. The summary does show projected financial health in year 2022.

Focusing on the King County balance sheets summarized in Table 8 shows that the new agency is operating lean, yet financially stable. The combined balance sheet summarized in Table 9 shows that

AccentCare/Seasons is a financially healthy company. The balance sheets provided in the review demonstrate the proposed King County project is a very small part of a larger corporation with many assets, liabilities, debt, and equity. The balance sheets demonstrate that the applicant is financially healthy company that is able to support a relatively small project and investment of capital.

Lease

Since the King County hospice operations would be located within leased office space in King County an executed lease was provided in the application. To ensure that the costs associated with this project could be clearly reviewed, AccentCare, Inc./Seasons provided a copy of the lease agreement and a table connecting the costs in the agreement with those identified in the pro forma Revenue and Expense Statement. All costs can be substantiated.

Medical Director Agreement

AccentCare, Inc./Seasons provided a copy of an executed Medical Director Agreement with Balakrishnan Natarajan, MD. The agreement identifies the roles and responsibilities of both the hospice agency and its medical director, and projected Revenue and Expense Statements identify all costs associated with this agreement as a “*Physician Leadership (Medical Director)*” line item. The applicant provided a table connecting the annual amounts to those identified in the pro forma Revenue and Expense Statement.

Pennant questioned AccentCare’s projected licensing expenses, pre-operating expenses, and revenue projections. AccentCare provided an explanation of the items included in its licensing fee expense item, identified where, in the application and screening materials, the pre-opening expenses were identified, and further explaining its revenue assumptions. The department finds that AccentCare’s explanations and the underlying information in its application and screening materials are sufficient to address Pennant’s concerns.

After reviewing the information provided, the department concludes that the AccentCare, Inc./Seasons project **meets this sub-criterion.**

EmpRes Healthcare Group, Inc./Eden

The applicant provided the assumptions used to determine the projected number of patients and visits for the proposed King County hospice agency. The assumptions are restated below: [source: Application, pp36-42 and Appendix 12]

“Assumptions

- *Given the high unmet need (ADC of 105) for three hospice agencies projected by 2022 in King County, the project-related utilization is projected to reach capacity (ADC) by the third full year of operation (2024). A moderate ramp-up is assumed in prior years.*
- *Disparity in hospice admission rates within King County particularly for low income Medicare dual-eligible beneficiaries as well as Medicaid eligible patients (lower hospice use due to age of the Medicaid population that does not qualify for Medicare) at 86% of the non dual-eligible Medicare beneficiaries within King County.*
- *Outreach strategy to Federally Qualified Health Centers to reach special populations experiencing health disparity, e.g., SeaMar, Healthpoint, International Community Health Services and County Doctor).*
- *Disparity in access particularly for Hispanic King County residents wherein 28% report unmet medical need and 26% report English language difficulty as well as 21% of Black/African American residents who report unmet Medical need even.*
- *Capability to refer home health agency patients from Eden Home Health of King County as well as other home health agencies and King County skilled nursing facilities – 4 operated by EmpRes.*

- Patient days are calculated by multiplying the ADC by 365.
- Average length of stay (ALOS) is set to start at below the Washington statewide average of 62.66 days -- 60.2 days ramping up to 61.2 days
- Patient days are calculated by dividing patient days by the ALOS. Median LOS is estimated to be approximately 18 days across the forecast period”

Based on the assumptions above, the applicant provided it projected utilization summarized in the table below: [source: Application, p36]

**Department’s Table 10
EmpRes Healthcare Group, Inc./Eden
King County Utilization Projections**

	Year 1-2022	Year 2-2023	Year 3-2024
Total Admissions	81	180	276
Total Number of Days	4,875	11,019	46.27
Average Daily Census	13.36	30.19	46.27

EmpRes Healthcare Group, Inc./Eden also provided its assumptions used to project the pro forma Revenue and Expense statements within the application. [source: Application, Appendix 12 and February 25, 2021, screening response, Attachment 4] The assumptions are embedded within the financial statements and are not easily presented separately in this evaluation. However, all assumptions used by this applicant were considered and incorporated within this evaluation.

In response to screening questions about of some line items and assumptions included in the application, the applicant provided the following clarification. [source: February 25, 2021, screening response, pp7-8]

Revised Lease Agreement

“In response to the Program’s recommendations, EmpRes Healthcare Management, LLC, a Washington Limited Liability Company dba Eden Home Health of King County will enter into a new lease agreement as of April 1, 2021 with GJR REIH II, LLC. The signed 60-month lease deal points proposal is included in Attachment 6 and provides rental amounts for each of five years as well as the Operating Expense estimate for the first year. The square footage will increase for the Eden Home Health of King County, LLC from 1,576 to 2,901 rentable square ft (See Attachment 9) The Operating Expense estimate for the first lease year will be used in the in Pro Forma income statement will be used because any other changes would be based on inflation alone and those costs are calculated annually and are not known at this time.

“In addition to the preceding signed lease proposal, a Memo of Understanding (MOU) allocating lease/rental costs under different scenarios is provided in Attachment 7 that allocates costs to Eden Home Health of King County, LLC and Eden Hospice at King County, LLC. If Eden Hospice at King County is approved, the MOU covers that allocation scenario also.”

Medical Director Agreement

“The Medical Director hours are billed monthly as noted in the Medical Director agreement based on a detailed hourly timesheet showing exactly what the charges are for. The estimated budget is a calculation of volume (patient days) by the expected expenses associated with the Medical Director’s efforts expressed as a dollar amount (\$7 per hour). The accompanying table provides an estimate of the hours under this approach.”

Applicant's Table

Medical Director Hours Per Year			
	2022	2023	2024
Medical Director Hourly Rate	\$200	\$200	\$200
Hospice Patient Days	4,875	11,019	16,888
Medical Director Compensation Estimate @ 7 per Patient Day	\$34,125	\$77,132	\$118,216
Hours @200 per Hour	170.63	385.66	591.08

Overall Clarification of Assumptions

“The assumptions list for the pro forma Attachment 4: Revised Appendix 12 lists assumptions used for calculating revenue, labor expenses, and operating costs both direct and indirect for the proposed King County hospice. Revenue and deductions from revenue are based on Medicare and Medicaid rates while contractual adjustments are based on localized estimates of bad debt, charity care and the Medicare sequestration.

“Assumptions underlying most detailed line items are provided on a per patient day basis or are listed as line item fixed estimates. Where items are based on costs Per Patient Day (PPD), per month, or per year, these averages are from experience in Eden Health’s Nevada, Idaho and Arizona Hospice operations combined with adjustments based on cost experience in King County under Eden Health’s Home Health operation in Whatcom, Skagit, King, Island and King Counties.”

Staff Compensation Assumptions

“The Arizona and Nevada staffing assumptions are applicable in King County because they are based on providing staffing to meet the conditions of participation used by CMS in the certification process. In addition, Eden will seek and maintain accreditation as a hospice agency (Eden Hospice at King County, LLC) from the Accreditation Commission for Health Care (ACHR) which applies the CMS conditions of participation to the operation of each hospice undergoing certification and continuous accreditation. Eden also reviewed Washington State hospice staffing assumptions in multiple certificate of need applications to assure that Eden would operate in a manner consistent with other hospices in the State.

“A significant difference between the Arizona and Nevada staffing assumptions is related to hourly compensation rates, which vary by labor markets in each State and at more localized labor market areas. Eden operates home health and skilled nursing facilities throughout King County and has an understanding of labor rates required to recruit staff and maintain staff. The hourly rate paid to clinicians varies state by state.”

Based on the assumptions provided by the applicant and the clarification above, EmpRes Healthcare Group, LLC/Eden provided is pro forma Revenue and Expense Statement for the first three calendar years (2022 – 2024). A summary of the statement is shown in the table below: [source: Screening responses, Attachment 4]

**Department’s Table 11
Eden Hospice at King County
Revenue and Expense Statement for Projected Years 2022 through 2024**

	CY 2022	CY 2023	CY 2024
Net Revenue	\$917,259	\$2,073,343	\$3,177,714
Total Expenses	\$1,092,388	\$1,800,705	\$2,688,359
Net Profit / (Loss)	(\$175,129)	\$272,638	\$489,355

EmpRes Healthcare Group, LLC/Eden also provided the projected balance sheets for the proposed King County hospice agency. The three-year summary is shown in the tables on the following page. [source: February 25, 2021, screening response, Attachment 7]

Department’s Table 12
Eden Hospice at King County
Balance Sheet for Projected Years 2022 through 2024

ASSETS	CY 2022 (Year 1)	CY 2023 (Year 2)	CY 2024 (Year 3)
Current Assets	\$79,361	\$381,627	\$908,047
Property and Equipment	\$0	\$0	\$0
Other Assets	\$0	\$0	\$0
Total Assets	\$79,361	\$381,627	\$908,047

LIABILITIES	CY 2022 (Year 1)	CY 2023 (Year 2)	CY 2024 (Year 3)
Current Liabilities	\$44,489	\$74,113	\$111,177
Long-Term Debt	\$0	\$0	\$0
Equity	\$194,591	\$307,514	\$769,870
Total Liabilities, Long-Term Debt, and Equity	\$239,080	\$381,627	\$881,047

The new King County hospice agency will be operated under the parent, EmpRes Healthcare Group, Inc. As requested, the applicant provided combined pro forma Revenue and Expense Statements and Balance Sheets for projection years 2022 through 2024 for the parent with and without approval of this project. Given that EmpRes Healthcare Group, Inc. submitted two projects during the 2020 hospice concurrent review cycles,¹¹ the applicant also provided pro forma Revenue and Expense Statements and Balance Sheets for projection years 2022 through 2024. These combined statements for the parent assume approval of both projects. [source: February 25, 2021, screening response, Attachment 5]

The tables below show a summary of the pro forma Revenue and Expense Statements and the Balance Sheets for EmpRes Healthcare Group, Inc. for years 2022 through 2024.

Department’s Table 13
EmpRes Healthcare Group, Inc. with King and King County Approvals
Revenue and Expense Statement for Projected Years 2022 through 2024

	CY 2022	CY 2023	CY 2024
Net Revenue	\$15,173,974	\$25,246,123	\$39,340,001
Total Expenses	\$12,971,969	\$21,170,208	\$32,454,032
Net Profit / (Loss)	\$2,202,005	\$4,075,914	\$6,885,969

¹¹ EmpRes Healthcare Group submitted for King and King counties.

Department's Table 14
EmpRes Healthcare Group, Inc. with King and King County Approvals
Balance Sheets for Projected Years 2022 through 2024

ASSETS	CY 2022 (Year 1)	CY 2023 (Year 2)	CY 2024 (Year 3)
Current Assets	\$3,884,756	\$8,245,998	\$15,486,252
Property and Equipment	\$31,226	\$15,613	\$0
Other Assets	\$0	\$0	\$0
Total Assets	\$3,915,982	\$8,261,611	\$15,86,252

LIABILITIES	CY 2022 (Year 1)	CY 2023 (Year 2)	CY 2024 (Year 3)
Current Liabilities	\$810,748	\$1,323,138	\$2,028,377
Long-Term Debt	\$0	\$0	\$0
Equity	\$3,105,234	\$6,938,473	\$13,457,875
Total Liabilities, Long-Term Debt, and Equity	\$3,915,982	\$8,261,611	\$15,486,252

The applicant provided the following clarification regarding the pro forma Balance Sheet summarized above. [source: February 25, 2021, screening response, p6]

“Since Eden is now filing in King County, Attachment 4 provides an income statement and balance sheet for de novo Eden Hospice at King County, as well as the de novo Eden Hospice at King County. This analysis is also revised to correct a missing line item on the P & L as well as to revise the lease rate to reflect rental costs per year. Also included are the historical income statement and balance sheet for EmpRes Hospice, LLC and the EmpRes Hospice, LLC without King County for the application.”

Public Comment

Pennant/Puget Sound – Oppose

“We have identified several inaccuracies in Eden’s financials.

“1. With all the costs that Eden could potentially incur by supporting the low-income care needs that they have identified, how will 1.5% be enough to cover expenses? Eden has not clarified in the pro forma how this will affect their income statement. We do not see how financial feasibility can be determined.

“2. Eden provides a six-figure range of potential startup cost, ranging from \$100,000 to \$210,000. This broad range of cost does not allow financial feasibility to be determined.

“3. Eden did not provide their 2020 audited financials. We understand that 2020 was an unusual year, but regardless of whether Eden’s financials show losses or not, they still need to be provided. There should be full financial transparency when we are building operations to support communities. Cornerstone provided 2020 financials that reflects our financial history. The degree to which a company financially endured 2020 can reveal how they will navigate difficult times in the future. Without Eden’s 2020 audited financials, financial feasibility cannot be determined.

“4. Eden’s pro forma income statement shows Licenses and Permits of \$1642 for each year. We cannot see if these fees are for the state license renewal, or some other license. The state license renewal fee is every other year, not each year.”

AccentCare/Seasons - Oppose

“Eden provides a letter of commitment from Michael J. Miller, CFO of EmpRes Healthcare Management, LLC agreeing to contribute funds “currently estimated at approximately \$100,000, to the working capital account of Eden Hospice at King County, LLC.” However, the pro forma in Appendix 12 of the application identifies on the Projected Statement of Operations a \$143,950 shortfall in year 1. Therefore, the committed funding would not cover operating deficits in the first year. Financial Feasibility is not substantiated.”

EmpRes Healthcare, Inc./Eden Rebuttal Comments

Eden Rebuttal to Pennant/Puget Sound

“Cornerstone’s criticism reflects a misunderstanding of the payer mix environment within King County. Eden assumes that Cornerstone is assuming that most low income individuals who qualify for hospice services are either uninsured or Medicaid only patients. Our application focuses on low income Medicare beneficiaries that qualify for both Medicare and Medicaid coverage. As noted in the Eden application, the disparity of services for the dual-eligible Medicare beneficiaries is truly heartbreaking on many levels. Furthermore, the absence of hospice care strips away dignity from the dying patient, increases needless suffering, causes extreme stress, and represents a glitch in our system of care – especially because the dual-eligible population has the best hospice coverage of any population cohort in the County! Yet despite full hospice coverage, many of the disenfranchised sick die without hospice – that is not good for the patient, their families, King County or Washington state for that matter. From our community analysis, our conclusion is that the main barrier is a lack of understanding of the benefits within the primary care provider community; and Cornerstone’s criticism is a perfect example of how even the most informed hospice provider can still be ill- informed! In short, for low income individuals, Eden will be fully reimbursed for its efforts to bring equity of access to all Medicare beneficiaries. Although the dual-eligible population is as a practical matter, more complex to serve, Eden looks forward to helping this challenging albeit important call-to-service.

“Cornerstone’s concern about whether 1.5% charity care will be sufficient given the business plan emphasis of Eden to improve equity by eliminating disparity provides an effective platform for further discussion of the Eden charity care policy. First, as noted, Cornerstone acknowledges that the budget allocation is similar to other hospice agencies within King County and Eden has noted that our charity care budget allocation is over twice the percentage of Providence Hospice of Seattle. Our comment about Providence is not criticism but acknowledgement that most hospice patients currently served have substantial insurance resources reducing the need for charity care.

“Turning to concerns that the Eden charity care policy would somehow be a barrier to admission, Eden notes that 1.5% charity care if applied to Eden patients’ total hospice care would equate to 1 patient in 2022, 3 patients in 2023 and 6 patients in 2024 if all of the charity care were “used” up. In reality, charity care is applied to the entire population after admission and has no delay in admission effect at all. In terms of being “used up”, the charity care policy does not have a budgetary cap. The policy is generous and covers 100% of covered services up to 200% of FPL by household sized with discounts in charges up to 400% of FP (see Attachment 10 pages 64 – 66 in the Eden response to Screening Questions. Again, as previously noted, Eden will accept a condition to modify the Charity Care Policy or Admitting policy to clarify any concerns that the Program may have regarding the admission of indigent individuals, since the clear intent of Eden, backed up by the Pro Forma, is to reduce disparity and serve all hospice eligible patients..

“Eden’s detailed response to Question 5 provided a thorough discussion of the assumptions surrounding start-up costs as discussed in the technical consultation. Financial feasibility can easily be determined by noting that the Chief Financial Officer in Appendix 5, page 105 of the certificate of need application commits to providing “the necessary working capital” to implement the project. In response to Screening

Question 12, Eden confirmed that Page 20 of the audited financial statement included in Attachment 11 showed that Eden maintained a \$40 million line of credit that could be used in addition to funds from ongoing operations to provide any necessary working capital.

“At the time of filing and time of screening the application the 2020 audit report was not available. The most recent audit report by KPMG, signed on May 26, 2020, was submitted in the certificate of need application.

“Cornerstone is correct in referencing the line item to licenses and permits, but incorrect in its assessment that state license renewal fees as applied to the Eden project are assessed every other year. WAC 246-335-990 specifies that the initial license covers a one year period with the first renewal occurring in the following year and the next renewal occurring 2 years later; and the fee amounts are more nuanced than Cornerstone asserts. The initial license fee is \$3,283. The first renewal fee for hospices is based on the number of FTEs and can range from \$1,642 to \$2,383 in this situation depending on the timing of licensing. If the initial license (covered in start-up) occurs in 2021 to start the certifying process, then the first renewal license will occur in 2022 followed by the next renewal in 2024. If licensing occurs in January 2022 for the first full year of operating, then the next license renewal will be 2023. In short, there will be two license fees of varying sizes applied to the project during the first 3 full years of operation, regardless of the initial license fee.

“From a pro forma standpoint, Eden determined that the most accurate approach was to show the license fee as a place holder given that the year that the renewal fee is applied the second time will occur in either 2023 or 2024. The total expenses over the first three years are \$4,926 as well as start-up funding for the initial license. Our expectation is that start up working capital and cash generated through operations will cover licensing expense including both the initial license and the two additional renewals that will occur during the first three years of operation.

Eden Rebuttal to AccentCare/Seasons

“Eden’s detailed response to Question 5 provided a thorough discussion of the assumptions surrounding start-up costs as discussed in the technical consultation. Financial feasibility can easily be determined by noting that the Chief Financial Officer in Appendix 5, page 105 of the certificate of need application commits to providing “the necessary working capital” to implement the project. Not surprisingly, Seasons omitted this portion of the financial commitment letter as well as Eden’s response to Screening Question 12, where Eden confirmed that Page 20 of the audited financial statement included in Attachment 11 showed that Eden maintained a \$40 million line of credit that could be used in addition to funds from ongoing operations to provide any necessary working capital.”

Department Evaluation

Utilization Assumptions

An applicant’s utilization assumptions are the foundation for the financial review under this sub-criterion. While this applicant was recently approved to operate a hospice agency in Whatcom County, the agency is not yet operational. With no specific Washington State hospice experience, the applicant provided an extensive description of its assumptions used to base its projected utilization of the new hospice agency. After reviewing the assumptions described in the application, the department concludes that the applicant’s King County utilization assumptions are reasonable.

Pro Forma Financial Statements

As stated in this evaluation, the applicant submitted two separate hospice applications during the year 2020 concurrent review cycles. One application for King County and this application for King County. The applicant provided pro forma Revenue and Expenses Statements for the King County agency alone, and combined statements for EmpRes Healthcare Group, Inc./Eden as a whole and assuming that both King

and King County projects are approved. These configurations assist the department in its evaluation of the proposed hospice agency and allows evaluation of the financial viability of the EmpRes Healthcare Group, Inc. as a whole

The department first examined the financial feasibility of the King County agency alone. As summarized in Table 11 the applicant projected a net loss of \$175,129 in year one (2022). Years two and three are projected to be profitable with \$272,638 and \$489,355, respectively.

Focusing on the combined statements showing EmpRes Healthcare Group, Inc./Eden and assuming both King and King counties are approved, the summary in Table 12 above shows the parent to be profitable in all three projections years (2022-2024).

During this review, concerns were raised regarding EmpRes Healthcare Group, Inc./Eden’s financial assumptions used for the King County facility. Commenters questioned Eden’s charity care projections, start-up costs, audited financial statements, and projected licensing fee expenses. Within its rebuttal documents, EmpRes Healthcare Group, Inc./Eden provided thorough explanations of each item, identifying where the pertinent information is located in the application and screening materials and detailing the assumptions it used in developing its financial projections. The department finds each of these explanations to be reasonable.

The applicant also provided separate balance sheets for the King County agency alone and combined with the parent and is recently-approved King County hospice. The balance sheets show what the hospice agency owns (assets) and how much it owes (liabilities), as well as the amount invested in the business (equity).

Table 15 summarizes the King County balance sheet. For clarity, the balance sheet is shown again below and identified as ‘Table 15’.

**Department’s Table 15
Eden Hospice at King County
Balance Sheet for Projected Years 2022 through 2024**

ASSETS	CY 2022 (Year 1)	CY 2023 (Year 2)	CY 2024 (Year 3)
Current Assets	\$79,361	\$381,627	\$908,047
Property and Equipment	\$0	\$0	\$0
Other Assets	\$0	\$0	\$0
Total Assets	\$79,361	\$381,627	\$908,047

LIABILITIES	CY 2022 (Year 1)	CY 2023 (Year 2)	CY 2024 (Year 3)
Current Liabilities	\$44,489	\$74,113	\$111,177
Long-Term Debt	\$0	\$0	\$0
Equity	\$194,591	\$307,514	\$796,870
Total Liabilities, Long-Term Debt, and Equity	\$239,080	\$381,627	\$908,047

It is a basic principal of accounting that a balance sheet must balance. As shown in yellow highlight in Table 15 above, year one (2022) does not. After extensive review of all financial documents provided in the application, the department was able to determine why year one does not balance. Specifically, the owner’s equity amount of \$194,591 shown above does not consider that year’s projected operating loss.

The 2021 loss affects the owner’s equity line item in the balance sheet. The initial capital investment is \$210,000; when that year’s operating loss, \$175,129, is subtracted from the capital investment, the result is owner’s equity of \$34,872. This is the number that should have been identified in the statement for year one.

The department recalculated the balance sheet for year one and properly accounted for the previous year’s loss. Table 16 below is a recreation of the three year balance sheet previously shown in Table 15 above, with year one corrected information.

Department’s Table 16
Eden Hospice at King County
Balance Sheet for Projected Years 2022 through 2024

ASSETS	CY 2022 (Year 1)	CY 2023 (Year 2)	CY 2024 (Year 3)
Current Assets	\$79,361	\$381,627	\$908,048
Property and Equipment	\$0	\$0	\$0
Other Assets	\$0	\$0	\$0
Total Assets	\$79,361	\$381,626	\$908,047

LIABILITIES	CY 2022 (Year 1)	CY 2023 (Year 2)	CY 2024 (Year 3)
Current Liabilities	\$44,489	\$74,113	\$111,177
Long-Term Debt	\$0	\$0	\$0
Equity	\$34,872	\$307,514	\$796,870
Total Liabilities, Long-Term Debt, and Equity	\$79,361	\$381,626	\$908,047

While the initial presentation by the applicant results in a year one balance sheet that is out of balance, the information necessary to correct it is present in the accompanying income statement. Once the year one loss is properly shown in the statement, year one is balanced. While the department does not generally correct an applicant’s financial information, if an error can be easily found and clearly explained and all information is already within the application or screening information, the department can determine the extent of the error and correct it. For this project, the department is able to determine the error and provide the correction based on application materials.

The combined balance sheet provided in Table 20 above shows that the proposed King County agency is a very small part of a larger corporation with many assets, liabilities, debt, and equity. The combined balance sheets demonstrate that the applicant is financially healthy company that is able to support a relatively small project and investment of capital.¹²

The proposed hospice agency would be co-located with a home health agency owned by the applicant and located in King County. The applicant provided a copy of the executed lease agreement between GJR REIH, II, LLC (landlord) and Eden Home Health of King County, LLC (tenant). The executed lease provides roles and responsibilities for each of the two entities. Because the applicant’s King County hospice project is intended to share this space, the applicant provided a copy of the Memorandum of Understanding (MOU) signed by both Eden Home Health of King County, LLC (landlord) and Eden Hospice at King County, LLC. This MOU ensures that if this project is approved, the new agency would be located within the identified space at a specific cost per square foot.

¹² While no capital expenditure is identified for this project, start-up costs are expected to be \$100,000.

The applicant provided a copy of the executed Management Agreement between EmpRes Healthcare Management, LLC (consultant) and Eden Hospice at King County, LLC (company). This agreement provides specific information about services that would be provided under the agreement. For example, the consultant shall:

- keep company advised of policy decisions made by management;
- provide recommendations for day-to-day operations; and
- provide billing and collections services.

Examples of the company’s responsibilities include full cooperation with the consultant, which includes providing license and survey documentation with governmental agencies. The initial term of the agreement is five years, with five-year automatic renewals. Annual compensation identified in the agreement is 5% of gross patient charges. The compensation associated with this agreement is identified in the pro forma Revenue and Expense Statement provided in the application.

Within the application, EmpRes Healthcare Group, Inc./Eden provided a copy of the executed Medical Director Agreement between Eden Hospice at King County, LLC and Gilson R. Giroto, DO. The agreement defines roles and responsibilities for both the agency and the physician and is effective for one year, with automatic annual renewals (evergreen clause). The costs identified in the agreement are \$200/hour with no monthly or annual compensation caps. The applicant provided a table connecting the annual amounts to those identified in the pro forma Revenue and Expense Statement.

After reviewing the information provided, the department concludes that the EmpRes Healthcare Group, Inc./Eden project **meets this sub-criterion**.

The Pennant Group, Inc/Puget Sound

Pennant currently operates a home health agency serving the residents of King County. Through its affiliates, Pennant is also approved to provide hospice services to residents of King,¹³ Thurston,¹⁴ Grays Harbor,¹⁵ and Mason counties.¹⁶ The Pennant Group, Inc., operates numerous home health, hospice, skilled nursing, and assisted living facilities nationally.

Pennant provided the following assumptions used to determine the projected number of patients and visits for the proposed King County hospice agency.

“To remain consistent with utilization of the methodology as the basis for this project rationale, population forecasts for 2023 and 2024 have been estimated using the same assumptions that are used in the eight step methodology contained in WAC 246-310-290. The calculation for the assumption of population growth within each age cohort for each projected year is: (year 2021 - year 2020) + year 2021 = year 2022

“This same calculation is used for the unmet patient days in our pro forma financials projections for year 2023 and year 2024. Our 2022, 2023 and 2024 projections for unmet patient days, unmet patient days percent per year, patient days, annual admissions for unduplicated patients, monthly admissions for unduplicated patients, and average daily census are shown in Table 2 below. This information and data are also shown in the pro forma at Exhibit 11.” [source: Application, pp18-19]

¹³ CN #1826R, issued on November 15, 2019 to Glacier Peak Healthcare.

¹⁴ CN #1824, issued on December 4, 2019 to Symbol Healthcare.

¹⁵ CN #1904, issued on August 31, 2021 to The Pennant Group, Inc.

¹⁶ CN #1906, issued on September 22, 2021 to The Pennant Group, Incorporated.

“Assumes 1/1/22 start date

Projected service for 75% in 2022, 80% in 2023 and 85% in 2024

Annual admissions – Unduplicated Patients with ALOS of 62.66” [source: Application, Exhibit 10]

Applicant’s Table

Table 2

Projection Year	2022	2023	2024
unmet patient days	12798	18557	24316
unmet patient days % per year	75%	80%	85%
patient days	9599	14846	20669
annual admissions - unduplicated patients with ALOS of 62.66	153	237	330
monthly unduplicated patient admissions	13	20	27
Average Daily Census (ADC)	26	41	57

[source: Application, p19]

When asked in screening about the assumed January 1, 2022 start date, Pennant provided the following response. [source: February 26, 2021, screening response, p8]

“As stated previously, we will begin operations for Puget Sound Hospice of King County in January of 2022, which includes serving patients as we move toward the ACHC accreditation survey. We plan to be prepared for ACHC survey in February, we will then schedule the survey, and expect the survey to take place in March. We will not be Medicare certified until we pass the ACHC survey, which, as stated earlier, we anticipate passing in March of 2022. Upon passing the survey, ACHC notifies CMS, and we anticipate within two months receiving the Medicare certification CCN#. The lease extends to the end of 2024, covering three full years from January 2022. We might have misunderstood the question in the table. To summarize, we anticipate being Medicare certified in May of 2022, but we anticipate beginning to serve patients in January of 2022.”

As mentioned earlier in this evaluation, since subsidiaries of Pennant had submitted four applications proposing to provide hospice services in various counties¹⁷ the department sought clarity on how the projects’ potential approvals or denials could impact each other. During screening, and in response to the “MULTIPLE APPLICATIONS IN ONE YEAR” section, Pennant provided the following clarification. [source: February 26, 2021, screening response, pp4-5]

“Mason, Grays Harbor and Pierce are being submitted under the legal entity Symbol Healthcare Inc. King is being submitted under the legal entity Emerald Healthcare Inc. The four companies are owned by Cornerstone Healthcare Inc, and the ultimate parent of all these companies is The Pennant Group Inc.

“King County, if awarded, will operate under its own license. King County, if awarded, will operate under its own license.”

If this project is approved, the new hospice agency in King County would be operated separately from its affiliates. The department requested Pennant provide pro forma financial statements for the King County hospice agency alone, along with its parent as a whole, which should incorporate all existing operations. The financial statements provided in response to screening (Exhibits 9 and 10) are listed below:

- Securities and Exchange Commission FORM 10-Q, Quarterly Report ending September 30, 2020 including Pennant’s consolidated balance sheets ending September 30, 2020, and December 31, 2019; and cash flows ending September 30, 2020, and September 30, 2019.
- Pro forma Operating Statement for King County operations alone.

¹⁷ CN#21-41 for Grays Harbor, CN#21-42 for King, #21-57 for Mason, and #21-58 for Pierce.

- Pro forma Balance Sheet for King County operations alone.
- Historical through projection period Operating Statement for Cornerstone Healthcare, Inc. including King County operations in projected years.
- Historical through projection period Balance Sheet for Cornerstone Healthcare, Inc. including King County operations in projected years.

Pennant also provided the following assumptions used to project revenues and expenses within the pro forma statements. [sources: Application, Exhibit 11, February 26, 2021, screening response, pp8-10 and Exhibit 10]

**Department's Table 17
Pennant's Financial Assumptions**

Line Item	Assumption
<i>Routine Care Revenue</i>	<i>Days of Care x Per Diem Rates</i>
<i>Inpatient Respite Revenue</i>	<i>Days of Care x Per Diem Rates</i>
<i>Continuous Home Care Revenue</i>	<i>Days of Care x Per Diem Rates: Assumes one 8 hour shift per each unmet day</i>
<i>General Inpatient Revenue</i>	<i>Days of Care x Per Diem Rates</i>
Contractual adjustments –	
<i>Medicare Managed Care, Medicaid Managed Care, Private Pay, Third Party Insurance</i>	<i>Assumed 2%, based on Cornerstone averages</i>
<i>Charity Care</i>	<i>Assumed 5%, based on Cornerstone averages</i>
<i>Provisions for Bad Debt</i>	<i>Assumed 1%, based on Cornerstone averages</i>
<i>Clinical Staffing Costs</i>	<i>FTE x Annual Compensation</i>
<i>Clinical Staffing Payroll Taxes & Benefits</i>	<i>30% of Base Compensation</i>
Contracted Patient Care	
<i>Medical Director</i>	<i>MD Rate of \$190/hr per contract. Assumption of .75 hrs/ADC</i>
<i>Physical Therapist</i>	<i>\$42.38/hr 1.5 hours/20 ADC/Month, based on Washington wages & Cornerstone averages</i>
<i>Occupational Therapist</i>	<i>\$39.26/hr 1.5 hours/20 ADC/Month, based on Washington wages & Cornerstone averages</i>
<i>Speech Therapist</i>	<i>\$35.55/hr 1.5 hours/20 ADC/Month, based on Washington wages & Cornerstone averages</i>
<i>Dietitian</i>	<i>\$33.29/hr 1.5 hours/20 ADC/Month, based on Washington wages & Cornerstone averages</i>
Direct Patient Care Costs	
<i>DME</i>	<i>\$6.04/Patient Day based on Cornerstone averages</i>
<i>Pharmacy</i>	<i>\$7.09/Patient Day based on Cornerstone averages</i>
<i>General Inpatient Costs</i>	<i>\$1,196.70/General Inpatient day of care</i>
<i>Medical Supplies</i>	<i>\$2.59/Patient Day based on Cornerstone averages</i>
<i>Inpatient Respite</i>	<i>\$527.43/Inpatient Respite day of care</i>
<i>Room and Board</i>	<i>\$0.45/Patient Day based on Cornerstone averages</i>
<i>Mileage</i>	<i>Estimate 8 miles/day of care reimbursed at \$0.45/mile based on existing local agency</i>
Administrative Staff by FTE	
<i>Administrator</i>	<i>FTE x Annual Compensation, represents 50% of HH Administrator</i>
<i>Business Office Manager, Medical Records, Scheduling</i>	<i>FTE x Annual Compensation</i>
<i>Intake</i>	<i>FTE x Annual Compensation</i>
<i>Community Liaison</i>	<i>FTE x Annual Compensation</i>
<i>Payroll Taxes & Benefits</i>	<i>30% of Base Compensation</i>
Administration Costs	

Line Item	Assumption
Advertising	\$4,000 launch plus 1% of net revenue
Allocated Costs	5% Allocation to Cornerstone Service Center for supporting functions; Legal, HR, Accounting, IT, and Clinical support
B & O Taxes	1.5% of Gross Revenue
Dues & Subscriptions	\$375/month, primarily Medbridge
Education and Trainings	\$10,000/year, Continuing education including Clinical education and compliance
Information Technology/Computer/Software Maintenance	\$1,250/month
Insurance	Liability and Property Content
Legal and Professional	Included in Allocated Costs to Cornerstone Service Center
Licenses and Fees	First year Accreditation \$3,100, Survey \$7,500, initial State Licensure \$3,249, bi-annual state lic based on FTE \$2,383
Postage	\$500/month
Purchased Services	\$1,000/month; bank fees, system access: HCHB, SHP, Workday
Repairs and Maintenance	\$150/month
Cleaning	\$210/month
Office Supplies	\$250/month
Equipment lease & maintenance	\$500/month, copier and postage machines
Building rent or lease	Lease is 25% of Puget Sound HH lease
Lease NNN or Common Area and Maintenance charges	No NNN costs
Recruitment	\$5,000 startup and \$250 /month following
Telephones	\$55/FTE/Month + \$250/month for landlines
Travel	First year \$6,500 support and launch, \$5,000 thereafter

Pennant provided the following clarification related to specific parts of its financial statements.

“The payer mix percentages are the same percentages used in our Thurston County application and King County application, which were accepted by the Certificate of Need Department in 2019. The payer mix blended averages are also consistent with the current payer mix averages for five of our hospice and home health agencies in Washington state. These agencies are in King county, Asotin county, Pierce county, King county and Benton county. While the payer mixes vary, the variations are minor from county to county. Based on this, we are confident the payer mix will be similar for Puget Sound Hospice of King County.” [source: February 26, 2021, screening response, p3]

“These rates [Per Diem Rates] are different per county because the wage index rates are different in some of the counties. The wage index determines the reimbursement rates, as the reimbursement rate is multiplied by the wage index for each county.” [source: February 26, 2021, screening response, pdf13]

“The start-up costs are estimated based on the start-up costs in Washington State for Alpha Hospice in King County and Puget Sound Hospice in Thurston County. These costs projections are similar to the start-up costs we have experienced in other states.

“We chose to use the Cornerstone average length of stay because it represents the average length of stay for all our patients across multiple states and counties, including Washington state. While this is a conservative approach compared to 62 days, we have seen it consistently play out for many years.

“The projection period appears flat because our Cornerstone and Pennant companies do not project financials. Our hospice and home health agencies (as well as the assisted living facilities and other entities)

are run by local teams that are given the freedom to meet the needs of their communities and to develop their own operational plans within the regulatory and compliance standards. While we encourage and challenge each other to excel in each of our companies in all areas of the businesses, we do not have insight to what each will achieve, nor do we potentially stifle our operations by setting arbitrary goals for Cornerstone and Pennant from the top down. We are simply not a “top down” organization. While this is the case, we are proud and excited with the clinical results, growth trends and financial performance of Cornerstone and Pennant, which have are continuous upward trajectories. With our flat leadership structure and ultimate transparency across the organization, we expect these trajectories to continue.” [source: February 26, 2021, screening response, p10]

In both the King County-only and existing operations with King County operations “Net Revenue” represents gross revenues minus contractual adjustments, charity care, and provisions for bad debt. “Total Expenses” represents all clinical and administrative costs, depreciation, and amortization. Finally, “Net Profit / (Loss)” represents the difference between revenues and expenses. Following is a summary of the projected Revenue and Expense Statement for Pennant’s King County hospice agency. [source: February 26, 2021, screening response, Exhibit 10]

Department’s Table 18
Pennant’s King County Revenue and Expense Statement Summary

	2022 (Partial Year)	CY 2023 (Year 1)	CY 2024 (Year 2)
Net Revenue	\$1,760,437	\$2,722,792	\$3,790,774
Total Expenses	\$1,613,571	\$2,352,289	\$3,192,172
Net Profit / (Loss)	\$146,866	\$370,503	\$598,602

Note that amounts may not match those of the applicant’s exactly due to rounding.

Pennant also provided a projected balance sheet for the King County hospice: [source: Application, Exhibit 10]

Department’s Table 19
Pennant’s King County Balance Sheet

ASSETS	2022 (Partial Year)	CY 2023 (Year 1)	CY 2024 (Year 2)
Current Assets	\$220,050	\$633,250	\$1,280,764
Property and Equipment	\$3,667	\$2,334	\$1,000
Other Assets	\$15,022	\$15,022	\$15,022
Total Assets	\$238,739	\$650,606	\$1,296,786

LIABILITIES	2022 (Partial Year)	CY 2023 (Year 1)	CY 2024 (Year 2)
Current Liabilities	\$91,876	\$133,239	\$180,816
Long-Term Debt	\$0	\$0	\$0
Equity	\$146,863	\$517,367	\$1,115,969
Total Liabilities, Long-Term Debt, and Equity	\$238,739	\$650,606	\$1,296,785

Note that amounts may not match those of the applicant’s exactly due to rounding.

Because Pennant’s King County project would, if approved, be a stand-alone agency and would not be impacted by any pending projects, the only combined statements provided include all operational affiliates. See the following tables. [source: February 26, 2021, screening response, Exhibit 10]

**Department's Table 20
Cornerstone's Existing Operations & King Combined Statements
Revenue and Expense Statement Summary**

	2022 (Partial Year)	CY 2023 (Year 1)	CY 2024 (Year 2)
Net Revenue	\$257,367,279	\$258,996,961	\$260,802,652
Total Expenses	\$226,201,782	\$227,476,900	\$228,915,719
Net Profit / (Loss)	\$31,165,497	\$31,520,061	\$31,886,933

Note that amounts may not match those of the applicant's exactly due to rounding.

**Department's Table 21
Cornerstone's Existing Operations & King Combined Statements
Balance Statement Summary**

ASSETS	2022 (Partial Year)	CY 2023 (Year 1)	CY 2024 (Year 2)
Current Assets	\$64,456,855	\$70,188,205	\$72,695,201
Property and Equipment	\$3,103,646	\$3,094,814	\$3,085,978
Other Assets	\$115,933,323	\$115,933,525	\$191,714,912
Total Assets	\$187,493,824	\$189,216,544	\$191,714,912

LIABILITIES	2022 (Partial Year)	CY 2023 (Year 1)	CY 2024 (Year 2)
Current Liabilities	\$53,804,068	\$53,961,479	\$54,141,061
Long-Term Debt	\$10,717,412	\$10,717,412	\$10,717,412
Equity	\$122,972,344	\$124,537,652	\$126,856,440
Total Liabilities, Long-Term Debt, and Equity	\$187,493,824	\$189,216,543	\$191,714,913

Note that amounts may not match those of the applicant's exactly due to rounding.

Public Comment

AccentCare/Seasons – Oppose

“The second addendum to the lease agreement extends the lease through December 2024. Pennant asserts in its screening response that the hospice will be licensed and operational by January 2022 but will not have Medicare certification until May 2022. However, the application states being “prepared for survey” by February 2022 and “providing Medicare and Medicaid hospice services” by May 2022. Becoming licensed and operational by January 2022 is unlikely. If not licensed by January 1, 2022, the lease would not cover its first three years of operations.

“Furthermore, without Medicare certification and accreditation, providers are unlikely to refer potential patients to the hospice. Therefore, the projections are overstated and Financial Feasibility is not substantiated.

Pennant/Puget Sound Rebuttal

“Seasons comments on our lease covering the first three years. We will be licensed by January 1, 2022, and the lease covers the first three years. As such, Seasons’s comment on our lease should not be given consideration.

“Seasons’s comments on our operational date as well as the Medicare certification and Medicaid eligibility timeline. Based on Cornerstone’s vast experience with the Medicare and Medicaid certification

process, September to January is sufficient time to hire and train the staff to be operational and serving patients by January 1, 2022. It is also reasonable to expect to be Medicare certified and Medicaid eligible in May 2022, five months after we begin serving patients. We will be reimbursed for the patients that we are serving from the day we pass the accreditation survey. Based on these reliable timeframes, our financial projections are appropriate and reasonable. Accordingly, Seasons's comment on this issue should not be given consideration.

"Seasons's comments on our Thurston operation timeline, comparing it to the King County timeline, and references Thurston regarding our utilization. Thurston was postponed for eleven months due to legal proceedings which involved another applicant contesting, unsuccessfully, our Thurston CN. Due to this, Thurston was not operational until February 2021. Because of that anomalous issue in Thurston County, Seasons's references to our Thurston project's timeline are irrelevant to the proposed King County timeline. Likewise, the Thurston project's utilization cannot be compared to our King project's for these same reasons. Our utilization forecast for King County is reasonable. Accordingly, Seasons's comments on these issues should not be given consideration.

"Seasons's comments that Medicare and Medicaid patients will not be referred to us before we are Medicare certified and Medicaid eligible. This is simply incorrect. In each of our startups, Medicare and Medicaid patients have been referred to our hospices before we were certified and eligible. Given our approach to obtaining these referrals in the past, we are abundantly confident we will be able to do the same in King County. We will be reimbursed for these patients from the day we pass the accreditation survey. There is simply no merit to Seasons's comment on this issue.

"Seasons's comments on when we will be operational, apparently misunderstanding the difference between operational and commencement. We will be operational, serving patients by January 1, 2022. We will be Medicare certified and Medicaid eligible May 2022. The pro forma accurately covers the first three years of operation. Therefore, the Department should give no consideration to Seasons's comment on this issue."

Department Evaluation

Utilization Assumptions

An applicant's utilization assumptions are the foundation for the financial review under this sub-criterion. Pennant based its projected utilization of the hospice agency on specific factors:

- Admissions were based on unduplicated patient market share of 75% for 2022, 80% in 2023, and 85% in 2024.
- Average annual length of stay at 62.66 days, in line with Statewide average used in the department's methodology.
- ADC calculated as a product of patient days divided by days in a year.

Pennant's third full year based on a May 2022 certification date is year 2025. When Pennant was asked in screening to clarify its proposed timeline and provide revised financials through its third full year of operation, it responded, *"While we assume a September 2021 certification, meaning the Certificate of Need being awarded based on the CN department schedule, we would not begin operations, which includes serving patients, until January 2022. We plan to use the time between September and January to prepare for operations. This includes seeking and hiring staff, building relationships in the community, and other setup activities"* and did not provide revised utilization of financial projections.

The department notes that it has historically set the first full year as beginning the January following CMS certification - a hospice project's completion. The department reviewed its rules and records and found

that this request is consistent with its rules¹⁸ and past recent Pennant approvals as illustrated on the following table.

**Department’s Table 22
Pennant’s Recent Hospice Projects’ Detail**

County (project #)	Pennant Assumed CN Decision Date	Pennant Assumed CMS Certification Date	First Full Three Years
Thurston (CN19-57)	August 2019 [Evaluation, p7]	January 2020 [Application, p6]	2020 – 2022 [Evaluation, p44]
King (CN19-59)	January 2020 [Application, p6]	January 2020 [Application, p6]	2020 – 2022 [Evaluation, p9]
Grays Harbor (CN21-41)	September 2021 [Application, p11]	January 2022 [Application, p11]	2022 – 2024 [Evaluation, p2]
Mason (CN21-57)	September 2021 [Application, p10]	January 2022 [Application, p10]	2022 – 2024 [Evaluation, p2]
Pierce (CN21-58)	September 2021 [Application, p9] 1st patient: January 2022 [Screening, p4]	May 2022 [Application, p9 & Rebuttal, p4]	2023 – 2025 [Rebuttal, p4]
King (CN21-38)	September 2021 [Application, p9] 1st patient: January 2022 [Screening, p4]	May 2022 [Application, p11, Screening, p9 & Rebuttal, p3]	2022 – 2024 [Rebuttal, p3]

Included in the screening questions letter dated January 29, 2021, is the statement *“If the responses to any of the questions in this letter changes information provided any other part of the application, please provide the new information”* which allows applicants to include this type of information in its response to screening. Further, when the department noted the apparent discrepancies in the application between beginning services and certification date it asked Pennant to *“Please correct this table, or correct the remaining projections in the application to include full years 1-3.”*

Without either market share to calculate projected admits or the applicant’s projected admits, the department is unable to calculate patient days and ADC; both of which are the basis for projected revenues and expenses. Similarly, the department has not been provided with financial projections for the third full year of operation as a Medicare certified/Medicaid eligible hospice.

Since an applicant’s utilization assumptions and projections are the foundation for the financial review under this sub-criterion, and an applicant’s third full year of profitability is the department’s primary metric for determining a project’s financial feasibility, without this data the department is unable to rely on any resulting information provided.

Based on the information provided by the applicant, public comments, and rebuttal, the department cannot complete the review of the immediate and long-range operating costs of Pennant’s King County project.
This sub-criterion is not met

¹⁸ WAC 246-310-010(47) ‘Project completion’ for projects requiring construction, means the date the facility is licensed. For projects not requiring construction, project completion means initiating the health service. When no construction is involved, as is the case for this project, the project is considered complete at CMS certification, the main motivation of in-home services CN applications.

(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.

AccentCare, Inc./Seasons

The applicant identifies a total capital expenditure of \$91,680 for this project. All costs are associated with office furniture and equipment for the office. [source: Application, p65]

Focusing on start-up costs, AccentCare, Inc./Seasons identified \$231,319 would be necessary for his project and provided the following explanations. [source: Application, Exhibit 15]

**Department's Table 24
AccentCare, Inc./Seasons Capital Expenditure Breakdown**

Item	Cost
2021 Rental	\$36,150
First Six Months of 2022 Rent	\$46,945
Advertising Costs	\$2,000
Pre-Opening Hiring Costs with Benefits	\$146,224
Total	\$231,319

There was no public comment or rebuttal provided under this sub-criterion.

Department Evaluation

The estimated capital expenditure for this project is \$91,680 with no construction. All the estimated capital costs are for movable equipment and associated sales tax. Start-up costs estimated at \$231,319 are associated with rent, advertising, and salaries/wages.

AccentCare, Inc./Seasons provided a letter dated December 28, 2020, from its Chief Financial Officer, David Donenberg, demonstrating its financial commitment to this project, including the projected capital expenditure and any start-up costs.

The department does not have an adopted standard on what constitutes an unreasonable impact on charges for health services. Medicare patients typically make up the largest percentage of patients served in hospice care. For this project, the applicant projected that 91.0% of its patients would be eligible for Medicare; Medicaid is projected to be 1.0%, for a combined Medicare and Medicaid total at 92.0%. Gross revenue from Medicare and Medicaid is also projected to 92.0% of total revenues. Thus, standard reimbursement amounts and related discounts are not likely to increase with the approval of this project.

Based on the information reviewed and the lack of public comment, the department concludes that approval of this project is not expected to have an unreasonable impact on the costs and charges of healthcare services in the planning area. Based on the information, the department concludes that this project **meets this sub-criterion.**

EmpRes Healthcare Group, Inc./Eden

There is no capital expenditure associated with this project. The applicant will make \$100,000 available as start-up costs to fund working capital as necessary. [source: February 25, 2021, screening response, p4]

Department Evaluation

Start-up costs are not included in the definition of capital expenditure in WAC 246-310-010(10). The public comments that focus on capital expenditure were addressed in the ‘Project Description’ section of this evaluation and the department concluded that the applicant’s assertion that there is no capital expenditure with this project is reasonable. The topic will not be re-addressed here. **This sub-criterion is met.**

The Pennant Group, Inc./Puget Sound

The capital expenditure for this project is \$5,000, which includes a phone system, computer equipment, IT equipment and applicable sales tax. In response to this sub-criterion, Pennant provided the following statements.

“The Pennant Group Inc. is responsible for the estimated capital costs identified above. Pennant’s 10Q is shown at Exhibit 9.” [source: Application, p22]

“All costs include sales tax.” [source: Application, p24]

“This project will not have a negative impact on the costs and charges of health services in the planning area. Hospice care has been shown to be cost-effective and is documented to reduce end of life costs. This project proposes to address the hospice agency shortage in the county and will improve access [sic] to care. Over time, this will reduce the cost of end of life care and benefit patients and their families.”

“The capital and start-up costs of this project are minimal, estimated at \$20,500, they will not have an unreasonable impact on the costs and charges of health services in the planning area. Hospice care has been shown to be cost-effective and is documented to reduce end of life costs. This project proposes to address the hospice agency shortage in the county and will improve access [sic] to care. Over time, this will reduce the cost of end of life care and benefit patients and their families.” [source: Application, p23]

Pennant estimated its start-up costs to be \$15,500, which represents start-up recruitment, marketing/advertising, and travel expenses. Pennant based these costs on its experience opening other hospice agencies in Washington State, and expects the costs to be similar to start-up costs Pennant has experienced in other states. [sources: Application, pp22-23 and February 26, 2021, screening response, p3]

Pennant also provided the following statement about how the project will cover the costs of operation until Medicare reimbursement is received. [source: Application, p23]

“The Pennant Group Inc. is responsible for the estimated start-up costs identified above. Pennant’s 10Q is shown at Exhibit 10.”

Pennant provided a letter of financial commitment to demonstrate how the project will cover the costs of operation until Medicare reimbursement is received. It is dated December 17, 2020, and signed by Morgan Boatman, Corporate Controller, of The Pennant Group, Inc., committing to all the costs of the project. Pennant also submitted a copy of The Pennant Group, Inc.’s Securities and Exchange Commission 10-Q for periods ending December 31, 2019, and September 30, 2020 in order to document that existing capital is available. [sources: Application, Exhibit 13 and February 26, 2021, screening response, Exhibit 9]

Department Evaluation

The estimated capital expenditure for this project is \$5,000 with no construction, and start-up costs approximated at \$15,500. All the estimated capital costs are for movable equipment and associated sales tax; and start-up costs are associated with recruitment, marketing, and travel expenses.

Pennant provided a letter dated January 4, 2021, from the Corporate Controller of The Pennant Group, Inc., Morgan Boatman, demonstrating its financial commitment to this project, including the projected capital expenditure and any start-up costs. [source: Application, Exhibit 13]

Pennant also provided its Securities and Exchange Commission FORM 10-Q, Quarterly Report ending September 30, 2020, demonstrating Pennant has access to sufficient funds to support the project. [source: February 26, 2021, screening response, Exhibit 9]

The department does not have an adopted standard on what constitutes an unreasonable impact on charges for health services. Since Medicare patients typically make up the largest percentage of patients served in hospice care; and for the proposed project, the applicant projected that 98.93% of its patients would be eligible for Medicare or Medicaid. Gross revenue from Medicare and Medicaid is projected to 98.6% of total revenues. Thus, standard reimbursement amounts and related discounts are not likely to increase with the approval of this project.

Based on the information reviewed, the department concludes that approval of this project is not expected to have an unreasonable impact on the costs and charges of healthcare services in the planning area. Based on the information, the department concludes that this King County project, **meets this sub-criterion.**

(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.

AccentCare, Inc./Seasons

The combined total of capital expenditure and start-up costs for this project is \$322,999. The applicant states all costs will be funded by the applicant, AccentCare, Inc. and provided the following statements regarding the funding. [source: Application, p66]

"The applicant entity has \$2 million in assets provided by the owners of Seasons Hospice & Palliative Care of King County, LLC. A letter from the Chief Financial Officer for Seasons Hospice & Palliative Care of King County, LLC (found in Exhibit 17) documents 100% of funding is available for the hospice's capital costs, pre-opening expenses, and operating deficits in the initial year of operation. A copy of the applicant's audited financial statement dated December 16, 2020 documents the \$2 million in cash. The hospice has the option of using Seasons Healthcare Management, LLC, for purchasing equipment and furnishing the office in King County. The items above reflect the types of expenditures made in connection with start-up hospice programs. The item costs reflect corporate pricing agreements with the Seasons Healthcare Management, LLC's vendors and are inclusive of applicable state and local sales taxes."

The applicant also provided a letter from AccentCare, Inc.'s Chief Financial Officer, David Donenberg, demonstrating a financial commitment to the project and the intent to fund it. [source: Application, Exhibit 17]

There was no public comment or rebuttal provided under this sub-criterion.

Department Evaluation

The combined total of capital expenditure and start-up costs for this project is \$322,999. The applicant states all costs will be funded by the applicant, AccentCare, Inc. and provided a letter from its CFO demonstrating financial commitment to this project. This approach is appropriate because documentation was provided to demonstrate assets are sufficient to cover these costs and those of other projects under review by the same applicant.

If this project is approved, the department would attach a condition requiring the applicant to finance the project consistent with the financing description in the application. With the financing condition, the department concludes **this sub-criterion is met.**

EmpRes Healthcare Group, Inc./Eden

There is no capital expenditure associated with this project. However, the applicant identified approximately \$100,000 is available for start-up costs and provided historical financial statements to demonstrate the availability of funding for start-up. [source: Application, Appendix 5]

Department Evaluation

The applicant states there is no capital expenditure for this project, and based on the information provided in the application, the department concurs. However, start-up costs are estimated at \$100,000 and are to be paid by the applicant, EmpRes Healthcare Group. Historical financial statements provided in the application substantiate that the funding is available. **This sub-criterion is met.**

The Pennant Group, Inc./Puget Sound

Pennant provided the following statement regarding the source of the \$5,000 capital expenditure and additional start-up costs for this project. [source: Application, p25]

“The Pennant Group Inc. is the source of financing. The commitment of funds letter is shown at Exhibit 13.

“This project will not be debt financed through a financial institution.”

Pennant provided a copy of The Pennant Group, Inc.’s Securities and Exchange Commission 10-Q for periods ending December 31, 2019, and September 30, 2020, in order to document existing capital is available. [source: February 26, 2021, screening response, Exhibit 9]

Public Comment

AccentCare/Seasons - Oppose

“Pennant provides The Pennant Group, Inc.’s unaudited 10-Q statement for the quarterly period ending September 30, 2019 showing only \$47,000 cash which is insufficient to fund all four proposed hospice programs. In its screening response Pennant provides The Pennant Group, Inc.’s 10-Q statement for the quarterly period ending September 30, 2020 to meet the audit requirement. However, this financial statement is unaudited, and as stated in Note 2, Basis of Presentation and Summary of Significant Accounting Policies, should be read in conjunction with the audited Consolidated and Combined Financial Statements for the fiscal year ended December 31, 2019. (See excerpts, below).”

PART I. FINANCIAL INFORMATION		
Item I. Financial Statements		
THE PENNANT GROUP, INC.		
CONDENSED CONSOLIDATED AND COMBINED BALANCE SHEETS		
(unaudited, in thousands, except par value)		
	September 30, 2020	December 31, 2019
Assets		
Current assets:		
Cash	\$ 8,320	\$ 402
Accounts receivable—less allowance for doubtful accounts of \$559 and \$677, respectively	35,865	32,183
Prepaid expenses and other current assets	9,266	6,098
Total current assets	53,451	38,683

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The accompanying unaudited condensed consolidated and combined financial statements of the Company (the "Interim Financial Statements") reflect the Company's financial position, results of operations and cash flows of the business. The Interim Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") and pursuant to the regulations of the Securities and Exchange Commission ("SEC"). Management believes that the Interim Financial Statements reflect, in all material respects, all adjustments which are of a normal and recurring nature necessary to present fairly the Company's financial position, results of operations, and cash flows for the periods presented in conformity with GAAP. The results reported in these Interim Financial Statements are not necessarily indicative of results that may be expected for the entire year.

The Condensed Consolidated and Combined Balance Sheet as of December 31, 2019 is derived from the Company's annual audited Consolidated and Combined Financial Statements for the fiscal year ended December 31, 2019 which should be read in conjunction with these Interim Financial Statements. Certain information in the accompanying footnote disclosures normally included in annual financial statements was condensed or omitted for the interim periods presented in accordance with GAAP.

Pennant/Puget Sound Rebuttal

"Seasons's commented on Pennant's financial resources to implement and pay for all four projects in King County, Pierce County, Mason County and Grays Harbor County. This indicates a fundamental misunderstanding of our business model and financial viability. The Pennant Group, Inc. is a holding company with over 80 home health, hospice, and home care independent operating agencies in 14 states. As a business model, Pennant is a consolidator of businesses within the home health, hospice, and home care industries, which means that Pennant is continuously acquiring businesses within these industries. As a result, Pennant maintains little cash on hand as is consistent with other successful companies that have a similar business model.

"To fund its acquisitions and operations, Pennant has access to a Revolving Credit Facility of \$150,000,000 of which there is approximately \$110,000,000 available. Under the terms of the Revolving Credit Facility, Pennant is well within rights to fully borrow against the line of credit to support operations and continue to acquire. In alignment with its business practice, Pennant will maintain a drawn balance and continue to acquire businesses.

"Lastly, from 2016-2020, Pennant has generated an average of \$17.8 million in positive cash flow from operations; thus, Pennant's successful model of operation generates cash operationally. In consideration of these items, Pennant has more than adequate funds to appropriately finance a multiple hospice operation in Washington. Based on the above, Seasons's comment on this issue should not be given consideration.

"Seasons's comments on our financials and whether they are audited. The Pennant Group, Inc. is a publicly traded company, and the Audited Financial Statements are publicly available on the SEC.gov website. Due to the timing of the submission of the initial application, we provided the most recent financial statements available to the public, which was a quarterly 10Q financial statement. This quarterly document is not audited, but it is reviewed by an independent audit firm and should be read in conjunction with the most recent audited annual statement. Again, all annual audited financial statements are available on the SEC.gov website under our ticker symbol – PNTG. No weight should be given to Seasons's comment on this issue."

Department Evaluation

The estimated capital cost for this project is \$5,000. Pennant intends to finance this project using available reserves; and provided a letter from its Corporate Controller demonstrating financial commitment to this project. Additionally, Pennant provided its third quarter Form 10-Q for year 2020. This report independently confirms Pennant has more than necessary working capital to finance this project. This approach is appropriate because documentation was provided to demonstrate assets are sufficient to cover this cost. AccentCare contended that the department ought not consider the third-quarter Form 10-Q as adequate evidence of the availability of funds for this project because it does not represent audited data. The department, however, concludes that this form is adequate demonstration of funds, consistent with its historical acceptance of the general reliability of such statements as filed with the federal government.

If this project is approved, the department would attach a condition requiring the applicant to finance the project consistent with the financing description in the application. With the financing condition, the department concludes **this sub-criterion is met.**

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

AccentCare, Inc.

Based on the source information reviewed, the department concludes that the applicant **has met** the structure and process of care criteria in WAC 246-310-230 and any applicable criteria in WAC 246-310-290.

EmpRes Healthcare Group, Inc.

Based on the source information reviewed, the department concludes that the applicant **has met** the structure and process of care criteria in WAC 246-310-230 and any applicable criteria in WAC 246-310-290.

The Pennant Group, Inc.

Based on the source information reviewed, the department concludes that the applicant **has not met** the structure and process of care criteria in WAC 246-310-230 and any applicable criteria in WAC 246-310-290.

(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, using its experience and expertise the department concludes that the planning would allow for the required coverage.

AccentCare, Inc./Seasons

To demonstrate compliance with this sub-criterion, AccentCare, Inc./Seasons provided its projected full time equivalents (FTEs) for the King County agency. The FTE table follows: [source: Application, p73]

Department's Table xx
AccentCare, Inc./Seasons
FTE Projections for King County - Years 2022 - 2025

FTE Type Not Contracted	Partial Year 1 Year 2022	Year 1-2023 Increase	Year 2-2024 Increase	Year 3-2025 Increase	Total FTEs
Admission Department	0.00	0.00	1.00	0.00	1.00
Business Development Dept	2.00	1.00	0.00	1.00	4.00
Business Operations-Leader	1.00	0.00	0.00	0.00	1.00
Chaplain	1.00	0.00	0.00	0.00	1.00
Executive Director	1.00	0.00	0.00	0.00	1.00
Hospice Aide	1.00	1.00	2.00	1.00	5.00
Music Therapy	1.00	0.00	0.00	0.00	1.00
Nursing	2.00	1.00	2.00	3.00	8.00
Social Work	1.00	0.00	0.00	1.00	2.00
Clinical Nutritionist	0.10	0.00	0.00	0.00	0.10
Team Assistant	1.00	0.00	0.00	0.00	1.00
Team Director	1.00	0.00	0.00	0.00	1.00
Volunteer-Dept	0.00	1.00	0.00	0.00	1.00
Total FTEs	12.10	4.00	5.00	6.00	27.10

In addition to the FTE table, the applicant provided a table showing the number of contracted FTEs needed for the new King County agency. Contracted staff include the Medical Director, Physician-Team Support, and physical, occupational, and speech therapy positions. All combined, these contracted staff add to 0.28 FTE for all projection years. [source: Application, p73]

For clarification, AccentCare, Inc./Seasons provided the following explanation for the contracted staff identified as ‘Physician-Team Support.’ [source: February 25, 2021, screening response, p3]

“The term “physician support team” refers to the individual physicians who lead hospice teams in providing direct patient care, e.g., making visits to patients. These services are separate and distinct from the medical administrative duties/services provided by the Medical Director. Physicians who provide direct patient care services will contract with Seasons King pursuant to a Physician Independent Contractor Agreement, a sample of which is found as Attachment 3 to this document. The individual physician contracted as the Medical Director could also choose to provide patient care services and if so, he or she would enter into a Physician Independent Contract Agreement and be paid for these services over and above the Medical Director fee.”

Focusing on staffing ratios, the applicant provided the table on the following page. [source: Application, Exhibit 15]

Applicant's Table

Type of Staff	Stub Year	Year 1	Year 2	Year 3
Skilled Nursing (RN & LPN)	0.1501	0.1320	0.1142	0.1297
Physical Therapist	0.0011	0.0007	0.0003	0.0002
Occupational Therapist	0.0008	0.0005	0.0003	0.0002
Medical Social Worker	0.0751	0.0440	0.0228	0.0324
Speech Therapist	0.0019	0.0011	0.0006	0.0004
Clinical Nutritionist	0.0075	0.0044	0.0023	0.0016
Home Health/Hospice Aide	0.0751	0.0880	0.0914	0.0811
Other (List)				
Chaplain	0.0751	0.0440	0.0228	0.0162
Medical Director	0.0173	0.0101	0.0053	0.0037
Administration	0.2252	0.1759	0.0914	0.0649
Business Office \ Admissions	0.2252	0.1759	0.1142	0.0973
Music Therapy	0.0751	0.0440	0.0228	0.0162
Total	0.9295	0.7205	0.4884	0.4440

The applicant provided the following rationale for why the staffing identified above is adequate for the number of patients and visits projected. [source: Application, p74]

“Seasons King County uses a staffing model based on census to ensure coverage of support and care functions at appropriate levels for program needs. A copy of the staffing ratios is provided in Exhibit 20. Seasons King County’s staffing ratios reflect similar ratios found among other hospices across the county, including other Seasons Hospice programs and are consistent with the NHPCO Staffing Guidelines for Hospice Home Care Teams. That document also acknowledges the following:

No one “best standard” in the literature regarding hospice staffing caseloads currently exists. Around the nation, hospices have evolved in various directions, creating diverse models of care to serve hospice patients and families. The Staffing Guidelines for Hospice Home Care Teams is based on the recognition of the current diverse nature of hospice care and allows for individualization of staffing caseloads according to the organizational and environmental characteristics specific to each hospice, in much the same way hospices individualize patient care.

“Seasons adds staff as admissions increase, as shown in Table 27 above, which lists the type of number and category of staff for the first 3 full years of operation. Ratios vary based upon the numbers of patients in the program, the diseases represented, length of stay, and patients’ needs. The ratios above compare favorably with an overall ratio in the third year of operations of 0.44 staff to each patient. In addition, volunteers who provide augmented services increase the patient and hospice interactions and add to the actual FTE spent with patients. The training program for volunteers assures that they are active members of the care team and render services that patients experience at the end of life is compassionate and caring with support for the family.”

AccentCare, Inc/Seasons provided the following statements regarding the recruitment and retention of staff. [source: Application, p82]

“King County was designated as a Medically Underserved Area for Primary Care in 1982 and again updated in 1994 with a Medical Underservice Index Score of 57.7, below the threshold of 62.0. Seasons King County will provide outreach and education to the community based organizations throughout the entire county, including inner city communities that have limited access to healthcare.”

AccentCare, Inc/Seasons provided extensive information, statistics, and documents related to its recruitment and retention process, barriers to staffing, education programs, internship programs, and

employee benefits packages. [source: Application, pp76-84, and Exhibits 14, 20, 21, & 22] The information is not repeated here, but is considered in this review.

There was no public comment or rebuttal provided under this sub-criterion.

Department Evaluation

If approved, AccentCare, Inc/Seasons would be a new provider of Medicare and Medicaid hospice services for King County. To ensure its staffing ratios are reasonable, the applicant based them on ratios identified in past hospice applications. This approach is reasonable because most applicants base their staffing ratios on national standards.

If approved, AccentCare, Inc/Seasons proposes that its King County agency would be operational in July 2022. As shown in the staff table above, 12.10 FTEs are needed in partial year one (2022) to serve an estimated average daily census of 13 patients. Beginning in full year 1 (2023), the number of FTEs increases to 16.10 to serve an estimated average daily census of 23 patients. By the end of full year three, the FTEs increase to 27.10 to serve an estimated average daily census of 62 patients.

The applicant also clarified that its medical director and therapy staff would be under contract and are not included in the table above. This approach is reasonable.

For recruitment and retention of staff, AccentCare, Inc/Seasons intends to use the strategies its parent has successfully used in the past for recruitment and retention of staff for its out-of-state hospice agencies. The strategies identified by AccentCare, Inc/Seasons are consistent with those of other applicants reviewed and approved by the department.

Based on the information provided in the application, the department concludes that AccentCare, Inc/Seasons has the ability and expertise to recruit and retain a sufficient supply of qualified staff for this project. **This sub-criterion is met.**

EmpRes Healthcare Group, Inc./Eden

To demonstrate compliance with this sub-criterion, the applicant provided its projected full time equivalents (FTEs) for the King County agency. A summary of the FTEs is shown in the table below: [source: Application, Appendix 12]

**Department's Table 25
Eden King County Agency
FTE Projections for Years 2022 - 2024**

FTE Type	Year 1-2022	Year 2-2023 Increase	Year 3-2024 Increase	Total FTEs
QAPI Nurse	0.50	0.00	0.00	0.50
Registered Nurse	1.34	1.68	1.61	4.63
Medical Social Worker	0.45	0.56	0.53	1.54
Hospice Aide	1.34	1.68	1.61	4.63
Spiritual Care Coordinator	1.00	0.00	1.00	2.00
Administrator	0.50	0.00	0.00	0.50
Director of Patient Care	0.00	0.00	0.00	0.00
Clinical Manager	0.50	0.00	0.00	0.50
Business Office Manager	0.50	0.00	0.00	0.50
Clinical Support Specialist	1.00	0.00	0.50	1.50
Volunteer/Bereavement Coordinator	0.00	0.00	1.00	1.00
Community Liaison	0.50	0.00	0.50	1.00
Total FTEs	7.63	3.92	6.75	18.30

The applicant also provided a copy of its Employee Recruitment, Training, and Development Policy. The document provides the following information related to this sub-criterion. [source: Application, Appendix 18]

“Purpose:

“Eden Health believes that hiring qualified individuals to fill positions at the company contributes to the overall strategic success of the organization. Each employee, while employed, is hired to make significant contributions to Eden Health.”

Subsection 7 of this policy provides the annual education plan for employees that includes regulatory requirements, infection control training, and staff and patient safety techniques.

Focusing on staffing ratios, the applicant provided the following table and statements. [source: Application, p54-59]

Applicant's Staff / Patient Ratio Table-Recreated

Type of Staff	Staff / Patient Ratio
Skilled Nursing (RN & LPN)	1:10
Physical Therapist	Contract only
Occupational Therapist	Contract only
Medical Social Worker	1:30
Speech Therapist	Contract only
Home Health/Hospice Aide	1:10
Chaplain	1:40

“Eden evaluated applications that had been approved in the 2018 and 2019 cycles in preparing staffing ratios. Table 24 provides comparative data based on a review of staffing tables and assumptions in the certificate of need applications that were evaluated.”

Applicant's Table Referenced Above
Comparative Staff : Patient Ratios on Recently Approved Hospice Agencies

Type of Staff	Olympic Medical Center 2019 CoN	Providence 2018 CoN	Envision 2019 Snohomish	Inspiring 2019 Snohomish
	Staff / Patient Ratio	Staff / Patient Ratio	Staff / Patient Ratio	Staff / Patient Ratio
Skilled Nursing (RN & LPN)	1: 10	1:11	1:10	1:8
Physical Therapist	Contract only	Contract only	Contract only	Contract only
Occupational Therapist	Contract only	Contract only	Contract only	Contract only
Medical Social Worker	1:35	1:25	1:35	1:03
Speech Therapist	Contract only	Contract only	Contract only	Contract only
Home Health / Hospice Aide	1:10	1:15	1:10	1:8
Chaplain	Contract per Visit	1:50	1:37	1:30

The applicant provided the following information and statements regarding the recruitment and retention of staff and expected timeline for staff recruitment. [source: Application, p56]

“Hospice services have been proven to reduce the demand for inpatient hospital services and the nursing and other ancillary staff needed to support hospital inpatients. As a result, hospice in general reduces the demand for hospital-based nursing staff by reducing hospital length of stay and reducing readmissions to acute care hospitals.

“As a large multi-state organization, EmpRes and Eden have employees, visibility, and contacts across numerous job markets. Specific to King County, EmpRes currently operates both a home health agency and a skilled nursing facility in King County so it has local knowledge and established relationships within King County for recruiting staff.

“Eden Hospice at King County is an employee-owned agency. This is an added recruitment advantage in several important aspects of staffing, recruitment, and retention:

- *EmpRes maintains a recruitment office to systematically recruit for employees (see Appendix 18).*
- *Staff mobility within and between labor markets supports recruitment and enhances overall retention efforts for employees stay in the EmpRes and Eden organizations (see Appendix 18).*
- *As an employee-owned organization, EmpRes and Eden experience lower turn-over rates than many other health care providers.*
- *Co-location of Eden Hospice with EmpRes Home Health King County, LLC will reduce the need for new employees particularly in the start-up years.*
- *The EmpRes commitment to Employees/Residents reflected in the company name is also reflected in management efforts to prioritize employees and residents as core to any success again reducing turnover and making EmpRes an attractive employer.*
- *EmpRes maintains an Employee Referral bonus program (see Appendix 18).”*

Public Comment

AccentCare, Inc./Seasons - Oppose

“Eden states that it can operate with “great economies of scale” and “additional staffing is minimized.” This implies that existing home health agency staff may be utilized to serve the hospice, thereby diluting the available staff for home care.

“Eden does not identify any current credentialed staff for the hospice, but Appendix 12 includes a Staffing Summary by FTE and most positions are identified as “split between HH and HOS.”

“If the co-located home health agency has existing staff that will also be employed by the hospice, then they should identify those staff.”

EmpRes Healthcare, Inc/Eden Rebuttal

“Key staff are listed below. The current expected assignments are shown below. If both the Eden King and Eden King County applications are approved then the allocations will be modified to share staff in the best way between the two hospice agencies and the Eden King County Home Health agency. The staffing below is sufficient to proceed with implementation of one or two hospice certificate of need projects. In any case, the FTE allocations for each position for each agency remain constant.

“Administrator: Lisa Belal RN

“50 FTE allocation to Eden Hospice at King County

“.50 FTE allocation of existing position to Eden Home Health of King County

“Director of Patient Care Services: Ashley Rodriguez RN

“50 FTE allocation to Eden Hospice at King County

“.50 FTE allocation of existing position to Eden Home Health of King County.”

Department Evaluation

If approved, the applicant would be a new provider of Medicare and Medicaid hospice services for King County. To ensure its staffing ratios are reasonable, the applicant based them on ratios identified in past hospice applications. This approach is reasonable because most applicants base their staffing ratios on national standards. This staffing appears reasonable and consistent with past hospice projects.

During public comment, concerns were raised about this applicant sharing staff with its home health agency. In its rebuttal comments, EmpRes Healthcare Group, Inc./Eden clarified that the shared staff would be for administrators and administrative support staff, not patient care staff and provided a chart showing which staff would be shared.¹⁹ This approach is reasonable.

The applicant also clarified that its medical director and therapy staff would be under contract and are not included in the table above. This approach is reasonable.

For recruitment and retention of staff, EmpRes Healthcare Group, Inc./Eden intends to use the strategies its parent has successfully used in the past for recruitment and retention of staff for its out-of-state hospice agencies. The strategies identified for the King County project are consistent with those of other applicants reviewed and approved by the department.

Based on the information provided in the application, the department concludes that EmpRes Healthcare Group, Inc./Eden has the ability and expertise to recruit and retain a sufficient supply of qualified staff for this project. **This sub-criterion is met.**

¹⁹ It is noted that the applicant included a typographical error in its rebuttal documents when it clarified shared staff. Rather than noting a .50 FTE for the hospice agency’s administrator and administrative support staff, the applicant identified the FTE to be 50, with no decimal point. The error is clearly typographical, and the FTE is .50.

The Pennant Group, Inc./Puget Sound

To demonstrate compliance with this sub-criterion, Pennant provided the following assumptions it used in projecting full-time equivalents (FTE’s) for this project. [source: Application, pdf27]

“The assumptions used to project the number and types of FTE’s identified for this project are based upon the average numbers and types used across all Cornerstone-affiliated hospice agencies, which include two Washington state hospice agencies. The Washington state hospice numbers are consistent with these averages.

“Puget Sound Hospice of King County is confident that our proposed staff to patient ratio is appropriate for several reasons. First, Cornerstone-affiliated hospice agencies have found that operating at these ratios is optimal to produce quality outcomes. Additionally, these ratios were in two separate Conerstone-affiliates[sic] 2018 hospice CN applications for Thurston and King Counties, respectively, which the CN Department found to be appropriate. Table 5 below shows these ratios.”

Applicant’s Staff / Patient Ratio Table-Recreated

Type of Staff	Staff / Patient Ratio
Registered Nurses	1:12 – 0.8:12
Certified Nursing Assistant	1:10
Social Work	1:30
Spiritual Care Coordinator	1:30

[source: Application, p27]

Pennant also provided some of its projected full-time equivalents (FTEs) for the King County agency. Following is the FTE table. [source: Application, p26]

**Department’s Table 26
Pennant’s King County FTE Projections**

FTE Type	2022 (Partial)	2023 (Year 1)	2024 (Year 2)	2025 (Year 3)
Administrator	0.50	0.50	0.50	Not specified
Business Manager, Medical Records, Scheduling	0.90	1.40	1.90	Not specified
Intake	1.00	1.00	1.00	Not specified
Community Liaison	0.90	1.40	1.90	Not specified
Registered Nurse	3.90	6.10	8.50	Not specified
Certified Nursing Assistant	2.60	4.10	5.70	Not specified
Licensed Clinical Social Worker	0.90	1.40	1.90	Not specified
Spiritual Care Coordinator	0.90	1.40	1.90	Not specified
Director of Patient Services	0.70	1.00	1.40	Not specified
Total FTE’s	12.30	18.30	24.70	Not specified

In addition to the preceding table, Pennant clarified that the positions of medical director, dietician, physical, occupational, and speech therapists are under contract and not included in this FTE count. [source: Application, Exhibit 10]

Pennant provided the following additional information related to this sub-criterion. [source: pp27-28]

“Dr. Elledge is contracted. The medical director contract is at found at Exhibit 3.

“Devin Rothwell is the Administrator, professional license numbers do not exist for this profession. The other key staff have not yet been identified.”

Pennant provided the following statements regarding the recruitment and retention of necessary staff. [source: Application, pp28-31]

“In addition to Emerald operating a home health agency in King County, its ultimate parent company, Pennant, owns 134 healthcare organizations across 14 states in the United States, including a senior living home in Redmond, Washington, as well as Cornerstone-owned home health agencies in King, Pierce, King, Skagit, San Juan, Aston, Garfield, Benton, and Franklin counties. Additionally, Cornerstone owns Washington-based hospice agencies that service the following counties: King, Aston, Garfield, and upcoming Thurston county in 2021. In the experience of Pennant-affiliated health care agencies, health care employees are drawn to the Pacific Northwest Region for its outdoor experiences, culture and vitality, making recruiting generally easier than other parts of the country. Additionally, if Pennant-affiliated health care agencies have qualified and experienced staff in good standing that want to move to King County, or to transition from long-term care [sic] or home health to hospice, we are able and willing to support that relocation or transition.

“Both Emerald and its affiliates also have strong and proven histories of recruiting and retaining quality staff. We offer a competitive wage scale, a generous benefit package, and a professionally rewarding work setting, as well as the potential for financial assistance in furthering training and education.

“Cornerstone has access to and utilize a variety of recruitment resources, including the use of social media and internet recruitment platforms such as LinkedIn, Indeed, Monster and Glassdoor, among others, and due to our employees’ high job satisfaction we have found great success in recruiting through our staff’s network of other skilled healthcare professionals.

“The following provides additional details as to Puget Sound Hospice of King County’s approach to recruiting and retention.

“Recruiting

“Puget Sound Hospice of King County leaders will continually perform the following recruiting activities.

- *Identify any opportunity to recruit at local job fairs and State and National associations websites and conferences [sic].*
- *Maintain a liaison with career/placement staff at regional colleges, universities, and clinical certification organizations to actively recruit its students, including offering clinical shadowing and volunteer opportunities.*
- *Join applicable healthcare professional associations.*
- *Utilize national talent search companies.*
- *Meet community market wages, recruiting and sign on bonuses.*
- *Provide leadership and advancement opportunities [sic] for staff to elevate within Cornerstone.*
- *Post positions within Cornerstone’s multistate organizations.*

“Puget Sound Hospice of King County’s Administrator and DCS will continually identify open positions. Determination of open positions will be based necessary staff members needed based on hospice IDT caseloads and ADC growth. This will be continuously assessed to ensure staff to patient ratios remain appropriate to maintain consistent delivery of quality patient care and ensure the IDT team/staff are not overburdened.

“Once an open position has been identified the agency’s leaders will do the following.

- *Email HR/Payroll Group with the standard subject line: Recruiting Need Discipline. The content of this email will set out the following information as to the open position:*
- *FTE*
- *Discipline*
- *Territory*
- *Rate Sets*
- *Urgency of fill: Immediate, moderate, low*
- *Potential Hire date*
- *Bonus – Sign on – automatic for urgent need, hard to fill.*
- *Post open position in Workday via human resource information system provided by Pennant Services.*
- *Post open position on job boards on LinkedIn, Indeed, Career Builder, Glassdoor.*
- *Share the job posting on agency social media.*

“Once a candidate has been identified the agency will follow its standard screening process:

Step 1. Conduct phone interview of candidate, screening for relevant experience, positive attitude, and discuss compensation.

Step 2. DCS in-person or video conference interview with clinical candidate; Administrator or DCS in-person or video conference interview with administrative candidate.

Step 3. Ride-along with clinical staff (only clinical candidates with little or no hospice experience)

Step 4. Candidate interviewed by 2-4 agency staff.

“Once agency leadership decide to extend the candidate an offer the agency will follow its standard process:

- *Agency administrator or HR designee will:*
- *Provide candidate with offer letter setting out the duties of the position, rate of compensation, start date, and directions on how to accept the offer.*
- *Perform a background check compliant with state law, which will include primary source verification of licensure, if applicable.*
- *Instruct candidate as to how to perform drug screen.*
- *Perform reference checks for references identified by candidate.*
- *Notify candidate on necessary items to bring on start date for onboarding (e.g., identification documentation for I-9).*
- *Inform agency leaders and appropriate staff regarding the candidate’s acceptance/rejection of offer, candidate’s start date, and any additional pertinent information.*

“Retention

- *With retention even more important than recruitment, all Pennant-affiliates are provided resources and support from the Pennant Services Center to provide rigorous department orientation, clinical and safety training, initial and ongoing competencies assessments, and performance evaluations.*
- *Staff will be trained on our core values: Celebration, Accountability, Passion for Learning, Love One Another, Customer Second, Ownership. These core values will guide all of our decisions and will form the basis for expectations of the staff.*
- *Agency will have weekly rounding/one-on-one sessions during first 90 days with director or designee. Quarterly thereafter.*

- *Staff will have 90-day and annual reviews, allowing open dialogue about the employee's performance, concerns, and feedback.*
- *We offer programs for CEU and tuition reimbursement.*
- *We offer competitive benefits, including health care, dental, vision, paid time off, and more.*
- *We perform an anonymous employee satisfaction survey annually to gauge employee satisfaction.*
- *We provide ongoing professional training based on needs identified in our QAPI program, annual compliance and profession-specific training, and regular inservice training.”*

There was no public comment or rebuttal submitted on this sub-criterion.

Department Evaluation

Pennant would be a new provider of Medicare and Medicaid hospice services for the residents of King County; however, does operate Medicare and Medicaid hospice agencies that serve other parts of the state. Pennant based its staffing ratios on those used across all Cornerstone-affiliated hospice agencies with optimal quality outcomes, which include two Washington state hospice agencies. This approach is reasonable.

As shown in the FTE table, 18.3 FTE's are needed in the first full year of operation (2023), which increases to 24.7 FTE's by the second full year (2024). However, no FTE projections were provided for the operation's third full year (2025). Pennant clarified that its medical director, dietician, and therapy staff would be contracted and are not included in the FTE table.

For recruitment and retention of staff, Pennant intends to use the strategies it has successfully used in the past for its agencies. These recruitment and retention strategies include; transferring staff from other states and types of care, competitive wages, generous benefits, a professionally rewarding work setting, financial assistance for additional training and education, social media campaigns, job fairs, state and national association websites and conferences, regional educational facilities, national recruitment agencies, internal advancement opportunities, internet recruitment platforms, its existing staff's network, rigorous orientation, training, and competency assessments, weekly sessions to connect with leadership, 90-day and annual reviews, tuition reimbursement, paid time off, and anonymous employee satisfaction surveys.

Pennant may have the experience and resources to recruit and retain staff for this project; however, since it did not specify the number and type of full-time equivalents for its third full year of operation, the department is unable to determine if the amount projected is reasonably attainable. Thus, the department is unable to determine whether Pennant has the ability and expertise to recruit and retain a sufficient supply of qualified staff for its King County project. **This sub-criterion is not 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) 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 certified and Medicaid eligible. Therefore, using its experience and expertise the department assessed the applicant's ability to establish and maintain appropriate relationships.

AccentCare, Inc./Seasons

In response to this sub-criterion, the applicant provided the following information. [source: Application, pp85-86]

“Exhibit 14 includes three policies that describe how ancillary and support services function with the care team.

- *Standards of Practice, policy #206*
- *Contracted Services, policy #202*
- *Financial Management, policy #606*

“Seasons King County uses employees to deliver services, and contract personnel to supplement the skills that may not be routinely available among the employees when the plan of care requires such services. Most often, these contract services include physical, respiratory, speech, and occupational therapists. A patient may also require acupuncture, massage, or other palliative treatments for which a licensed professional is required.

“Because ancillary personnel serve under contracts, they augment the plan of care by adding some additional services specified in the plan of care. At all times, Seasons employees are in control of the delivery of care, and retain control, thus assuring that the contracted personnel can meet the service demand. Contract employees are also discussed in previously mentioned policies, appearing in Exhibit 14.

“Some hospices consider music therapy and dieticians as ancillary services but Seasons identifies them as core team members; they are included in the interdisciplinary group.

“Active in the community, Seasons King County’s educational, promotional, and outreach efforts intersect with facilities, advocacy groups, religious institutions, service providers, physicians, social workers, funeral directors, and insurers (including HMOs). Working relationships often occur from the following groups:

- | | | |
|---|------------------------------------|--|
| • <i>Nursing homes</i> | • <i>Physicians</i> | • <i>Churches</i> |
| • <i>Hospitals</i> | • <i>Dialysis Centers</i> | • <i>Funeral Directors</i> |
| • <i>Assisted Living Facilities</i> | • <i>Social Workers</i> | • <i>Social Services Organizations</i> |
| • <i>Health Maintenance Organizations</i> | • <i>Home Health Organizations</i> | • <i>Families and Individuals</i> |

“In order to assure access and availability of general inpatient care close to the patients’ homes, Seasons proposes contractual agreements with nursing homes and hospitals throughout King County. Letters of support will be provided during the public comment period identifying individuals and facilities with which the applicant will establish working relationships.”

The applicant also provided a copy of the Medical Director Agreement to be used for the new King County agency executed on December 1, 2020. The agreement is between Seasons Hospice & Palliative Care of King County Washington, LLC and Balakrishnan Natarajan, MD. The agreement outlines roles and responsibilities for both the agency and the physician and identifies compensation for the medical director before and after the agency is licensed. The agreement is effective for one year, with automatic annual renewals in perpetuity (evergreen clause).

AccentCare/Seasons also provided an example ‘Physician Independent Contractor Agreement’ that will be used for this King County project. The role of the physician independent contractor, also referenced in the application as ‘physician team support,’ is explained below: [source: February 25, 2021, screening response, p3 and Attachment 4]

“The term “physician support team” refers to the individual physicians who lead hospice teams in providing direct patient care, e.g., making visits to patients. These services are separate and distinct from the medical administrative duties/services provided by the Medical Director. Physicians who provide direct patient care services will contract with Seasons King pursuant to a Physician Independent Contractor Agreement, a sample of which is found as Attachment 3 to this document. The individual physician contracted as the Medical Director could also choose to provide patient care services and if so, he or she would enter into a Physician Independent Contract Agreement and be paid for these services over and above the Medical Director fee.”

There was no public comment or rebuttal provided under this sub-criterion.

Department Evaluation

AccentCare, Inc/Seasons is not currently a Medicare and Medicaid hospice provider in Washington State; however, the parent organization does operate hospice agencies in a number of other states. This project proposes to serve King County patients from the same office as its King County home health agency.

AccentCare, Inc/Seasons provided a listing of the types of ancillary and support agreements it would use for the new hospice agency. Given that the facility is not yet operational, the listing does not identify every entity and no agreements have been finalized.

AccentCare, Inc/Seasons provided a copy of its executed Medical Director Agreement with Balakrishnan Natarajan, MD. The agreement includes a job description and outlines roles and responsibilities for both the physician and the agency. The applicant also provided a copy of the draft Physician Independent Contractor Agreement. This agreement was previously reviewed and discussed in this evaluation.

AccentCare, Inc/Seasons provided a copy of the Services Agreement between Seasons Healthcare Management and Seasons Hospice & Palliative Care of King County Washington, LLC. The agreement was executed on October 12, 2020, and outlines roles and responsibilities for both entities. The agreement is used to ensure the new agency would have consulting services available, including billing and collection.

Information provided in the application demonstrates that the proposed hospice agency would have the experience and likely access to all hospice ancillary and support services used by the facility.

Based on the information reviewed in the application, the department concludes that AccentCare, Inc/Seasons has the experience and expertise to establish appropriate ancillary and support relationships for the new hospice services in King County. If this project is approved, the department would include conditions related to the draft Physician Independent Contractor Agreement and the listing of ancillary and support services. With agreement to the specific conditions, the department concludes **this sub criterion is met.**

EmpRes Healthcare Group, Inc./Eden

In response to this sub-criterion, the applicant provided the following information. [source: Application, p58] *“EmpRes has been a King County healthcare provider for 23 years. Its Whatcom County home-health agency commenced in 2014, and its Whatcom homecare agency in 2016 and skilled nursing facilities in King County were established in 1997 and provide ancillary and support services. The existing ancillary and support services include but are not limited to the following:*

- *Hospital: Eden Hospice will establish agreements with Evergreen Hospice Center to make available inpatient services and local hospitals.*
- *Respite Care: Eden Hospice will work with Evergreen at Kirkland, LLC for hospice center services and with its SNFs in King County.*

- *Long Term Care facilities: Eden Hospice will work with EmpRes SNFs located in King County – Canterbury House, Seattle Medical and Rehabilitation Center and Enumclaw Health and Rehabilitation*
- *Pharmacy Benefit Manager: EmpRes has an agreement with Enclara Pharmacia.*
- *Home Medical Equipment and Specialty Pharmacy Services: Bellevue Healthcare II., Inc.*
- *Occupational Therapy, Physical Therapy, and Speech Therapy: EmpRes Home Health agency currently have these resources in place through its home health agency and SNFs within King County.*
- *Oncology Cancer Center: Eden Hospice will develop working relationships with cancer programs in King County.*
- *Primary Care Clinics: Eden Hospice will focus on developing working relationships with federally qualified health care clinics such as Sea Mar, Healthpoint, International Community Health Services and County Doctor Clinics and as part of its outreach to dual eligibility Medicare beneficiaries. It will also use its regular outreach activities with primary care clinics throughout Seattle and the rest of King County, initially relying on relationships developed with physicians in its home health and SNF operations.*

“The relationships demonstrate that Eden Hospice at King County has the capabilities to meet the service demands for the project. Once the project is approved, Eden Hospice will work to make any necessary adjustments or amendments to the agreements in order to provide the full spectrum of hospice services in King County.”

EmpRes Healthcare Group, Inc./Eden also provided a copy of the draft medical director agreement to be used for the new King County hospice agency. The draft agreement is between Eden Hospice at King County, LLC and Gilson R. Giroto, MD. The agreement outlines roles and responsibilities for each and identifies compensation for the medical director. The draft agreement is effective for one year, with automatic annual renewals in perpetuity (evergreen clause). The applicant also provided a document signed by both entities confirming the intent to execute the medical director agreement if this project is approved. [source: Application, Appendix 9]

The applicant provided a copy of its Management Agreement. The agreement was executed on December 21, 2020, between EmpRes Healthcare Management, LLC (Consultant) and Eden Hospice at King County, LLC (Company). The initial term of the agreement is five years, with automatic renewal of five-year increments. The Management Agreement identifies the following purpose: *“Consultant is engaged in a business of providing consulting services for personal care agencies, and Company desires to have Consultant provide the consulting services set forth in this agreement on Company’s behalf, and Consultant is willing to do so pursuant to the terms and conditions hereinafter set forth.”* The executed agreement outlines roles and responsibilities for both entities and identifies annual compensation of *‘5% of the company revenues for consult fees.’* [source: February 25, 2021, screening response, Attachment 2]

There was no public comment or rebuttal provided under this sub-criterion.

Department Evaluation

EmpRes Healthcare Group, Inc./Eden provided a listing of the types of ancillary and support agreements it would use for the new hospice agency. Given that the facility is not yet operational, the listing does not identify every entity and no agreements have been finalized.

The applicant also provided a copy of its draft Medical Director Agreement. The agreement provides all of the necessary information to demonstrate it would be finalized consistent with the draft if this project is approved.

EmpRes Healthcare Group, Inc./Eden also provided a copy of its executed Management Agreement. This agreement would be used to ensure consultation services are available for the new King County agency.

The department concludes that all information provided in the application demonstrates that the proposed hospice agency would have the experience and likely access to all hospice ancillary and support services used by the facility.

Based on the information reviewed in the application, the department concludes that EmpRes Healthcare Group, Inc./Eden has the experience and expertise to establish appropriate ancillary and support relationships for the new hospice services in King County. If this project is approved, the department would include conditions related to the draft medical director agreement and the listing of ancillary and support services. With agreement to the specific conditions, the department concludes **this sub criterion is met.**

The Pennant Group, Inc./Puget Sound

In response to this sub-criterion, Pennant provided the following list of ancillary and support services that will be established. [source: Application, p33]

“Strategic Healthcare Programs (SHP)

Home Care Home Base (HCHB) -EMR

DME Vendor

Pharmacy Vendor

Supply Vendor

eSolutions – accounting interface

Workday – HR interface

Lippincott – Electronic educational/procedural tool for clinicians

Focura – Leading document management and HIPPA compliant communication for clinicians

Providor Link –for Community Physicians

Relias Learning – clinician focused learning tool”

Pennant provided a copy of the executed Medical Director Service Agreement between William Elledge, MD and Symbol Healthcare, Inc. The agreement was executed on December 21, 2020 and outlines roles and responsibilities for each of the parties, as well as compensation. Additionally, there is an expense line item to account for this cost in Pennant’s pro forma operating statement. The agreement is effective for one year, with automatic annual renewals in perpetuity. [source: Application, Exhibit 4]

Pennant also provided a copy of the executed Consulting, Professional, and Operational Support Services Agreement between Cornerstone Service Center, Inc. and Symbol Healthcare, Inc. dba Puget Sound Home Health. The submitted agreement was executed on October 1, 2019 and outlines roles and responsibilities for each of the parties, as well as compensation. The agreement is effective for one year, with automatic annual renewals in perpetuity. [source: Application, Exhibit 9]

There were no public comment or rebuttal provided under this sub-criterion for this applicant.

Department Evaluation

The Pennant Group, Inc. offers several lines of service, which includes in-home care, via its subsidiary Cornerstone Healthcare, Inc.; and senior living communities, via its subsidiary Pinnacle Senior Living LLC. Cornerstone Healthcare, Inc. through its subsidiaries, owns and operates 10 home care agencies, 41 hospice agencies, 33 home health agencies, four physician groups, and two therapy groups throughout 14 states nationally. This count includes Washington State Certificate of Need-approved hospice services to Asotin, Garfield, King, and Thurston county residents as well as licensed only hospice services to the Whitman County residents. This project proposes to serve King County hospice patients from the same office as its home health agency in Pierce County.

Pennant provided a list of ancillary and support vendors it would use for the proposed project. Pennant also provided a copy of its executed Medical Director Service Agreement and Operational Support Services Agreement. Pennant has made clear, that Symbol Healthcare, Inc. dba Puget Sound Home Health is not the agency being reviewed²⁰ by this evaluation. However, since both signing parties are subsidiaries of the applicant, and there is an expense line item to account for this agreement's cost in Pennant's King County pro forma operating statement, the applicant's intent can be reasonably assumed; and if this project is approved, the department would attach a condition requiring the applicant to submit a revised agreement specific to this project.

Information provided demonstrates that the applicant would have the experience and likely access to all hospice ancillary and support services used by the proposed hospice agency. Based on the information reviewed and lack of public comment, the department concludes that Pennant has the experience and expertise to establish appropriate ancillary and support relationships for the proposed project in King County. If this project is approved, the department would attach a condition requiring the applicant to provide a signed job description consistent with the one provided. Based on the information, the department concludes **this sub criterion is met.**

(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 certified and Medicaid eligible. 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.

As a part of this review, the department must conclude that the proposed services provided by an applicant would be provided in a manner that ensures safe and adequate care to the public.²¹ For hospice agencies, the department reviews two different areas when evaluating this sub-criterion. One is a review of the Centers for Medicare and Medicaid Services (CMS) "Terminated Provider Counts Report" covering years 2018 through 2021. The department uses this report to identify healthcare facilities that were involuntarily terminated from participation in Medicare reimbursement.

The department also reviews an applicant's conformance with Medicare and Medicaid standards, with a focus on Washington State facilities. The department uses the CMS 'Survey Activity Report' to identify Washington State facilities with a history of condition level findings. For CMS surveys, there are two levels of deficiencies: standard and condition.²²

- Standard Level

A deficiency is at the Standard level when there is noncompliance with any single requirement (or several requirements) within a particular standard that is not of such character as to substantially limit a facility's capacity to furnish adequate care, or which would not jeopardize or adversely affect the health or safety of patients if the deficient practice recurred.

²⁰ Source: February 26, 2021, screening response, Exhibit 1

²¹ WAC 246-310-230(5).










²² Definitions of standard and condition level surveys: <https://www.compass-clinical.com/deciphering-tjc-condition-level-findings/>


- Condition Level


Deficiency at the Condition level may be due to noncompliance with requirements in a single standard that, collectively, represent a severe or critical health or safety breach, or it may be the result of noncompliance with several standards within the condition. Even a seemingly small breach in critical actions, or at critical times, can kill or severely injure a patient, and such breaches would represent a serious or severe health or safety threat.

For nursing homes, a ‘Scope and Severity Grid’ is used to assess the seriousness of deficiencies. Since one or more applicants in this concurrent review operate either Washington State or out of state nursing homes, the grid is shown below:

Assessment Factors Use to Determine the Seriousness of Deficiencies Matrix

	Isolated	Pattern	Widespread
Immediate jeopardy to resident health or safety	J PoC Required 	K PoC Required 	L PoC Required 
Actual harm that is not immediate	G PoC Required	H PoC Required 	I PoC Required 
No actual harm with potential for more than minimal harm that is not immediate jeopardy	D PoC Required	E PoC Required	F PoC Required 
No actual harm with potential for minimal harm	A No PoC Required  No remedies Commitment to Correct Not on CMS-2567	B PoC Required 	C PoC Required 

 *Standard quality of care* means one or more deficiencies related to participation requirements under §483.10 “Resident rights”, paragraphs (a)(1) through (a)(2), (b)(1) through (b)(2), (e) (except for (e)(2), (e)(7), and (e)(8)), (f)(1) through (f)(3), (f)(5) through (f)(8), and (i) of this chapter; §483.12 of this chapter “Freedom from abuse, neglect, and exploitation”; §483.24 of this chapter “Quality of life”; §483.25 of this chapter “Quality of care”; §483.40 “Behavioral health services”, paragraphs (b) and (d) of this chapter; §483.45 “Pharmacy services”, paragraphs (d), (e), and (f) of this chapter; §483.70 “Administration”, paragraph (p) of this chapter, and §483.80 “Infection control”, paragraph (d) of this chapter, which constitute either immediate jeopardy to resident health or safety; a pattern of or widespread actual harm that is not immediate jeopardy; or a widespread potential for more than minimal harm, but less than immediate jeopardy, with no actual harm.

 Substantial compliance

AccentCare, Inc./Seasons

The applicant provided the following information to demonstrate compliance with this sub-criterion and the sub-criterion under WAC 246-310-230(5). [source: Application, pdf 86]

“Seasons Hospice & Palliative Care of King County, LLC has no history. The entity is a newly created limited liability company formed for the purpose of obtaining a certificate of need for a hospice entity that will operate in the state, serving residents of King County. No healthcare agency nor any principle or officer affiliated with the applicant have had any denials or revocations of licenses nor criminal convictions.”

The applicant provided the following discussion regarding its proposed assessment for customer satisfaction and quality improvement. [source: Application, pp84-85]

“Although this criterion is not applicable, as the applicant is not an existing agency, the proposed Seasons King County agency will have a method for assessing customer satisfaction and quality improvement.

“The Centers for Medicare and Medicaid Services (CMS) mandates that all hospices measure quality through the use of the Hospice Item Set (HIS) quality measures and Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey results, with both methods linked to specific National Quality Forum endorsed measures of quality. Both components of the Hospice Quality Reporting Program allow individual hospices to compare their results to the national benchmark for the measure. Seasons King County also plans to use the CHECKSTER Pulse survey for employee satisfaction. A copy of the CHECKSTER survey appears in Exhibit 23. Exhibit 14 contains applicable policies that Seasons King County implements to assure quality assessment and program improvement:

- *Quality Assessment & Performance Improvement, policy #501*
- *Sentinel Events, policy #502*
- *Program Evaluation, policy #612*

“Seasons King County reviews all policies on an annual basis and conforms the policies to location-specific requirements.

“In addition to the local sites performing their own Performance Improvement Projects, Seasons Hospice & Palliative Care provides a National Workgroup of quality experts to help the organization find root causes to problems impacting quality, find creative solutions, and make changes nationally that directly improve the quality of care for patients and families. By performing National Performance Improvement Projects, the sites are able to double their quality focus - one at the local level and the other at the national level impacting the local program. This attention to quality led by quality experts has resulted in reducing survey deficiencies, improved quality outcomes, and greater patient and staff satisfaction.”

There was no public comment or rebuttal provided under this sub-criterion.

Department Evaluation

AccentCare, Inc./Seasons owns and operates a total of 130 in home services agencies in 26 states. The table below shows the breakdown of type by state.

**Department’s Table 27
Breakdown of AccentCare, Inc./Healthcare Facilities**

State	Home Health	Hospice	Total
Arizona	0	1	1
California	9	8	17
Colorado	1	2	3
Connecticut	0	1	1
Delaware	0	1	1
Florida	5	6	11
Georgia	6	1	7
Illinois	1	1	2
Indiana	1	1	2
Maryland	0	1	1
Massachusetts	4	3	7
Michigan	0	1	1
Minnesota	2	1	3
Mississippi	3	1	4

State	Home Health	Hospice	Total
Missouri	0	1	1
Nebraska	1	0	1
Nevada	0	1	1
New Jersey	0	1	1
New Mexico	1	0	1
Ohio	1	0	1
Oklahoma	1	0	1
Oregon	1	1	2
Pennsylvania	0	1	1
Tennessee	6	1	7
Texas	37	14	51
Wisconsin	0	0	1
Totals	81	49	130

If this project is approved for King County, it would be the applicant's only in home service agency in Washington State. Below is a summary of the two areas reviewed for AccentCare, Inc./Seasons and its healthcare facilities.

Terminated Provider Counts Report

Focusing on years 2018 through 2021, none of AccentCare, Inc./Seasons' healthcare facilities were involuntarily terminated from participation in Medicare reimbursement.

Conformance with Medicare and Medicaid Standards

In Home Service Agency

Focusing on years 2018 through 2021, of the 130 in home service agencies, a total of 50 were not surveyed during the timeframe—15 hospice agencies and 35 home health agencies. The 80 agencies surveyed resulted in a total of 120 surveys. All surveys resulted in minor deficiencies that required no follow up visits. All agencies are in conformance with CMS standards at this time.

AccentCare, Inc./Seasons identified the physician that would provide medical director services: Balakrishnan Natarajan, MD. Using data from the Medical Quality Assurance Commission, the department confirmed that the physician holds an active medical license with no enforcement actions.

Given that AccentCare, Inc./Seasons would be establishing a new agency, no other staff have been identified. If this project is approved, the department would attach a condition requiring the applicant to provide the name and professional license number to the CN program prior to providing Medicare and Medicaid hospice services in King County.

In review of this sub-criterion, the department considered the total compliance history of AccentCare, Inc./Seasons organization. The department also considered the compliance history of the proposed Medical Director who would be associated with the agency. Based on the information reviewed and the lack of public comment in opposition to the project, the department concludes that AccentCare, Inc./Seasons has been operating in compliance with applicable state and federal licensing and certification requirements. The department also concludes there is reasonable assurance that the applicant's establishment of a hospice agency in Washington State would not cause a negative effect on the compliance history of AccentCare, Inc./Seasons. The department concludes that this project **meets this sub-criterion.**

EmpRes Healthcare Group, Inc./Eden

The applicant provided the following information to demonstrate compliance with this sub-criterion and the sub-criterion under WAC 246-310-230(5). [source: Application, p 59]

“There are no such convictions or denial or revocation of licenses, so this question is not applicable.”

The applicant provided the following discussion regarding its proposed assessment for customer satisfaction and quality improvement. [source: Application, 56-57]

“While this is a new hospice agency, Eden does have a methodology for assessing customer satisfaction and quality improvement. Please see Appendix 19 for the Eden Hospice at King County Quality Assurance Performance Improvement (QAPI) Policy and Plan. Strategic Healthcare Partners conducts the CHAP Community Health Assessment plan. The primary goals of the organizational Quality Assurance Performance Improvement (QAPI) Plan are to continually and systematically plan, design, measure, assess, and improve performance of organization-wide key functions and processes relative to patient care, treatment, and services.

Element 1. D. vii. Addresses the methods for assessing customer satisfaction and quality improvement. CAHPS and Quality Results

1. To achieve this goal, the plan strives to:

- a. Incorporate quality planning throughout the organization.*
- b. Collect data to monitor performance.*
- c. Provide a systematic mechanism for the organization’s appropriate individuals, departments, and professions to function collaboratively in their Quality Assurance Performance Improvement (QAPI) efforts providing feedback and learning throughout the Agency.*
- d. Provide for an organization-wide program that assures the Agency designs processes (with special emphasis on design of new or revisions in established services) well and systematically measures, assesses, and improves its performance to achieve optimal patient health outcomes in a collaborative, cross-departmental, interdisciplinary approach. These processes include mechanisms to assess the needs and expectations of patients and their families, staff, and others. Process design contains the following focus elements:
 - i. Consistency with the organization’s mission, vision, values, goals, and objectives and plans.*
 - ii. Meets the needs of individuals served, staff, and others.*
 - iii. Fosters the safety of patients and the quality of care, treatment, and services.*
 - iv. Supports a culture of safety and quality.*
 - v. Use of clinically sound and current data sources (e.g. use of practice/clinical guidelines, information from relevant literature and clinical standards).*
 - vi. Is based upon best practices as evidenced by accrediting bodies.*
 - vii. Incorporates available information from internal sources and other organizations about the occurrence of medical errors and sentinel events to reduce the risk of similar events in this organization.*
 - viii. Utilizes reports generated from OASIS data, including the following OASIS reports:
 - *Outcome-Based Quality Monitoring (OBQM) Potentially Avoidable Events Report and Patient Listing.*
 - *Outcome-Based Quality Improvement (OBQI) Outcome Report.*
 - *Error Summary Report.*
 - *Utilizes the results of Quality Assurance Performance Improvement (QAPI), patient safety and risk reduction activities.*
 - *Management of change and Quality Assurance Performance Improvement (QAPI) supports both safety and quality through the Agency.”***

There was no public comment or rebuttal provided under this sub-criterion.

Department Evaluation

EmpRes Healthcare Group, Inc./Eden owns or operates a total of 79 healthcare facilities in nine states. The table below shows the breakdown of healthcare facilities by type for each state.

Department's Table 28
Breakdown of EmpRes Health Group Healthcare Facilities

State	Home Health	Hospice	Nursing Home	Assisted Living	Total
Arizona	2	1	0	0	3
California	2	0	3	0	5
Idaho	2	1	3	0	6
Montana	1	1	8	1	11
Nevada	1	1	4	0	6
Oregon	0	0	7	1	8
South Dakota	0	0	7	2	9
Washington	4	1	18	1	24
Wyoming	0	0	6	1	7
Totals	12	5	56	6	79

Below is a summary of the two areas reviewed for EmpRes Healthcare Group, Inc./Eden and its healthcare facilities.

Terminated Provider Counts Report

Focusing on years 2018 through 2021, none of EmpRes Healthcare Group, Inc./Eden's healthcare facilities were involuntarily terminated from participation in Medicare reimbursement.

Conformance with Medicare and Medicaid Standards

Nursing Homes²³

Focusing on years 2018 through 2021, of the 56 nursing homes, 53 were surveyed during the time frame.²⁴ The department reviewed the survey information for the nursing homes and found a combined total of 385 surveys for the 53 nursing homes. The scope and severity of the deficiencies required follow up visits by the surveyors. The deficiencies ranged from patient care, charting, pain management, and infection control; many were noted as 'pattern' or 'widespread.' Each of the 53 nursing homes submitted plans of correction (POC) and corrected the deficiencies prior to the required follow up visit.

Focusing on the 18 Washington State facilities, years 2018 through 2021 showed a combined total of 175 surveys. Many of these surveys were also noted to be 'pattern' or 'widespread.' Each of the 18 nursing homes submitted plans of correction (POC) and corrected the deficiencies prior to the required follow up visit. All 18 facilities are in conformance with CMS standards at this time.

In Home Service Agencies

Of the 17 in home service agencies, 5 are hospice and 12 are home health. Focusing on years 2018 through 2021, a total 6 agencies were not surveyed during the timeframe—2 hospice agencies and 4 home health agencies. One of the Washington State home health agencies not surveyed is a new agency in Bellingham.

²³ Assisted living facilities are not included in the QCOR data from CMS, as a result, none of the six assisted living facilities are included in this review.

²⁴ One nursing home in each of the states of Oregon, South Dakota, and Wyoming was not surveyed.

The 11 agencies surveyed resulted in a total of 13 surveys. All surveys resulted in minor deficiencies that required no follow up visits. All agencies are in conformance with CMS standards at this time.

EmpRes Healthcare Group, Inc./Eden identified two key staff persons for the new agency. One is the proposed medical director, Gilson Giroto, MD and the other is the proposed administrator/director of nursing, Lisa Belal. Using data from the Medical Quality Assurance Commission, the department confirmed that both identified staff persons hold an active medical license with no enforcement actions.

Given that EmpRes Healthcare Group, Inc./Eden would be establishing a new agency, no other staff have been identified. If this project is approved, the department would attach a condition requiring the applicant to provide the name and professional license number to the CN program prior to providing Medicare and Medicaid hospice services in King County.

In review of this sub-criterion, the department considered the total compliance history of EmpRes Healthcare Group, Inc./Eden organization. The department also considered the compliance history of the two identified staff persons who would be associated with the agency. Based on the information reviewed and the lack of public comment in opposition to the project, the department concludes that EmpRes Healthcare Group, Inc./Eden has been operating in compliance with applicable state and federal licensing and certification requirements. The department also concludes there is reasonable assurance that the applicant's establishment of a hospice agency in Washington State would not cause a negative effect on the compliance history of EmpRes Healthcare Group, Inc./Eden. The department concludes that this project **meets this sub-criterion.**

The Pennant Group, Inc./Puget Sound

Pennant's response to this sub-criterion is also used to evaluate the sub-criterion under WAC 246-310-230(5). When asked to identify whether any facility or practitioner associated with this application has a history of actions which relate to non-compliance with federal and/or state laws, and if so, to provide evidence that ensures safe and adequate care to the public will be provided; Pennant provided the following statements.

"Neither Symbol, Cornerstone, nor Pennant have any history of criminal convictions, denial or revocation of license to operate a health care facility, revocation of license to practice a health profession, or decertification as a provider of services in the Medicare or Medicaid program. Further, they have never been adjudged insolvent or bankrupt in any state or federal court. And, none have been involved in a court proceeding to make judgment of insolvency or bankruptcy with respect to the applicants." [source: Application, pdf34]

"We are proud to share that none of Cornerstone's 63 home health and hospice agencies have exhibited a pattern of conditional level findings." [source: Application, pdf36]

Pennant provided the following statements regarding its quality rating in Washington State relative to other providers. [source: Application, pdf7]

"The Washington state average for home health skilled care is 3.5 stars. Our agency has averaged 4.0 stars or above for the last several years, we are proud knowing that our patients receive some of the best hands on care in the state."

Pennant provided the following statements regarding its assessment of customer satisfaction and quality improvement. [source: Application, pdf31-32]

"All Cornerstone hospice agencies (and home health agencies) have a method for assessing customer satisfaction and quality improvement for all of our existing hospice agencies. Each of these agencies has a robust process to ensure Federal, State and local guidelines for customer satisfaction and quality improvement are met.."

Customer Satisfaction is a critical element for our quality program and reflects the patient and family experience. We partner with Strategic Healthcare Programs (SHP) for this process. SHP mails the Consumer Assessment of Healthcare Providers and System (CAHPS) survey to the appropriate [sic] designee identified by our electronic medical record (EMR) system vendor, Home Care Home Base (HCHB), and collects the data from the responses. Those responses are then summarized into useable data for use in interdisciplinary meetings (IDG) meetings and quality assurance/performance improvement (QAPI) programs to address customer perceptions and improve community relationships.

To help drive our quality improvement, we have partnered with SHP. Through SHP we are able to view our quality metrics in real time. We also utilize partnership with our HCHB to provide data and reporting based on direct patient contact and the patient record. These partners combined with our processes related IDG meetings and QAPI programs drive patient satisfaction and quality improvement and help build reputation within our communities of being a hospice provider of choice.

Accurate documentation is a critical necessity that is supported by our internal compliance department and agency leadership with regular review intervals. HCHB helps ensure we have all required documentation at the initiation of service and subsequent visits in areas such as Hospice Item Set (HIS) information, Symptom Management, and Service Intensity. HCHB is integrated with SHP to help us develop trends related to Hospice Quality Reporting Program (HQRP) elements and Hospice Compare STAR rating. HCHB also provides an avenue to document opportunities for improving on avoidable events in areas like infection control, patient complaints [sic], falls, and medication errors. We can then use this information to help focus the discussion in our IDG meetings and to drive areas of improvement in our QAPI programs.

Quality improvement is largely driven by our IDG. The main purpose of our IDG meeting is to bring together key hospice professionals to review and discuss the hospice needs for each individual patient and their family. We mentioned above, individualized care plans help drive the best patient outcomes. The IDG also establishes policies governing the day-to-day provision of services, which include agency programs to ensure our clinicians are skilled in providing hospice care.

Lastely [sic], our QAPI program is designed to drive great patient outcomes. Our QAPI program wil be regularly reviewed by our leadership team and our governing [sic] body. More frequency reviews of performance improvement projects (PIP) developed [sic]through our QAPI program occur in the IDG meeting. One of the main purposes of our QAPI program is to measure, analyze and track quality indicators to drive the best quality outcomes and patient satisfaction possible.”

There were no public comments or rebuttal comments provided under this sub-criterion for this applicant.

Department Evaluation

As stated in the Applicant Description section of this evaluation, Cornerstone Healthcare, Inc., dba Puget Sound Hospice of King County, is a Washington State foreign profit corporation; and is owned by The Pennant Group, Inc., who owns Cornerstone Healthcare, Inc., which owns Paragon Healthcare, Inc., which ultimately owns Symbol Healthcare, Inc. Based on the ownership structure, Pennant is the applicant for this project. Pennant operates several post-acute lines of service, which includes in-home care, via its subsidiary Cornerstone Healthcare, Inc.; and senior living communities, via its subsidiary Pinnacle Senior Living LLC.

Pennant operates through its subsidiaries 10 home care agencies, 41 hospice agencies, 33 home health agencies, four physician groups, and two therapy groups nationally. Since the proposed project is for

hospice services, the focus of this review will be hospice and home health operations²⁵ as they are either the same or functionally the most similar to the services proposed in this project. Pennant owns or operates the following count of home health or hospice agencies in the following 14 states.

**Department’s Table 29
Pennant’s Count of In-Home Services Agencies by State**

State	# of Agencies	State	# of Agencies
Arizona	16	Oklahoma	2
California	10	Oregon	3
Colorado	2	Texas	10
Iowa	2	Utah	8
Idaho	6	Washington	8
Montana	1	Wisconsin	2
Nevada	2	Wyoming	2

Terminated Provider Counts Report for Cornerstone Healthcare, Inc.

Focusing on years 2018 through 2020 and partial year 2021, none of Pennant’s in-home services agencies were involuntarily terminated from participation in Medicare reimbursement. [Source: CMS Quality, Certification, and Oversight Reports as of October 10, 2021]

Conformance with Medicare and Medicaid Standards for Cornerstone Healthcare, Inc.

The department reviewed the survey history for the applicant using the Center for Medicare and Medicaid Services (CMS) Quality, Certification & Oversight Reports (QCOR) website. The review included full years 2018 through 2020 and partial year 2021.

Pennant subsidiaries operate eight separate agencies in Washington State which provide home health or hospice services. Following is a summary of Pennant’s Washington State subsidiaries’ home health and hospice agencies’ survey activity reports as of October 10, 2021.

**Department’s Table 30
Summary of Pennant’s Washington State In-Home Services Surveys**

Service Type	State	# of Agencies	Standard Surveys	Complaint Surveys	Number of Surveys with Specific Types of Deficiencies		
					No Deficiencies	Standard Only	Condition & Standard
Home Health	Washington ²⁶	5	7	0	2	5	0
Hospice		3	2	0	2	0	0
Totals		8	9	0	4	5	0

In addition to its Washington State agencies, Pennant operates 66 separate agencies in an additional 13 different states, which provide home health or hospice services. Following is a summary of Pennant’s out-of-state subsidiaries’ home health and hospice agencies’ survey activity reports as of October 10, 2021.

²⁵ Operated under Cornerstone Healthcare, Inc.

²⁶ One of the Washington State agencies did not have any surveys in the period reviewed (CCN 50761) another is relatively new and is not yet certified (Puget Sound Hospice).

**Department's Table 31
Summary of Pennant's Out-of-State Home Health & Hospice Surveys**

Service Type	State	# of Agencies	Standard Surveys	Complaint Surveys	Number of Surveys with Specific Types of Deficiencies		
					No Deficiencies	Standard Only	Condition & Standard
Home Health	Arizona	6	6	0	5	1	0
	California	5	8	0	4	4	0
	Colorado	1	2	0	0	2	0
	Iowa	1	1	0	0	1	0
	Idaho	3	3	2	1	3	1
	Oklahoma	1	1	0	0	1	0
	Oregon	2	2	0	0	2	0
	Texas ²⁷	3	3	0	2	1	0
	Utah	4	5	1	6	0	0
	Wisconsin	1	0	1	0	0	1
	Wyoming	1	1	0	0	1	0
Hospice	Arizona	10	14	4	18	0	0
	California ²⁸	5	4	0	2	1	1
	Colorado	1	1	1	0	2	0
	Iowa ²⁹	1	0	0	0	0	0
	Idaho	3	2	2	0	2	2
	Montana	1	2	0	0	2	0
	Nevada	2	3	0	1	2	0
	Oklahoma	1	1	0	0	1	0
	Oregon ³⁰	1	0	0	0	0	0
	Texas ³¹	7	7	3	9	1	0
	Utah	4	5	0	5	0	0
	Wisconsin	1	0	1	1	0	0
	Wyoming	1	1	0	0	1	0
Totals	66	72	15	54	28	5	

Washington State Healthcare Agencies

Of the seven Washington State agencies which are currently Medicare and Medicaid-certified,³² for full years 2018 through 2020 and partial year 2021, there are a total of nine surveys, all standard; five of which resulted in standard level findings only; and four of which had no deficiencies at all.

Out-of-State Healthcare Agencies

Of the remaining 66 home health or hospice agencies, six had not experienced any surveys for full years 2018 through 2020 and partial year 2021, there is a total of 87 surveys, 72 standard and 15 complaint. Of these 87 surveys, 54 resulted in no deficiencies, 28 in standard-level findings only, and five with standard and condition-level findings. None of these surveys resulted in termination from participation; and all deficiencies were resolved through plans of correction and/or follow-up survey.

²⁷ One of the Texas State home health agencies (CCN 743120) did not have any surveys in the years reviewed for this project.

²⁸ One of the California State hospice agencies (CCN 51787) did not have any surveys in the period reviewed.

²⁹ One of the Iowa State hospice agencies (CCN 161556) did not have any surveys in the period reviewed.

³⁰ One of the Oregon State hospice agencies (CCN 381563) did not have any surveys in the period reviewed.

³¹ One of the Texas State hospice agencies (CCN 671667) did not have any surveys in the period reviewed.

³² One agency was recently approved and thus does not yet have a CMS certification number.

In summary, since year 2018, none of Pennant's 74 home health or hospice agencies' 96 surveys resulted in termination from participation; and all deficiencies were resolved through plans of correction and/or follow-up survey.

Pennant provided the name and professional license number for the proposed medical director, William Elledge, MD. Using data from the department's provider credential search, the department found that Dr. Black is compliant with state licensure and has no enforcement actions on their license.

Given that Pennant proposes a new facility, other staff needing credentials have not been identified. If this project is approved, the department would attach a condition requiring Pennant to provide the name and professional license number of its hospice agency staff prior to providing newly approved services.

In review of this sub-criterion, the department considered the total compliance history of the Pennant organization, and the facilities it owns and operates. The department also considered the compliance history of the proposed medical director that would be associated with the agency. The department concludes that Pennant has been operating in compliance with applicable state and federal licensing and certification requirements. The department also concludes there is reasonable assurance that the applicant's establishment of a new hospice agency in Washington State would not cause a negative effect on the compliance history of Pennant. If this project is approved, the department would attach a condition requiring the applicant to submit a list of its credentialed staff including full name and license number, prior to providing newly approved services. With the applicant's agreement to this condition, the department concludes **this sub-criterion is met.**

(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 directs 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 applications.

In addition to documents provided in the application and screening responses, the public's interest in access to a specific service may be raised during the review. If the topic raised is related to the program's review criteria, the information may inform the department's decision. In this review, there was extensive public comment requesting each applicant to provide clarification related to Washington State's Death with Dignity Act.³³ Under this sub-criterion, the department can assess whether applicants are able to maintain continuity of health services when services such as death with dignity are requested by a community.

The department does not, under this sub-criterion, have the authority to approve or deny an applicant on the basis that a provider does, or does not, directly provide death with dignity services. However, the department finds it important in order to promote continuity in the provision of requested services and to ensure that each applicant has a plan on how requested services would be provided directly, in-directly, or referred.

The department's evaluation of the death with dignity comments and rebuttal can be found for each applicant at the end of this sub-criterion.

³³ Revised Code of Washington 70.245 The Washington Death with Dignity Act that is implemented by Washington Administrative Code 246-978.

AccentCare, Inc./Seasons

The applicant provided the following statements regarding this sub-criterion. [source: Application, pp87-88]

“The application requires a certificate of need in order to implement a hospice program. Persons who receive a physician-determined terminal prognosis may qualify for hospice for end of life care. Some individuals also may elect home health agency care.

“Under the hospice benefit and program of care, the hospice’s interdisciplinary team coordinates a range of palliative care and provides patient and family support for end of life care. The patient’s attending physician participates with the hospice medical director and the interdisciplinary team, of which the patient and family belong, to identify the services that will maintain comfort for the patient based on his or her terminal diagnosis.

“Seasons King County’s plan for general inpatient care requires contracts with nursing homes to serve as the short-term placement of the patient to stabilize the patient and control symptoms, including medicinal management, so that the patient attains a level of comfort and returns home. Nursing homes also provide the family with respite care, caring for the patient for a brief stay, so that the family caregiver has a break from daily care of the patient. A sample copy of a nursing facility services agreement is found as Exhibit 6.

“Seasons King County intends to work with nursing homes and assisted living facilities that are residences of patients enrolled in the hospice program. These facility residences also have staff that provide services to those who reside within them. Seasons King County’s training program for nursing home and assisted living facilities’ employees explains the roles and responsibilities, the accountability for care, and defines the roles of the facility staff and that of the hospice staff. The result in cooperation and avoidance of duplication while ensuring care for the hospice patients.

“In the proposal, another specialty population subgroup are the homeless. Seasons King County’s commitment to this group requires cooperation and coordination with agencies and advocates that serve the homeless, as well as hospitals and emergency departments that also may encounter the homeless. Promotional materials and direct outreach to hospitals, fire departments, police departments and advocacy groups about the program acts as a coordination hub for assuring that homeless persons do not die alone. The homeless program provides housing vouchers and other means to provide a qualifying home with caregiver so that hospice services can be provided to them.

“Seasons King County’s Inclusive Initiative develops diversity councils to identify impediments for those groups to hospice services, and to create pathways to remove them. Volunteers with hospice employees staffing the councils work cooperatively within and across the broader communities within the county to provide appropriate and sensitive materials that address those identified factors that can be overcome. Ways of outreach, such as community meetings, church visits, special programs, revised or newly developed educational materials, expand how minority groups can reach out to hospice. One important lesson learned from other states is to diversify the workforce so that the workforce’s diversity reflects the broader community’s makeup.

“Hospitals are often the place where case identification occurs for end of life prognosis. The hospice social workers share information with hospital discharge planners and patient advocates about the program and services, and explain that Seasons King County’s staff will make assessment visits 24 hours a day, seven days a week. The ability to interact with the patient and family and provide assessments with care and compassion relieves the hospital of longer stays.

“Seasons King County targets community physicians to provide CEUs and other information about hospice, informing them of the benefits the hospice provides and the services. Information regarding how to open communication about palliative care and end of life care equips the community physicians with the material to engage in productive communication with the patient and family. Seasons King County’s assessment team or other personnel offer the community physicians to pursue palliative care discussions and planning for end of life care.”

There was no public comment or rebuttal provided under this sub-criterion.

Department Evaluation

Given that AccentCare, Inc./Seasons does not currently provide hospice services in King County, the applicant provided a listing of potential referral sources for its proposed hospice agency and also submitted statements assuring that referral sources would be sought in the county. This approach is acceptable for a new provider in a county.

To evaluate this sub-criterion, the department also considers its own analysis and conclusions of this project as related to WACs 246-310-210, 220, and 230. The department concluded this application was compliant with the need criterion under WAC 246-310-210 and the financial feasibility criterion under WAC 246-310-220. The application is also consistent with the previous sub-criterion addressed in the structure and process of care under WAC 246-310-230. Based on the information above, the department concludes that approval of the AccentCare, Inc./Seasons project would not result in unwarranted fragmentation of hospice services in the planning area.

EmpRes Healthcare Group, Inc./Eden

The applicant provided the following information under this sub-criterion. [source: Application, p59]

“As an established provider in the community, Eden Hospice has identified critical disparity barriers and has developed a targeted outreach strategy to work with federally qualified health centers, lead agencies in the DSHS health come project, community agencies focused on serving Veterans, Hispanic communities and the LGBTQ population and with local hospital, physicians, skilled nursing facilities and other providers. Eden Hospital at King County will co-locate with Eden Home Health of King County and will jointly work with that agency in outreach and planning efforts to ensure continuity of care, while avoiding fragmentation of care. Eden Hospice will leverage EmpRes/Eden’s existing community relationships, within King County and add respite options and other relationships necessary to support the hospice patient and family members throughout the course of care and during the period of bereavement following death of the patient.

“This standard asks for assurance that the staffing plan is consistent with requirements and community standards. Eden provided this assurance as noted in Table and Table regarding staffing. This standard expects that sufficient ancillary services and support services will be provided. Our affirmative response is included in response to question 14 in this section and is based on 23 years of King County experience. Finally, Eden provided a summary of its approach to continuity of care in its response to question 19 in this section. Eden also notes that its assessment of Need provides thorough documentation of its understanding of how disparity affects the public health of King County..”

Public Comment

AccentCare/Seasons – Oppose

“Eden states, “The intended hours of operation will be from 8:00 a.m.-5:00 p.m. daily for regular office hours, with 24/7 access to nursing, including nursing visits.” However, Eden fails to explain how patients will have access to services outside the intended hours of operation. Usually, hospice providers will utilize a “call service” to take messages. However, this limits access to hospice patients and their families who may experience urgent needs at any time of the day or night and on any day of the week or year.”

Eden Rebuttal:

“Eden operates a 24-hour per day, 7 days per week call center to receive requests. Nurses are available on call 24 hours per day, 7 days per week to support new patients as well as enrolled hospice patients. Eden considers a “24/7 call center staffed with nurses and knowledgeable staff with access to medical records” an obvious prerequisite for any hospice entity”

Department Evaluation

Given that EmpRes Healthcare Group, LLC/Eden does not currently provide hospice services in King County, the applicant provided a listing of potential referral sources for its proposed hospice agency and also submitted statements assuring that referral sources would be sought in the county. This approach is acceptable for a new provider in a county.

To evaluate this sub-criterion, the department also considers its own analysis and conclusions of this project as related to WACs 246-310-210, 220, and 230. The department concluded this application was compliant with the need criterion under WAC 246-310-210 and the financial feasibility criterion under WAC 246-310-220. The application is also consistent with the previous sub-criterion addressed in the structure and process of care under WAC 246-310-230. Based on the information above, the department concludes that approval of the EmpRes Healthcare Group, LLC/Eden project would not result in unwarranted fragmentation of hospice services in the planning area.

The Pennant Group, Inc./Puget Sound

The applicant provided the following list of referral relationships already established by its affiliates and additional information related to this sub-criterion.

Applicant’s Table

Some of the established referral relationships include but are not limited to:

Swedish First Hill Campus	Seattle VA Medical Center
Harborview Hospital	Seattle Cancer Care Alliance
Felton Health Care Specialists	The Hearthstone
Shoreline Health and Rehab Center	Bothell Health Care
MultiCare Auburn Medical Center	St. Anne Hospital CHI Franciscan
Canterbury House	Avalon Care Center Federal Way
MultiCare Covington Medical Center	Judson Park
Burien Nursing and Rehab Center	St. Francis Hospital CHI Franciscan
The Home Doctor	Dr. Jude Verzosa
North Auburn Rehab & Health	Stafford Suite Seatac
Virginia Mason Medical Center	Dr. Ranu Choudhary
CrownHealth	Garden Terrace Healthcare Center
Renton Rehab	Talbot Rehab Center
Redmond Care and Rehab	Aegis Living West Seattle
Park West Care Center	MultiCare Dispatch Health

[source: Application, p34]

“Much like the Hospitals for Healthier Community (HHC) Priorities have outlined (CHNA, 2019), we are committed to aligning with hospitals/health systems, and the post-acute care community to improve access to care for King County residents. Relationships and partnerships have already been established with our home health agencies [sic] in King, Pierce, King, Skagit, and San Juan counties. Examples are MultiCare and CHI Franciscan [sic] hospitals 2020 narrowed home health networks in South King County. Strong community and large hospital systems referral relationships exist in all of these counties to address the needs of King County and Puget Sound residents. In addition, Pennant Group has an assisted living facility in King County. Ensign Group, Cornerstone’s former parent company, has partnered with the Pennant Group to improve the care continuum. Ensign provides skilled nursing and rehabilitative services in the post-acute care sphere. Specific to this project, Ensign has a long standing skilled nursing facility within King County that we will partner with and address unwarranted fragmentation of healthcare upstream

and downstream [sic] services. With the above relationships, partnerships, and associations, we believe we can provide the continuity of care and prevent unwarranted fragmentation of services through quick and thoughtful bridging and referrals to hospice services.

“As a long-established provider in King County, Emerald has strong and ongoing relationships with existing healthcare systems in King County and surrounding counties. Emerald works closely with community partners, local hospital systems, private duty providers, physicians, and in home care physiciain [sic] groups. In fact, as mentioned above, Cornerstone’s operational model is for each agency to engage in and seek market-specific care and opportunites [sic] within each county services are available. This is best accomplished through partnerships with other health care providers. This partnership takes many forms, including sharing of coordination of care, assisting and coordinating appriopriate [sic] admissions, mutually driven quality outcomes, preventing hospital readmissions, and patient satisfication [sic].

“Emerald has been involved in the community ongoing efforts in King County and other counties to battle COVID-19 pandemic. With the most recent COVID-19 pandemic surges, Puget Sound Home Health of King County was able to utilize its narrowed network with Multicare and CHI Franciscan to provide overflow for their increased number of referrals and COVID-19 positive patients. In addition, Puget Sound Home Health of King County is a member of the Northwest Healthcare Response Network that helps assist with disaster preparedness, responses, and surge efforts.” [source: Application, p35]

“With the addition of providing hospice care in King County, Emerald will be able to provide more care along the spectrum of post-acute care. Longstanding partnerships and narrowed networks currently exist with upstream post acute care providers and community referral sources in some of the most diverse parts of South King County. This will have a significant impact on our community in King County, as we’ll be better able to provide patients with the right care, in the right place, at the right time. Emerald’s proposal set out in this application will demonstrate that Puget Sound Hospice of King County is uniquely situated to provide exceptional hospice care in King County.” [source: Application, p7]

“Puget Sound Hospice of King County will be a state licensed and Medicare/Medicaid certified hospice agency in King County. By adding a hospice service line to our already existing home health agency, we can better manage patient’s care more timely and appriopriately. Some individuals might prefer to have hospice services rather than home health and many home health patients end up bridging to hospice services, and with this project we’ll be able to facilitate both. Often patients build a significant relationship with their care team and they don’t want to change organizations. By having a hospice line, we can better support the residents of King County and their long term healthcare needs.” [source: Application, p9]

Pennant provided the following information regarding hours of operation and patient access to services outside the hours of operation. [source: Application, pdf31]

“Puget Sound Hospice of King County’s office hours of operation will be 8 am to 5 pm, Monday through Friday, however, we will provide hospice services 24 hours a day, 7 days a week. Puget Sound Hospice of King County admissions packet will include instructions to the patient and family/caregiver as to how to reach the agency at all hours. During non-business hours, Puget Sound Hospice of King County’s main phone number will be rolled to an on-call phone. This phone will be assigned to an on-call nurse.

“If the on-call nurse does not answer (extraneous circumstance), the outgoing message will instruct the client/caregiver to call the nurse administrator on-call if no return call occurs within 15 minutes.”

Public Comment

Collection of 34 Individuals [source: pdf5 and pdf12]

“Our review of available policies of existing King County hospices indicates that ... Of the three applicants this year to start new hospice agencies in King County...Cornerstone’s policy is unknown. It did not provide a policy with its CON application and did not respond to our request for a copy.

...

Cornerstone et al has not provided a policy regarding Death with Dignity either on request from us or as part of its Certificate of Need application. Cornerstone et al already operates hospices in King and Thurston Counties plus one in Eastern Washington. it should not be allowed to expand into King County until one of these conditions is met:

- *It adopts a policy that provides informed consent and that commits to providing information and support to its patients who may wish to access the provisions of Washington’s Death with Dignity law.*
- *The projected King County “capacity” or market share of admissions to hospices supporting patient access to Death with Dignity reaches at least 65%.”*

Rebuttal Comment

None of the applicants provided direct rebuttal to this comment; although the department notes that Pennant did provide a copy of its adopted Death with Dignity policy during the public comment period. That policy outlines Pennant’s policy that *“Staff acting in the course and scope of their employment or otherwise on behalf of the Agency shall be allowed to participate in the DWD, and the Agency will help provide requisite information to patients or their representative about the DWD end-of-life option.”* The policy also details the procedure that Pennant and its staff will follow to assist patients in this process. The commenters identified above did not provide any rebuttal to Pennant’s policy.

Department Evaluation

Pennant provided a listing of potential referral sources for its proposed hospice agency in King County; and submitted statements assuring the department that relationships and referral sources would be sought in the county.

To evaluate this sub-criterion, the department also considers its own analysis and conclusions of this project as related to WACs 246-310-210, 220, and 230. The department concluded this application failed a financial feasibility sub-criterion under WAC 246-310-220; as well as a structure and process of care sub-criterion under WAC 246-310-230.

Additional Access to Care Comments-Death with Dignity Topic Related to All Three Projects

Also during the review of these three projects, the department received letters and comment at the public hearing expressing concerns regarding the availability of ‘Death with Dignity³⁴’ options in King County. While each commenter provides a different perspective, each urged consideration of patient choice for end of life options that may include those allowed in the Death with Dignity Act. Below are excerpts from two of the four letters.

Susan Young Public Comment

“...I live in Kitsap County. At least 69% of hospice care there is provided by a religious healthcare system that doesn’t offer access to Death with Dignity (DwD), nor do they honor end of life directives they view as contrary to the teachings of their church. In King County where I frequently access healthcare services, the percentage of hospice programs that deny some legal end of life services is a little better, at just under 50%. That percentage might be greater, but I can’t tell because the Department of Health doesn’t require

³⁴ Washington State’s Death with Dignity Act has been in effect since March 5, 2009, except for section 24 that was effective July 1, 2009. [see Revised Code of Washington 70.245].

hospice programs to have DwD policies in place for patients to review prior to entering a program despite the fact that Washington law requires providers not offering DwD to inform the public of that intent.

“People who are dying are in critical need. Terminally ill, they are often low-income women, disabled by their illnesses and who aren’t fully informed when they enter a hospice program that they may be relinquishing access to DwD options or that their end of life directives might not be honored. Their dignity as human beings and access to fully informed consent are both denied. The Department must take this into account when it considers whether an applicant fully addresses and meets non-numeric need.

“Additionally, continuity of care is a concern. Some hospice programs may not offer DwD but still inform a patient of their options—then transfer their care to a different hospice unfamiliar to the patient to meet that person’s final wishes.

“Of this year’s three applicants to provide new hospice services in King County, Eden did supply a copy of its DwD policy in response, to a written request, that expresses support of patients who ask for DwD information and services. Seasons also sent their supportive policy and included it in its application. I do not know what Cornerstone’s policy is outside the statement that they would adapt locally. I need to see something in writing about how they handle patient requests for DwD information and services.

“Given the importance of affording patients who want it access to the provisions of DwD I ask that the applications from Eden and Seasons be given consideration while Cornerstone, which appears to lack such a policy not be permitted to expand into King County at this time.

“The Department must insist that all applicants include DwD policies in their submissions with other required polices. When the market share of hospices with supportive policies reaches 60% of King County admissions, the percentage of Washington voters statewide who supported passage of Initiative 1000 in 2008, the Department can consider approving new hospices whose policies oppose patient access to Death with Dignity.”

Dennis Barnes Public Comment

“I am attending this meeting to hear more from the three applicants on their policies for end of life choices, particularly Death with Dignity. Though all three seem to support patient choice and dignity by honoring their decisions I wanted to hear first hand some of the specifics of that support. This is particularly important to me as I want the ability to make this rare, difficult decision should I find my life conditions so unbearable that I am unable to continue living. Though the likelihood I would choose to end my life using the provisions of Death with Dignity is unlikely, in the current hospice marketplace in King Count there is a high probability that my hospice provider will not support it. In spite of overwhelming public support for Death with Dignity, about half the hospice providers in King County currently deny such care.

“I have had experience choosing hospice providers for my parents, and at no time during my discussions with them did I get any information on their policies regarding advance directives or Death with Dignity. Likewise, there is no current provision within the Certificate of Need process to identify and make public these policies. My goal today is to make these policies known, but I ask that the Department consider adding these choices to the application process in the future.”

In addition to the excerpts above, one person provided background and statistical information related to Washington State’s Death with Dignity laws. While all of the information is not restated in this evaluation, it is considered in this review. Below is table excerpted from the comments. [source: Public comments submitted by Dennis Barnes]

**Table 1: Death with Dignity Position of King County Hospice Agencies
by Projected Market Share**

Name	2019 Capacity	2019 Market Share ⁵	Support	Refuse	Unknown
Continuum *	209	2.8%			2.8%
Envision *	209	2.8%	2.8%		
Evergreen	2,250	30.0%	30.0%		
Franciscan	1,013	13.5%		13.5%	
Kaiser	526	7.0%			7.0%
Kindred	223	3.0%			3.0%
Kline Galland	380	5.1%			5.1%
MultiCare	176	2.3%	2.3%		
Providence Seattle	2,421	32.3%		32.3%	
Providence Snohomish	0	0.0%		0.0%	
Wesley Homes	91	1.2%			1.2%
TOTAL	7,498	100.0%	35.1%	45.8%	19.1%

The source for the ‘2019 Market Share’ data was obtained by the DOH 2020 Hospice Need Methodology. Of the three King County applicants, none provided rebuttal comments related to the Death with Dignity topic.

Department’s Evaluation of Death with Dignity Topic Related to All Three Projects

Pertinent sections of RCW 70.245.190 are restated below:

RCW 70.245.190(1)(d) states:

“Only willing health care providers shall participate in the provision to a qualified patient of medication to end his or her life in a humane and dignified manner. If a health care provider is unable or unwilling to carry out a patient's request under this chapter, and the patient transfers his or her care to a new health care provider, the prior health care provider shall transfer, upon request, a copy of the patient's relevant medical records to the new health care provider.” [emphasis added]

RCW 70.245.190(2)(a) states:

“A health care provider may prohibit another health care provider from participating under chapter 1, Laws of 2009 on the premises of the prohibiting provider if the prohibiting provider has given notice to all health care providers with privileges to practice on the premises and to the general public of the prohibiting provider's policy regarding participating under chapter 1, Laws of 2009. This subsection does not prevent a health care provider from providing health care services to a patient that do not constitute participation under chapter 1, Laws of 2009.” [emphasis added]

[note: ‘notify’ and ‘participate’ in chapter 1, laws of 2009’ are both defined in this sub-section.]

As noted in the underlined sections above, the assertion that “Washington law requires providers not offering DwD to inform the public of that intent” is an accurate statement. While RCW 70.245.190(1) does not require all hospice providers to offer these services, sub-section (2) above requires a provider that prohibits participation under RCW 70.245.190 to provide notification to both practicing providers associated with the agency and the public.

As a result, the department does not have the authority deny a Certificate of Need application if a provider chooses not to provide services under RCW 70.245. However, for those applications that are approved

and choose not to provide services under RCW 70.245, the department could include a condition requiring the applicant to agree to adhere to RCW 70.245.190.

AccentCare, Inc./Seasons WAC 246-310-230(4) Conclusion

AccentCare, Inc./Seasons provided documentation that the department concluded meets this specific sub-criterion. Based on the information above and the applicant's agreement to a condition related to adherence of RCW 70.245.190(2), the department concludes that approval of the AccentCare, Inc./Seasons project would not result in unwarranted fragmentation of hospice services in the planning area. **This sub-criterion is met.**

EmpRes Healthcare Group, Inc./Eden WAC 246-310-230(4) Conclusion

EmpRes Healthcare Group, Inc./Eden provided documentation that the department concluded meets this specific sub-criterion. Based on the information above and the applicant's agreement to a condition related to adherence of RCW 70.245.190(2), the department concludes that approval of the EmpRes Healthcare Group, Inc./Eden project would not result in unwarranted fragmentation of hospice services in the planning area. **This sub-criterion is met.**

The Pennant Group, Inc./Puget Sound

While Bethany of the Northwest provided documentation specific to this sub-criterion, the department must also consider its own analysis and conclusions of this project as related to WACs 246-310-210, 220, and 230. The department concluded this application failed the financial feasibility sub-criterion under WAC 246-310-220(1). Based on the failure in the need section of this evaluation related to the omission of utilization and financial projections for the third full year of the project, the department concludes that approval of the Pennant Group, Inc. project could result in unwarranted fragmentation of hospice services in the planning area. **This sub-criterion is not 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.*

AccentCare, Inc./Seasons

This sub-criterion is addressed in sub-section (3) above and **is met for** this project

EmpRes Healthcare Group, Inc./Eden

This sub-criterion is addressed in sub-section (3) above and **is met for** this project

The Pennant Group, Inc./Puget Sound

This sub-criterion is addressed in sub-section (3) above and **is met for** this project

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

AccentCare, Inc./Seasons

Based on the source information reviewed, the department concludes that the applicant **has met** the cost containment criteria in WAC 246-310-240.

EmpRes Healthcare Group, Inc./Eden

Based on the source information reviewed, the department concludes that the applicant **has met** the cost containment criteria in WAC 246-310-240.

The Pennant Group, Inc./Puget Sound

Based on the source information reviewed, the department concludes that the applicant **has not 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.

WAC 246-310-290(10) provides the following direction for review this sub-criterion of applications for hospice agencies. It states:

“In addition to demonstrating numeric need under subsection (7) of this section, applicants must meet the following certificate of need requirements:

- (a) Determination of need under WAC 246-310-210;*
- (b) Determination of financial feasibility under WAC 246-310-220;*
- (c) Criteria for structure and process of care under WAC 246-310-230; and*
- (d) Determination of cost containment under WAC 246-310-240.”*

If there are multiple applications, the department’s assessment is to apply any service or facility superiority criteria is in WAC 246-310-290(11) provides the superiority criteria used to compare competing projects and make the determination between two or more approvable projects, which is the best alternative.

AccentCare, Inc./Seasons

For this project, AccentCare, Inc./Seasons met the applicable review criteria under WAC 246-310-210, 220, and 230. Therefore, the department moves to step two below:

The applicant provided the following statements in response to this sub-criterion. [source: Application, pp90-91]

“Seasons King County, is responding to the Department of Health’s 2020 methodology documenting a need for three additional hospice agencies to serve residents of King County. Any alternative that does not include adding a program in King County does not address the unmet need identified by the Department of Health.

“Regardless of need, the only alternative in a state that requires CN is to acquire an existing hospice agency. However, no opportunities to purchase an existing agency have been identified.

“Establishing new hospice agencies in areas where they are needed most, such as King County, Washington, the principals of Seasons Hospice & Palliative Care are able to continue the mission of honoring life and offering hope to the terminally ill and their families. As business opportunities increase, so do the benefits the companies offer to the communities they serve.

“Government limitations on the establishment of new hospice agencies through the CN program determines the number needed to serve the planning area. In King County need was announced for the addition of up to 3 hospice agencies to meet future need. Regardless of the inability to identify an existing

hospice agency willing to sell its operations, not establishing additional capacity limits service, and therefore limits access and quality of health care to the community.

“Hospice care reflects a highly personalized and specialty managed regimen of services. End of life care requires personal interactions among medical and nursing professionals, the patient, the family, significant others and volunteers aligned to meet the last wishes of the patient for a painless experience during the process of dying. Sensitivity, compassion, attention to detail, managing emotions and reactions, and producing comfort form a hallmark of hospice care.”

“As the methodology in use by the Department of Health demonstrates, the current capacity of hospices serving the market is 7,517, lower than the forecast of 8,130 by CY 2022. The import of the methodology shows that without program expansion, existing providers’ program growth lags the future forecast, limiting patient access. Approval of three new hospice programs spurs market growth through innovations and new services, thereby improving access and quality of care.”

“Capital cost outlays are small relative to establishment of a new healthcare facility, as the service for hospice care is delivered in home. Seasons King County’s hospice agency is funded with \$2 million in cash to furnish and equip office space and fund initial operating deficits during the start-up period. The program reaches a breakeven point during the second full year of operations, CY 2024.”

“Seasons King County addresses staffing issues in Section C, Structure and Process (Quality) of Care, Question #9, pages 77-84, and is not repeated here. Recruitment and retention efforts, along with education and outreach efforts ensure a strong workforce results with establishment of Seasons King County. Therefore, the impact on staffing is positive as development opportunities increase for the healthcare workforce.”

“Overall, approval of Seasons King County’s hospice program for King County is consistent with the Department’s need methodology, assures residents of King County with ongoing access to quality hospice services, and improves job opportunities for nursing and social services. The only alternative to establish a new hospice agency is to purchase an existing hospice, but limited availability excludes this alternative.”

There was no public comment or rebuttal provided under this sub-criterion.

Department Evaluation

The only option considered and rejected by AccentCare, Inc./Seasons is the option of do nothing. The applicant provided extensive information regarding the need for an additional agency in the county and why this option was rejected. The department did not identify any superior alternatives in terms of cost, efficiency, or effectiveness that is available or practicable for the applicant.

Since there are no construction costs necessary to establish hospice services in King County, the department acknowledges that the applicant’s hospice services can be provided with very little financial impact to the applicant or the community.

AccentCare, Inc./Seasons also provided comprehensive rationale regarding the staff efficiency and appropriateness of hospice care for patients who request it. Further, the information provided by the applicant related to system impacts and hospice care is accurate and reasonable.

The department concludes approval of AccentCare, Inc./Seasons application can be considered an available alternative for King County. **This sub-criterion is met.**

EmpRes Healthcare Group, Inc./Eden

The applicant provided the following statements in response to this sub-criterion. The applicant provided six pages of tables detailing its evaluation criteria and results. They are omitted here for the sake of brevity. [source: Application, pp61-67]

“Eden Hospice at King County, LLC is requesting CN approval to operate a Medicare certified and Medicaid eligible hospice agency in King County. The hospice agency will be co-located with the EmpRes Home Health of King County, LLC agency.

“As a certificate of need rules requirement, Eden Hospice evaluated the following alternatives: (1) status quo: “do nothing or postpone action,” (2) develop the proposed project, co-located with an existing Eden Home Health or EmpRes SNF and (3) Establish a new, single-purpose hospice agency location.

“The three alternatives were evaluated using the following decision criteria: (1) access to hospice services; (2) health outcomes, (3) quality of care; (4) health care cost control for patients and for payers (5) operating efficiency; and (5) Impact on the existing hospice agency. Each alternative identifies advantages and disadvantages. Based on the above decision criteria and the analyses of each criteria covered in Tables 25 - 30, the requested project — seek CN approval to operate a Medicare certified and Medicaid eligible, hospice that is co-located with an existing Eden home health agency — is the best option.”

There was no public comment or rebuttal provided under this sub-criterion.

Department Evaluation

The options rejected by EmpRes Healthcare Group, Inc./Eden, including the option to establish a new agency location in the county are appropriate. The department did not identify any superior alternatives in terms of cost, efficiency, or effectiveness that is available or practicable for the applicant.

Since there are no construction costs necessary to establish hospice services in King County, the department acknowledges that the applicant’s hospice services can be provided with very little financial impact to the applicant or the community.

EmpRes Healthcare Group, Inc./Eden also provided comprehensive rationale regarding the staff efficiency and appropriateness of hospice care for patients who request it. Further, the information provided by the applicant related to system impacts and hospice care is accurate and reasonable.

The department concludes approval of EmpRes Healthcare Group, Inc./Eden application can be considered an available alternative for King County. **This sub-criterion is met.**

The Pennant Group, Inc./Puget Sound

For this project, Pennant did not meet all the applicable review criteria under WAC 246-310-220 and WAC 246-310-230. Therefore, the department does not further evaluate this project under WAC 246-310-240.

(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 Evaluation for AccentCare, Inc./Seasons

There is no construction associated with this project.

Department Evaluation for EmpRes Healthcare Group, Inc./Eden

There is no construction or capital expenditure associated with this project.

(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.

AccentCare, Inc./Seasons

The applicant provided the following statements related to this sub criterion. [source: Application, p92]
“Increasing availability and access to hospice care through the introduction of a new hospice agency or agencies within the planning area has a positive effect on cost containment. As the majority of hospice care is reimbursed by Medicare and Medicaid, charges are limited by the reimbursement rates and program limits. As discussed previously in response to Section B, Financial Feasibility, Question #8, page 67, cost efficiencies and improved quality of life are demonstrated with increased hospice use. The cited articles documenting cost containment and quality assurance appear in Exhibit 18 in the Appendix.

“The numerous programs and services of Seasons King County described in detail in Section II, Project Description, pages 9-15 and in response to Question #7, pages 17-32, demonstrate the innovative ways in the delivery of hospice service. The applicant’s commitment to seeking Joint Commission accreditation and adherence to conditions of participation in the Medicare and Medicaid programs demonstrate the program’s ability to deliver quality care. Therefore, quality, choice, and cost effective care results with approval of Seasons King County. The new hospice agency will increase the number of hospice enrollments and provide a diverse array of services to improve quality of life for terminally ill residents of King County.”

There was no public comment or rebuttal provided under this sub-criterion.

Department Evaluation

AccentCare, Inc./Seasons provided sound and reasonable rationale for establishing Medicare and Medicaid-certified hospice services in King County. If approved, this project has the potential to improve delivery of necessary in-home services to King County residents.

For the reasons stated above, the department concludes that this project has the potential to improve delivery of necessary in-home services to King County residents. **This sub-criterion is met.**

EmpRes Healthcare Group, Inc./Eden

The applicant provided the following statements related to this sub criterion. [source: Application, p68]
“Hospice promotes efficiency as it shifts care from expensive hospital settings to lower cost, home-based settings. For patients who choose hospice, they forgo more expensive curative treatments and seek the best possible care experience focused on personalized goals, pain and symptom alleviation, and comfort through end of life. The analysis prepared by Providence in its approved CoN that was based on Medicare claims data, demonstrated the cost-effectiveness of hospice care and estimated savings of over \$99 million across Washington State if all Medicare beneficiaries who died in 2017 without hospice instead benefited from five weeks of hospice.

“This is backed up by Table 12 and Table 13. Table 12 shows that the admission rate for dual eligible Medicare patients receiving hospice services is 14% lower than the non-dual rate in King County. Dual eligible beneficiaries make up about 20% of the Medicare population yet generate three times the cost per beneficiary compared to non-dual beneficiaries. With outreach to dual-eligible Medicare beneficiaries, substantial health care costs can be reduced for both the Medicare and Medicaid programs as shown in Table 13. The tragic part of this lower utilization of hospice services is that patients managed in programs such as the health home project for fragile, acute care dual-eligible patients and hospice care for dual-eligible patients and their families demonstrate a very high rate of satisfaction in these supportive Services. The evidence presented in this application documents that health care costs related to emergency room

visits and hospital admissions can be reduced by providing palliative and supportive care in the hospice setting.

“The Eden Hospice project will co-locate with the EmpRes home health agency. This colocation approach will not only eliminate capital costs and reduce operating overhead, but it will improve continuity of care and facilitate rapid enrollment of hospice and skilled nursing facility patients based on existing referral relationships established by EmpRes home health. In addition, Eden Home Health will reach out to ten special population cohorts to increase hospice awareness and enrollment (see pages 43 - 45). In addition, Eden will collaborate with King County hospices in the provision of Pediatric services.”

There was no public comment or rebuttal provided under this sub-criterion.

Department Evaluation

EmpRes Healthcare Group, LLC/Eden provided sound and reasonable rationale for establishing Medicare and Medicaid-certified hospice services in King County. If approved, this project has the potential to improve delivery of necessary in-home services to King County residents.

For the reasons stated above, the department concludes that this project has the potential to improve delivery of necessary in-home services to King County residents. **This sub-criterion is met.**

APPENDIX A

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WAC246-310-290(8)(a) Step 1:

Calculate the following two statewide predicted hospice use rates using department of health survey and vital statistics data:

WAC 246-310-290(8)(a)(i) The percentage of patients age sixty-five and over who will use hospice services. This percentage is calculated by dividing the average number of unduplicated admissions over the last three years for patients sixty five and over by the average number of past three years statewide total deaths age sixty-five and over.

WAC246-310-290(8)(a)(ii) The percentage of patients under sixty-five who will use hospice services. This percentage is calculated by dividing the average number of unduplicated admissions over the last three years for patients under sixty-five by the average number of past three years statewide total of deaths under sixty-five.

Hospice admissions ages 0-64	
Year	Admissions
2017	3,757
2018	4,114
2019	3,699
average: 3,857	

Deaths ages 0-64	
Year	Deaths
2017	14,113
2018	14,055
2019	14,047
average: 14,072	

Use Rates	
0-64	27.41%
65+	60.52%

Hospice admissions ages 65+	
Year	Admissions
2017	26,365
2018	26,207
2019	26,017
average: 26,196	

Deaths ages 65+	
Year	Deaths
2017	42,918
2018	42,773
2019	44,159
average: 43,283	

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WAC246-310-290(8)(b) Step 2:

Calculate the average number of total resident deaths over the last three years for each planning area by age cohort.

0-64				
County	2017	2018	2019	2017-2019 Average Deaths
Adams	38	28	35	34
Asotin	49	52	54	52
Benton	385	331	346	354
Chelan	124	130	137	130
Clallam	180	191	186	186
Clark	883	874	887	881
Columbia	19	6	7	11
Cowlitz	351	300	294	315
Douglas	71	51	63	62
Ferry	30	28	20	26
Franklin	133	145	123	134
Garfield	6	5	5	5
Grant	203	195	197	198
Grays Harbor	238	227	251	239
Island	166	135	167	156
Jefferson	69	64	72	68
King	3,256	3,264	3,275	3,265
Kitsap	485	515	557	519
Kittitas	91	68	90	83
Klickitat	63	58	46	56
Lewis	210	227	210	216
Lincoln	20	25	25	23
Mason	169	158	167	165
Okanogan	119	103	119	114
Pacific	88	64	66	73
Pend Oreille	34	43	31	36
Pierce	1,936	1,964	1,911	1,937
San Juan	18	19	20	19
Skagit	271	231	229	244
Skamania	16	27	19	21
Snohomish	1,483	1,533	1,533	1,516
Spokane	1,147	1,177	1,143	1,156
Stevens	96	113	112	107
Thurston	530	554	525	536
Wahkiakum	3	13	11	9
Walla Walla	123	110	118	117
Whatcom	367	360	394	374
Whitman	57	66	47	57
Yakima	586	601	555	581

65+				
County	2017	2018	2019	2017-2019 Average Deaths
Adams	78	72	93	81
Asotin	190	214	222	209
Benton	1,081	1,125	1,154	1,120
Chelan	556	573	626	585
Clallam	842	871	955	889
Clark	2,579	2,767	2,987	2,778
Columbia	116	43	52	70
Cowlitz	917	840	951	903
Douglas	232	255	270	252
Ferry	60	55	64	60
Franklin	284	278	313	292
Garfield	17	30	21	23
Grant	509	524	508	514
Grays Harbor	622	647	659	643
Island	630	675	642	649
Jefferson	308	336	338	327
King	10,039	9,917	10,213	10,056
Kitsap	1,780	1,713	1,811	1,768
Kittitas	237	239	266	247
Klickitat	151	158	160	156
Lewis	721	730	722	724
Lincoln	105	94	89	96
Mason	550	526	548	541
Okanogan	350	332	358	347
Pacific	262	279	265	269
Pend Oreille	133	130	125	129
Pierce	5,019	4,926	5,002	4,982
San Juan	115	114	127	119
Skagit	1,007	1,001	1,018	1,009
Skamania	65	56	87	69
Snohomish	4,118	4,055	4,081	4,085
Spokane	3,527	3,556	3,545	3,543
Stevens	376	373	345	365
Thurston	1,768	1,823	1,908	1,833
Wahkiakum	37	33	53	41
Walla Walla	501	445	450	465
Whatcom	1,329	1,252	1,461	1,347
Whitman	236	199	219	218
Yakima	1,471	1,517	1,451	1,480

Source:
 Self-Report Provider Utilization Surveys for Years 2017-2019
 Vital Statistics Death Data for Years 2017-2019
 Prepared by DOH Program Staff

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WAC246-310-290(8)(c) Step 3.

Multiply each hospice use rate determined in Step 1 by the planning areas' average total resident deaths determined in Step 2, separated by age cohort.

0-64		
County	2017-2019 Average Deaths	Projected Patients: 27.38% of Deaths
Adams	34	9
Asotin	52	14
Benton	354	97
Chelan	130	36
Clallam	186	51
Clark	881	242
Columbia	11	3
Cowlitz	315	86
Douglas	62	17
Ferry	26	7
Franklin	134	37
Garfield	5	1
Grant	198	54
Grays Harbor	239	65
Island	156	43
Jefferson	68	19
King	3,265	895
Kitsap	519	142
Kittitas	83	23
Klickitat	56	15
Lewis	216	59
Lincoln	23	6
Mason	165	45
Okanogan	114	31
Pacific	73	20
Pend Oreille	36	10
Pierce	1,937	531
San Juan	19	5
Skagit	244	67
Skamania	21	6
Snohomish	1,516	416
Spokane	1,156	317
Stevens	107	29
Thurston	536	147
Wahkiakum	9	2
Walla Walla	117	32
Whatcom	374	102
Whitman	57	16
Yakima	581	159

65+		
County	2017-2019 Average Deaths	Projected Patients: 61.04% of Deaths
Adams	81	49
Asotin	209	126
Benton	1,120	678
Chelan	585	354
Clallam	889	538
Clark	2,778	1,681
Columbia	70	43
Cowlitz	903	546
Douglas	252	153
Ferry	60	36
Franklin	292	177
Garfield	23	14
Grant	514	311
Grays Harbor	643	389
Island	649	393
Jefferson	327	198
King	10,056	6,086
Kitsap	1,768	1,070
Kittitas	247	150
Klickitat	156	95
Lewis	724	438
Lincoln	96	58
Mason	541	328
Okanogan	347	210
Pacific	269	163
Pend Oreille	129	78
Pierce	4,982	3,015
San Juan	119	72
Skagit	1,009	610
Skamania	69	42
Snohomish	4,085	2,472
Spokane	3,543	2,144
Stevens	365	221
Thurston	1,833	1,109
Wahkiakum	41	25
Walla Walla	465	282
Whatcom	1,347	815
Whitman	218	132
Yakima	1,480	896

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WAC246-310-290(8)(d) Step 4:

Using the projected patients calculated in Step 3, calculate a use rate by dividing projected patients by the three-year historical average population by county. Use this rate to determine the potential volume of hospice use by the projected population by age cohort using Office of Financial Management (OFM) data.

0-64								
County	Projected Patients	2017-2019 Average Population	2020 projected population	2021 projected population	2022 projected population	2020 potential volume	2021 potential volume	2022 potential volume
Adams	9	18,029	18,291	18,456	18,622	9	9	10
Asotin	14	16,779	16,652	16,596	16,540	14	14	14
Benton	97	166,554	169,415	171,026	172,638	99	100	101
Chelan	36	61,991	62,463	62,512	62,562	36	36	36
Clallam	51	52,550	52,439	52,233	52,027	51	51	50
Clark	242	405,282	417,273	421,901	426,529	249	251	254
Columbia	3	2,863	2,780	2,745	2,710	3	3	3
Cowlitz	86	85,717	85,917	85,843	85,769	87	86	86
Douglas	17	34,732	35,527	35,803	36,080	17	17	18
Ferry	7	5,680	5,577	5,541	5,506	7	7	7
Franklin	37	85,922	90,102	92,443	94,784	38	39	40
Garfield	1	1,602	1,560	1,541	1,522	1	1	1
Grant	54	84,909	87,158	88,240	89,322	56	56	57
Grays Harbor	65	57,817	56,958	56,679	56,401	64	64	64
Island	43	62,964	63,264	63,280	63,296	43	43	43
Jefferson	19	20,688	20,722	20,636	20,550	19	19	19
King	895	1,863,482	1,906,749	1,918,470	1,930,192	916	921	927
Kitsap	142	217,040	220,035	220,614	221,192	144	145	145
Kittitas	23	37,892	39,015	39,286	39,556	23	24	24
Klickitat	15	15,828	15,575	15,439	15,304	15	15	15
Lewis	59	62,398	63,001	63,164	63,327	60	60	60
Lincoln	6	7,923	7,805	7,751	7,698	6	6	6
Mason	45	50,142	51,122	51,397	51,672	46	46	47
Okanogan	31	32,545	32,183	32,087	31,991	31	31	31
Pacific	20	14,688	14,403	14,322	14,242	20	19	19
Pend Oreille	10	9,905	9,812	9,769	9,727	10	10	10
Pierce	531	747,538	765,139	769,918	774,696	543	547	550
San Juan	5	10,974	10,753	10,730	10,707	5	5	5
Skagit	67	100,076	101,537	101,887	102,236	68	68	68
Skamania	6	9,254	9,242	9,223	9,205	6	6	6
Snohomish	416	694,793	716,781	721,527	726,273	429	432	434
Spokane	317	421,066	425,447	426,740	428,033	320	321	322
Stevens	29	34,226	33,992	33,917	33,841	29	29	29
Thurston	147	234,880	241,500	243,867	246,235	151	153	154
Wahkiakum	2	2,555	2,441	2,405	2,368	2	2	2
Walla Walla	32	50,546	50,981	51,028	51,075	32	32	32
Whatcom	102	183,023	187,812	189,267	190,722	105	106	107
Whitman	16	43,137	43,308	43,315	43,322	16	16	16
Yakima	159	221,051	224,497	225,822	227,147	162	163	164

Source:
 Self-Report Provider Utilization Surveys for Years 2017-2019
 Vital Statistics Death Data for Years 2017-2019
 Prepared by DOH Program Staff

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WAC246-310-290(8)(d) Step 4:

Using the projected patients calculated in Step 3, calculate a use rate by dividing projected patients by the three-year historical average population by county. Use this rate to determine the potential volume of hospice use by the projected population by age cohort using Office of Financial Management (OFM) data.

65+								
County	Projected Patients	2017-2019 Average Population	2020 projected population	2021 projected population	2022 projected population	2020 potential volume	2021 potential volume	2022 potential volume
Adams	49	2,114	2,341	2,383	2,424	54	55	56
Asotin	126	5,619	6,005	6,175	6,344	135	139	143
Benton	678	29,821	32,150	33,373	34,597	731	759	786
Chelan	354	15,343	16,408	17,052	17,695	379	393	408
Clallam	538	21,334	22,267	22,901	23,535	562	578	594
Clark	1681	75,085	82,125	85,686	89,247	1,839	1,918	1,998
Columbia	43	1,202	1,269	1,287	1,304	45	46	46
Cowlitz	546	21,326	22,969	23,719	24,470	588	608	627
Douglas	153	7,595	8,358	8,666	8,974	168	174	180
Ferry	36	2,095	2,241	2,289	2,337	39	39	40
Franklin	177	8,765	9,610	10,083	10,557	194	203	213
Garfield	14	633	658	669	680	14	15	15
Grant	311	14,244	15,477	16,071	16,665	338	351	364
Grays Harbor	389	15,594	16,653	17,133	17,612	415	427	439
Island	393	19,701	20,777	21,412	22,047	414	427	440
Jefferson	198	11,252	11,924	12,323	12,722	210	217	224
King	6086	296,484	324,660	337,771	350,881	6,665	6,934	7,203
Kitsap	1070	51,788	55,878	58,185	60,492	1,155	1,202	1,250
Kittitas	150	7,351	7,943	8,266	8,589	162	168	175
Klickitat	95	5,570	6,088	6,268	6,448	103	106	110
Lewis	438	16,398	17,219	17,697	18,175	460	473	486
Lincoln	58	2,823	2,959	3,039	3,119	61	63	64
Mason	328	15,311	16,499	17,167	17,836	353	367	382
Okanogan	210	10,050	10,901	11,210	11,519	228	234	240
Pacific	163	6,584	6,910	7,035	7,159	171	174	177
Pend Oreille	78	3,742	4,107	4,239	4,371	86	89	91
Pierce	3015	125,262	136,114	142,422	148,729	3,277	3,429	3,580
San Juan	72	5,545	5,991	6,174	6,357	78	80	82
Skagit	610	26,595	29,168	30,314	31,460	670	696	722
Skamania	42	2,542	2,798	2,923	3,048	46	48	50
Snohomish	2472	113,447	125,219	131,978	138,737	2,729	2,876	3,023
Spokane	2144	84,343	91,361	94,670	97,979	2,323	2,407	2,491
Stevens	221	10,884	11,837	12,214	12,591	240	248	255
Thurston	1109	48,683	52,832	54,900	56,967	1,204	1,251	1,298
Wahkiakum	25	1,441	1,565	1,580	1,595	27	27	27
Walla Walla	282	10,944	11,068	11,350	11,632	285	292	299
Whatcom	815	39,164	42,640	44,217	45,794	888	921	953
Whitman	132	5,237	5,815	6,008	6,201	146	151	156
Yakima	896	36,670	38,391	39,475	40,559	938	964	991

Source:
 Self-Report Provider Utilization Surveys for Years 2017-2019
 Vital Statistics Death Data for Years 2017-2019
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WAC246-310-290(8)(e) Step 5:

Combine the two age cohorts. Subtract the average of the most recent three years hospice capacity in each planning area from the projected volumes calculated in Step 4 to determine the number of projected admissions beyond the planning area capacity.

County	2020 potential volume	2021 potential volume	2022 potential volume	Current Supply of Hospice Providers	2020 Unmet Need Admissions*	2021 Unmet Need Admissions*	2022 Unmet Need Admissions*
Adams	64	65	66	45.33	18	19	20
Asotin	149	153	157	99.67	49	53	57
Benton	829	858	887	976.67	(147)	(118)	(90)
Chelan	415	430	444	398.67	16	31	46
Clallam	613	628	644	273.63	339	355	371
Clark	2,087	2,170	2,252	2,396.97	(310)	(227)	(145)
Columbia	48	48	49	23.33	24	25	26
Cowlitz	675	694	713	794.00	(119)	(100)	(81)
Douglas	185	192	198	147.67	38	44	50
Ferry	46	46	47	36.33	9	10	11
Franklin	232	242	253	171.33	61	71	82
Garfield	16	16	16	3.33	12	13	13
Grant	394	407	421	281.00	113	126	140
Grays Harbor	480	491	503	277.33	202	214	226
Island	457	470	483	389.67	68	80	93
Jefferson	229	236	243	188.00	41	48	55
King	7,580	7,855	8,130	7,517.23	63	338	613
Kitsap	1,299	1,347	1,395	1,303.97	(5)	43	91
Kittitas	185	192	199	171.67	13	20	27
Klickitat	118	121	124	277.57	(159)	(156)	(153)
Lewis	520	533	546	451.00	69	82	95
Lincoln	67	69	70	28.67	39	40	42
Mason	399	414	428	222.67	176	191	206
Okanogan	258	265	271	177.67	81	87	93
Pacific	190	193	196	107.00	83	86	89
Pend Oreille	96	98	101	64.33	31	34	37
Pierce	3,820	3,975	4,131	3,739.67	80	236	391
San Juan	83	85	87	79.00	4	6	8
Skagit	737	764	790	729.00	8	35	61
Skamania	52	54	56	27.00	25	27	29
Snohomish	3,157	3,308	3,458	2,950.87	207	357	507
Spokane	2,643	2,728	2,813	2,671.83	(29)	56	141
Stevens	269	277	284	150.00	119	127	134
Thurston	1,355	1,404	1,452	1,247.57	108	156	205
Wahkiakum	29	30	30	6.33	23	23	23
Walla Walla	317	324	332	285.00	32	39	47
Whatcom	993	1,027	1,060	1,042.97	(50)	(16)	17
Whitman	162	167	172	203.83	(42)	(37)	(32)
Yakima	1,099	1,127	1,154	1,182.67	(83)	(56)	(29)

*a negative number indicates existing hospice service capacity exceeds the projected utilization based on the statewide use rate.

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WAC246-310-290(8)(f) Step 6:

Multiply the unmet need from Step 5 by the statewide average length of stay as determined by CMS to determine unmet need patient days in the projection years.

County	2020 Unmet Need Admissions*	2021 Unmet Need Admissions*	2022 Unmet Need Admissions*	Step 6 (Admits * ALOS) = Unmet Patient Days			
				Statewide ALOS	2020 Unmet Need Patient Days*	2021 Unmet Need Patient Days*	2022 Unmet Need Patient Days*
Adams	18	19	20	62.66	1,148	1,214	1,280
Asotin	49	53	57	62.66	3,092	3,328	3,564
Benton	(147)	(118)	(90)	62.66	(9,222)	(7,421)	(5,620)
Chelan	16	31	46	62.66	1,000	1,932	2,864
Clallam	339	355	371	62.66	21,238	22,228	23,217
Clark	(310)	(227)	(145)	62.66	(19,394)	(14,226)	(9,057)
Columbia	24	25	26	62.66	1,532	1,568	1,605
Cowlitz	(119)	(100)	(81)	62.66	(7,461)	(6,261)	(5,061)
Douglas	38	44	50	62.66	2,362	2,758	3,155
Ferry	9	10	11	62.66	582	631	681
Franklin	61	71	82	62.66	3,798	4,458	5,118
Garfield	12	13	13	62.66	774	788	802
Grant	113	126	140	62.66	7,055	7,911	8,766
Grays Harbor	202	214	226	62.66	12,688	13,418	14,147
Island	68	80	93	62.66	4,232	5,026	5,820
Jefferson	41	48	55	62.66	2,550	2,986	3,421
King	63	338	613	62.66	3,960	21,177	38,394
Kitsap	(5)	43	91	62.66	(326)	2,685	5,696
Kittitas	13	20	27	62.66	846	1,268	1,690
Klickitat	(159)	(156)	(153)	62.66	(9,971)	(9,788)	(9,605)
Lewis	69	82	95	62.66	4,325	5,135	5,945
Lincoln	39	40	42	62.66	2,414	2,515	2,616
Mason	176	191	206	62.66	11,053	11,965	12,877
Okanogan	81	87	93	62.66	5,058	5,456	5,855
Pacific	83	86	89	62.66	5,212	5,398	5,584
Pend Oreille	31	34	37	62.66	1,964	2,135	2,305
Pierce	80	236	391	62.66	5,039	14,766	24,493
San Juan	4	6	8	62.66	232	380	528
Skagit	8	35	61	62.66	520	2,183	3,847
Skamania	25	27	29	62.66	1,557	1,685	1,813
Snohomish	207	357	507	62.66	12,944	22,350	31,757
Spokane	(29)	56	141	62.66	(1,834)	3,498	8,830
Stevens	119	127	134	62.66	7,467	7,942	8,417
Thurston	108	156	205	62.66	6,736	9,782	12,827
Wahkiakum	23	23	23	62.66	1,440	1,454	1,468
Walla Walla	32	39	47	62.66	2,016	2,473	2,930
Whatcom	(50)	(16)	17	62.66	(3,137)	(1,028)	1,081
Whitman	(42)	(37)	(32)	62.66	(2,616)	(2,310)	(2,005)
Yakima	(83)	(56)	(29)	62.66	(5,230)	(3,511)	(1,793)

*a negative number indicates existing hospice service capacity exceeds the projected utilization based on the statewide use rate.

Department of Health
2020-2021 Hospice Numeric Need Methodology
 Posted October 30, 2020



WAC246-310-290(8)(g) Step 7:

Divide the unmet patient days from Step 6 by 365 to determine the unmet need ADC.

County				Step 7 (Patient Days / 365) = Unmet ADC		
	2020 Unmet Need Patient Days*	2021 Unmet Need Patient Days*	2022 Unmet Need Patient Days*	2020 Unmet Need ADC*	2021 Unmet Need ADC*	2022 Unmet Need ADC*
Adams	1,148	1,214	1,280	3	3	4
Asotin	3,092	3,328	3,564	8	9	10
Benton	(9,222)	(7,421)	(5,620)	(25)	(20)	(15)
Chelan	1,000	1,932	2,864	3	5	8
Clallam	21,238	22,228	23,217	58	61	64
Clark	(19,394)	(14,226)	(9,057)	(53)	(39)	(25)
Columbia	1,532	1,568	1,605	4	4	4
Cowlitz	(7,461)	(6,261)	(5,061)	(20)	(17)	(14)
Douglas	2,362	2,758	3,155	6	8	9
Ferry	582	631	681	2	2	2
Franklin	3,798	4,458	5,118	10	12	14
Garfield	774	788	802	2	2	2
Grant	7,055	7,911	8,766	19	22	24
Grays Harbor	12,688	13,418	14,147	35	37	39
Island	4,232	5,026	5,820	12	14	16
Jefferson	2,550	2,986	3,421	7	8	9
King	3,960	21,177	38,394	11	58	105
Kitsap	(326)	2,685	5,696	(1)	7	16
Kittitas	846	1,268	1,690	2	3	5
Klickitat	(9,971)	(9,788)	(9,605)	(27)	(27)	(26)
Lewis	4,325	5,135	5,945	12	14	16
Lincoln	2,414	2,515	2,616	7	7	7
Mason	11,053	11,965	12,877	30	33	35
Okanogan	5,058	5,456	5,855	14	15	16
Pacific	5,212	5,398	5,584	14	15	15
Pend Oreille	1,964	2,135	2,305	5	6	6
Pierce	5,039	14,766	24,493	14	40	67
San Juan	232	380	528	1	1	1
Skagit	520	2,183	3,847	1	6	11
Skamania	1,557	1,685	1,813	4	5	5
Snohomish	12,944	22,350	31,757	35	61	87
Spokane	(1,834)	3,498	8,830	(5)	10	24
Stevens	7,467	7,942	8,417	20	22	23
Thurston	6,736	9,782	12,827	18	27	35
Wahkiakum	1,440	1,454	1,468	4	4	4
Walla Walla	2,016	2,473	2,930	6	7	8
Whatcom	(3,137)	(1,028)	1,081	(9)	(3)	3
Whitman	(2,616)	(2,310)	(2,005)	(7)	(6)	(5)
Yakima	(5,230)	(3,511)	(1,793)	(14)	(10)	(5)

*a negative number indicates existing hospice service capacity exceeds the projected utilization based on the statewide use rate.

Department of Health
2020-2021 Hospice Numeric Need Methodology
 Posted October 30, 2020



WAC246-310-290(8)(h) Step 8:
 Determine the number of hospice agencies in the planning area that could support the unmet need with an ADC of thirty-five.

Application Year Step 7 (Patient Days / 365) = Unmet ADC			Step 8 - Numeric Need		
County	2020 Unmet Need ADC*	2021 Unmet Need ADC*	2022 Unmet Need ADC*	Numeric Need?	Number of New Agencies Needed?***
Adams	3	3	4	FALSE	FALSE
Asotin	8	9	10	FALSE	FALSE
Benton	(25)	(20)	(15)	FALSE	FALSE
Chelan	3	5	8	FALSE	FALSE
Clallam	58	61	64	TRUE	1
Clark	(53)	(39)	(25)	FALSE	FALSE
Columbia	4	4	4	FALSE	FALSE
Cowlitz	(20)	(17)	(14)	FALSE	FALSE
Douglas	6	8	9	FALSE	FALSE
Ferry	2	2	2	FALSE	FALSE
Franklin	10	12	14	FALSE	FALSE
Garfield	2	2	2	FALSE	FALSE
Grant	19	22	24	FALSE	FALSE
Grays Harbor	35	37	39	TRUE	1
Island	12	14	16	FALSE	FALSE
Jefferson	7	8	9	FALSE	FALSE
King	11	58	105	TRUE	3
Kitsap	(1)	7	16	FALSE	FALSE
Kittitas	2	3	5	FALSE	FALSE
Klickitat	(27)	(27)	(26)	FALSE	FALSE
Lewis	12	14	16	FALSE	FALSE
Lincoln	7	7	7	FALSE	FALSE
Mason	30	33	35	TRUE	1
Okanogan	14	15	16	FALSE	FALSE
Pacific	14	15	15	FALSE	FALSE
Pend Oreille	5	6	6	FALSE	FALSE
Pierce	14	40	67	TRUE	1
San Juan	1	1	1	FALSE	FALSE
Skagit	1	6	11	FALSE	FALSE
Skamania	4	5	5	FALSE	FALSE
Snohomish	35	61	87	TRUE	2
Spokane	(5)	10	24	FALSE	FALSE
Stevens	20	22	23	FALSE	FALSE
Thurston	18	27	35	TRUE	1
Wahkiakum	4	4	4	FALSE	FALSE
Walla Walla	6	7	8	FALSE	FALSE
Whatcom	(9)	(3)	3	FALSE	FALSE
Whitman	(7)	(6)	(5)	FALSE	FALSE
Yakima	(14)	(10)	(5)	FALSE	FALSE

*a negative number indicates existing hospice service capacity exceeds the projected utilization based on the statewide use rate.

**The numeric need methodology projects need for whole hospice agencies only - not partial hospice agencies. Therefore, the results are rounded down to the nearest whole number.

Department of Health
2020-2021 Hospice Numeric Need Methodology
0-64 Population Projection

County	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Adams	17,637	17,768	17,899	18,029	18,160	18,291	18,456	18,622	18,787	18,953	19,118
Asotin	16,969	16,906	16,842	16,779	16,715	16,652	16,596	16,540	16,485	16,429	16,373
Benton	162,262	163,693	165,123	166,554	167,984	169,415	171,026	172,638	174,249	175,861	177,472
Chelan	61,284	61,520	61,755	61,991	62,227	62,463	62,512	62,562	62,611	62,661	62,710
Clallam	52,716	52,661	52,605	52,550	52,494	52,439	52,233	52,027	51,821	51,615	51,409
Clark	387,296	393,291	399,287	405,282	411,278	417,273	421,901	426,529	431,158	435,786	440,414
Columbia	2,988	2,947	2,905	2,863	2,822	2,780	2,745	2,710	2,675	2,640	2,605
Cowlitz	85,417	85,517	85,617	85,717	85,817	85,917	85,843	85,769	85,695	85,621	85,547
Douglas	33,540	33,938	34,335	34,732	35,130	35,527	35,803	36,080	36,356	36,633	36,909
Ferry	5,834	5,782	5,731	5,680	5,628	5,577	5,541	5,506	5,470	5,435	5,399
Franklin	79,651	81,742	83,832	85,922	88,012	90,102	92,443	94,784	97,124	99,465	101,806
Garfield	1,665	1,644	1,623	1,602	1,581	1,560	1,541	1,522	1,502	1,483	1,464
Grant	81,535	82,660	83,784	84,909	86,033	87,158	88,240	89,322	90,403	91,485	92,567
Grays Harbor	59,105	58,675	58,246	57,817	57,387	56,958	56,679	56,401	56,122	55,844	55,565
Island	62,514	62,664	62,814	62,964	63,114	63,264	63,280	63,296	63,312	63,328	63,344
Jefferson	20,636	20,653	20,670	20,688	20,705	20,722	20,636	20,550	20,463	20,377	20,291
King	1,798,581	1,820,215	1,841,848	1,863,482	1,885,115	1,906,749	1,918,470	1,930,192	1,941,913	1,953,635	1,965,356
Kitsap	212,548	214,045	215,543	217,040	218,538	220,035	220,614	221,192	221,771	222,349	222,928
Kittitas	36,206	36,768	37,330	37,892	38,453	39,015	39,286	39,556	39,827	40,097	40,368
Klickitat	16,208	16,082	15,955	15,828	15,702	15,575	15,439	15,304	15,168	15,033	14,897
Lewis	61,494	61,796	62,097	62,398	62,700	63,001	63,164	63,327	63,491	63,654	63,817
Lincoln	8,101	8,042	7,982	7,923	7,864	7,805	7,751	7,698	7,644	7,591	7,537
Mason	48,672	49,162	49,652	50,142	50,632	51,122	51,397	51,672	51,946	52,221	52,496
Okanogan	33,087	32,906	32,726	32,545	32,364	32,183	32,087	31,991	31,896	31,800	31,704
Pacific	15,115	14,972	14,830	14,688	14,545	14,403	14,322	14,242	14,161	14,081	14,000
Pend Oreille	10,045	9,998	9,952	9,905	9,859	9,812	9,769	9,727	9,684	9,642	9,599
Pierce	721,137	729,937	738,738	747,538	756,339	765,139	769,918	774,696	779,475	784,253	789,032
San Juan	11,305	11,194	11,084	10,974	10,863	10,753	10,730	10,707	10,684	10,661	10,638
Skagit	97,885	98,616	99,346	100,076	100,807	101,537	101,887	102,236	102,586	102,935	103,285
Skamania	9,272	9,266	9,260	9,254	9,248	9,242	9,223	9,205	9,186	9,168	9,149
Snohomish	661,812	672,806	683,800	694,793	705,787	716,781	721,527	726,273	731,019	735,765	740,511
Spokane	414,493	416,684	418,875	421,066	423,256	425,447	426,740	428,033	429,326	430,619	431,912
Stevens	34,576	34,459	34,343	34,226	34,109	33,992	33,917	33,841	33,766	33,690	33,615
Thurston	224,951	228,261	231,571	234,880	238,190	241,500	243,867	246,235	248,602	250,970	253,337
Wahkiakum	2,726	2,669	2,612	2,555	2,498	2,441	2,405	2,368	2,332	2,295	2,259
Walla Walla	49,893	50,111	50,328	50,546	50,763	50,981	51,028	51,075	51,121	51,168	51,215
Whatcom	175,840	178,234	180,629	183,023	185,418	187,812	189,267	190,722	192,178	193,633	195,088
Whitman	42,880	42,965	43,051	43,137	43,222	43,308	43,315	43,322	43,330	43,337	43,344
Yakima	215,882	217,605	219,328	221,051	222,774	224,497	225,822	227,147	228,473	229,798	231,123

**2017-2019
Average
Population**

18,029
16,779
166,554
61,991
52,550
405,282
2,863
85,717
34,732
5,680
85,922
1,602
84,909
57,817
62,964
20,688
1,863,482
217,040
37,892
15,828
62,398
7,923
50,142
32,545
14,688
9,905
747,538
10,974
100,076
9,254
694,793
421,066
34,226
234,880
2,555
50,546
183,023
43,137
221,051

Department of Health
2020-2021 Hospice Numeric Need Methodology
65+ Population Projection

County	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2017-2019 Average Population
Adams	1,773	1,887	2,000	2,114	2,227	2,341	2,383	2,424	2,466	2,507	2,549	2,114
Asotin	5,041	5,233	5,426	5,619	5,812	6,005	6,175	6,344	6,514	6,683	6,853	5,619
Benton	26,328	27,492	28,657	29,821	30,986	32,150	33,373	34,597	35,820	37,044	38,267	29,821
Chelan	13,746	14,279	14,811	15,343	15,876	16,408	17,052	17,695	18,339	18,982	19,626	15,343
Clallam	19,934	20,401	20,867	21,334	21,800	22,267	22,901	23,535	24,168	24,802	25,436	21,334
Clark	64,524	68,044	71,564	75,085	78,605	82,125	85,686	89,247	92,807	96,368	99,929	75,085
Columbia	1,102	1,135	1,169	1,202	1,236	1,269	1,287	1,304	1,322	1,339	1,357	1,202
Cowlitz	18,863	19,684	20,505	21,326	22,148	22,969	23,719	24,470	25,220	25,971	26,721	21,326
Douglas	6,450	6,831	7,213	7,595	7,976	8,358	8,666	8,974	9,283	9,591	9,899	7,595
Ferry	1,876	1,949	2,022	2,095	2,168	2,241	2,289	2,337	2,386	2,434	2,482	2,095
Franklin	7,499	7,921	8,343	8,765	9,188	9,610	10,083	10,557	11,030	11,504	11,977	8,765
Garfield	595	607	620	633	645	658	669	680	692	703	714	633
Grant	12,395	13,011	13,628	14,244	14,861	15,477	16,071	16,665	17,258	17,852	18,446	14,244
Grays Harbor	14,005	14,535	15,064	15,594	16,123	16,653	17,133	17,612	18,092	18,571	19,051	15,594
Island	18,086	18,625	19,163	19,701	20,239	20,777	21,412	22,047	22,682	23,317	23,952	19,701
Jefferson	10,244	10,580	10,916	11,252	11,588	11,924	12,323	12,722	13,121	13,520	13,919	11,252
King	254,219	268,307	282,395	296,484	310,572	324,660	337,771	350,881	363,992	377,102	390,213	296,484
Kitsap	45,652	47,697	49,743	51,788	53,833	55,878	58,185	60,492	62,800	65,107	67,414	51,788
Kittitas	6,464	6,760	7,055	7,351	7,647	7,943	8,266	8,589	8,911	9,234	9,557	7,351
Klickitat	4,792	5,051	5,310	5,570	5,829	6,088	6,268	6,448	6,627	6,807	6,987	5,570
Lewis	15,166	15,576	15,987	16,398	16,808	17,219	17,697	18,175	18,652	19,130	19,608	16,398
Lincoln	2,619	2,687	2,755	2,823	2,891	2,959	3,039	3,119	3,200	3,280	3,360	2,823
Mason	13,528	14,123	14,717	15,311	15,905	16,499	17,167	17,836	18,504	19,173	19,841	15,311
Okanogan	8,773	9,198	9,624	10,050	10,475	10,901	11,210	11,519	11,827	12,136	12,445	10,050
Pacific	6,095	6,258	6,421	6,584	6,747	6,910	7,035	7,159	7,284	7,408	7,533	6,584
Pend Oreille	3,195	3,378	3,560	3,742	3,925	4,107	4,239	4,371	4,504	4,636	4,768	3,742
Pierce	108,983	114,409	119,836	125,262	130,688	136,114	142,422	148,729	155,037	161,344	167,652	125,262
San Juan	4,876	5,099	5,322	5,545	5,768	5,991	6,174	6,357	6,541	6,724	6,907	5,545
Skagit	22,735	24,021	25,308	26,595	27,881	29,168	30,314	31,460	32,607	33,753	34,899	26,595
Skamania	2,158	2,286	2,414	2,542	2,670	2,798	2,923	3,048	3,172	3,297	3,422	2,542
Snohomish	95,788	101,674	107,560	113,447	119,333	125,219	131,978	138,737	145,495	152,254	159,013	113,447
Spokane	73,817	77,325	80,834	84,343	87,852	91,361	94,670	97,979	101,288	104,597	107,906	84,343
Stevens	9,454	9,930	10,407	10,884	11,360	11,837	12,214	12,591	12,969	13,346	13,723	10,884
Thurston	42,459	44,534	46,608	48,683	50,757	52,832	54,900	56,967	59,035	61,102	63,170	48,683
Wahkiakum	1,254	1,316	1,379	1,441	1,503	1,565	1,580	1,595	1,611	1,626	1,641	1,441
Walla Walla	10,757	10,819	10,881	10,944	11,006	11,068	11,350	11,632	11,915	12,197	12,479	10,944
Whatcom	33,950	35,688	37,426	39,164	40,902	42,640	44,217	45,794	47,372	48,949	50,526	39,164
Whitman	4,370	4,659	4,948	5,237	5,526	5,815	6,008	6,201	6,395	6,588	6,781	5,237
Yakima	34,088	34,949	35,809	36,670	37,530	38,391	39,475	40,559	41,643	42,727	43,811	36,670

Source:
2017 OFM Population Projections, Medium-Series
Prepared by DOH Program Staff

Department of Health
2020-2021 Hospice Numeric Need Methodology
Preliminary Death Data Updated October 12, 2020

County	0-64			65+		
	2017	2018	2019	2017	2018	2019
ADAMS	38	28	35	78	72	93
ASOTIN	49	52	54	190	214	222
BENTON	385	331	346	1,081	1,125	1,154
CHELAN	124	130	137	556	573	626
CLALLAM	180	191	186	842	871	955
CLARK	883	874	887	2,579	2,767	2,987
COLUMBIA	19	6	7	116	43	52
COWLITZ	351	300	294	917	840	951
DOUGLAS	71	51	63	232	255	270
FERRY	30	28	20	60	55	64
FRANKLIN	133	145	123	284	278	313
GARFIELD	6	5	5	17	30	21
GRANT	203	195	197	509	524	508
GRAYS HARBOR	238	227	251	622	647	659
ISLAND	166	135	167	630	675	642
JEFFERSON	69	64	72	308	336	338
KING	3,256	3,264	3,275	10,039	9,917	10,213
KITSAP	485	515	557	1,780	1,713	1,811
KITTITAS	91	68	90	237	239	266
KLICKITAT	63	58	46	151	158	160
LEWIS	210	227	210	721	730	722
LINCOLN	20	25	25	105	94	89
MASON	169	158	167	550	526	548
OKANOGAN	119	103	119	350	332	358
PACIFIC	88	64	66	262	279	265
PEND OREILLE	34	43	31	133	130	125
PIERCE	1,936	1,964	1,911	5,019	4,926	5,002
SAN JUAN	18	19	20	115	114	127
SKAGIT	271	231	229	1,007	1,001	1,018
SKAMANIA	16	27	19	65	56	87
SNOHOMISH	1,483	1,533	1,533	4,118	4,055	4,081
SPOKANE	1,147	1,177	1,143	3,527	3,556	3,545
STEVENS	96	113	112	376	373	345
THURSTON	530	554	525	1,768	1,823	1,908
WAHIAKUM	3	13	11	37	33	53
WALLA WALLA	123	110	118	501	445	450
WHATCOM	367	360	394	1,329	1,252	1,461
WHITMAN	57	66	47	236	199	219
YAKIMA	586	601	555	1,471	1,517	1,451

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Note: Kindred Hospice in Whitman and Spokane Counties did not respond to the department's survey for 2018 data. As a result, the average of 2016 and 2017 data was used as a proxy for 2018.

Agency Name	License Number	County	Year	0-64	65+
Assured Home Health and Hospice (Central Basin/Assured Hospice)	IHS.FS.60092413	Adams	2017	4	30
Assured Home Health and Hospice (Central Basin/Assured Hospice)	IHS.FS.60092413	Grant	2017	44	209
Assured Home Health and Hospice (Central Basin/Assured Hospice)	IHS.FS.60092413	Lincoln	2017	3	22
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Clallam	2017	14	143
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Jefferson	2017	1	14
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Lewis	2017	17	257
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Mason	2017	8	43
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Thurston	2017	39	235
Astria Home Health and Hospice (Yakima Regional Home Health and Hospice)	IHS.FS.60097245	Yakima	2017	11	48
Central Washington Hospital Home Care Services	IHS.FS.00000250	Chelan	2017	44	319
Central Washington Hospital Home Care Services	IHS.FS.00000250	Douglas	2017	18	119
Community Home Health and Hospice CHHH Community Home Care Hospice	IHS.FS.00000262	Clark	2017	67	419
Community Home Health and Hospice CHHH Community Home Care Hospice	IHS.FS.00000262	Cowlitz	2017	116	630
Community Home Health and Hospice CHHH Community Home Care Hospice	IHS.FS.00000262	Wahkiakum	2017	1	4
Elite Home Health and Hospice	IHS.FS.60384078	Asotin	2017	7	85
Elite Home Health and Hospice	IHS.FS.60384078	Garfield	2017	1	1
Evergreen Health Home Care Services	IHS.FS.00000278	Island	2017	0	7
Evergreen Health Home Care Services	IHS.FS.00000278	King	2017	272	2393
Evergreen Health Home Care Services	IHS.FS.00000278	Snohomish	2017	82	478
Franciscan Hospice	IHS.FS.00000287	King	2017	90	1115
Franciscan Hospice	IHS.FS.00000287	Kitsap	2017	64	796
Franciscan Hospice	IHS.FS.00000287	Pierce	2017	181	2242
Frontier Home Health and Hospice (Okanogan Regional)	IHS.FS.60379608	Douglas	2017	1	10
Frontier Home Health and Hospice (Okanogan Regional)	IHS.FS.60379608	Grant	2017	0	7
Frontier Home Health and Hospice (Okanogan Regional)	IHS.FS.60379608	Okanogan	2017	34	132
Gentiva Hospice (Odyssey Hospice)	IHS.FS.60330209	King	2017	14	375
Harbors Home Health and Hospice	IHS.FS.00000306	Grays Harbor	2017	72	292
Harbors Home Health and Hospice	IHS.FS.00000306	Pacific	2017	17	106
Heart of Hospice	IHS.FS.00000185	Skamania	2017	2	11
Heart of Hospice	IHS.FS.00000185	Klickitat	2017	1	20
Heartlinks Hospice and Palliative Care (Lower Valley Hospice)	IHS.FS.00000369	Benton	2017	12	130
Heartlinks Hospice and Palliative Care (Lower Valley Hospice)	IHS.FS.00000369	Yakima	2017	28	197
Home Health Care of Whidbey General Hospital (Whidbey General)	IHS.FS.00000323	Island	2017	21	248
PeaceHealth Homecare and Hospice Southwest (Hospice SW)	IHS.FS.60331226	Clark	2017	165	1064
PeaceHealth Homecare and Hospice Southwest (Hospice SW)	IHS.FS.60331226	Cowlitz	2017	7	47
PeaceHealth Homecare and Hospice Southwest (Hospice SW)	IHS.FS.60331226	Skamania	2017	0	0
Horizon Hospice	IHS.FS.00000332	Spokane	2017	35	420
Hospice of Kitsap County	IHS.FS.00000335	Kitsap	2017	0	0
Hospice of Spokane	IHS.FS.00000337	Ferry	2017	7	37
Hospice of Spokane	IHS.FS.00000337	Lincoln	2017	0	0
Hospice of Spokane	IHS.FS.00000337	Pend Oreille	2017	8	55
Hospice of Spokane	IHS.FS.00000337	Spokane	2017	340	1722
Hospice of Spokane	IHS.FS.00000337	Stevens	2017	25	128
Hospice of Spokane	IHS.FS.00000337	Whitman	2017	0	1
Hospice of the Northwest (Skagit Hospice Service)	IHS.FS.00000437	Island	2017	11	77
Hospice of the Northwest (Skagit Hospice Service)	IHS.FS.00000437	San Juan	2017	3	70
Hospice of the Northwest (Skagit Hospice Service)	IHS.FS.00000437	Skagit	2017	61	616
Hospice of the Northwest (Skagit Hospice Service)	IHS.FS.00000437	Snohomish	2017	7	83
Jefferson Healthcare Home Health and Hospice (Hospice of Jefferson County)	IHS.FS.00000349	Jefferson	2017	13	153
Kaiser Permanente Continuing Care Services	IHS.FS.00000353	Clark	2017	50	415
Kaiser Permanente Continuing Care Services	IHS.FS.00000353	Cowlitz	2017	1	18
Kaiser Permanente Continuing Care Services	IHS.FS.00000353	Skamania	2017	0	0
Kaiser Permanente Home Health and Hospice (Group Health)	IHS.FS.00000305	King	2017	38	487
Kaiser Permanente Home Health and Hospice (Group Health)	IHS.FS.00000305	Kitsap	2017	7	107
Kaiser Permanente Home Health and Hospice (Group Health)	IHS.FS.00000305	Pierce	2017	27	189
Kaiser Permanente Home Health and Hospice (Group Health)	IHS.FS.00000305	Snohomish	2017	2	68
Kindred Hospice (Gentiva Hospice)	IHS.FS.60308060	Spokane	2017	22	325
Kindred Hospice (Gentiva Hospice)	IHS.FS.60308060	Whitman	2017	29	247
Kittitas Valley Home Health and Hospice	IHS.FS.00000320	Kittitas	2017	46	134
Klickitat Valley Home Health & Hospice (Klickitat Valley Health)	IHS.FS.00000361	Klickitat	2017	11	33
Kline Galland Community Based Services	IHS.FS.60103742	King	2017	13	301
Memorial Home Care Services	IHS.FS.00000376	Yakima	2017	149	717
MultiCare Home Health, Hospice and Palliative Care	IHS.FS.60639376	King	2017	42	149
MultiCare Home Health, Hospice and Palliative Care	IHS.FS.60639377	Kitsap	2017	33	253
MultiCare Home Health, Hospice and Palliative Care	IHS.FS.60639378	Pierce	2017	211	925
Providence Hospice (Hospice of the Gorge)	IHS.FS.60201476	Klickitat	2017	5	29
Providence Hospice (Hospice of the Gorge)	IHS.FS.60201476	Skamania	2017	2	10
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	Island	2017	3	32
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	King	2017	5	14
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	Snohomish	2017	238	1440
Providence Hospice of Seattle	IHS.FS.00000336	King	2017	387	1888
Providence Hospice of Seattle	IHS.FS.00000336	Snohomish	2017	10	15
Providence SoundHomeCare and Hospice	IHS.FS.00000420	Lewis	2017	28	163
Providence SoundHomeCare and Hospice	IHS.FS.00000420	Mason	2017	26	189
Providence SoundHomeCare and Hospice	IHS.FS.00000420	Thurston	2017	105	664
Tri-Cities Chaplaincy	IHS.FS.00000456	Benton	2017	98	745
Tri-Cities Chaplaincy	IHS.FS.00000456	Franklin	2017	15	122

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Walla Walla Community Hospice	IHS.FS.60480441	Columbia	2017	1	17
Walla Walla Community Hospice	IHS.FS.60480441	Walla Walla	2017	45	276
Wesley Homes	IHS.FS.60276500	King	2017	1	17
Whatcom Hospice (Peacehealth)	IHS.FS.00000471	Whatcom	2017	139	766
Assured Home Health and Hospice (Central Basin/Assured Hospice)	IHS.FS.60092413	Adams	2018	6	34
Assured Home Health and Hospice (Central Basin/Assured Hospice)	IHS.FS.60092413	Grant	2018	40	254
Assured Home Health and Hospice (Central Basin/Assured Hospice)	IHS.FS.60092413	Lincoln	2018	6	28
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Clallam	2018	16	186
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Jefferson	2018	1	11
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Lewis	2018	35	280
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Mason	2018	4	44
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Thurston	2018	24	273
Astria Home Health and Hospice (Yakima Regional Home Health and Hospice)	IHS.FS.60097245	Yakima	2018	41	8
Central Washington Hospital Home Care Services	IHS.FS.00000250	Chelan	2018	34	386
Central Washington Hospital Home Care Services	IHS.FS.00000250	Douglas	2018	10	133
Community Home Health and Hospice CHHH Community Home Care Hospice	IHS.FS.00000262	Clark	2018	54	383
Community Home Health and Hospice CHHH Community Home Care Hospice	IHS.FS.00000262	Cowlitz	2018	87	524
Community Home Health and Hospice CHHH Community Home Care Hospice	IHS.FS.00000262	Wahkiakum	2018	2	5
Elite Home Health and Hospice	IHS.FS.60384078	Asotin	2018	6	121
Elite Home Health and Hospice	IHS.FS.60384078	Garfield	2018	1	2
Evergreen Health Home Care Services	IHS.FS.00000278	Island	2018	1	9
Evergreen Health Home Care Services	IHS.FS.00000278	King	2018	348	1989
Evergreen Health Home Care Services	IHS.FS.00000278	Snohomish	2018	79	690
Franciscan Hospice	IHS.FS.00000287	King	2018	102	921
Franciscan Hospice	IHS.FS.00000287	Kitsap	2018	141	693
Franciscan Hospice	IHS.FS.00000287	Pierce	2018	331	2110
Frontier Home Health and Hospice (Okanogan Regional)	IHS.FS.60379608	Douglas	2018	0	3
Frontier Home Health and Hospice (Okanogan Regional)	IHS.FS.60379608	Grant	2018	1	7
Frontier Home Health and Hospice (Okanogan Regional)	IHS.FS.60379608	Okanogan	2018	21	148
Gentiva Hospice (Odyssey Hospice)	IHS.FS.60330209	King	2018	37	180
Harbors Home Health and Hospice	IHS.FS.00000306	Grays Harbor	2018	35	180
Harbors Home Health and Hospice	IHS.FS.00000306	Pacific	2018	13	71
Heart of Hospice	IHS.FS.00000185	Skamania	2018	0	10
Heart of Hospice	IHS.FS.00000185	Klickitat	2018	1	23
Heartlinks Hospice and Palliative Care (Lower Valley Hospice)	IHS.FS.00000369	Benton	2018	6	137
Heartlinks Hospice and Palliative Care (Lower Valley Hospice)	IHS.FS.00000369	Yakima	2018	24	219
Home Health Care of Whidbey General Hospital (Whidbey General)	IHS.FS.00000323	Island	2018	20	235
Homecare and Hospice Southwest (Hospice SW)	IHS.FS.60331226	Clark	2018	243	1305
Homecare and Hospice Southwest (Hospice SW)	IHS.FS.60331226	Cowlitz	2018	20	76
Homecare and Hospice Southwest (Hospice SW)	IHS.FS.60331226	Skamania	2018	1	1
Horizon Hospice	IHS.FS.00000332	Spokane	2018	31	389
Hospice of Kitsap County	IHS.FS.00000335	Kitsap	2018	0	0
Hospice of Spokane	IHS.FS.00000337	Ferry	2018	6	29
Hospice of Spokane	IHS.FS.00000337	Lincoln	2018	1	1
Hospice of Spokane	IHS.FS.00000337	Pend Oreille	2018	8	53
Hospice of Spokane	IHS.FS.00000337	Spokane	2018	346	1593
Hospice of Spokane	IHS.FS.00000337	Stevens	2018	30	121
Hospice of Spokane	IHS.FS.00000337	Whitman	2018	none reported	none reported
Hospice of the Northwest (Skagit Hospice Service)	IHS.FS.00000437	Island	2018	6	60
Hospice of the Northwest (Skagit Hospice Service)	IHS.FS.00000437	San Juan	2018	6	79
Hospice of the Northwest (Skagit Hospice Service)	IHS.FS.00000437	Skagit	2018	48	680
Hospice of the Northwest (Skagit Hospice Service)	IHS.FS.00000437	Snohomish	2018	2	67
Jefferson Healthcare Home Health and Hospice (Hospice of Jefferson County)	IHS.FS.00000349	Jefferson	2018	20	144
Kaiser Permanente Continuing Care Services	IHS.FS.00000353	Clark	2018	39	436
Kaiser Permanente Continuing Care Services	IHS.FS.00000353	Cowlitz	2018	none reported	none reported
Kaiser Permanente Continuing Care Services	IHS.FS.00000353	Skamania	2018	none reported	none reported
Kaiser Permanente Home Health and Hospice (Group Health)	IHS.FS.00000305	King	2018	25	416
Kaiser Permanente Home Health and Hospice (Group Health)	IHS.FS.00000305	Kitsap	2018	14	96
Kaiser Permanente Home Health and Hospice (Group Health)	IHS.FS.00000305	Pierce	2018	35	198
Kaiser Permanente Home Health and Hospice (Group Health)	IHS.FS.00000305	Snohomish	2018	14	94
Kindred Hospice (Gentiva Hospice)	IHS.FS.60308060	Spokane	2018	23	265.5
Kindred Hospice (Gentiva Hospice)	IHS.FS.60308060	Whitman	2018	19	226.5
Kittitas Valley Home Health and Hospice	IHS.FS.00000320	Kittitas	2018	15	135
Klickitat Valley Home Health & Hospice (Klickitat Valley Health)	IHS.FS.00000361	Klickitat	2018	5	40
Kline Galland Community Based Services	IHS.FS.60103742	King	2018	29	368
Memorial Home Care Services	IHS.FS.00000376	Yakima	2018	183	750
MultiCare Home Health, Hospice and Palliative Care	IHS.FS.60639376	King	2018	32	158
MultiCare Home Health, Hospice and Palliative Care	IHS.FS.60639377	Kitsap	2018	25	232
MultiCare Home Health, Hospice and Palliative Care	IHS.FS.60639378	Pierce	2018	177	867
Providence Hospice (Hospice of the Gorge)	IHS.FS.60201476	Klickitat	2018	4	18
Providence Hospice (Hospice of the Gorge)	IHS.FS.60201476	Skamania	2018	1	9
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	Island	2018	11	44
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	King	2018	none reported	none reported
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	Snohomish	2018	316	1772
Providence Hospice of Seattle	IHS.FS.00000336	King	2018	407	1959
Providence Hospice of Seattle	IHS.FS.00000336	Snohomish	2018	11	13
Providence SoundHomeCare and Hospice	IHS.FS.00000420	Lewis	2018	21	140
Providence SoundHomeCare and Hospice	IHS.FS.00000420	Mason	2018	10	117
Providence SoundHomeCare and Hospice	IHS.FS.00000420	Thurston	2018	90	663
Tri-Cities Chaplaincy	IHS.FS.00000456	Benton	2018	112	750
Tri-Cities Chaplaincy	IHS.FS.00000456	Franklin	2018	30	155

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Walla Walla Community Hospice	IHS.FS.60480441	Columbia	2018	1	23
Walla Walla Community Hospice	IHS.FS.60480441	Walla Walla	2018	24	227
Wesley Homes	IHS.FS.60276500	King	2018	29	368
Whatcom Hospice (Peacehealth)	IHS.FS.00000471	Whatcom	2018	117	770
IRREGULAR-COMMUNITY HOME HEALTH & HOSPICE	IHS.FS.00000262	Pacific	2018	0	1
IRREGULAR-MULTICARE	IHS.FS.60639376	Clallam	2018	0	1
Alpha Home Health	IHS.FS.61032013	Snohomish	2019	0	0
Alpowa Healthcare Inc. d/b/a Elite Home Health and Hospice	IHS.FS.60384078	Asotin	2019	9	71
Alpowa Healthcare Inc. d/b/a Elite Home Health and Hospice	IHS.FS.60384078	Garfield	2019	1	4
Central Washington Homecare Services	IHS.FS.00000250	Chelan	2019	28	385
Central Washington Homecare Services	IHS.FS.00000250	Douglas	2019	19	125
Chaplaincy Health Care 2018	IHS.FS.00000456	Benton	2019	96	700
Chaplaincy Health Care 2018	IHS.FS.00000456	Franklin	2019	26	164
Community Home Health/Hospice	IHS.FS.00000262	Cowlitz	2019	98	636
Community Home Health/Hospice	IHS.FS.00000262	Wahkiakum	2019	0	7
Community Home Health/Hospice	IHS.FS.00000262	Clark	2019	60	453
Continuum Care of King LLC	IHS.FS.61058934	King	2019	0	0
Continuum Care of Snohomish LLC	IHS.FS.61010090	Snohomish	2019	0	0
Envision Hospice of Washington	IHS.FS.60952486	Thurston	2019	2	22
EvergreenHealth	IHS.FS.00000278	King	2019	225	2025
EvergreenHealth	IHS.FS.00000278	Snohomish	2019	53	471
EvergreenHealth	IHS.FS.00000278	Island	2019	1	11
Franciscan Hospice	IHS.FS.00000287	King	2019	92	921
Franciscan Hospice	IHS.FS.00000287	Kitsap	2019	118	757
Franciscan Hospice	IHS.FS.00000287	Pierce	2019	364	2236
Frontier Home Health & Hospice	IHS.FS.60379608	Okanogan	2019	27	171
Frontier Home Health & Hospice	IHS.FS.60379608	Douglas	2019	0	5
Frontier Home Health & Hospice	IHS.FS.60379608	Grant	2019	4	8
Harbors Home Health and Hospice	IHS.FS.00000306	Grays Harbor	2019	41	212
Harbors Home Health and Hospice	IHS.FS.00000306	Pacific	2019	15	98
Heartlinks	IHS.FS.00000369	Benton	2019	7	137
Heartlinks	IHS.FS.00000369	Yakima	2019	21	180
Heartlinks	IHS.FS.00000369	Franklin	2019	0	2
Horizon Hospice	IHS.FS.00000332	Spokane	2019	30	393
Hospice of Jefferson County, Jefferson Healthcare	IHI.FS.00000349	Jefferson	2019	26	172
Hospice of Spokane	IHS.FS.00000337	Spokane	2019	289	1692
Hospice of Spokane	IHS.FS.00000337	Stevens	2019	20	126
Hospice of Spokane	IHS.FS.00000337	Ferry	2019	5	25
Hospice of Spokane	IHS.FS.00000337	Pend Oreille	2019	4	65
Hospice of the Northwest	IHS.FS.00000437	Island	2019	14	56
Hospice of the Northwest	IHS.FS.00000437	San Juan	2019	6	73
Hospice of the Northwest	IHS.FS.00000437	Skagit	2019	77	705
Hospice of the Northwest	IHS.FS.00000437	Snohomish	2019	5	58
Inspiring Hospice Partners of Oregon dba Heart of Hospice	IHS.FS.60741443	Skamania	2019	0	17
Inspiring Hospice Partners of Oregon dba Heart of Hospice	IHS.FS.60741443	Klickitat	2019	2	24
Inspiring Hospice Partners of Oregon dba Heart of Hospice	IHS.FS.60741443	Clark	2019	0	3
Inspiring Hospice Partners of Oregon dba Heart of Hospice	IHS.FS.60741443	Snohomish	2019	0	0
Kaiser Continuing Care Services Hospice	IHS.FS.00000353	Clark	2019	43	387
Kaiser Permanente Home Health and Hospice	IHS.FS.00000305	King	2019	37	489
Kaiser Permanente Home Health and Hospice	IHS.FS.00000305	Kitsap	2019	18	123
Kaiser Permanente Home Health and Hospice	IHS.FS.00000305	Pierce	2019	25	176
Kaiser Permanente Home Health and Hospice	IHS.FS.00000305	Snohomish	2019	7	62
Kindred Hospice	IHS.FS.60330209	King	2019	6	217
Kittitas Valley Healthcare Home Health and Hospice	IHS.FS.00000320	Kittitas	2019	16	169
Klickitat Valley Hospice	IHS.FS.00000361	Klickitat	2019	1	44
Kline Galland Community Based Services	IHS.FS.60103742	King	2019	35	345
Memorial Home Care Services	IHS.FS.00000376	Yakima	2019	148	730
MultiCare Hospice	IHS.FS.60639376	King	2019	27	149
MultiCare Hospice	IHS.FS.60639376	Pierce	2019	167	758
MultiCare Hospice	IHS.FS.60639376	Kitsap	2019	37	194
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Clallam	2019	23	234
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Jefferson	2019	0	9
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Lewis	2019	17	244
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Mason	2019	6	45
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Thurston	2019	22	240
Olympic Medical Hospice	IHS.FS.00000393	Clallam	2019	0	0
PeaceHealth Hospice	IHS.FS.60331226	Clark	2019	184	1217
PeaceHealth Hospice	IHS.FS.60331226	Cowlitz	2019	23	99
PeaceHealth Hospice	IHS.FS.60331226	Skamania	2019	0	1
Providence Hospice	IHS.FS.60201476	Klickitat	2019	9	22
Providence Hospice	IHS.FS.60201476	Skamania	2019	1	15
Providence Hospice	IHS.FS.60201476	Clark	2019	0	0
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	Snohomish	2019	272	1613
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	Island	2019	1	29
Providence Hospice of Seattle	IHS.FS.00000336	King	2019	338	2083
Providence Hospice of Seattle	IHS.FS.00000336	Snohomish	2019	5	10
Providence Sound HomeCare and Hospice	IHS.FS.00000420	Thurston	2019	91	685
Providence Sound HomeCare and Hospice	IHS.FS.00000420	Mason	2019	28	148
Providence Sound HomeCare and Hospice	IHS.FS.00000420	Lewis	2019	33	118
Puget Sound Hospice	IHS.FS.61032138	Thurston	2019	0	0
Walla Walla Community Hospice	IHS.FS.60480441	Walla Walla	2019	41	242

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Walla Walla Community Hospice	IHS.FS.60480441	Columbia	2019	3	25
Washington HomeCare and Hospice of Central Basin, LLC d/b/a Assured Hospice	IHS.FS.60092413	Adams	2019	8	54
Washington HomeCare and Hospice of Central Basin, LLC d/b/a Assured Hospice	IHS.FS.60092413	Grant	2019	41	228
Washington HomeCare and Hospice of Central Basin, LLC d/b/a Assured Hospice	IHS.FS.60092413	Lincoln	2019	3	22
WhidbeyHealth Home Health, Hospice	IHS.FS.00000323	Island	2019	27	245
Yakima HMA Home Health, LLC	IHS.FS.60097245	Yakima	2019	6	88
PeaceHealth Whatcom		0 Whatcom	2019	138	995
Wesley Homes	IHS.FS.60276500	King	2019	5	86
Kindred Hospice	IHS.FS.60308060	Spokane	2019	10	90
Kindred Hospice	IHS.FS.60308060	Whitman	2019	12	77

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Admissions - Summarized

0-64 Total Admissions by County

Sum of 0-64	Column Labels		
Row Labels	2017	2018	2019
Adams	4	6	8
Asotin	7	6	9
Benton	110	118	103
Chelan	44	34	28
Clallam	14	16	23
Clark	282	336	287
Columbia	1	1	3
Cowlitz	124	107	121
Douglas	19	10	19
Ferry	7	6	5
Franklin	15	30	26
Garfield	1	1	1
Grant	44	41	45
Grays Harbor	72	35	41
Island	35	38	43
Jefferson	14	21	26
King	862	1,009	765
Kitsap	104	180	173
Kittitas	46	15	16
Klickitat	17	10	12
Lewis	45	56	50
Lincoln	3	7	3
Mason	34	14	34
Okanogan	34	21	27
Pacific	17	13	15
Pend Oreille	8	8	4
Pierce	419	543	556
San Juan	3	6	6
Skagit	61	48	77
Skamania	4	2	1
Snohomish	339	422	342
Spokane	397	400	329
Stevens	25	30	20
Thurston	144	114	115
Wahkiakum	1	2	0
Walla Walla	45	24	41
Whatcom	139	117	138
Whitman	29	19	12
Yakima	188	248	175

65+ Total Admissions by County

Sum of 65+	Column Labels		
Row Labels	2017	2018	2019
Adams	30	34	54
Asotin	85	121	71
Benton	875	887	837
Chelan	319	386	385
Clallam	143	187	234
Clark	1,898	2,124	2,060
Columbia	17	23	25
Cowlitz	695	600	735
Douglas	129	136	130
Ferry	37	29	25
Franklin	122	155	166
Garfield	1	2	4
Grant	216	261	236
Grays Harbor	292	180	212
Island	364	348	341
Jefferson	167	155	181
King	6,739	6,359	6,315
Kitsap	1,156	1,021	1,074
Kittitas	134	135	169
Klickitat	82	81	90
Lewis	420	420	362
Lincoln	22	29	22
Mason	232	161	193
Okanogan	132	148	171
Pacific	106	72	98
Pend Oreille	55	53	65
Pierce	3,356	3,175	3,170
San Juan	70	79	73
Skagit	616	680	705
Skamania	21	20	33
Snohomish	2,084	2,636	2,214
Spokane	2,467	2,248	2,175
Stevens	128	121	126
Thurston	899	936	947
Wahkiakum	4	5	7
Walla Walla	276	227	242
Whatcom	766	770	995
Whitman	248	227	77
Yakima	962	977	998

Total Admissions by County - Not Adjusted for New

County	2017	2018	2019	Average
Adams	34	40	62	45.33
Asotin	92	127	80	99.67
Benton	985	1,005	940	976.67
Chelan	363	420	413	398.67
Clallam	157	203	257	205.67
Clark	2,180	2,460	2,347	2329.00
Columbia	18	24	28	23.33
Cowlitz	819	707	856	794.00
Douglas	148	146	149	147.67
Ferry	44	35	30	36.33
Franklin	137	185	192	171.33
Garfield	2	3	5	3.33
Grant	260	302	281	281.00
Grays Harb	364	215	253	277.33
Island	399	386	384	389.67
Jefferson	181	176	207	188.00
King	7,601	7,368	7,080	7349.67
Kitsap	1,260	1,201	1,247	1236.00
Kittitas	180	150	185	171.67
Klickitat	99	91	102	97.33
Lewis	465	476	412	451.00
Lincoln	25	36	25	28.67
Mason	266	175	227	222.67
Okanogan	166	169	198	177.67
Pacific	123	85	113	107.00
Pend Oreill	63	61	69	64.33
Pierce	3,775	3,718	3,726	3739.67
San Juan	73	85	79	79.00
Skagit	677	728	782	729.00
Skamania	25	22	34	27.00
Snohomish	2,423	3,058	2,556	2679.00
Spokane	2,864	2,648	2,504	2671.83
Stevens	153	151	146	150.00
Thurston	1,043	1,050	1,062	1051.67
Wahkiakur	5	7	7	6.33
Walla Wall	321	251	283	285.00
Whatcom	905	887	1,133	975.00
Whitman	277	246	89	203.83
Yakima	1,150	1,225	1,173	1182.67

Total Admissions by County - Adjusted for New

Adjusted Cells Highlighted in YELLOW

County	2017	2018	2019	Average
Adams	34	40	62	45.33
Asotin	92	127	80	99.67
Benton	985	1,005	940	976.67
Chelan	363	420	413	398.67
Clallam	157	203	461	273.63
Clark	2,180	2,460	2,551	2,396.97
Columbia	18	24	28	23.33
Cowlitz	819	707	856	794.00
Douglas	148	146	149	147.67
Ferry	44	35	30	36.33
Franklin	137	185	192	171.33
Garfield	2	3	5	3.33
Grant	260	302	281	281.00
Grays Harb	364	215	253	277.33
Island	399	386	384	389.67
Jefferson	181	176	207	188.00
King	7,787	7,368	7,397	7,517.23
Kitsap	1,260	1,201	1,451	1,303.97
Kittitas	180	150	185	171.67
Klickitat	282	271	280	277.57
Lewis	465	476	412	451.00
Lincoln	25	36	25	28.67
Mason	266	175	227	222.67
Okanogan	166	169	198	177.67
Pacific	123	85	113	107.00
Pend Oreill	63	61	69	64.33
Pierce	3,775	3,718	3,726	3,739.67
San Juan	73	85	79	79.00
Skagit	677	728	782	729.00
Skamania	25	22	34	27.00
Snohomish	2,423	3,058	3,372	2,950.87
Spokane	2,864	2,648	2,504	2,671.83
Stevens	153	151	146	150.00
Thurston	1,043	1,254	1,446	1,247.57
Wahkiakun	5	7	7	6.33
Walla Wall	321	251	283	285.00
Whatcom	905	887	1,337	1,042.97
Whitman	277	246	89	203.83
Yakima	1,150	1,225	1,173	1,182.67

Department of Health
2020-2021 Hospice Numeric Need Methodology
Admissions - Summarized

35 ADC * 365 days per year = 12,775 default patient days
12,775 patient days/62.66 ALOS = 203.9 default admissions
203.9 Default

For affected counties, the actual volumes from these recently approved agencies will be subtracted, and default values will be added.

Recent approvals showing default volumes:

Wesley Homes Hospice - King County. Approved in 2015, operational since 2017. 2018 volumes exceed "default" - no adjustment for 2018. Adjustments in 2017 and 2019.

Heart of Hospice - Klickitat County. Approved in August 2017. Operational since August 2017. Default volumes in 2017-2019.

Envision Hospice - Thurston County. Approved in September 2018. Default volumes in 2018-2019.

Continuum Care of Snohomish - Snohomish County. Approved in July 2019. Default volumes in 2019.

Olympic Medical Center - Clallam County. Approved in September 2019. Default volumes for 2019.

Symbol Healthcare - Thurston County. Approved in November 2019. Default volumes for 2019.

Heart of Hospice - Snohomish County. Approved in November 2019. Default volumes for 2019.

Envision Hospice - Snohomish County. Approved in November 2019. Default volumes for 2019.

Glacier Peak Healthcare - Snohomish County. Approved in November 2019. Default volumes for 2019.

Providence Hospice - Clark County. Approved in 2019. Default volumes in 2019.

Envision Hospice - King County. Approved in 2019. Default volumes for 2019.

EmpRes Healthcare Group - Whatcom County. Approved in 2019 review cycle. No adjustment possible for 2020, adjustment in 2019 as proxy.

Envision Hospice - Kitsap County. Approved in 2019 review cycle. No adjustment possible for 2020, adjustment in 2019 as proxy.