



STATE OF WASHINGTON
DEPARTMENT OF HEALTH
Olympia, Washington 98504

October 15, 2021

Jamie Brown, Vice President of Home Services
EmpRes Healthcare Group, Inc.
E-mail: jbrown3@eden-health.com

RE: Certificate of Need Application #21-47 – Department's Snohomish County Evaluation

Dear Ms. Brown:

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

For the reasons stated in the attached decision, the application is consistent with the applicable criteria of the Certificate of Need Program, provided EmpRes Healthcare Group, Inc. 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 Snohomish County. The new hospice agency will be located at 733 – 7th Avenue, #110, in Kirkland [98033], within Snohomish County. Hospice services provided for Snohomish 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 Snohomish 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 Snohomish 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 Snohomish 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 Snohomish 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 Snohomish County agency.

Approved Costs:

There is no capital expenditure associated with this project.


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

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

Send your written response to the Certificate of Need Program at this e-mail address:
fslcon@doh.wa.gov.

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

Enclosure

EVALUATION DATED OCTOBER 15, 2021, FOR THREE CERTIFICATE OF NEED APPLICATIONS PROPOSING TO ESTABLISH MEDICARE AND MEDICAID CERTIFIED HOSPICE SERVICES IN SNOHOMISH COUNTY. THE THREE APPLICANTS ARE:

- **BETHANY OF THE NORTHWEST (BETHANY HOSPICE)**
- **ACCENTCARE, INC. (SEASONS HOSPICE AND PALLIATIVE CARE OF SNOHOMISH COUNTY WASHINGTON, LLC)**
- **EMPRES HEALTHCARE GROUP, INC (EDEN HOSPICE AT SNOHOMISH COUNTY, LLC)**

APPLICANT DESCRIPTIONS

Bethany of the Northwest

Bethany of the Northwest is a Washington State corporation with 100% ownership of the limited liability corporation known as Bethany Hospice, LLC. [source: Application, p4 and March 31, 2021, screening response, p2] For this project, Bethany of the Northwest is the applicant and will be referenced as ‘Bethany of the Northwest.’ If a Certificate of Need is issued for this project, the department recognizes that the In Home Service license could be issued to Bethany Hospice, LLC.

Currently, the applicant is approved to operate one in home service agency in Washington State.¹ This application was submitted to establish a hospice agency in Snohomish County during the year 2020 hospice concurrent review cycle two.

AccentCare, Inc./Seasons

Seasons Hospice and Palliative Care of Snohomish 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 Snohomish County Washington, LLC.

Currently, the applicant owns and operates a variety of healthcare facilities in Washington and other states.² This application was submitted to establish a hospice agency in Snohomish County during the year 2020 hospice concurrent review cycle two.

During this concurrent review, EmpRes Healthcare Group, Inc. provided comments questioning whether this application was submitted by the correct applicant. Below is an excerpt of those comments.

EmpRes Healthcare Group, Inc./Eden Public Comment

“The applicant for Seasons Hospice and Palliative Care for Snohomish County is AccentCare, Inc., which has a 100% ownership interest in the Seasons Hospice for Snohomish County. AccentCare, Inc in turn is owned by Advent International, an international private equity firm. Advent International announced the acquisition of AccentCare, Inc. on May 16, 2019 (see Attachment 3: Acquisition of AccentCare, Inc by Advent International). The applicant, Accent Care, Inc. did not show Advent International on the organizational chart.

In the Snohomish hospice project, AccentCare was asked for the 2020 AccentCare audited financial statement and responded that it was not applicable but would be provided if necessary. In reviewing the e-mail exchanges between the analyst and the applicant, Eden notes that there was no disclosure by AccentCare, the applicant, that AccentCare had been acquired in 2019 by Advent International, an investment firm. Because AccentCare

¹ Bethany of the Northwest owns and operates a variety of other healthcare providers in Washington State. These healthcare facilities are discussed in this evaluation under WAC 246-310-230.

² 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.

did not provide the 2020 audited financial statement describing the acquisition and terms of the acquisition, the Program and the public may never know who the real applicant should be; why the transaction took place and the impact on patient care for Washington residents in the last months of their lives. The simple solution for AccentCare would have been to provide its 2020 audited financial statement which should shed light on the Advent International acquisition of AccentCare.

The impact of this lack of transparency on other applicants and the public at large is that there is no way of knowing if the operating policies and the pro forma reflect the ownership and managing interests of Advent International which wholly owns AccentCare. In short there are questions of reliability. Two examples are provided. AccentCare indicates that the Seasons Medical Director contract calls for the minimum of Medical Director services estimated as 1 hour per week and indicates that other physicians will be responsible for hospice medical care for the patient. Can the overall medical direction and physician support of a medical director residing in Illinois be sufficient? As a second example, the Seasons Pro Forma indicates that a charitable contribution will be made annually into a foundation focused on hospice care for Snohomish County patients. Will the new ownership and managing direction by Advent International support the distribution of profits to a community agency? The Program cannot be expected to monitor the implementation of a project at this level of detail. Instead, it relies on trusting the applicant to carry through on its commitments. This trust is built on an applicant being completely transparent in providing the Program with information to evaluate the application. In this case, the Program and the public are left with not even knowing who the applicant really is.

Eden is providing no additional testimony on the Seasons Hospice of Snohomish County certificate of need application at this time but may submit rebuttal information as more information becomes available.”

AccentCare/Seasons Rebuttal Comments

“The issue of the ownership of Seasons Snohomish County was fully addressed in the application and screening questions. Seasons Snohomish County and its parent entity, AccentCare, Inc., have provided all of the information requested by the Department, both in screen questions and direct conversations.

The equity owners of AccentCare, Inc. were involved in an equity transaction with Advent International Corporation, another private equity investment company; however, that transaction did not have any impact on the governance or management of AccentCare, Inc., or any of its operating subsidiaries.

As the Department has stated as recently as 2015, investment companies (like Advent International Corporation) are not considered applicants for purposes of CN projects. In a 2015 evaluation of an application by Rainier Springs, LLC and its parent entities Springstone, LLC to establish a psychiatric hospital, the Department recognized that Welsh, Carson, Anderson, & Stowe was an investment company and not an applicant. In that application, the Department requested financial information from Welsh, Carson, Anderson, & Stowe because it was the funding source for project at issue. See CN 15-20 Evaluation, page 7, Springstone, LLC Application to establish 72-bed psychiatric hospital in Clark County, Washington. In this case, Advent International Corporation is not the funding source for the [Seasons Snohomish County] project; rather, AccentCare, Inc. is and it has provided documentation of the \$2 million contribution to Seasons Snohomish County to fund both start-up expenses and any operational losses for the first three years of operation. Therefore, as described further in the application, screening responses, and these rebuttal materials, there are no issues of reliability with [Seasons Snohomish County] or AccentCare, Inc.

The above statement misconstrues the relevancy of application question #15, confusing the requirement to produce documentary evidence of project funding with the identification of a previous ownership change. Screening Question 4 for CN #21-54 states, “...the audited financial statements must be provided by the entity that will fund the project and the entity that will subsidize the agency during the net loss. If these are two separate entities, provide audited financial statements for both.” Seasons Snohomish County responds

appropriately, providing the February 24, 2021 audited financial statement for the applicant entity, Seasons Hospice & Palliative Care of Snohomish County Washington, LLC showing \$2,000,000 in cash, sufficient to cover project costs, including start-up deficits. No other funding sources are required. As discussed with staff of the CN Office and memorialized in the email of December 17, 2020 (Attachment 2 of the screening response), no historical audited financial statement for the parent (AccentCare, Inc.) were available that reflect the merger with Seasons Hospice & Palliative Care providers that occurred on December 22, 2020 as noted on page 5 of the application. Please also see response to comment #1, above.

Seasons Snohomish County supplies the required information, including copies of relevant policies used in the delivery of hospice care within Exhibits 7 and 14 of its CN application. The pro forma supplied with the application and screening response identifies the proposed project and the impact of concurrent CN hospice applications by related entities. As stated in #1, above, Advent International, while related to AccentCare, is not the applicant and does not impact hospice operational decisions. Furthermore, an applicant's ownership structure does not determine its reliability."

Department's Determination of the Applicant

To determine the applicant for this project, the department reviewed the application, screening responses, and the applicant's website at <https://accentcare.com>. Based on all of the information reviewed, the department concludes that the applicant for this project is AccentCare, Inc. This conclusion is consistent with past practice when applications are submitted by a subsidiary of a larger corporation. Therefore, as previously stated, the applicant for this project is the larger corporation known as AccentCare, Inc. The department recognizes that the In Home Service license may be issued to the subsidiary known as Seasons Hospice and Palliative Care of Snohomish County Washington, LLC.

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 Snohomish County. [source: Application, p10 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 Snohomish County, LLC.

Currently, the applicant owns and operates four in home service agencies in Washington and other states.³ This application was submitted to establish a hospice agency in Snohomish County during the year 2020 hospice concurrent review cycle two.

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.⁴

³ 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.

⁴ Medicare Hospice Benefits, page 8 Centers for Medicare & Medicaid Services. CMS Product No. 02154, Revised March 2020.

Bethany of the Northwest

Bethany of the Northwest proposes to establish a Medicare and Medicaid certified hospice agency located within Bethany System Office space at its 3202 Colby Avenue, Suite G in Everett [98201] within Snohomish 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, p7 and p9]

Bethany of the Northwest provided a table showing the services to be provided by the new hospice agency. [source: Application, p10] The table is shown below.

Applicant’s Table

X Skilled Nursing	X Durable Medical Equipment
X Home Health Aide	X IV Services
X Physical Therapy	Nutritional Counseling
X Occupational Therapy	X Bereavement Counseling
X Speech Therapy	X Symptom and Pain Management
X Respiratory Therapy	X Pharmacy Services
X Medical Social Services	X Respite Care
Palliative Care	X Spiritual Counseling
Other (please describe)	

There is no capital expenditure associated with establishing the new agency. [source: Application, p20 and March 31, 2021, screening response, pp3-4]

Based on a favorable decision for this project in November 2021, Bethany of the Northwest anticipates it would begin providing Medicare and Medicaid hospice services to the residents of Snohomish County in January 2023. [source: Application, p10] The applicant provided the following explanation for this anticipated operational date. [source: Application, p15]

“The Department of Health’s 2020 published methodology identifies a need for 2 additional agencies by 2022. Program’s applying in this concurrent review cycle won’t be approved until the end of 2021, so the need will likely be for at least 3 agencies by the time any of the applicant’s programs are at their third full year of operation. Again, these estimates are based also on maintaining a status quo of an ALOS of 62.66 – and not a longer ALOS per national standards that result in both cost savings and improved outcomes and patient and family satisfaction. Clearly, the need for 2 agencies is a very conservative estimate and will not result in unnecessary duplication but will instead allow new providers to address unmet need.

Further, and importantly, in projecting our opening date, Bethany reviewed the timelines of other recently approved Snohomish County hospice agencies. We purposefully delayed our opening date to January 1, 2023 to assure that these CN approved providers have the opportunity to pass through start-up.”

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

During the review of this project, three entities questioned this applicant’s assertions of no estimated capital costs associated with this project. The comments are restated below.

Envision Hospice of Washington

“Bethany’s application estimates zero dollars for capital expenditures. This estimation seems implausible particularly due to Bethany’s response to questions in today’s public hearing that they are “just getting started” and do not have a related in-home service agency license. Although Bethany may have real estate or other assets, the applicant would still need to invest in equipment and other capital expenditures that are unique to in-home services that home health and hospices provide.”

EmpRes Healthcare Group, Inc./Eden

“In response to Question 3 regarding whether project costs are a capital expenditure, Bethany states that the equipment listed in Table 6 is considered minor equipment and is expensed. For the most part, this is accurate. However, the Bethany audited financial statement indicates that the Bethany accounting policy is to treat equipment with a value of \$1,000 or greater with a useful life longer than one year as a capital expenditure. There are several equipment elements in Table 6 such as software that exceed \$1,000. This is a minor expense issue but the applicant had an opportunity to correct the record. This minor failing demonstrates a lack of attention to detail.”

AccentCare/Seasons Public Comment

“Bethany fails to identify the entity responsible for start-up costs.”

Bethany of the Northwest Rebuttal Comments

“Envision states that having a zero-capital expenditure “is implausible”. While Bethany will be expending funds to acquire minor equipment, consistent with GAAP, the value of each piece of equipment allows the items to be expensed, not capitalized. It is typical for hospice providers to show no capital expenditure. Other hospice agencies recently approved by the Department similarly reported a \$0 capital expenditure (Providence Hospice Clark County: 12/05/2019 and Eden Hospice Whatcom County: 9/28/2020). Importantly, Bethany’s recently approved CN application for a home health agency in Snohomish County also used this same approach to accounting for the equipment costs.

Eden Hospice’s current Snohomish application also assumes a \$0 capital expenditure.

... Eden also commented on Bethan[y] NW’s reference in its audited financials to capitalize any equipment over \$1,000. Based on a recommendation from our CPA firm, that amount has been adjusted to \$5,000, which is consistent with Generally Accepted Accounting Principles (GAAP). This approach was clearly delineated in our CN application on page 17 and is consistent with guidance in WAC 246-310-010(10). The equipment in Table 6 of our CN depicts no single piece of equipment or software in excess of \$5,000 and as such is properly expensed.

The Department clearly finds the approach Bethany took to identify equipment and capital costs appropriate and acceptable. As stated above, other hospice agencies recently approved by the Department of Health similarly reported a \$0 capital expenditure. Importantly, Bethany’s recently approved CN application for a home health agency in Snohomish County also used this same GAAP for accounting for the equipment costs.

“While stating that our start-up costs of \$114,000 are reasonable, Eden suggests that Bethany should have provided a partial start-up budget year pro forma. They state this because they wrongly concluded that we would be serving patients in late 2022. The fact is that we intend to be prepared for survey in late November of 2022 and be operational in January 2023. After discussion with existing hospice providers in Washington and consultation with accreditation agencies, Bethany developed the timeline included on page 8 of our CN application. The timeline to be prepared for survey considered each step necessary for accreditation survey readiness. These steps include seeking state licensure, submitting our Medicare 855A application and receiving FI approval, applying for accreditation, developing fully compliant policies and procedures, conducting a readiness self-study, etc.

Each of these activities were fully considered in our start-up outlined on pages 18 and 19 of our application. Following survey readiness by the end of November 2022, we will hire and train our remaining staff in December (also per our start-up costs), conduct training and then begin operations and serving patients January 1, 2023 (consistent with our proforma); thereby paving the way for survey and certification by the end of January. As such, there is no need for a partial year.

The record should also reflect that the Department did not ask any screening questions nor request any changes related to start-up costs or timelines in its screening letter other than asking us to confirm the total dollar amount of our start-up costs, which we did.

Seasons falsely claims that Bethany did not provide information on the entity responsible for startup costs. This is an attempt to “nit-pick” what they know to be a solid application. Bethany clearly lays out the entities and process for identifying start-up costs on page 19 of our application. We also provided information on the entity financially responsible (Bethany NW) for the start-up costs in Exhibit 7 of the application.

The Department clearly found Bethany’s responses complete as it did not request any additional information during screening.”

Department’s Evaluation of Estimated Capital Costs for Bethany of the Northwest

To evaluate the concerns raised by the three entities, 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 Bethany of the Northwest’s project for Snohomish County.

The concerns raised by the three entities also include the applicant’s identification of start-up costs. It is unclear why the questions regarding capital expenditure would include questions about start-up costs because they are not the same. Start-up costs can be defined as follows:

“All expenses incurred to plan, register, organize and launch a new business or social venture. It is the aggregated cost to bring any new business idea to the open market. From an accounting perspective, startup costs are either charged as expenses the first year or amortized during the next five to ten years depending on the amount.”

[source: <https://www.myaccountingcourse.com-accounting-dictionary>]

Each Snohomish County applicant identified start-up costs for their project. The concerns seem to focus more on whether the start-up costs are reasonable. Rebuttal statements provided by Bethany of the Northwest provide a detailed explanation of the process and rationale used to determine its start-up costs for this project. As a result the department concludes the start-up costs in this application are reasonable.

AccentCare, Inc./Seasons

AccentCare, Inc. proposes to establish a Medicare and Medicaid certified hospice agency located at 3400 – 188th Street, Suite A241 in Lynnwood [98037] within Snohomish 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, p8 and p14]

AccentCare, Inc. provided a description and tables showing the services to be provided by the new hospice agency. [source: Application, pp8-14] Although all information is not restated below, all information is considered in this evaluation.

“Seasons Hospice & Palliative Care of Snohomish County Washington, LLC is applying for a certificate of need (CN) to establish a Medicare and Medicaid certified hospice agency to serve residents of Snohomish 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 Snohomish 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 Snohomish County. The Circle of Care describes the approach to service delivery that places the patient at its center.”



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, p64]

Based on a favorable decision for this project in September 2021, AccentCare, Inc. anticipates it would begin providing Medicare and Medicaid hospice services to the residents of Snohomish County in July 2022. The applicant provided the following explanation for this anticipated operational date. [source: Application, pp15-16]

“The project establishes a new hospice agency for Snohomish 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. The preceding table shows the estimated timeline for project implementation.”

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 Snohomish County. The new agency would be co-located with the applicant’s existing King County home health agency and its proposed King County hospice agency. Although the new Snohomish County agency will be co-located with a proposed hospice agency in King County, the applicant clarified that this Snohomish County project *“does not rely, in any way, on the approval of the Eden Hospice at King County project submitted under [year 2020] hospice cycle 1.”* [source: Application, p12 and March 30, 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, p19]

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, p12]

There is no capital expenditure associated with establishing the new agency in Snohomish County. [source: Application, p53]

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 Snohomish County in January 2022. [source: Application, p19] 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.

AccentCare/Seasons Public Comment

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 Comments

"As noted in the application, there are no additional equipment costs. Eden Hospice at Snohomish 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 in other applications in Washington State (see page 67 and page 91 of the Seasons application). It concludes that \$2 million to fund initial capital outlays and operating losses (\$1.1 million) in Snohomish 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 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.

In regard to the \$100,000 working capital allays for startup, Eden did, with an abundance of caution, have a technical consultation which covered startup costs which would include equipment and no request for additional information was identified by the Program staff. Further, Eden did provide the information requested by the Program as to working capital sources beyond a \$100,000 capital contribution. As the Appendix 5 commitment letter states, any capital contributions beyond the current estimated cash requirement will be made by the members of Eden Hospice at Snohomish County, LLC.”

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 Snohomish County.

Each Snohomish 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 Snohomish 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
Bethany of the Northwest	January 2023	2023, 2024, and 2025
AccentCare/Seasons	July 2022	2023, 2024, and 2025
EmpRes/Eden	January 2022	2022, 2023, and 2024

APPLICABILITY OF CERTIFICATE OF NEED LAW

These three applications propose to establish Medicare and Medicaid certified hospice services in Snohomish 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 Snohomish County applicants:

- Bethany of the Northwest – Snohomish County
- AccentCare, Inc/Seasons – King, Snohomish, Thurston, and Pierce counties
- EmpRes Healthcare Inc./Eden – King and Snohomish counties

While this evaluation focuses on each applicant’s Snohomish 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 2 concurrent review timeline for a hospice agency in Snohomish County. A chronological summary of the review is below.

APPLICATION CHRONOLOGY

Action	Bethany of the Northwest	AccentCare, Inc.	EmpRes Healthcare Group, Inc
Letter of Intent Submitted	December 31, 2020	December 29, 2020	December 29, 2020
Application Submitted	January 29, 2021	January 29, 2021	January 29, 2021
Department’s pre-review activities:			
• DOH 1st Screening Letter	February 26, 2021	February 26, 2021	February 26, 2021
• Applicant’s Responses Received	March 31, 2021	March 30, 2021	March 30, 2021
Beginning of Review	April 16, 2021		
Public Hearing Conducted and End of Public Comment	June 2, 2020		
Rebuttal Comments Due	July 2, 2021		
Department’s Anticipated Decision Date	September 15, 2021		
Department’s Actual Decision Date with a 30-day Extension	October 15, 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 and Home Care of Snohomish County – is an existing hospice agency located at 2731 Wetmore Avenue, #500 in Everett, within Snohomish County [98201]. The hospice agency is approved to provide Medicare and Medicaid hospice services to residents of Snohomish County. Providence Hospice and Home Care of Snohomish County qualifies for interested person status for this Snohomish County concurrent review. Since public comments were provided by Providence Hospice and Home Care of Snohomish County during this concurrent review, the hospice agency also qualifies as an affected person for these projects.

Envision Hospice of Washington, LLC – on November 19, 2019 Envision Hospice of Washington, LLC was issued CN #1822 approving the establishment of Medicare and Medicaid certified hospice services in Snohomish County. Envision Hospice of Washington, LLC qualifies for interested person status for these

three projects. Since public comments were provided by Envision Hospice of Washington, LLC during this concurrent review, the hospice agency also qualifies as an affected person for these projects.

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

- Carollynn Zimmers, DVM is a resident of Poulsbo, within Kitsap County. While Dr. Zimmers provided public comments, as a resident of Kitsap County, she cannot qualify as an affected person for this Snohomish County project.
- Dennis Barnes is a resident of Lake Forest Park, within King County. While Mr. Barnes provided public comments, as a resident of King County, he cannot qualify as an affected person for this Snohomish County project.
- Leslie Palmer is the administrator and clinical director for Josephine at Home, a nursing home in Snohomish County that was recently approved to provide home health services in Snohomish County and the Camano Island portion of Island County. Neither Ms. Palmer nor Josephine at Home provided public comments related to any of the three projects, and therefore, does not qualify for affected person status.
- 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 Snohomish County project.
- Nancy Field is a healthcare consultant located in Sequim, within Clallam County. Ms. Field did not provide public comments on any of the three projects, and therefore does not qualify for affected person status.

SOURCE INFORMATION REVIEWED

- Bethany of the Northwest Certificate of Need application received December 31, 2020
- Bethany of the Northwest screening responses received March 31, 2021
- AccentCare, Inc. Certificate of Need application received December 29, 2020
- AccentCare, Inc. screening responses received March 30, 2021
- EmpRes Healthcare Group, Inc. Certificate of Need application received December 29, 2020
- EmpRes Healthcare Group, Inc. screening responses received March 30, 2021
- Public comments received on or before June 2, 2021
- Bethany of the Northwest rebuttal comments received on or before July 2, 2021
- AccentCare, Inc. rebuttal comments received on or before July 2, 2021
- EmpRes Healthcare Group, Inc. rebuttal comments received on or before July 2, 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>
- Bethany of the Northwest website at: <https://bethanynw.org>
- EmpRes Healthcare Group, LLC website at: <https://www.empres.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 Snohomish 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

Bethany of the Northwest

For the reasons stated in this evaluation, the application submitted by Bethany of the Northwest proposing to establish a Medicare and Medicaid certified hospice agency in Snohomish County is not consistent with applicable review criteria of the Certificate of Need Program and a Certificate of Need is denied.

AccentCare, Inc.

For the reasons stated in this evaluation, the application submitted by AccentCare, Inc. proposing to establish a Medicare and Medicaid certified hospice agency in Snohomish 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 Snohomish County. The new hospice agency will be located at 3400 – 188th Street, #A241 in Lynnwood [98037], within Snohomish County. Hospice services provided for Snohomish 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 Snohomish 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 Snohomish 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 Snohomish 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 Snohomish 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 Snohomish 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.

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 Snohomish 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 Snohomish County. The new hospice agency will be located at 733 – 7th Avenue, #110, in Kirkland [98033], within Snohomish County. Hospice services provided for Snohomish 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 Snohomish 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 Snohomish 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 Snohomish 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 Snohomish 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 Snohomish County agency.

Approved Costs:

There is no capital expenditure associated with this project.

CRITERIA DETERMINATIONS

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

Bethany of the Northwest

Based on the source information reviewed, the department concludes that the applicant has not met the need criteria in WAC 246-310-210, and any applicable criteria in 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.

(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.

Applicant’s Numeric Methodology for Snohomish 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 two hospice agencies in Snohomish County for projection year 2022. [sources: Bethany of the Northwest, Application, p15; AccentCare Inc./Seasons, Application, p40, and EmpRes Healthcare Group, Inc. Eden, Application, p40]

Department Evaluation of Numeric Need for Three Snohomish 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 two Medicare and Medicaid certified hospice agencies in Snohomish County in projection year 2022. The results of the numeric methodology are shown in the table below.

**Department’s Table 2
Snohomish County Hospice Methodology Projection Summary for Year 2022**

Year 2022 - Unmet Patient Days divided by 365	87
Year 2022 - Number of Agencies Needed (divide by 35)*	2

* 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 two hospice agencies in Snohomish 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.

Bethany of the Northwest

“The Department of Health’s methodology identifies a need for two additional agencies in the planning area – and this methodology uses the statewide ALOS of 62.66 in determining this need. This is conservative because data from the National Hospice and Palliative Care Organization data demonstrates the ALOS for all Medicare patients enrolled in hospice in 2017 was 76.1 days and has consistently been above Washington’s ALOS since 2012. In the case of hospice, a longer length of stay is widely accepted as being “better” for the patient and family. Table 3 reflects this information.

Applicant’s Table

**Table 3
National ALOS
Medicare Patients**

Year	Patients	Total Days of Care	ALOS
2012	1.3M	98.7M	77.6
2013	1.3M	103.7M	79.0
2014	1.3M	100.7M	76.1
2015	1.4M	102.6M	74.5
2016	1.4M	108.2M	75.7
2017	1.5M	113.6M	76.1

Source: NHPCO

Research has not only found that patients receiving hospice care tend to experience better end-of-life treatment than those who did not, they also found that the positive effects of hospice care increased alongside duration of stay. For example, families of patients who spent a shorter time in hospice care (defined as less than or equal to three days) were less likely to report that patients died in their preferred place. The researchers noted that the relationship between hospice care effectiveness and duration was not linear. The difference between patients receiving little (less than three days) and moderate (between three and eight days) hospice care was negligible. The starkest difference emerged when patients entered hospice care 30 or more days prior to death.

These findings suggest that providers should prioritize early enrollment in hospice care when possible. Although this may not be realistic for all patients, the research points to significant benefit to enrolling patients earlier and increasing time spent in hospice.

Importantly, studies have shown that duration of care also has significant impact on total cost of care. Estimated annual cost savings ranged from \$316 million (if 20 percent of the decedent beneficiaries used hospice care for a duration of 4 weeks) to \$2.43 billion (if 100 percent of the decedent beneficiaries used hospice care for a duration of 24 weeks). The study was based on the estimate that about 60 percent of decedent Medicare beneficiaries enter hospice care for an average stay of under two weeks. The hospice

program could potentially save the Medicare program between \$705 million to \$1.34 billion annually. Table 4 reflects this information.

Applicant’s Table

**Table 4
Annual Cost Savings by Hospice Uptake and Duration of Hospice Stay (\$ MILLIONS)**

Hospice Uptake Medicare Decedent (%)	Duration of Hospice Stay (weeks)						
	2	4	8	12	16	20	24
20%	\$237	\$316	\$411	\$446	\$466	\$484	\$487
40%	\$469	\$630	\$825	\$890	\$935	\$965	\$970
60%	\$705	\$940	\$1,235	\$1,340	\$1,395	\$1,445	\$1,455
80%	\$940	\$1,260	\$1,645	\$1,785	\$1,860	\$1,925	\$1,940
100%	\$1,175	\$1,570	\$2,060	\$2,230	\$2,330	\$2,410	\$2,430

Source: Powers et al. Cost Savings Associated with Expanded Hospice Use in Medicare. J Palliative Med. 2015 May 1; 18(5):400-401.⁴³

While Bethany has used the 62.66-day LOS for purposes of projecting need; this data clearly suggests that patients in our state and their families would benefit by a longer length of stay and that real and quantifiable cost savings would be a secondary benefit.

The Department of Health’s 2020 published methodology identifies a need for 2 additional agencies by 2022. Program’s applying in this concurrent review cycle won’t be approved until the end of 2021, so the need will likely be for at least 3 agencies by the time any of the applicant’s programs are at their third full year of operation. Again, these estimates are based also on maintaining a status quo of an ALOS of 62.66 – and not a longer ALOS per national standards that result in both cost savings and improved outcomes and patient and family satisfaction. Clearly, the need for 2 agencies is a very conservative estimate and will not result in unnecessary duplication but will instead allow new providers to address unmet need.

Further, and importantly, in projecting our opening date, Bethany reviewed the timelines of other recently approved Snohomish County hospice agencies. We purposefully delayed our opening date to January 1, 2023 to assure that these CN approved providers have the opportunity to pass through start-up.”

Public Comment focused on Bethany of the Northwest

During the review of these projects, the department received 11 letters of support for the Bethany of the Northwest application. Some letters expressed support of faith-based hospice services for patients, some described a personal experience with hospice services for a family member, and some expressed concerns regarding delayed admissions with existing hospice providers. While the 11 letters of support are not quoted in this evaluation, they are all considered during this review. Bethany of the Northwest did not provide rebuttal comments to these letters of support.

The department’s evaluation of this sub-criterion will include all three applications and is at the end of this section.

AccentCare, Inc./Seasons

“Snohomish 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 Snohomish 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 Snohomish 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, pp46-55]

Public Comment focused on AccentCare, Inc./Seasons

AccentCare, Inc./Seasons submitted a packet of 56 letters of support for its project. Of the 56 letters, 41 were submitted during previous hospice review cycles.⁵ These 41 letters cannot be considered for this 2020 application and will not be further discussed in this evaluation.

For the remaining 15 letters of support, 5 were submitted by healthcare providers outside of Washington State⁶ and 10 were submitted from a Washington State entity. 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 ten letters of support from a Washington State provider. The other nine 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.

⁵ 31 were submitted for the 2019 hospice review cycle and 10 were submitted for the 2018 hospice review cycle.

⁶ Letters submitted from: American Music Therapy Association in Maryland; Certification Board for Music Therapists (CBMT) in Pennsylvania; Covenant House in Florida; The Jewish Hospice and Chaplaincy Network in Michigan; and Sage Advocacy and services for LGBT Elders in New York.

You can see this amazing legacy project at <http://m.youtube.com/watch?v=Ix3RofVx0IM>. 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, Snohomish, 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.”

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 Snohomish County. Excerpts from the information provided is below, however all information provided under this sub-criterion is considered in this evaluation. [source: Application, pp36-46]

“Table 19 provided the list of nine hospice agencies approved to serve Snohomish County. Evergreen Health Hospice Care is located in King County where 81% of its patients reside. Kaiser Health Plan and Providence Seattle are also based in King County with Kaiser Health Plan focusing primarily on its members.

While three of the nine operating hospices serve more limited Snohomish County Medicare, Medicaid and commercial insurance population cohorts; the actual utilization of hospice services in Snohomish County is below national averages for the dual eligible and non-dual-eligible (low income) Medicare population. If the dual-eligible population is underserved, then the Medicaid population is underserved because both populations need outreach just to reach national average rates of utilization. On the commercial insurance side, it is also safe to assume that if the non-dual (higher income) Medicare population is underserved then outreach is also needed in the commercial population.

Washington State has adopted the Triple Aim of Better Health, Better Healthcare and Better Control of Healthcare costs. Striving to move Snohomish County from below average utilization of hospice services is a critically important first step to achieving the Triple Aim (as it applies to hospice care). Table 13 shows what “average” healthcare expenditures are for the dual eligible. Table 14-B shows what verging on average achieves, in a comparison to Snohomish County and King County healthcare costs in the last 30 days of life. Table 14-A shows that as the percentage of actual discharge ratio to hospice approaches the expected discharge rate to hospice, overall Medicare healthcare costs decline dramatically. Table 14-B shows that this trend continues with overall higher rates of discharges to hospice when compared to expected discharge rates. Still, Table 14-B shows that hospitals still must achieve even greater discharge rates that are higher than “average” or expected rates because there are still \$2,362 (13%) higher healthcare expenditures than the national average of Medicare healthcare expenditures for patients discharged to a hospice.

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.

In summarizing the response to the question of unnecessary duplication; Eden cannot attest that each approved hospice will provide nonduplicative service, but we can attest to the fact that the Eden project represents expansion of hospice services that is not duplicative. Appendix 21 summarizes Eden’s plan to raise hospice utilization levels to the national average by reducing healthcare disparity in access for the dual-eligible Medicare population, Medicaid population, LGBTQ population, Hispanic population and individuals who want to control their life’s end that in addition to hospice care may include Death with Dignity. Many of the population cohorts identified face financial barriers and Eden has addressed this problem through its Charity Care policy that is consistent with most Washington hospitals, e.g., 100% discount of out-of-pocket hospice service costs for FPL of 200% or lower with substantial discounts up to of 400% FPL (Appendix 16).”

Applicant’s Table 19 Referenced in the Statements Above
Table 19

Total Admissions and Length of Stay for CoN Approved Hospices in Snohomish County			
Hospice Agency	Average LOS	Total Admissions	Market Share
Alpha Home Health	0.0	0	0%
Continuum	0.0	0	0%
Envision	0.0	0	0%
Inspiring	0.0	0	0%
Providence Hospice and Home Care	58.5	1,885	62%
Snohomish County Admissions Only for Multi-County Hospices			
Evergreen Health Hospice Care	62.1	524	28%
Hospice of Northwest	70.4	63	2%
Kaiser Foundation Health Plan	59.2	69	4%
Providence Seattle	80.0	15	3%
Admissions from DOH Survey; Length of Stay from Fee for Service Estimate of Principal County (Berg Data)			

Table 19 shows that two of the operational hospices had length of stay that exceeded the Washington State length of stay average of 62.66 days, while the two hospices that account for 90% of the market share had lengths of stay that were below 62.66 days.

Public Comment for All Three Applications

During this concurrent review, the department also received letters of support and opposition related to this sub-criterion for all three applications. Since the letters focus on all three applications, the public comments are combined below rather than separated by applicant.

Providence Health & Services – Support and Oppose

“Providence has a long history of providing hospice services in Snohomish County along with providing hospice services in the following Washington counties: Island (partial), King, Klickitat, Lewis, Mason, Skamania, Snohomish, and Thurston counties. Further, our Providence Hospice team based in Portland was awarded a certificate of need to operate a hospice agency in Clark County, Washington, and began providing services to Clark County residents in early 2021. Providence served more than 5,600 patients in 2020 in Washington. Having deep experience in providing hospice services, Providence is well-positioned to provide public comment about the hospice applications in Snohomish County.

Currently, there are ten existing hospice providers listed as providing hospice services in Snohomish County, including four new hospice providers that received CN approval in 2019 to establish new agencies. Based on Providence's experience of providing hospice services in Snohomish County, we do not believe that approval of another hospice agency is necessary at this time in order to ensure patients and their families are able to receive access to the care that they need.

However, Providence also notes that the Department's 2020-2021 Hospice Need Methodology identifies numeric need for two agencies in Snohomish County. If the Department elects to approve a CN to establish an additional hospice agency, Providence supports the approval of the application by Bethany of the Northwest ("Bethany"). Of the three applicants, Bethany is a trusted partner with a well-established history of providing care and services in the Pacific Northwest since 1904. Bethany has forged strong local relationships, is committed to the local community, and has the greatest experience of the applicants in being well-positioned to help meet the needs of local patients and families. Given Bethany's long-standing history in Snohomish County, its service to elderly and its commitment to strong partnerships with existing health care providers, we believe this makes Bethany the best choice.”

Envision Hospice of Washington, LLC-Oppose

“As a new agency in Snohomish County, Envision’s Snohomish County project was approved in November 2019 as financially feasible based on its projection of growing patient volumes and related revenues. The Coronavirus pandemic beginning in 2020 created a significant barrier for outreach and community activities to increase awareness of Envision’s ability to provide hospice services. Thus, under the current conditions, Envision is well below projected volume levels. Envision projected a unit cost of price per day (PPD) drop from \$212 PPD to \$173 PPD based on approved volumes. If Envision’s market share is given to another new hospice before Envision’s volumes can grow to their projected and CON-approved level, then Envision’s projected operating costs per unit will necessarily rise, instead of fall as planned, and its CON-approved financial projections will be thwarted by unnecessary duplication.

This identical situation of unnecessary duplication when there was lower utilization was proposed with the 2020 Hospice CON Applications to serve King County. The Department correctly denied those applications in review due in part to the negative impact on costs and charges. Neither Bethany nor Seasons addressed how they would increase patient volume and where their admissions are going to come from in regard to current service delivery. Since neither applicant addressed these admission sources and volumes, it is inevitable that they will negatively impact newly approved projects and hospice agencies.

The need for additional hospices in Snohomish County has been met with the current approved applications and projects. The following outlines Snohomish County calculations of hospice days as projected for the year 2022 in approved CON Applications from CN19-59 Glacier Peak Healthcare Inc (Glacier Peak), CN19-54 Inspiring Hospice Partners of Oregon LLC dba Heart of Hospice (Heart), and CN19-56 Envision Hospice of Washington (Envision). For ease of reference, the tables from these applications are attached to this letter.

Glacier Peak	21,379
Heart of Hospice	21,000
Envision	16,524
Total	58,903

Adding the calculation for the hospice days for three long-existing hospices capacity and the adjusted equivalent for Continuum Care of Snohomish (Continuum) to the above is as follows:

Continuum 4,258 (adjustment equivalent to one third of 35ADC at Washington State ALOS)
Existing x 3 153,692 (capacity of 2556 ADMs x 60 ALOS)

Grand TOTAL 216,853 total approved capacity through 2020
 The 2020 Department of Health CON Method has projected volumes for year 2020 as:
 3,458 Admissions x 62.66 ALOS = 216,678 projected patient days

These calculations clearly demonstrate by comparing approved and existing capacity of 216,853 days to projected volumes in year 2022 of 216,678 patient days that the current approved hospices can meet the hospice needs in Snohomish County. Approval of either of these applications will create a surfeit of hospice agencies in the county. That in turn would adversely affect current hospice projects and agencies. Both applicants failed to acknowledge any impact on existing providers. This failure to acknowledge demonstrates the applicants' lack of understanding of the hospice needs in Snohomish County."

All three applicants provided rebuttal comments related to this sub-criterion. The rebuttal comments are below.

Bethany of the Northwest-Rebuttal Comments

"Envision suggests that the three applicants in this cycle should all be denied because none has demonstrated that it can achieve its proposed patient volumes without adversely affecting newly approved projects. They argue this despite the fact that the Department's methodology used to determine need already accounts for the volume of newly approved providers.

Envision argues that it is well below projected volume levels in Snohomish County because "the pandemic created a significant barrier for outreach and community activities". It then argues that the approval of any new provider in the 2021 cycle will have a negative impact on its volumes, costs and charges. We contacted Envision's hospice program (phone number 360-350-4875) on July 1 and were told that they are "not currently working in Snohomish County". This finding is consistent with public comment made during the Pierce County hospice public hearing as well.

We also attempted to contact and/or otherwise research each of the other agencies that has been approved in recent years in Snohomish County. Table 1 provides a summary of our findings. It shows that of the four (4) approved applications, two are operational, and at least one has surpassed a daily census of 100 patients in a little more than one year. The other two have apparently made business decisions to not commence operations as of yet in Snohomish and have CNs that are nearing the end of their validity periods.

Applicant's Table

**Table 1
 Operational Status
 Applicants that Have Recently Secured CN Approval in Snohomish County**

Entity	Date of CN Approval	Current Status	Notes
Envision	November 2019	Not currently working in Snohomish	Phone call on July 1
Glacier Peak/Alpha	November 2019	In full operation, serving all communities	Phone call on July 1
Inspiring Hospice	November 2019	Not operational. "Coming Soon"	Per website, see Attachment 1
Continuum Hospice	August 2019	In full operation, serving all communities.	Continuum of Snohomish census in excess of 100, per public comment by Patrick Shepard, Director, Continuum of Snohomish at the June 11 Pierce County Public Hearing.

Contrary to Envision's suggestion, there is no unnecessary duplication, and unmet need exists in the County, potentially even greater than the Department projected based on the inaction of two of the newly approved agencies (whose volumes are considered in the need methodology).

Envision's business decision to forego serving the County should not be allowed to hamper the ability of Bethany to serve. While electing not to initiate its CN in Snohomish County, Envision made the business decision to begin serving Pierce County under the Governor's Proclamation 20-36. We know this from their public comment and testimony at the June 9 Pierce County hearing. On its website, Envision lists office locations only in Thurston and Pierce County and does not reference the Marysville address that the Snohomish CN was issued to. So again, their lack of services in Snohomish County appears to be a business decision based on the location of their current operations, not a lack of need in Snohomish County.

The record should also note that none of the other recently approved applicants: Continuum, Inspiring or Glacier Peak opposed any of the applications in this cycle."

AccentCare/Seasons-Rebuttal Comments

"In response to WAC 246-310-210, on pages 53-56 of CN application #21-54, Seasons Snohomish County explains why there is no duplication of services or adverse impact on current providers. Figure 6 on page 54 and Table 20 on page 55 identify "growth from baseline" hospice admissions totaling 249 by CY 2025 assuming the Seasons Snohomish County project is approved. Table 19 on page 55 identifies growth over the baseline for existing providers assuming Seasons and a second provider are approved. Therefore, no existing hospice programs are negatively impacted by approval of another hospice program. Page 55 also addresses the positive impact of competition on existing hospice providers. "Normally, new providers spur competition, with existing providers rising to the occasion by increasing admissions and improving quality to capture additional market share. As the saying goes, "a rising tide lifts all boats." Snohomish County is no exception, as growth is expected to continue, increasing need for hospice services in future years...Seasons Snohomish County will establish balance and offer an alternative approach to service with a different model of care, filling gaps in service, rather than competing for like patients."

...In its projections, Seasons Snohomish County identifies the appropriate default admissions and adjustments for new hospices on pages 44 and 45 of the application and in Table 11, including those for Envision Hospice. Therefore, Envision's expected volume is already factored into the need calculation and forecast for Seasons Snohomish County."

EmpRes Healthcare Group, Inc./Eden-Rebuttal Comments

"Eden partially agrees with the Envision testimony that new hospices that were recently approved will be adversely affected by the approval of either Bethany or Seasons. Eden does not agree that Bethany will have an adverse effect on recently approved hospices. In the case of Bethany, Bethany noted that its hospice mission was faith-based so its impact would primarily affect Providence Everett, the largest hospice in Snohomish County and have very little effect on new agencies. Providence Everett submitted written support for the Bethany project. Eden has already testified that Bethany is not prepared to implement their project and cannot speak further on that issue in this section.

... Still, the current need methodology identifies a need for two hospice agencies and in the next projection year need may increase or decrease we just do not know. The Eden approach does address WAC 246-310-220 (2) and WAC 246-310-230 (4). Seasons does not address these provisions. Bethany did respond indicating that it would delay implementation due to the approval of four agencies until 2023. Eden will have comments on the Envision testimony on Bethany in a later section.

The Eden approach was to prepare the best, evidence-based assessment and to develop a project that would be resilient to rapid changes. For example, the Eden Hospice at Snohomish County can achieve

breakeven at an average daily census of approximately 17 patients, while the Seasons project breakeven is in the 30-patient average daily census range. Consequently, while Eden expects to achieve an average daily census of 35 patients early in the third year of operation, we do not have to achieve that level to be financially successful.”

Department Evaluation for Bethany of the Northwest, AccentCare, Inc./Seasons, and EmpRes Healthcare Group, Inc./Eden

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 Snohomish 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 each of the three applicants received letters of support for their specific project. Many of the letters of support identified need for hospice services in Snohomish County and some expressed interest in the variety of services that are offered, such as music therapy. Other public comments expressed concerns with approval of another non-secular provider in the county, and suggested secular providers should have priority for approval. Some public comments suggested approval of applicants that would offer services to homeless individuals. However, many of the letters expressed the importance of choice of providers for Snohomish County patients.

Snohomish County is not the geographically largest county in Washington State, however, by population, it ranks third behind only King and Pierce counties. A review of the Snohomish County Planning and Development Services’ website⁷ provides the following information regarding population and expected growth.

“What is Snohomish County’s current population and growth rate? The total population of Snohomish County was estimated to be 757,600 as of April 1, 2015, according to the Washington State Office of Financial Management. This includes a total unincorporated population estimate of 330,260 (44% of total county population) and a total incorporated (city) population estimate of 427,340 (56% of total county population).

Total population in Snohomish County has increased by 44,265 (6.2%) since the 2010 US Census showed a total population of 713,335 for Snohomish County. This translates into an annual average population growth rate for the county of 1.2% since 2010.”

The World Population Review website⁸ provides the following statements regarding population growth in Snohomish County.

“As of 2019, Washington's most populous county is King County, home to Seattle, with a population of 2,188,649. This represents a population growth of 12.97% since the 2010 census. King County is followed by Pierce County (876,764), Snohomish County (801,633), and Spokane County (506,152) in terms of population. These are the only counties with a population of more than 500,000. All four counties have posted significant growth since the census ranging from 7% to almost 13%.

⁷ source: [Demographics | Snohomish County, WA - Official Website](#)

⁸ source: [Population of Counties in Washington \(2021\) \(worldpopulationreview.com\)](#)

Washington Counties with Rapid Growth

Franklin County has boasted the highest population growth rate in Washington since the last census, growing 16.48% to 92,125. Four other cities have experienced population growth above 12%: King County (12.97%), Kittitas County (12.74%), Benton County (12.30%), and Snohomish County (12.05%). The county with the largest negative growth is Garfield County at -2.26%.”

The website also provides an overview of all 39 Washington counties and their respective population growth, or lack thereof. As noted in the excerpt table below, Snohomish County has experienced substantial population growth since 2010.

Name	2021 Population ▼	Growth Since 2010	Density (mi ²)
King County	2,301,620	18.74%	1,353.56
Pierce County	927,428	16.60%	545.41
Snohomish County	840,131	17.42%	494.07

The results of the numeric methodology show that two additional hospice providers could be approved for Snohomish County. Based on the county statistical and population data above, the department concludes that approval of an additional provider in Snohomish 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 Snohomish County. **This sub-criterion is met for all three Snohomish 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. With the passage of the Affordable Care Act, the amount of charity care is expected to decrease, but not disappear.

The review of these applications proposing Snohomish County hospice services included a wealth of 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.

Bethany of the Northwest

In response to this sub-criterion, the applicant provided a copy of the following policies. [source: Application, Exhibit 3]

Admission Policy – Draft

Stated purpose:

1. *To admit and to service only those patients that meet hospice admission criteria and whose needs can be met by Bethany Hospice, LLC.*
2. *To provide the patient and/or family with information about services available through Bethany Hospice, LLC.*

The policy also outlines the admission criteria to be accepted for hospice services and provides the following non-discrimination language: *Services are available to patients without regard for disease, race, color, religion, ancestry or national origin, age, sex or sexual orientation, mental or physical handicap.*

Non-Discrimination Policy – Draft

Stated purpose: *To provide guidelines that prevent discrimination against other personnel and/or patients on the basis of race, age, color, creed, sex, national origin, ancestry, religion, handicap, disability, marital status, or sexual preference in the organization's employment practices and service delivery.*

Quality Management Policy – Draft

Stated purpose: *To provide for the objective and systemic monitoring, evaluation and coordination of the quality, appropriateness and cost-effectiveness of patient care, resolve identified problems and improve the Agency's performance.*

Billing Policy Non-Clinical – Draft

Stated purpose: *To ensure accurate submission of billing and insurance claims.*

Washington State Bill of Rights for Bethany Hospice LLC Patient – Draft

While this policy does not include a 'purpose statement,' it outlines the roles and responsibilities of the hospice agency in the areas of services, personnel, contractors, and volunteers, and coordination of services. It also outlines the roles and responsibilities of the patient and family members' in the area of services, or refusal of services, advanced directives, and provides the process that would be used to discharge a patient from hospice services.

Bethany of the Northwest also provided the following explanation of the policy and its current use. [source: March 31, 2021, screening response, p5]

“While the Bill of Rights document was modelled after our existing Home Health Bill of Rights, it does specifically reference the Hospice Agency. Similar to the other policies included, it is also a draft document (the draft watermark just did not show up on the page due to a formatting issue). We have submitted all of these documents as draft with the awareness that our hospice policies will be reviewed and approved through the licensing and certification process. If the Department has any concerns about our draft policies, Bethany would accept a condition on the certificate of need to provide final policies prior to commencing services.”

Bethany of the Northwest provided the following payer mix for the Snohomish County hospice services in year three. [source: Application, p60]

**Department’s Table 3
Bethany of the Northwest
Projected Payer Mix and Percentage**

Payer	Percent
Medicare & Medicare Managed Care	85.0%
Medicaid	5.0%
Commercial, TriCare, Private Pay, etc.	10.0%
Total	100.0%

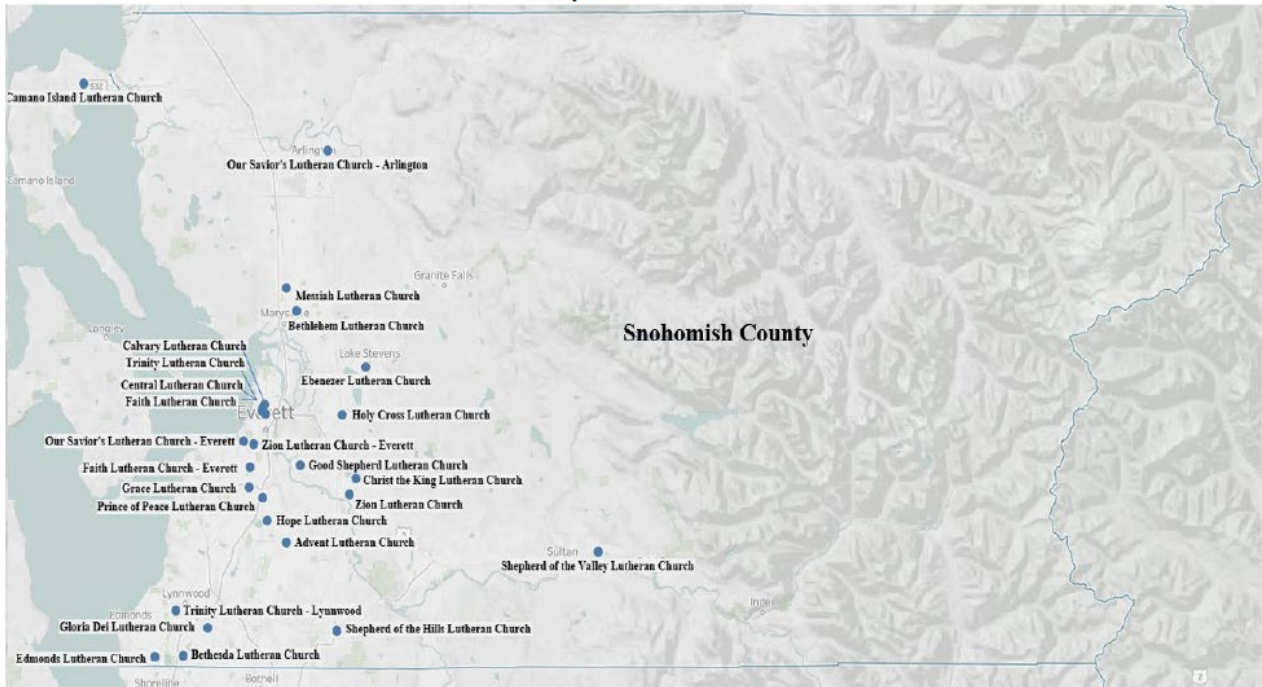
The applicant provided the following information regarding assumptions used to determine the projected payer mix above. [source: March 31, 2021, screening response, p4]

“We examined 2019 cost report data for all hospices in the state of Washington for which data was available and noted that all had Medicare census between 82% - 99% of total census, and an average Medicaid census of 1.3%, with the remaining census at various rates for private pay and commercial.

We also reviewed the applications of the recently approved hospices in Snohomish County and determined that, similarly, the Medicare percentage ranged from 85% - 95% and Medicaid ranged from 3% to 10.6%.

Bethany’s parent, Bethany of the Northwest’s current services are focused on the 65+ population, but they also serve a high proportion of Medicaid in their existing programs. Because Bethany has a strong and ongoing commitment to the underserved, we opted to have a higher Medicaid rate (5%) than the actual average from available Washington agency cost reports (1.3%), but still assuming a majority (85%) of Medicare patients (both assumptions are within the range of the recently approved hospice agencies in Snohomish). The remainder of our patients we expect to be evenly split between commercial and private pay based on our current operations and a review of available cost report data.”

Map 1



Bethany has also expended considerable time over the past few years to develop partnerships that support the delivery of coordinated care and ensure readiness for participation in value-based care. Our central location in Snohomish County, coupled with our partnerships with other health care entities in the County including Providence and the Everett Clinic assure Bethany Hospice will also be an integral part of the health care system. Bethany is also actively working to expand its relationship with several other key providers. Provider interest is high in Bethany because we have a history of offering high-quality options for post-acute and direct admit care. Bethany has also been exploring partnerships that support workforce development and training. As a current provider of health care services in the County, we also have existing relationships with existing health plans in the community as well.

Per our utilization assumptions contained in Exhibit 4, we conservatively estimate by the third year of operation to be caring for almost 30 patients per day from the larger Snohomish County community.”

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, p9]

“Bethany is fully committed to ensuring that a full continuum of high-quality care is available and accessible to our patients and to the entire community of Snohomish County. As can be identified in Bethany Hospice’s utilization assumptions, we do expect a significant percentage of our patients to come from Bethany’s current facilities but also have included in our start-up costs and ongoing financial assumptions dollars for outreach to address the unmet need throughout Snohomish County.

Importantly, Bethany of the Northwest is sponsored by 32 churches in Snohomish, Whatcom and Skagit counties. Bethany will work closely with the 26 sponsoring congregations throughout Snohomish County identified in Map 1 during the implementation of our hospice program. Bethany already meets monthly with the churches and their representatives through our Church and Community Committee. At these meetings, we discuss the needs of the community and collaborate on efforts for delivering healthcare and

other services to those in need. We often hear of those who are struggling, with end-of-life scenarios and strongly believe having a Medicare certified/Medicaid eligible agency can help meet this need in the community. We also get feedback on the care we have provided and those we have been able to positively touch.”

Bethany of the Northwest provided the following statements regarding hours of operation and patient access to services outside of the hours of operation. [source: Application, p26]

“Bethany’s business hours will be Monday through Friday from 8:00 a.m. to 5:00 p.m. Bethany will have staff on call 24 hours per day to support patients and families.”

Public Comment

AccentCare/Seasons – Oppose

“On page 9 of the application, Bethany identifies the types of patients it intends to serve, providing a chart of patients by diagnoses receiving care from Bethany’s affiliates. The chart identifies diagnoses commonly occurring in elderly patients. No mention is made of serving younger adults or children. Therefore, access to hospice care for those not already in the care of a Bethany affiliate would be limited.

Bethany fails to identify under-served groups and simply refers to their charity care policy as a means to make service available. However, to reach those that are under-served or missed by existing hospice providers, the hospice first needs to identify the underserved population and then address ways to increase hospice enrollment among those populations.”

Bethany of the Northwest Rebuttal Comments

“Seasons incorrectly states that Bethany is seeking to establish a hospice agency to primarily serve Bethany of the Northwest’s affiliated facilities, and that Bethany will simply “take market share away” from other providers and duplicate existing services. This is blatantly false.

Bethany does expect and did include in our assumptions that some percentage of the residents of our existing programs will seek hospice from a Bethany operated program based on their established relationship with and trust in Bethany. That said, Bethany is not intending to limit its services to those we currently care for but instead we has [sic] designed our program intentionally to work with/outreach to any provider/patient/family seeking admission. Per our assumptions we conservatively estimate by the third year of operation to be caring for almost 30 patients per day from the larger Snohomish County community.

For example, because Bethany has a strong and ongoing commitment to the underserved, we opted to have a higher Medicaid percent (5%) than the actual average from available Washington agency cost reports (1.3%). Medicare is expected to account for 85% of our patient volume. The remainder of our patients are expected to be evenly split between commercial and private pay.

We also demonstrated, via our sponsoring churches, the fact that geographically we will serve all corners of the County, thereby improving access for many that have faced delays or foregone hospice because it could not respond timely to the more remote communities in the County.

Because Bethany NW is already a well-respected provider of long-term care, transitional care, and assisted living services in Snohomish County we already work closely with local physicians, hospitals, and other providers and organizations to ensure patients’ comprehensive medical, social, and spiritual needs are met. As a subsidiary of Bethany NW, Bethany’s patients will greatly benefit from these existing relationships. Additionally, Bethany NW also has strong working relationships with the largest existing hospice provider in the community (Providence) and plans to work collaboratively with them to ensure

comprehensive hospice services throughout the County. (Providence Hospice submitted a letter of support for Bethany's project). Bethany has also included in our start-up costs and ongoing financial assumptions dollars for outreach to address the unmet need throughout Snohomish County.

Seasons also suggests that Bethany's services will be "limited" in scope. Bethany will operate hospice services in full compliance with state licensing laws and Medicare Conditions of Participation. Importantly, we will also operate our Hospice agency with the same passion and commitment to our community and to innovation to meeting unique patient needs as Bethany NW has exhibited for 100+ years. For example, in our existing programs we already offer music therapy, art therapy, pet therapy, on-site pastors to provide spiritual care and other complementary services to support our residents. We are fortunate to have a strong volunteer base through Bethany NW and already have multiple volunteers eager to work with our Volunteer Coordinator to use their skills and talents to support hospice.

It is accurate that Bethany did not "check the boxes" for palliative care or nutritional counseling as "hospice services" we will provide. The record should reflect that while these services will not be part of the hospice agency's cost center, they are regularly offered by Bethany of the NW. As an organization, we value these services and will ensure that they are available to hospice patients.

While Seasons also claims that Bethany will not provide other services including dementia care and cardiac care, this is also completely false. The focus of our application under review is on what specific services we will provide as a Hospice agency, not on the diagnoses of the patients we will accept or additional services they may need outside of hospice. Table 2 in our CN demonstrates the diagnoses of our current patients to include Cancer, Heart/Cardiac, Alzheimer's/Dementia, COPD/Respiratory, Stroke and Others. Clearly, we have the expertise to provide services to all hospice patients regardless of diagnosis and have the relationships with services and providers in the community to ensure access to additional services as needed by our patients.

Bethany will serve all; with a specific interest in reaching the underserved. Bethany NW is a continuing care ministry, dedicated to enhancing the quality and dignity of life of those who we serve, out of love for God and neighbor. Bethany NW has delivered state-of-the-art multi-level supportive care and nursing services to people of all backgrounds, ages, and experiences. As a faith-based non-profit organization, Bethany NW conducts its business activities with the intention of promoting diversity, equity and inclusion, and without discrimination based upon age, sex, marital status, sexual orientation, race, creed, color, national origin, honorably discharged veteran or military status, or the presence of any sensory, mental, or physical disability or the use of a trained dog guide or service animal by a person with a disability.

Bethany is also sponsored by 32 churches, of which 26 are located in Snohomish County. The membership of these churches has significant outreach to the underserved in our community and therefore, and in addition to referring congregants, the churches will be an important connection to the underserved or otherwise needy.

Seasons suggests that somehow, it has expertise over Bethany in homeless. The record should reflect that the joint venture Providence/ Bethany inpatient facility located on the Providence campus, but operated by Bethany has a predominance of housing insecure or homeless patients with behavioral health conditions (including dementia and substance use) that makes the patient exceptionally challenging to place in the community. Our joint commitment to this population speaks volumes to who Bethany is as an organization.

Further, and specific to pediatrics, Bethany will assure we have staff available with pediatric experience and expertise to be able to meet the unique needs of pediatric patients. We do, however, recognize that only a very small number of children need hospice services in Snohomish County and that Providence Hospice and Home Care of Snohomish County's Carousel Program specializes in Pediatric Hospice. We

expect most referrals will go to Providence, but we will be prepared, staff and trained to work with a pediatric patient should a request be made.

Because we used the hospice length of stay required by WAC, Seasons suggests that we will not improve patient access or impact length of stay. This is speculation and in direct conflict with the information Bethany presented in its application. It is not accurate. The Bethany record contains significant representations regarding intentional and active outreach and engagement in the community and building on our established relationships with providers, churches, and others who have already identified gaps in hospice care and access.

...[public comment quotes are not repeated, but are considered in this review]

Seasons' states that in projecting an opening date, Bethany did not review, calculate or identify specific services or target populations that may already have service through existing hospice providers. Seasons also suggests that Bethany intends to have its LTC residents be its target population, and this population is already being served by existing hospice providers (so that Bethany's entrance into the market would negatively impact those providers).

Bethany has provided significant information in response to Seasons comments above to address these inaccurate claims. In addition, it is important to note that in the Department has previously found that the measure of impact to existing programs is simply if the applicant proposes to exceed the unserved patient volumes from the need methodology (see the reference extracted from the Department's 2019 Clark County Hospice decision, below):

(i) Minimum impact on existing programs;

This measure requires the department to evaluate how the applicants would impact existing programs in the planning area. Any applicant that proposes to exceed the unserved patient volumes from the need methodology would not be eligible to receive a point. Applicants that do not propose to impact existing programs would be eligible to receive a point.

Bethany's projected volumes do not exceed the unserved patient volumes identified in the need methodology.

Seasons claims that Bethany did not account for its payer mix. Again, this information was included on page 3 of our screening response: Bethany has a strong and ongoing commitment to the underserved, we opted to have a higher Medicaid rate (5%) than the actual average from available Washington agency cost reports (1.3%), but still assuming a majority (85%) of Medicare patients (both assumptions are within the range of the recently approved hospice agencies in Snohomish). The remainder of our patients we expect to be evenly split between commercial and private pay based on our current operations and a review of available cost report data."

"Seasons states that the Department cannot count on Bethany to provide 24/7 services in its hospice program. Bethany NW already provides 24/7 services in all its programs and has relied on the use of on call staff in many capacities over many decades of service provision in Snohomish County. Suggesting otherwise is laughable. Bethany committed to providing 24/7 services through a combination of scheduled operating hours and on-call staff. The Department, and the community, can have complete faith in Bethany's ability to do this."

Department Evaluation

The applicant has been providing Medicare and Medicaid home health services to the residents of several Washington State counties, including Snohomish County, through existing agencies. Healthcare services

have been available to low-income, racial and ethnic minorities, handicapped and other underserved groups. The applicant does not provide Medicare and Medicaid hospice services in Washington State.

Bethany of the Northwest provided a variety of policies specific to hospice services. Policies specific to this application, include: Admission Policy, Non-Discrimination Policy, Washington State Bill of Rights for Bethany Hospice Patients, and Quality Management Policy. Given that this project requests establishment of a new hospice agency in Snohomish County all policies are in draft format.

During the review of this project, concerns were raised regarding Bethany of the Northwest's intent to provide a full range of hospice services and whether it would accept younger adults or children admissions. In its rebuttal statements, the applicant provided the assurances necessary that it would be available to all residents of the service area, including younger adults and children. Further, Bethany of the Northwest provided detailed information regarding its scope of services and assurances that it intends to serve all residents, not just residents of the *'Bethany affiliates.'*

The applicant anticipates its Snohomish County agency's combined Medicare and Medicaid revenues to be 90% of total revenues and commercial/other to make up the remaining 10% 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.

It is noted that Bethany of the Northwest did not provide a policy titled 'Charity Care' or 'Financial Assistance' for its Snohomish County hospice agency. However, the application references a draft Charity Care Policy in several areas, including the Admission Policy, the Billing Policy, and throughout the financial statements, but no specific policy directly related to charity care was provided.

While the draft Admission Policy provides the following language: *'Services are available to patients without regard for disease, race, color, religion, ancestry or national origin, age, sex or sexual orientation, mental or physical handicap,'* it does not include *'ability to pay.'* Further, the Non-Discrimination Policy provides the following language: *'...admit and treat all persons without regard to race, age, color, creed, sex, national origin, ancestry, religion, handicap, disability, marital status, or sexual preference; regarding delivery of service and benefits, including assignments or transfers within facilities.'* Again, this draft policy does not include *'ability to pay.'*

A charity care policy is a key document used in a review to ensure that all residents of the service would have access to an applicant's proposed services, even if the patient/family does not have the financial means to pay for the services. This is not a new requirement for applicants. Further, Bethany of the Northwest is aware of the requirement to submit a charity care policy, even if in draft format because the application form specifically requests a charity care policy.⁹

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 Snohomish County in its entirety.

⁹ Bethany of the Northwest's knowledge about submission of a charity care policy is further evidenced by a recently approved home health application submitted by Bethany of the Northwest. [CN App #21-15] A draft charity care policy was included in that application that was specific to the home health services proposed. While the department does have this draft charity care policy in a previous application, it is specific to home health services and does not, translate to the hospice services requested this project. Additionally, it was not submitted for this project and cannot be relied upon for this review.

The department concludes that each of the draft policies that were included in the application and supplemental information provide the necessary information to ensure that all residents of the service area would have access to the applicant's proposed hospice services with no discrimination.

Regarding charity care, the department cannot conclude that a specific policy was provided that explicitly addresses the process and procedures for a patient to obtain charity care. While it is noted that Bethany of the Northwest identified charity care as line item in its pro forma financial statements, and referenced charity care in its other policies, it did not provide an actual charity care policy. Further, the department cannot conditionally approve this applicant to provide a charity care policy consistent with a draft policy provided in the application because no draft policy was included in the application for review. For these reasons, the department concludes that the Bethany of the Northwest application **does not meet this sub-criterion**.

AccentCare, Inc./Seasons

In response to this sub-criterion, the applicant provided a copy of the following policies. [source: Application, Exhibit 14, and March 30, 2021, screening response, Attachments 6 & 7]

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.

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.*

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: March 30, 2021, screening response, p, 14]

“For brevity, the Patient Rights document appearing in Exhibit 14 of the application included only those pages containing text. Attachment 7 to this screening response includes the entire Patient Rights document, including the backside of the printed pages which identify the missing page numbers.”

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

**Department’s Table 4
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: March 30, 2021, screening response, pp9-10]

“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.

The payor 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 91% Medicare payor 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.”

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, pp14-15]

“The proposed agency will establish its office proximate to the most populous areas of Snohomish 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 and 45 minute drive time contour around it. The contours establish 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 drive-time contour captures 87.5% of the total population, while the 45-minute drive-time contour captures over 90%, documenting accessibility of the proposed program.

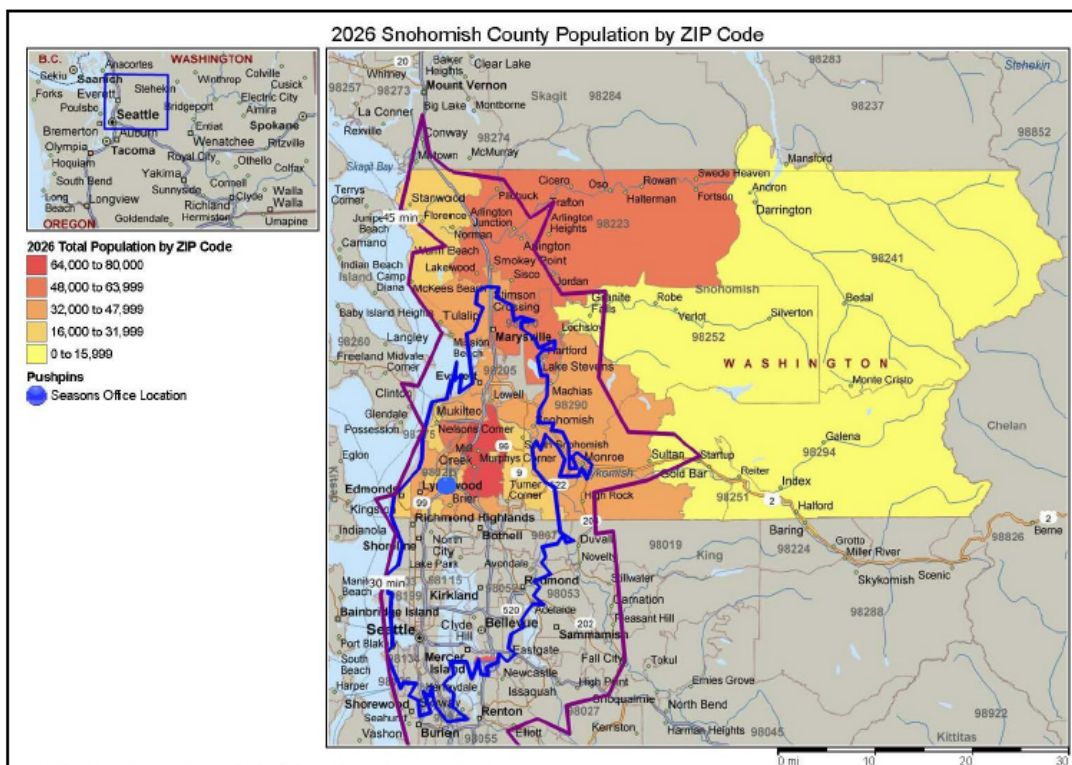


Figure 3. The above map of Snohomish County shows the Seasons Snohomish County office location as a blue dot at 3400 188th Street, Lynnwood, WA 98037. The blue line shows a 30 minute drive time from the office, and a purple line shows a 45 minute drive time contour. The contours show accessibility and availability of the location for employees most of whom are expected to reside in Snohomish County. The projected 2026 total population is shown by Zip code.

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 Snohomish 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 comments or rebuttal comments 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 Snohomish 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 Eden also include charity care as a deduction of revenue.

AccentCare, Inc./Seasons also provided an executed Non-Discrimination Policy that demonstrates its intent to be available and accessible to all residents of Snohomish 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 Snohomish 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 Snohomish County in its entirety.

Based on the information above, the department concludes that the AccentCare, Inc./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 March 30, 2021, screening response, Attachment 9 & 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.

Patient Concerns and Grievances Policy-Executed

This policy provides the following stated purpose and specific language regarding complaints, concerns, or grievances. *“To support and respect patients' rights to have concerns/grievances about their care, treatment, and/or services heard, reviewed, and when possible, resolved, thereby promoting positive patient outcomes. To promote positive patient outcomes and meet patient/family needs for quality care, treatment, and services. To provide an efficient and effective complaint resolution process.”* The policy outlines the process for filing grievances.

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, pp47-50]

“The Eden Hospice at Snohomish County, LLC will be available and accessible to the entire population. Eden Hospice at Snohomish County, LLC will admit pediatric patients in collaboration with other hospices. The Market and Utilization analysis provides a complete analysis of population cohorts that Eden will reach out to that includes all geographic areas of Snohomish County.

EmpRes has been a Snohomish County healthcare provider for 23 years. Its Whatcom County home-health agency commenced in 2014, and its Whatcom homecare agency in 2016. Eden's skilled nursing facilities in Snohomish County were established in 1997. Eden understands each patient and family is special. For this reason, Eden tailors its 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 Snohomish hospice providers, Snohomish 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). Addressing the large disparity in access and utilization of hospice services in Snohomish County among low income, dual-eligible Medicare patients would add nearly 200 Snohomish County hospice patients and add a 33- patient average daily census using 2020 hospice data.

Eden has a plan to address current unmet need – increase hospice service access through consistent, culturally competent outreach to the dual-eligible Medicare population, and their families and friends. 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 Snohomish County residents will improve the quality of life for patient, their family, and friends.

If Eden is granted the CoN patients, family, and friends can expect:

- *Excellent medical patient care, a reduction in emotional and physical stress, compassion, empathy, cultural sensitivity, consistency, and quality professionalism.*

Washington State can expect:

- *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 Snohomish County population. Poverty (below 200% of the Federal Poverty Rate) affects 31% of residents in South Snohomish County compared to 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. Regarding access to healthcare, 28% of Hispanic respondents reported unmet health need (Exhibit 3). 26% of Hispanic respondents to a language survey confirmed that they had difficulty understanding English. As noted in our discussion of dual-eligible patients and Eden’s outreach strategy, a large portion of the Hispanic population 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 Snohomish 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 Snohomish 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 29% 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 Snohomish 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 Snohomish County prepared by the Employment Security 28 Using data from Exhibit 1, 24% of Hispanic residents and 29% of Asian residents in Snohomish County reported English language difficulties.

Secular Hospice: As noted throughout the CoN application, the residents of Snohomish 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 4% of the Snohomish County adult population identifies as being in the LGBT population using the 4% statewide estimate. 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 Snohomish County, which is adjacent to 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. See Appendix 31. The most important concerns by race/ethnicity were fears of discrimination and bad health outcomes. In particular, the black LGBT older adult community faces many barriers. 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 Snohomish County LGBTQ community.

Given that a large hospice provider in Snohomish 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 Snohomish County and the State of Washington that support the healthcare/hospice needs of the LGBTQ community.

Pediatric Population: Eden Hospice at Snohomish 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: March 30, 2021, screening response, p2]

“Eden will reach out to Federally Qualified Health Centers, which serve communities of color and ethnic background that is diverse. In a conversation with Providence Hospice of Seattle hospice care unit, they shared that Providence’s current census information for Snohomish County is an approximately 5-patient census. The Eden Snohomish County business and marketing plan template Revised version in Attachment 1) does not break out 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).

Eden does not intend to “compete’ with Providence of Everett. Of course, Eden is fully supportive of working in conjunction with Providence should they need additional in-home hospice care for their hospice patients of all ages. In the first year of operation, Eden Hospice at King County will reach out to Providence Hospice 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.

Eden will provide hospice services to Pediatric patients wherein a relationship is established with the Eden Home Health of Bellingham (service area includes Snohomish 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 or nursing. Eden has identified a specialty Pediatric nurse who is interested in working with Eden if a hospice is approved in Snohomish County.”

EmpRes Healthcare Group, LLC/ Eden provided the following payer mix for the Snohomish County hospice services. [source: Application, p55]

**Department’s Table 5
Eden Snohomish 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: March 30, 2021, screening response, pp4-5]

“Page 55 mistakenly indicated that the Eden outreach would be to dual diagnosis patients. Outreach emphasis will be to the dual-eligible Medicare population (eligible for both Medicare and Medicaid). As noted, outreach to federally qualified health centers is a key strategy to identify low income dual-eligible and Medicaid only patients. In determining the payer mix for the pro forma, Eden projected gross revenue for expected Medicare, Medicaid and Other (commercial) patient days. In addition, as required, Eden projected the expected number of patients falling into each category for each of the three years of the pro forma projection.

For clarification purposes, the application indicated that revenue per commercial patient could be lower based on charges. This is inaccurate. There is only one charge structure for the hospice. Regarding average charges for the Other (commercial insurance) category, over all charges would be based on length of stay as well as individual services required by the patient.

Medicare Patients

- 1) Eden expects that 90% of the patient admissions will be Medicare patients for each of the three years.*
- 2) While the average percentage of dual-eligible patients among all Medicare patients in Snohomish County in 2019 was 13%, the expected outreach to dual-eligible patients will result in a 20% dual-eligible share of all Medicare hospice patients served by Eden. The average length of stay for Snohomish County dual eligible hospice patients is 79 days, 32% longer than the non-dual length of stay for Snohomish County beneficiaries of 60 days.*
- 3) The overall revenue in the pro forma based on length of stay for the Medicare cohort is conservative because it is based on 60.2 days in 2022 and 61.2 days in 2023 and 2024. In terms of payer mix, the percentage patient days and gross revenue for Medicare is expected to be at least 90% and but could be 2% higher. The percentage of Medicare on a per patient basis remains at 90%.*

Medicaid Patients

- 1) The patient care charges for Medicaid hospice services are the same as with the Medicare charges and there are no expected deductions from charges.*
- 2) Medicaid patients will be identified through the revised Appendix 12 (see Attachment 1) outreach strategy relying heavily on federally qualified health centers.*
- 3) There is less available data on Medicaid patient length of stay. While Medicaid patients who are not dual-eligible patients (see above) are younger on average than Medicare patients, our review of the dual-eligible Medicare-Medicaid patients (see above) would indicate that these patients would tend toward a length of stay exceeding 60 days if the Eden outreach approach is successful. As a result, a Medicaid patient mix based on patient days or gross revenue should be very similar to Medicare patients and support a 5% payer assumption under either a % of revenue or % of patient basis.*

Other (Commercial Insurance)

- 1) The patient care charges for Other (Commercial Insurance) hospice services are the same as with the Medicare charges and there are no expected deductions from charges.*
- 2) Revenue for Other (Commercial Insurance) patients would be based on length of stay which may be longer or shorter based on the commercial patients who utilize Eden Hospice. This would determine total revenue for this payer category.*
- 3) Length of stay for Eden’s Other payer category would be based on the success of outreach in supporting patients and families in the difficult decision of electing their commercial insurance hospice benefit and would be 60.2 – 61.2 days length of stay over the 3-year period.*

- 4) *In terms of patient charges (revenue), overall revenue is assumed to be based on what the patient needs rather than benefit coverage. Eden has an expansive charity care policy that should support patients whose insurance does not cover all hospice services and not create a financial barrier for patients.*
- 5) *Overall, Eden expects that the length of stay would be like Medicaid and Medicare patients (but not longer), and that the patient payer mix based on revenue would still result in 4% to 5% of all patients, which is expected to be the same as payer mix measured on a per patient basis. No change is merited.”*

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, p19]

“The agency will be available and accessible to the entire geography of Snohomish County. In addition to collaborating with community agencies and healthcare providers who support a population that is eligible for hospice services, Eden is mindful of the geographic location of areas where poverty leads to higher levels of health disparity as measured by years of life lost and differential death rates among the population. These areas include North and South Everett and the Tulalip Bay and North Coast areas (See Exhibit 2).”

Applicant’s Exhibit 2 Table

Exhibit 2

Cardiovascular disease mortality rate (deaths per 100,000 residents), 2014

Arlington, Starwood & Darrington	Bothell & Brier	Edmonds, Mountlake Terrace & West Lynnwood	Granite Falls, Lake Stevens & Snohomish	Marysville	Mill Creek & Silver Fir	Mukilteo & North Lynnwood	North Everett	Snohomish County	South Everett	Sultan, Skykomish & Monroe	Tulalip Bay & the North Coast
216.8	156.9	166.7	211	185	162.8	195.6	189.2	190.5	217.6	192.1	259.3

Source: Washington State Department of Health, Center for Health Statistics, Death Certificate Data, 1990–2014, August 2015.

Cancer mortality rate (deaths per 100,000 residents), 2014

Arlington, Starwood & Darrington	Bothell & Brier	Edmonds, Mountlake Terrace & West Lynnwood	Granite Falls, Lake Stevens & Snohomish	Marysville	Mill Creek & Silver Fir	Mukilteo & North Lynnwood	North Everett	Snohomish County	South Everett	Sultan, Skykomish & Monroe	Tulalip Bay & the North Coast
148.6	146.4	138.4	172.2	154.7	195.1	168	161.2	157.8	155.5	130.6	241

Source: Washington State Department of Health, Center for Health Statistics, Death Certificate Data, 1990–2014, August 2015.

The applicant provided the following statements regarding hours of operation and patient access to services outside of the hours of operation for the new Snohomish County agency. [source: Application, p59]

“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

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 patients/families per year.” Eden further states it “does not intend to ‘compete’ with Providence of Everett.” 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 Snohomish County. **In other words, unlike Seasons Snohomish County that will establish its own 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 Snohomish 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 will provide symptom and pain management and spiritual counseling as described on pages 12 through 15 of its application.

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.

Seasons confirms that it understands that Eden will admit Pediatric Patients [by stating]:

...Eden further states it “does not intend to ‘compete’ with Providence of Everett.” 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 Snohomish County. In other words, unlike Seasons Snohomish County that will establish its own 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 Snohomish County.

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. Our interviews in Snohomish County indicated that on a countywide basis Providence Everett [has] an approximate census of 5 pediatric patients. For this low volume and critical 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.

Eden has no issue with the Kangaroo Kids concept, which Seasons takes great pride in presenting because it is a signature element of the Seasons hospice program. However, it is worth noting that Kangaroo Kids is run by a totally separate 501(c) 3, “Seasons Hospice Foundation”.

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

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 Everett partners with Eluna, a national non-profit organization that was initially created in the Puget Sound by the Moyer family. Providence Everett then partners with Eluna to provide this volunteer-based camp in Snohomish County. No local hospice wants to weaken the Camp Erin program by competing with it and competing in specialty Pediatrics with its small population base detracts from quality of care and is contrary to WAC 246-310-230 (4).

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.

Seasons appears to disregard 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 Snohomish County including the sponsoring agency Eluna Camp Erin program (Providence Everett) 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.”

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.¹⁰

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

¹⁰ 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.

The applicant anticipates its Snohomish 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 Snohomish 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; Patient Concerns and Grievances; and Volunteer Services. All three policies are executed.

Public comments expressed concerns with the service listing in EmpRes Healthcare Group, Inc./Eden's application suggested that symptom / pain management and spiritual counseling would not be offered at the hospice agency. In rebuttal, the applicant clarified that those services would be provided as stated within the application. The department concurs that these services would be available.

Public comments also 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 commenter interpreted this statement to mean that pediatric patients would not be served by the applicant. 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.

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 Snohomish 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.**

(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-criterion under WAC 246-310-210(3), (4), and (5) is not applicable for these applications.

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

Bethany of the Northwest

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.

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.

- (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.¹¹

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.

Bethany of the Northwest

Bethany of the Northwest provided the assumptions used to determine the projected number of patients and visits for the proposed Snohomish County hospice agency. The assumptions are restated below. [source: March 31, 2021, Attachment 1]

Utilization Assumptions		Estimated Annual Admissions		
Baseline Reference – Utilization Assumptions	Assumption	2023	2024	2025
		In 2020, approximately 72 patients residing in one of our facilities enrolled in hospice. An additional 36 Bethany short-term facility patients were discharged home to hospice, for a total of 108 in 2020. This number has been increasing about 2% per year.	65% would choose Bethany in Year 1; 75% in Year 2; 85% in Year 3. After 2023, we have assumed a 2% annual growth based on historical experience	70
Bethany is sponsored by 32 churches, of which 26 are located in Snohomish County. Bethany meets monthly to discuss health care needs of these church communities and the community at large. In fact, the submittal of this CN application was in part, in response to a request from our sponsors. The membership of these churches have significant outreach to the underserved in our community and therefore, and in addition to referring congregants, the churches will be an important connection to the underserved or otherwise needy for Bethany Hospice.	Very conservatively, we have assumed 2 referrals per month in Year 1; 4 in Year 2, and 6 in Year 3.	24	48	72
Focused outreach and marketing to the general community and key payers and providers	Here, we conservatively assumed less than one admission per month in the first year as marketing and outreach is expanded. We increased this to approximately 7 in Year 2 and 8 in year 3.	20	88	101

¹¹ 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.

Baseline Reference – Utilization Assumptions	Assumption	Estimated Annual Admissions		
		2023	2024	2025
Total Projected Admissions	In the start-up year, the majority of patients are expected to come from Bethany's existing patient base. In years 2 & 3, the patient census from the underserved and the general community will increase through. Hence, Bethany's market share of the total net need will be just over 20% in Year 1, increasing to about 1/3 of the net need in years 2 & 3.	114	219	269
ALOS		62.66	62.66	62.66
Patient Days		7,143	13,723	16,856
Projected Bethany ADC		19.6	37.6	46.2
Unmet ADC in Snohomish County		87	113	139

Based on the assumptions above, Bethany of the Northwest provided its projected utilization shown in the table below. [source: March 31, 2021, screening response, p3-4]

**Department's Table 6
Snohomish County Utilization Projections**

	Year 1-2023	Year 2-2024	Year 3-2025
Total Number of Admissions (unduplicated)	114	219	269
Total Number of Patient Days	7,143	13,723	16,856
Average Daily Census	19.6	37.6	46.2

Bethany of the Northwest also provided its assumptions used to project the pro forma statements for its Snohomish County agency. [source: Application, Exhibit 4 and March 31, 2021, screening response, Attachment 1]

Other Financial Assumptions

Deductions from Patient Revenue	
Contractual Adjustments	2% of gross patient revenue
Bad Debt	1% of gross patient revenue
Adjustment for Charity Care	2.5% of gross patient revenue

Operating Expenses	
Salaries and Wages	See Above
Payroll Taxes	9.5% of Salaries
Employee benefits	7.5% of Salaries
Supplies	\$29.00/day of care – includes medical supplies, DME, pharmacy supplies, IV supplies, office supplies
Management Agreement – administrative purchased services	Management agreement - \$10,000/month
Medical Director	\$250/patient/month – capped at \$135,000
Inpatient Care Costs	\$750/inpatient day
Mileage	\$4.00/day of care
Other patient costs	\$3.00/day of care – includes therapies, dietary counselor, lab costs, chemotherapy costs, radiation, imaging, ambulance, respite, and SNF Medicaid
Advertising	\$3,000/month
Utilities	\$1,800/month for all utilities not covered in the lease agreement including telephone, Internet, cable, etc.
Rent	\$1,380.75/month and increasing each year. (See the rent rider in Attachment 2 and Table 3 of this response.
Building Operations	\$702.60 per month. This is based on an annual operating cost of \$8,431 consistent with the operating costs identified in the lease agreement of \$5.95 per square foot (1,417 square feet). Details of what is covered in the operating costs are included in the lease.
Taxes and Licenses	1.5% of gross patient revenue – includes B&O tax
Information Technology	\$3,000/month
Minor Equipment	\$18,000 for initial year 1 set up, \$5,000 per year thereafter
Other	\$3,500/month – includes legal fees, consulting fees, software costs, cleaning, repairs and maintenance, postage, books and reference materials, printing, education and training, dues and subscriptions, admin travel, licenses and certification, and insurance

Bethany of the Northwest also provided the following clarifications about its assumption listed above. [source: March 31, 2021, screening response, p5-6]

Building Operations Expense Line Item

“The building operations line item specifically relates to the operating costs identified in the lease (included in Attachment 2). The square footage of 1,417 rentable square feet is identified in Section 1.a. of the lease and the per square footage cost of \$5.95 is identified in Section 8. a. This math connects directly to the annual cost of \$8,431 amount in the “Building Operations” line item in the financials and has been clarified in the assumptions. Please note that the exact amount of the building operation line item is actually \$8,431.15 but because the pro forma financials round to the nearest dollar, the line item in the financials shows \$8,341. The financials and assumptions clarifying all of this information are included in Attachment 1.”

Other Expense and Other Patient Costs Line Item

“Other [Expense] includes legal fees, consulting fees, software costs, cleaning, repairs and maintenance, postage, books and reference materials, printing, education and training, dues and subscriptions, admin

travel, licenses and certification, and insurance. We have revised our assumptions in Attachment 1 to reflect these details.

We also noted that we had not included detailed assumptions for ‘Other Patient Costs’. This line items includes: therapies, dietary counselor, lab costs, chemotherapy costs, radiation, imaging, ambulance, respite, and SNF Medicaid. The assumptions in Attachment 1 have also been updated to reflect this change.

Charity Care Assumption

“In developing our assumptions for charity care, we evaluated the CN applications from the recently approved agencies in Snohomish County and found that their estimated % of charity care ranged from 2% of gross patient revenue to 5% of gross revenue.”

Bethany of the Northwest also provided its projected payer mix for the new hospice agency and explained why it is reasonable for Snohomish County. [source: Application, Exhibit 4 and March 31, 2021, screening response, p4]

Applicant’s Table

Payer Mix Assumptions

	2023		2024		2025	
		Admissions		Admissions		Admissions
Medicare	85%	97	85%	186	85%	229
Medicaid	5%	6	5%	11	5%	13
Commercial	5%	6	5%	11	5%	13
Private Pay & Other	5%	6	5%	11	5%	13
Totals		114		219		269

“We examined 2019 cost report data for all hospices in the state of Washington for which data was available and noted that all had Medicare census between 82% - 99% of total census, and an average Medicaid census of 1.3%, with the remaining census at various rates for private pay and commercial.

We also reviewed the applications of the recently approved hospices in Snohomish County and determined that, similarly, the Medicare percentage ranged from 85% - 95% and Medicaid ranged from 3% to 10.6%.

Bethany’s parent, Bethany of the Northwest’s current services are focused on the 65+ population, but they also serve a high proportion of Medicaid in their existing programs. Because Bethany has a strong and ongoing commitment to the underserved, we opted to have a higher Medicaid rate (5%) than the actual average from available Washington agency cost reports (1.3%), but still assuming a majority (85%) of Medicare patients (both assumptions are within the range of the recently approved hospice agencies in Snohomish). The remainder of our patients we expect to be evenly split between commercial and private pay based on our current operations and a review of available cost report data.”

If this project is approved, the new hospice agency in Snohomish County would be operated under the parent, Bethany of the Northwest. To assist in this evaluation, the applicant provided pro forma financial statements for the Snohomish County hospice agency alone (Table 7) and the combined statement for Bethany of the Northwest and the new Snohomish County agency (Table 8). A summary of each statement is shown in the table on the following page. [source: Application, Exhibit 4 and March 31, 2021, screening response, p17]

Department's Table 7
Bethany Hospice-Snohomish County
Revenue and Expense Statement for Projected Years 2023 through 2025

	Year 1-2023	Year 2-2024	Year 3-2025
Net Revenue	\$1,596,648	\$3,068,725	\$3,770,719
Total Expenses	\$1,561,442	\$2,494,419	\$3,015,033
Net Profit / (Loss)	\$35,206	\$574,306	\$755,686

Department's Table 8
Bethany of the Northwest with Bethany Hospice-Snohomish County
Revenue and Expense Statement for Projected Years 2023 through 2025

	Year 1-2023	Year 2-2024	Year 3-2025
Net Revenue	\$29,507,625	\$30,979,702	\$31,681,696
Total Expenses	\$29,800,351	\$30,733,328	\$31,253,942
Net Profit / (Loss)	(\$278,874)	\$260,226	\$441,606

For both statement summaries 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 each entity.

Bethany of the Northwest also provided the projected balance sheets for the proposed Snohomish County hospice agency alone and Bethany of the Northwest with the new Snohomish County agency. The summaries are shown in the tables below and on the following page. [source: Application, Appendix 1 and March 31, 2021, screening response, p19]

Department's Table 9
Bethany Hospice-Snohomish County
Balance Sheet for Projected Years 2023 through 2025

ASSETS	Year 1-2023	Year 2-2024	Year 3-2025
Current Assets	\$0	\$374,342	\$1,075,803
Property and Equipment	\$0	\$0	\$0
Other Assets	\$0	\$378,336	\$464,883
Total Assets	\$196,847	\$752,678	\$1,540,686
LIABILITIES	Year 1-2023	Year 2-2024	Year 3-2025
Current Liabilities	\$161,641	\$143,166	\$111,177
Long-Term Debt	\$0	\$0	\$0
Equity	\$35,206	\$609,512	\$797,479
Total Liabilities, Long-Term Debt, and Equity	\$196,847	\$752,678	\$1,540,686

Department's Table 10
Bethany of the Northwest with Snohomish County Project
Balance Sheet for Projected Years 2023 through 2025

ASSETS	Year 1-2023	Year 2-2024	Year 3-2025
Current Assets	\$6,380,562	\$7,244,660	\$8,108,758
Property and Equipment	\$11,320,435	\$11,320,435	\$11,320,435
Other Assets	\$21,643,995	\$21,643,995	\$21,643,995
Total Assets	\$39,344,992	\$40,209,090	\$41,073,188

LIABILITIES	Year 1-2023	Year 2-2024	Year 3-2025
Current Liabilities	\$1,405,311	\$1,405,311	\$1,405,311
Long-Term Debt	\$5,576,521	\$5,576,521	\$5,576,521
Equity	\$32,363,160	\$33,227,258	\$34,091,356
Total Liabilities, Long-Term Debt, and Equity	\$39,344,992	\$40,209,090	\$41,073,188

Public Comment

EmpRes Healthcare Group, Inc./Eden–Oppose

“Bethany did not present the 2022 partial year pro forma and did not recognize the total start-up costs associated with treating patients prior to certification. This is a material certificate of need deficiency. Unreimbursed operating expense for start up to achieve certification by January 2023 could easily add \$100,000 - \$200,000 to the listed \$114,000 in start-up expense.

In response to Question 13 Operating Expense in Table 3 were held constant while lease expense increased by 3% per year for 2024 and 2025. Applicants are normally required to adjust operating expense if identified in the lease document. The actual amount of the increase is immaterial to the feasibility of this project but again demonstrates a lack of attention to detail.

Required Applicant Pro Forma Income Statement and Balance Sheet. The applicant for the project is Bethany Northwest, which will be the certificate of need holder and sole member of Bethany Hospice, LLC which will be a new licensed hospice. Bethany Northwest recognized that it needed to provide an Income Statement and Balance Sheet for Bethany Northwest through the first three full years of operation of Bethany Hospice, LLC. Bethany Northwest was also required to provide 3 years of historical financial statements (2017 – 2019) as well as the current year (2020) and the continuous year (2021) Income Statements and Balance Sheets. It did not provide this schedule even though the 2018 through 2019 reporting periods is represented by the President of the Board of Bethany Northwest as being challenging:

“In 2019, Bethany’s had an operating loss of (\$314,080). In 2018, we had an operating profit of \$136,464. Income from our retained reserves, plus the change in market value of those retained reserves, produced a net income of \$852,508 in 2019 and a net loss of (\$807,962) in 2018. Fluctuations in the market value of Bethany’s reserves can cause Bethany’s net income to vary significantly from year- to-year. We are in a difficult fiscal operating environment.”

Reviewing the audited financial statements shows that in 2018, Bethany had an operating loss of (\$409,682) and a non-operating expense loss of (\$944,426) In 2019, Bethany Northwest had an operating loss of (\$314,000) and total non-operating expense gain of \$1,166,588 (page PDF page 180).

In regard to 2020, the Board President noted the following:

“We delayed our 2020 annual meeting with hope the COVID-19 would come under control. Unfortunately, that’s not the case and we had to cancel our in-person annual meeting due to safety concerns. The information we are sharing with you today will update you with many of the happenings at Bethany since our 2019 annual meeting.

Prior to COVID-19, many residents came to Bethany after elective procedures at Providence. When Providence was mandated to suspend elective procedures, our resident census dropped significantly. We did not reduce our staff, but rather redeployed staff to enhance our infection control measures. These new procedures were expensive. Our operating losses due to COVID-19 in the March to May timeframe ranged between \$400,000 and \$500,000 per month.

Bethany obtained a \$3.5 million federal Paycheck Protection Program (PPP) loan through Mountain Pacific Bank. The PPP loan funded the salaries of staff that otherwise would have been furloughed, allowing us to better serve our residents. We hope to convert our PPP loan to a grant this year. We are grateful for our government’s investment in this important work.

We had to discontinue Everett Transitional Care Services (ETCS), a partnership with Providence, at the end of 2019. The reimbursement for those services did not cover the cost of the services. In early 2020, we opened a new ETCS partnership with Providence that helps Providence discharge certain patients from their facility, utilizing the ETCS beds that had been closed.”

[Bethany of the Northwest 2019 Annual Report, pages 4 and 5 – covers first half of 2020]

Clearly, Bethany Northwest stepped up to serve the community and the Board of Directors and management responded in a timely fashion to maintain the fiscal health of Bethany Northwest while still carrying out its mission. Unfortunately, Bethany did not provide required certificate of need information in the midst of these challenging times. The point is that the required Bethany Northwest financial information for the Program to evaluate the feasibility of the project has not been provided leaving the Program with no alternative other than to deny approval of this application.

The Bethany Northwest Income Statement and Balance Sheet is missing 3 years of historical operating financial data as well as the 2020 current year information and the 2021 and 2022 projected information. For the Bethany Northwest Income Statement and Balance Sheet for 2023 through 2025, Bethany uses the 2019 Income Statement and Balance Sheet with no modifications. This approach is neither a forecast nor a projection, it is incorrect and leaves no basis for the Program to reach conclusions on the financial impact of the project on the overall operation of Bethany Northwest as well the impact of the Bethany Northwest financial position on the proposed hospice.

We note that Bethany did not provide the hospice partial year start-up period that would result in achieving certification in November 2022 and we identified substantial, material cost underestimates for the hospice pre-certification period. We should also point out that Bethany Northwest as noted in its 2019 annual report has restructured its Providence Everett Post Acute Care project in an effort to achieve financial feasibility. We also note that the attached 2019 annual report and the 2019 audited financial statements provide a further discussion of the various expansion initiatives are discussed in Note 7 and Note 8 (PDF pages 193 – 197) and Note 17 on the impact of COVID-19 on Bethany Northwest (PDF pages 201 -203).

With material missing financial information in these highly volatile and disruptive times, the Program cannot form an opinion on the financial feasibility of the Bethany Northwest application.”

AccentCare/Seasons–Oppose

“Bethany fails to identify what is included in the category, ‘Other.’”

Bethany of the Northwest-Rebuttal Comments

“Based on the fact that Bethany appropriately expensed the equipment in Table 6, Eden’s comments about Bethany not being responsive to Question 4 (related to sales tax) in our screening response are misguided. Question 4 was only applicable if Table 6 was showing a capital expenditure. Since it was not, no response was required.

Bethany correctly accounted for lease expenses in both Table 3 and the revised pro forma financials. As noted in Section 8a of the lease agreement (see Attachment 2 of the screening response), the annual operating costs are estimated as \$5.95 per square foot. There is no escalation of these costs in the lease agreement. Eden misread or misunderstood the lease.

Eden acknowledges that the application included appropriate historical financials but suggests that 2020 and 2021 financial data was omitted. It itself (page 5) discussed 2020 as a challenging year for healthcare in general and found that “Bethany stepped up to serve the community and the Board of Directors and management responded in a timely fashion to maintain the fiscal health of Bethany”.

Bethany provided all information necessary for the Department to determine that our project is financially feasible and provided the most recent three years of audited financial statements for Bethany NW. Importantly, when the CN was submitted, 2020 audited financials were not yet completed.

Additionally, based on numerous conversations our consultants have had with the Department on a number of different CN projects, there is strong consensus that 2020 was an anomaly and should not be relied upon as a baseline. Based on this fact and the lack of a final 2020 audit at the time of submittal, Bethany appropriately used 2019 as the baseline for Bethany NW. Bethany conservatively assumed NO growth beyond 2019 and kept the current year and the projection period flat; thus, allowing the Department to easily ascertain the impact of the new hospice on operations. Bethany provided this approach in its CN application, and the Department did not request any additional information in screening. Bethany’s recently approved home health CN also utilized similar assumptions and was approved by the Department.

Page 13 of our screening response shows the Bethany Hospice Income Statements and identifies operating income (incorrectly labeled as change in assets without donor restrictions) of \$35,206 in year 1 (2023), increasing to \$755,686 by year 3 (2025). The labelling is clearly an oversight but does not change the fact that the document being referenced is an Income Statement and any party can perform the calculation to determine operating income.

The operating loss referenced by Seasons (-\$314,080) is from Bethany NW’s 2019 financials. Bethany NW. It is directly attributable to our mix of services, outreach to underserved and high Medicaid population served. However, as the audited financials demonstrate, Bethany realizes more than \$1 million in non-operating revenues that more than offset operating deficits. The operating loss converts to a positive bottom line when nonoperating income is included (as can be identified on page 15 of our screening response).

When revenue from all sources is included, Bethany of the NW demonstrates financial wherewithal. Note that with the addition of hospice, the forecast shows positive operating income for both 2024 and 2025 (see page 17 of our screening response).

Department Evaluation

Utilization Assumptions

An applicant's utilization assumptions are the foundation for the financial review under this sub-criterion. Since Bethany of the Northwest does not currently provide Medicare/Medicaid hospice services in Washington State, its projected utilization is based on three main factors:

- The number of patients enrolled in hospice within its own long-term care and assisted living facilities; the number of patients within its own facilities that were discharged with a hospice referral;
- Its association with non-secular entities throughout Snohomish County; and
- The anticipated results of its focused outreach and marketing to community members and payers.

Based on the factors above, Bethany of the Northwest projected its number of admissions in years one, two and three to be 114, 219, and 269, respectively. Using the numeric methodology's statewide average length of stay of 62.66, the three-year average daily census calculates to 19.6 in year one, increases to 37.6 in year two, and 46.2 in year three. The department concludes that the utilization assumptions are reasonable.

Pro Forma Financial Statements

Other than this Snohomish County project, Bethany of the Northwest did not submit any other hospice applications during the 2020 hospice review cycles. As a result, Bethany of the Northwest was required to submit financial statements for the agency alone and for the parent, with the assumption that this project is approved.

The department first examined the financial feasibility of the Snohomish County hospice agency alone. Bethany of the Northwest provided detailed assumptions used to project its revenues and expenses for the agency. Given that the agency is expected to begin operations in January 2023, all pro forma financial statements reflect years 2023 through 2025. Concerns were raised in public comment that no partial year statements were provided. Bethany of the Northwest explained in rebuttal that it did not provide partial year statements because it was not going to be operational for any partial years. The department concludes this rationale is reasonable.

In public comment, three main concerns were raised regarding assumptions used for its pro forma Revenue and Expense Statement. The three concerns are: lease costs; underestimated costs for the hospice certification period, and items included in the 'other category' were not identified. Below is a review of each topic.

For lease costs, the comments seem to assert that there should be increases shown in the lease expense line item. In its rebuttal statements, Bethany of the Northwest reviewed the costs and compared them to section 8A of the lease agreement clarified that the costs are \$5.95 / square foot and confirmed that the costs do not escalate nor does the lease require the costs to increase each year.

Public comments suggest that Bethany of the Northwest underestimated costs in the hospice certification period. This statement is unclear, but appears to assert that costs, such as start-up, expended in the pre-certification period should be accounted for in the pro-forma financial statements. However, this approach is not logical. Since the pro forma financial statements begin when the agency begins to provide services and the start-up costs are expended prior to beginning of service, start-up costs do not belong in the pro forma statements. However, start-up costs and any assumptions used to determine start-up costs are provided in the application. For this project, there is no capital expenditure, but start-up costs are identified and discussed.

AccentCare, Inc./Season simply states that ‘Bethany fails to identify what is included in the category ‘other.’ Using the assumption that the ‘other’ category referenced in this statement is in the pro forma Revenue and Expense statements, Bethany of the Northwest provided the items included in both ‘Other’ and ‘Other Patient Costs.’ While not repeated here, the explanation is provided in the listing of assumptions listed in this evaluation under the heading of ‘Other Expense and Other Patient Costs Line Item.’

Bethany of the Northwest’s projected revenue and expenses statements summarized in Table 7 above, shows the new hospice agency is projected to be profitable from its first year and continues to increase its profits through year three; with an expected \$755,686 more in revenues than expenses. Table 8 above summarized the combined pro forma revenue and expense statements. Year one (2023) projects a net loss in of \$278,874, and net profits in both years two and three of \$260,226 and \$441,606, respectively.

Focusing on the pro forma Balance Sheet provided for the agency alone and summarized in Table 9, the department reviewed all three projection years. While year one (2023) shows a very lean balance sheet with total assets balancing with total liabilities and equity at \$196,847; year three is balancing at \$1,540,686. While still lean in year three, it is not cause for concern.

The combined pro forma balance sheet provided for Bethany of the Northwest and the proposed hospice agency summarize in Table 10 above shows much better financial stability in all three projection years. The balance sheets provided in the review demonstrate the proposed hospice agency 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.

Concerns raised in public comment focused on the audited statements provided by the applicant. Bethany of the Northwest provided extensive rebuttal statements that address all of the concerns. As a result, none of the concerns raise to the level of denial of this project.

Other costs in the pro forma Revenue and Expense Statement that can be substantiated by agreements/documents provided in the application are the lease costs and the medical director costs. When compared to the agreements, each line item is accurate and consistent.

In the ‘need’ section of this evaluation, the department denied Bethany of the Northwest because it did not provide a Charity Care Policy, either draft or executed. In that section, the department noted that the pro forma revenue and expense statement appropriately included charity care as a deduction from revenue and the assumptions identified charity care dollars at 2.5% of gross patient revenue. The department is able to confirm the percentage assumption within the statement.

As a result, while the applicant failed to provide a Charity Care Policy to ensure charity care is offered for patients, all assumptions and financial information related to charity care dollars can be substantiated in this sub-criterion. Based on the information reviewed and discussed above, the department concludes that this project **meets this sub-criterion.**

AccentCare, Inc./Seasons

The applicant provided the assumptions used to determine the projected number of patients and visits for the proposed Snohomish County hospice agency. The assumptions are restated below. [source: Application, p40 and Exhibit 13]

“The forecast below for Seasons Snohomish County is consistent with most recent need methodology produced by the Department of Health. The Financial forecast and visit estimates use Seasons Hospice & Palliative Care of Oregon 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 Snohomish County. Demographic data comparing Snohomish County with Multnomah County, Oregon and the Oregon Service Area is provided in Exhibit 13.

Applicant's Table

Table 6
Seasons Snohomish County Forecast, First Three Years

Snohomish County	Partial Year 7/22-12/22	Year 1 CY 2023	Year 2 CY 2024	Year 3 CY 2025
Total number of admissions	51	131	202	287
Total number of visits	1,520	3,942	6,053	8,615
Projected number of visits/patient	30	30	30	30
Patient Days	2,027	7,226	12,642	17,993
Average Length of Stay	40.00	55.00	62.66	62.66
Average Daily Census	11	20	35	49

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 Snohomish 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 Oregon as a proxy, having similar programs and services as the proposed project and a location with similar population size and demographics as Snohomish County. Demographic data comparing Snohomish County with Multnomah County and the Oregon Service Area is provided in Exhibit 13."

Exhibit 13 referenced above and provided in the application is a table comparing Snohomish County in Washington State with the following three Oregon counties: Clackamas, Multnomah, and Washington. The table provides extensive comparison data with highlighted sections. Below is an excerpt of the table showing the highlighted areas.

Comparison of Seasons Hospice Oregon Service Area with Snohomish County, Washington

Fact	Fact Note	Multnomah County, Oregon	Clackamas County, OR	Washington County, OR	Oregon Office Total	Oregon	Snohomish County, WA
Population estimates, July 1, 2019, (V2019)		812,855	418,187	601,592	1,832,634	4,217,737	822,083
Population estimates base, April 1, 2010, (V2019)		735,146	375,996	529,862	1,641,004	3,831,079	713,299
Population, percent change - April 1, 2010 (estimates base) to July 1, 2019, (V2019)		10.60%	11.20%	13.50%		10.10%	15.30%
Population, Census, April 1, 2010		735,334	375,992	529,710	1,641,036	3,831,074	713,335
Persons under 5 years, percent		5.10%	5.20%	5.80%		5.40%	6.30%
Persons under 18 years, percent		18.40%	21.20%	22.50%		20.50%	22.40%
Persons 65 years and over, percent		13.90%	18.80%	13.90%	15.02%	18.20%	14.00%
Female persons, percent		50.50%	50.70%	50.50%		50.40%	49.80%
White alone, percent		79.00%	88.90%	79.60%		86.70%	77.00%
Black or African American alone, percent	(a)	6.00%	1.20%	2.50%	3.77%	2.20%	3.80%
American Indian and Alaska Native alone, percent	(a)	1.40%	1.10%	1.10%		1.80%	1.60%
Asian alone, percent	(a)	8.10%	4.90%	11.70%	8.53%	4.90%	12.00%
Native Hawaiian and Other Pacific Islander alone, percent	(a)	0.70%	0.30%	0.50%		0.50%	0.70%
Two or More Races, percent		4.70%	3.70%	4.50%		4.00%	4.90%
Hispanic or Latino, percent	(b)	12.00%	9.00%	17.10%	12.96%	13.40%	10.60%
White alone, not Hispanic or Latino, percent		69.10%	81.10%	64.60%		75.10%	68.10%
Veterans, 2014-2018		38,037	26,384	31,391	95,812	288,540	51,606
Foreign born persons, percent, 2014-2018		14.00%	8.20%	17.70%		9.90%	16.10%
Total health care and social assistance receipts/revenue, 2012 (\$1,000)	(c)	7,703,673	2,424,207	3,238,074	13,365,954	24,956,816	2,931,536
Persons in poverty, percent		12.00%	7.20%	8.20%		11.40%	7.00%
Population per square mile, 2010		1,704.90	201	731.4	605.66	39.9	341.8

Based on the assumptions above, AccentCare, Inc./Seasons provided its projected utilization shown in the table below. [source: Application, Exhibit 15]

**Department’s Table 11
Snohomish 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)	51	131	202	287
Total Number of Patient Days	2,027	7,226	12,642	17,993
Average Daily Census	11	20	35	49

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

“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 Oregon.

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 Oregon, which was \$21,728. 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 Oregon for Conferences and Training, which was \$941, its expenses for Employee Relations which was \$6,390, and its Recruitment Costs of \$3,883. Conferences and Training Costs and Recruitment 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 24,814 patient days delivered at Seasons Hospice and Palliative Care of Oregon in 2019, the \$6,390 expense for Employee Relations converts to a per diem cost of Approximately \$0.26 per diem. ($\$6,390 / 24,814 = \0.26)

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	\$ 474	\$ 941	\$ 941	\$ 941
Recruitment	\$ 1,932	\$ 3,833	\$ 3,833	\$ 3,833
<i>Variable Costs</i>				
Patient Days	2,027	7,226	12,642	17,993
Per Diem Employee Relations Expense	\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.26
Projected Employee Relations Expense	\$ 522	\$ 1,861	\$ 3,256	\$ 4,633
<i>Total Education and Training Expense</i>	\$ 2,929	\$ 6,635	\$ 8,030	\$ 9,407

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 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	
Toshiba Protégé x20W-D, Lap Top	\$ 1,400	6	2	2	3	\$ 8,400	\$ 2,800	\$ 2,800	\$ 4,200	
Samsung S8 Cell Phone	\$ 700	6	2	2	3	\$ 4,200	\$ 1,400	\$ 1,400	\$ 2,100	
Lenovo Think Center M7 10Q Computer	\$ 700	4	1	1	1	\$ 2,800	\$ 700	\$ 700	\$ 700	
Monitor	\$ 150	6	2	2	3	\$ 900	\$ 300	\$ 300	\$ 450	
Desk Phone	\$ 300	6	2	2	3	\$ 1,800	\$ 600	\$ 600	\$ 900	
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	\$ 17,800	\$ 20,350	

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 \$13,474 in printing costs and \$5,241 in Outside services expensed at of Seasons Hospice and Palliative Care of Oregon in 2019. The Outside Services are treated as 100 percent fixed. 80 percent of the printing expense of \$13,474 is treated as fixed – or \$10,779. The balance of \$2,695 is considered to be variable and computes to a per diem amount of \$0.11 per diem (\$2,695 / 24,814 = \$0.11).

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	\$ 2,642	\$ 5,241	\$ 5,241	\$ 5,241
Printing	\$ 5,434	\$ 10,779	\$ 10,779	\$ 10,779
<i>Variable Costs</i>				
Patient Days	2,027	7,226	12,642	17,993
Printing Cost Per Diem Expense	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.11
Variable Printing Cost Expense	\$ 220	\$ 785	\$ 1,373	\$ 1,954
<i>Total Education and Training Expense</i>	\$ 8,296	\$ 16,805	\$ 17,393	\$ 17,974

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

		Six Months	Calendar Year				Six Months	Calendar Year			
		Ending	31-Dec-23	31-Dec-24	31-Dec-25	Ending	31-Dec-22	31-Dec-23	31-Dec-24	31-Dec-25	
Licenses		31-Dec-22									
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 Oregon in 2019. These expenses include Clinical Supplies of \$44,962; DME Expense of \$138,722; Pharmacy Costs of \$179,385; and Open Access of \$6,866. These amounts sum to \$369,935. Application of the 24,814 patient days delivered at of Seasons Hospice and Palliative Care of Oregon in 2019 results in a per diem expense of \$14.91. The table below shows the computations used to develop the Supply Expense projection for the Pro Forma Statement of Income and Expense:

Projection of Supply	Initial 6 Months	Year 1	Year 2	Year 3
<i>Variable Costs</i>				
Patient Days	2,027	7,226	12,642	17,993
Supply Cost Per Diem	\$ 14.91	\$ 14.91	\$ 14.91	\$ 14.91
<i>Projected Supply Cost</i>	\$ 30,219	\$ 107,728	\$ 188,471	\$ 268,245

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		30	108	190	270
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		\$ 31,013	\$ 110,558	\$ 193,423	\$ 275,293

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. In addition to rental expense, the Applicant is responsible for an apportioned portion of the property taxes, its own utilities and common area utility costs and other expenses for the building in which its office space is to be located. The total rental and other costs as defined in the lease agreement are illustrated in the Table below:

Applicant’s Table

				12-Month Periods Ended Dec 31,		
		Pre-Opening	Six Months Ended Dec 31, 2022	2023	2024	2025
Rental Expense	\$	53,919	\$ 46,703	\$ 95,975	\$ 98,854	\$ 101,819
Utilities, Taxes and Other	\$	51,035	\$ 17,348	\$ 34,697	\$ 34,697	\$ 34,697
Total	\$	104,954	\$ 64,051	\$ 130,672	\$ 133,551	\$ 136,516

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 Oregon in 2019. These expenses totaled \$91,751 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 from the 2019 Income and expenses statement of Seasons Hospice and Palliative Care of Oregon.

Other Direct Expense:	\$204,581
Travel:	\$ 2,323
Other Operating Expense:	\$9,932
Total:	\$216,836

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	\$ 204,581	0 %	100 %	\$ 0	\$ 204,581
Travel	\$ 2,323	70 %	30 %	\$ 1,626	\$ 697
Other Operating Expenses	\$ 9,932	100%	0 %	\$ 9,932	\$ 0
Total	\$ 216,836			\$ 11,558	\$ 205,278
Seasons Oregon Patient Days 2019					24,814
Variable Per Diem Expense Travel and Other					\$ 8.27

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

Applicant's Table

Projection of Travel, Patient Care and Other Expense		Initial 6 Months	Year 1	Year 2	Year 3
<i>Fixed Costs</i>					
Travel		\$ 820	\$ 1,626	\$ 1,626	\$ 1,626
Other Operating Costs		\$ 5,007	\$ 9,932	\$ 9,932	\$ 9,932
<i>Variable Costs</i>					
Patient Days		2,027	7,226	12,642	17,993
Variable Per Diem Costs		\$ 8.27	\$ 8.27	\$ 8.27	\$ 8.27
Variable Travel and Other Cost Projection		\$ 16,769	\$ 59,778	\$ 104,583	\$ 148,850
<i>Total Education and Training Expense</i>		\$ 22,595	\$ 71,336	\$ 116,141	\$ 160,408

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 Snohomish County agency. The worksheets are extensive and provide the line-by-line calculation of each revenue source and mathematical calculations. [source: Application, Exhibit 15]

In response to the department's screening of the application, AccentCare, Inc./Seasons provided the following clarifications on specific line items in the pro forma Revenue and Expense Statement. [source: March 30, 2021, screening response, pp1-2 and pp11-15]

Physician-Team Support Expense

"There are no additional costs associated with the Physician-Team Support role that are not included in the "Salaries and Wages" line item of the Pro Forma Revenue and Expense Statement (Exhibit #15, page 485 of the application). Detail is provided in Workpaper 10 (page 507 of the application.) The rate for such services is as set forth in the sample agreement. To clarify, there may be more than one such agreement, all at the rate in the sample agreement, and the total of all such agreements would be as set forth in the Physician-Team Support line item for the staffing levels found in Workpaper 10, Staffing and Salary Levels."

Service Fees

"Seasons Snohomish confirms that the Service Fees line item in Exhibit 15 represents the costs associated with the Services Agreement."

Lease Costs

"To clarify, the original lease, dated June 27, 2019 had a commencement date of January 1, 2020 identified in Section 7.2 of the Summary Information (page 141 of the application.) The First Amendment to the Lease, dated March 25, 2020 updated the commencement date to February 1, 2021 (page 185 of the application.) However, the Second Amendment to the Lease, dated January 28, 2021 extends the commencement date to the earlier of January 1, 2022 or within 14 days of receipt of state licensure (page 188 of application.) Therefore, the commencement date for the project proposed in CN application #21-54 is January 1, 2022. It should also be noted that a monthly reservation fee is paid until January 1, 2022

in accordance with the First and Second Amendments to the Lease (See pages 185 and 188 of the application.)

The table below provides the computation of rental, utilities and property taxes for the project.”

	2020	2021	Jan-Jun 2022	Jul-Dec 2022	2023	2024	2025
Rental Rate Base Per Square Foot	\$ -	\$ 3.6	\$ 21.0	\$ 24.4	\$ 25.1	\$ 25.8	\$ 26.6
Add-On for Utilities	\$ -	\$ 7.0	\$ 7.2	\$ 7.2	\$ 7.2	\$ 7.2	\$ 7.2
Add-On for Property Taxes		\$ 1.8	\$ 1.9	\$ 1.9	\$ 1.9	\$ 1.9	\$ 1.9
Total Rent Per Square Foot	\$ -	\$ 12.39	\$ 30.05	\$ 33.46	\$ 34.14	\$ 34.89	\$ 35.66
Square Feet		3,828	3,828	3,828	3,828	3,828	3,828
Months		12	6	6	12	12	12
Rent Expense		\$ 47,436	\$ 57,518	\$ 64,051	\$ 130,672	\$ 133,551	\$ 136,516
Rent		\$ 13,750	\$ 40,169	\$ 46,703	\$ 95,975	\$ 98,854	\$ 101,819
Utilities		26,739	\$ 13,770	\$ 13,770	27,541	27,541	27,541
Property Taxes		6,948	\$ 3,578	\$ 3,578	7,156	7,156	7,156
Total	\$ -	\$ 47,436	\$ 57,518	\$ 64,051	\$ 130,672	\$ 133,551	\$ 136,516

Bad Debt and Charity Care Assumption

“The charity care and bad debt assumptions are not based on the experience of the Oregon Agencies. The levels of charity care and bad debt were computed separately based on the projected payor mix and charity care admissions of the Snohomish County hospice program.”

AccentCare, Inc/Seasons also provided its projected payer mix for the new hospice agency, explained why it is reasonable for Snohomish County, and provided its assumptions used to determine the payer mix. [source: Application, p68 and March 31, 2021, screening response, p4]

Seasons Snohomish 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 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.

The payor 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 91% Medicare payor 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 Snohomish County would be operated under the parent, AccentCare, Inc. To assist in this evaluation, the applicant provided pro forma financial statements for the Snohomish County hospice agency alone which is summarized in Table 12 below.

Department’s Table 12
AccentCare, Inc./Seasons Snohomish 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	\$419,823	\$1,496,613	\$2,618,351	\$3,726,624
Total Expenses	\$885,855	\$2,158,180	\$2,552,318	\$3,215,153
Net Profit / (Loss)	(\$466,032)	(\$661,567)	\$66,033	\$511,471

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 Snohomish County agency.

The applicant provided the following explanation of why non-operating revenue should be excluded in the Snohomish County only statement above. [source: March 30, 2021, screening response, p14]

“The Exhibit reflects revenues for hospice services. Non-operating revenues include physician services provided outside of the hospice benefit. These services are assumed to result in net revenues of \$3.91 per patient day in all forecast years.”

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.¹² The combined information is summarized in the tables below. [source: Application, Exhibit 15 and March 31, 2021, screening response, Attachment 4]

Department’s Tables 13
AccentCare, Inc./Seasons with King, Pierce, Snohomish, 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

¹² During this 2020 hospice review cycle, AccentCare, Inc/Seasons submitted applications for King, Pierce, Snohomish, 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 Snohomish County hospice agency alone. A summary is shown in the table below. [source: Application, Exhibit 15]

Department’s Table 14
AccentCare, Inc./Seasons-Snohomish 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	\$1,216,586	\$681,508	\$829,904	\$1,465,881
Property and Equipment	\$100,014	\$100,014	\$100,014	\$100,014
Minus Depreciation	(\$5,323)	(\$15,881)	(\$26,440)	(\$36,999)
Total Assets	\$1,311,277	\$765,641	\$903,478	\$1,528,896

LIABILITIES	Six Months Year 2022	Full Year 1 Year 2023	Full Year 2 Year 2024	Full Year 3 Year 2025
Current Liabilities	\$57,399	\$145,091	\$167,499	\$211,145
Long-Term Debt	\$0	\$0	\$0	\$0
Equity	\$1,253,879	\$620,549	\$735,978	\$1,317,751
Total Liabilities, Long-Term Debt, and Equity	\$1,311,278	\$765,640	\$903,477	\$1,528,896

AccentCare, Inc./Seasons also provided projected balance sheets that includes all four hospice applications submitted by AccentCare during this 2020 concurrent review cycle.¹³ The combined information is summarized in Table 15 below. [source: Application, Exhibit 15]

Department’s Table 15
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	\$459,138,892	\$45,913,892
Minus Depreciation	\$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

¹³ AccentCare/Seasons submitted for King, Pierce, Snohomish, and Thurston counties.

Public Comment

Bethany of the Northwest-Oppose

“The CN application and supplemental screening response of Seasons contains inconsistencies and incomplete responses. For example:

- *Question 13 of the screening response requested clarifications on the lease. While Seasons did clarify the commencement date, it did not address the referenced reservation fee and where these costs are accounted for in the pro forma financial statements. The screening response indicates that the first and second amendments require a reservation fee (which commenced on 1/1/2020).*
- *Question 24 of the screening response requested additional information regarding the Medical Director Agreement and the ability of the individual to provide the full range of services with the minimal time assumption included in the agreement. The response provided by Seasons was not fully responsive. Seasons stated that this was a “minimum assumption”, but did not address the question about how the Medical Director can fulfill their duties in this minimal time assumption. Seasons also failed to discuss the impact to the financials of adjusting the fees to be more appropriately based on patient/agency need.”*

AccentCare/Seasons Rebuttal Comment

“Screening Question 13 did not request clarification on the reservation fee. The fee (referenced on pages 185 and 188 of the application) provides clarification as to the commencement date of the lease.

Seasons Snohomish County fully responds to screening question #24, pointing to Exhibit A of the Medical Director Agreement found in Exhibit 16 of the application, and reiterating that the position only provides administrative oversight, noting the “Responsibilities include participating in monthly leadership and quality meetings, providing quality oversight and medical expertise, supervising team physicians, establishing relations with the medical community, assist in developing education and research programs, and performing other administrative duties as necessary. The applicant believes that 1 hour per week is the minimum commitment required to provide these administrative services. This is consistent with the experience of other Seasons hospice agencies in operation and meets the conditions of participation for Medicare and Medicaid services.”

Because there were no necessary adjustments in Medical Director hours, the financials were not impacted. In reference to the appropriateness of patient/agency need, Seasons provided an explanation about the roles of the Physician-Team Support in response to Screening Question #6.”

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 Snohomish County, Washington with three Oregon counties (Clackamas, Multnomah, and Washington). Based on this comparison, market share and referral rates were based on affiliate experience in Oregon.
- Based on the factors above, the three-year average daily census calculates to 11 in partial year 1 (2022) and full years one, two, and three were estimated at 10, 25, and 49, 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, Inc./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 Snohomish County project alone. AccentCare, Inc./Seasons provided extensive assumptions used to prepare the proposed agency's pro forma Revenue and Expense Statement. As summarized in Table 12, 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 \$511,471 by the end of full year three (2025).

Given that AccentCare, Inc./Seasons submitted three other applications during the 2020 hospice concurrent review cycles, a review of its pro forma Revenue and Expense Statement showing AccentCare, Inc./Seasons with all four approvals was reviewed and summarized in Table 13. 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 Snohomish County balance sheets summarized in Table 14 shows that the new agency is operating lean, yet financially stable. The combined balance sheet summarized in Table 15 shows that AccentCare, Inc./Seasons is a financially healthy company. The balance sheets provided in the review demonstrate the proposed Snohomish 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.¹⁴

Lease

Since the Snohomish County hospice operations would be located within the applicant's existing home health agency located 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.

Public comments submitted during the review of this project focused on two topics: lease costs and medical director / physician independent contractor fees. Both concerns were well addressed and clearly explained by the applicant in rebuttal.

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

¹⁴ This project's combined capital expenditure and start-up costs total \$379,688.

EmpRes Healthcare Group, Inc./Eden

The applicant provided the assumptions used to determine the projected number of patients and visits for the proposed Snohomish County hospice agency. The assumptions are restated below. [source: Application, pp37-38 and Appendix 21]

Assumptions

- *Given the high unmet need (ADC of 87) for two hospice agencies projected by 2022 in Snohomish 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 Snohomish 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 Snohomish County. Appendix 21 provides the market share assumptions for patients served in 2022 – 2024 by Eden Hospice at Snohomish County.*
- *45% of the Medicare hospice population are in Medicare Advantage plans and Eden expects its various outreach programs described in the application will garner a share of those patients equivalent to the share of non-dual and dual eligible hospice patients.*
- *Outreach strategy to Federally Qualified Health Centers to reach special populations experiencing health disparity (e.g., Community Health Center of Snohomish – Everett, Community Health Center of Snohomish – Arlington Clinic).*
- *Disparity in access particularly for Hispanic Snohomish County residents where 34% report unmet medical need and 19% (Puget Sound Region) report a language barrier. 19% report English language difficulty Puget Sound 2016.*
- *21% of Black/African American residents also report unmet Medical need.*
- *Capability to refer home health agency patients from Eden Home Health of Snohomish County as well as other home health agencies and Snohomish County skilled nursing facilities – one operated by EmpRes.*
- *Patient days are calculated by multiplying admissions by Length of Stay.*
- *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.*
- *Average daily census is calculated by dividing patient days for each year by 365 days.*
- *Appendix 21 provides the market analysis summary of patient admissions, length of stay, patient days and average daily census that foots to the Utilization Summary that is included in Table 17, which are volumes used in the pro forma. Small differences are due to rounding in multiple calculations.*

Applicant's Appendix 21
Market Analysis/Utilization Analysis of
Hospice Admissions, Length of Stay, Patient Days, and Average Daily Census

SNOHOMISH COUNTY HOSPICE VOLUME PROJECTION		Market Potential	2022	2023	2024
New Patient Referrals through Outreach					
FFS Dual -Eligible Medicare	Outreach to FMQCs -- 12 centers	Market Potential	2022	2023	2024
FFS Raise dual-eligible to national rate	20% in 2022, 35% in 2023, 60% 2024, dual	50	10	18	30
FFS Reduce dual and non dual disparity in hospice rates	10% in 2022, 35% in 2023, 60% 2024 dual	18	2	6	11
FFS Non-Dual Eligible rate raised to national rate	10% in 2022,35% in 2023, 60% 2024, dual	23	2	8	14
Medicare Advantage	Non-dual to national rate: 2022, 2%; 2023, 8%,2024, 13%	420	8	34	55
Subtotal Medicare from Outreach		511	23	65	109
Other Patient Referrals not Captured in Outreach to FMQCs on Dual-Eligible Outreach					
Medicaid patients from Outreach	Outreach to FMQCs -- 12 centers identifies 5.6% of dual eligible identified	9	1	4	6
Medicaid Patients Other	Medicaid patients from other referral sources consistent with pro forma	9	2	4	6
Subtotal: Medicaid		18	3	8	12
Home health patients EmpRes	Based on Medicare FFS data base adj. for modest growth due to respite care		5	7	8
SNF patients EmpRes	Based on Administrator report		5	15	20
Subtotal Eden/EmpRes Pts.		0	10	22	28
Veterans through VA outreach	8.3% of adult population are Veterans based on Outreach activities for Medicare initially a 20% mkt share going to 50% mkt. share of new Medicare patients -- 50% market share	42	8	21	25
Hospital patient referrals	General and Death with Dignity patients -- outreach to support with hospice	33	3	6	8
SNF Patient Referrals	Other SNF referrals in Snohomish County		8	15	20
Native American Patients	Outreach to Tulalip Bay and North Coast about 1.9% of new Medicare patients, 20% share increasing to 50%	10	2	3	5
LGBTQ Self-Identified Adults	Outreach to LGBTQ community at 4%	20	4	6	7
African American Patients	FQMC and community agencies at 3.7%	19	2	2	3
Hispanic Patients	FQMC and community agencies at 10.4%	53	10	14	20
Subtotal: Other		0	37	67	88
Commercial patients	Commercial patients represent 5% of Total	14	4	9	13
Subtotal: Commercial		14	4	9	13
Total Patients: As of 2000		543	77	171	251
Population Increase Adj.	Approximate annual increase of 5.24% per yr.		4	9.0	25
Grand Total Patients			81	180.2	276
ALOS			60.2	61.2	61.2
Patient Days			4,886	11,020	16,888
Average Daily Census			13.39	30.19	46.27

Based on the assumptions above, the applicant provided it projected utilization summarized in the table below. [source: March 30, 2021, screening response, Attachment 7]

Department's Table 16
EmpRes Healthcare Group, Inc./Eden
Snohomish County Utilization Projections

	Year 1-2022	Year 2-2023	Year 3-2024
Admissions (unduplicated)	81	180	276
Average Length of Stay	60.2	61.2	61.2
Average Daily Census	13.39	30.19	46.27
Patient Days	4,875	11,019	16,888

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 March 30, 2021, screening response, Attachment 7] 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: March 30, 2021, screening response, p6]

Revised Lease Agreement

“In response to the Program’s recommendations and follow-up emails with Program Analysts Karen Nidermayer and Beth Harlow, 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 draft 60-month lease deal points proposal is included in Attachment 4 and provides rental amounts for each of five years as well as the Operating Expense estimate for the first year. The Operating Expense is found in the attached, signed deal points document also included in Attachment 4.

The square footage will increase for the Eden Home Health of King County, LLC from 1,576 to 2,901 rentable square ft. The drawing for the new space is included in Attachment 5. The Operating Expense estimate for the first year will be used in the Pro Forma income statement. Eden adjusted the annual operating expense for each 12-month period at a 3.5% rate, which is based on its experience and is consistent with the lease/rent annual increases. The lease document limits annual increases to 5% or less.

Attachment 7 provides the revised Appendix 12 Pro Forma, which was revised to reflect estimated increases in the operating expense associated with the new annual lease/rental expense. Attachment 8 provides the revised Appendix 13 “with and without analysis” to take into account the changes in rental expense and associated operating expense in the 5-year lease terms that flow through to the “with and without” pro forma.

Applicant's Table

	Jan-Feb 2022	Mar-22	April- Dec 2022	Total 2022	Jan-Mar 2023	April- Dec 2023	Total 2023	Jan-Mar 20224	April- Dec 2024	Total 2024	
Annual Rent Rate	\$27.50		\$27.50	\$28.50		\$28.50	\$29.50		\$29.50	\$30.50	
Annual Operating Expense increase @3.5% per yr.	\$11.40		\$11.40	\$11.80		\$11.80	\$12.21		\$12.21	\$12.64	
Total Square Footage	2,901	1,279	2,901	2,901		2,901	2,901	2,901	2,901	2,901	
Total Monthly Rent Rate per sq. ft.		\$2.29	\$2.29	\$2.38		\$2.38	\$2.46		\$2.46	\$2.54	
Total Monthly Rent Rate per sq. ft.		2	1	9		3	9		3	9	
Total Rent		\$5,862	\$6,648	\$62,009	\$74,519	\$20,670	\$64,185	\$84,854	\$21,395	\$66,360	\$87,755
Total Allocated Operating Expense	\$11.40	\$0.95	\$0.95	\$0.98	\$33,071	\$0.98	\$1.02	\$33,071	\$1.02	\$1.05	\$33,071
Total Allocated Operating Expense		2	1	9		3	9		3	9	
Total Operating Expense per year		\$5,512	\$2,756	\$25,672	\$28,428	\$8,558	\$26,572	\$35,130	\$8,857	\$27,502	\$36,360
Total Lease plus Operating Expense per yr.		\$11,374	\$9,404	\$87,681	\$102,947	\$29,228	\$90,757	\$119,985	\$30,252	\$93,863	\$124,115
50% Allocation to Eden Hospice at King County	50%	\$5,687	\$4,702	\$43,840	\$54,229	\$14,614	\$45,379	\$59,992	\$15,126	\$46,931	\$62,058
With 2 CoN approvals, the rent would be reduced by 50% to each CoN.	50%	\$2,843	\$2,351	\$21,920	\$27,115	\$7,307	\$22,689	\$29,996	\$7,563	\$23,466	\$31,029

In addition to the preceding signed lease proposal deal points, a Memo of Understanding (MOU) allocating lease/rental costs under different scenarios is provided in Attachment 6 that allocates costs to Eden Home Health of King County, LLC and Eden Hospice at Snohomish County, LLC. If Eden Hospice at King County is approved, the MOU covers that allocation scenario also. In this case, the allocation would be reduced as shown. In the “with and without” analysis, rent/operating expense for the 2 approved hospice scenarios did take into account the lower rental amounts associated with two hospices per the Memorandum of understanding.”

Medical Director Agreement

“Section 3 does not include monthly or annual caps for compensation but does require that each monthly billing provide sufficient documentation in support of the services provided. Section 1 provides the term of the agreement and the provisions for terminating the agreement by either party. The estimated pro forma line-item expense for the Medical Director services is set at \$7.00 per hospice day for budgeting purposes. The Medical Director bills monthly on a quarter of an hour basis on services provided.

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

Charity and Bad Debt Assumptions

“The charity care and bad debt assumptions are based on EmpRes/Eden agencies in Washington State.”

Overall Clarification of Assumptions

“The assumptions list for the pro forma Attachment 7: 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.

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, Snohomish, 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: Application, p12]

**Department’s Table 17
Eden Hospice at Snohomish 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	\$1,089,103	\$1,801,730	\$2,690,005
Net Profit / (Loss)	(\$171,844)	\$271,613	\$487,709

EmpRes Healthcare Group, LLC/Eden also provided the projected balance sheets for the proposed Snohomish County hospice agency. The three-year summary is shown in the tables on the following page. [source: March 30, 2021, screening response, Attachment 7]

Department's Table 18
Eden Hospice at Snohomish County
Balance Sheet for Projected Years 2022 through 2024

ASSETS	CY 2022 (Year 1)	CY 2023 (Year 2)	CY 2024 (Year 3)
Current Assets	\$82,644	\$383,881	\$908,656
Property and Equipment	\$0	\$0	\$0
Other Assets	\$0	\$0	\$0
Total Assets	\$82,644	\$383,881	\$908,656

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	\$309,768	\$797,479
Total Liabilities, Long-Term Debt, and Equity	\$239,080	\$383,881	\$908,656

The new Snohomish 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,¹⁵ 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: March 30, 2021, screening response, Attachment 8]

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 19
EmpRes Healthcare Group, Inc. with King and Snohomish 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	\$12,968,686	\$21,167,430	\$32,452,452
Net Profit / (Loss)	\$2,205,288	\$4,078,693	\$6,887,549

Department's Table 20
EmpRes Healthcare Group, Inc. with King and Snohomish 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	\$3,888,039	\$8,252,060	\$15,493,893
Property and Equipment	\$31,226	\$15,613	\$0
Other Assets	\$0	\$0	\$0
Total Assets	\$3,919,265	\$8,267,673	\$15,493,893

¹⁵ EmpRes Healthcare Group submitted for King and Snohomish counties.

LIABILITIES	CY 2022 (Year 1)	CY 2023 (Year 2)	CY 2024 (Year 3)
Current Liabilities	\$810,543	\$1,322,964	\$2,028,278
Long-Term Debt	\$0	\$0	\$0
Equity	\$3,108,722	\$6,944,709	\$13,465,615
Total Liabilities, Long-Term Debt, and Equity	\$3,919,265	\$8,267,673	\$15,493,893

The applicant provided the following clarification regarding the pro forma Balance Sheet summarized above. [source: March 30, 2021, screening response, p11]

“Attachment 8 provides the revised set of Pro Formas required for adding the Eden Hospice at King County pro forma to the analysis. The revised pro forma incorporates changes based on screening questions.”

Public Comment

Bethany of the Northwest – Oppose

“Bethany finds both the CN application and supplemental screening response of Eden to be confusing as it relates to its utilization assumptions and financial pro forma. The screening response states repeatedly that the information relates to King County.

- *Appendix 7 of the screening response is labeled as King County not Snohomish County. Eden also has a CN application under review for a new hospice agency in King County. The pro forma financials for King County, except for the lease expense, are identical to what was submitted in the Snohomish screening response. If these are truly the financials for Snohomish County, Bethany questions why the assumptions are identical (utilization and expense assumptions). We would expect differing utilization assumptions between King and Snohomish given the different demographics and size of these two Counties. P. 169 of the application states:*

“Where items are based on costs Per Patient Day (PPD), per month, or per year, these averages from experience in Eden Health’s Nevada, Idaho and Arizona Hospice operations are combined with adjustments based on cost experience in Snohomish County under Eden Health’s Home Health operations in Whatcom, Skagit, Snohomish, Island and King Counties.”

There are no adjustments for Snohomish County, and absolutely no indication that the Applicant has considered how the utilization and expenses would vary.

- *Question 16 in screening provides a table that is supposed to connect the lease costs in the lease agreement, and the Snohomish County lease expense. This table depicts a 50% allocation to Eden Hospice at King County but there is no reference to Snohomish County in this table.*
- *In its screening response, Eden provided a copy of the management agreement. According to the management agreement, the fee is based on:*
 - 5.1 *Consultant shall be entitled to a consultant fee in a sum equal to five percent (5%) of Company revenues (the “Consultant Fee”). For purposes of this Agreement, the term Revenue shall mean gross patient charges net of contractual adjustments set forth in government and other payor contracts.*

The management fee ‘math’ is based on total net revenue (which also excludes deductions for bad debt and charity care). Given the language in the agreement, the net revenue used to estimate the annual management fee is not accurate.

- *Finally, Question 11 of screening states that administrative staff will come from Whatcom. Since the financials submitted in the screening response are labeled for King County, it is not clear how or where these costs have been accounted for.”*

EmpRes Healthcare, Inc./Eden Rebuttal Comments

“Bethany is correct, Appendix 7 is mislabeled. It is the pro forma for Snohomish County. Bethany is also correct that the pro forma for Snohomish County is the same as the pro forma for King County. This was by intention. Bethany is also correct that utilization assumptions between King and Snohomish counties are different based on the different demographics and size of the two counties. Bethany is absolutely incorrect in its conclusion that Eden did not consider how utilization and expenses would vary.

As an overview, the Need methodology in Snohomish County shows a need for 2.5 agencies rounded down to 2 agencies while the need in King County is exactly 3 agencies. The Program has routinely stated that the hospice Need Methodology forms the basis for utilization forecasts. Eden agrees, and in this case the difference in hospice agency Need between the two counties is very small.

As noted in the application, Eden did a comprehensive review of Need in each county – we identified the relevant unmet need that it could expect to meet, and areas where increases in new patients to Eden would not adversely affect the utilization of existing agencies in Pierce County or new starts. Appendix 21 at page 228 of the application provides a detailed market and utilization plan to support the pro forma volume projections for the Eden at Snohomish County project. These projections clearly document the detailed analysis undertaken by Eden and the resulting plan findings are conservative. As an example, under Outreach for Medicare dual eligible and other Medicare underserved populations in Snohomish County, Eden estimates that it will reach only 60% of these individuals by the third year of operation with first year outreach rates of 10% - 20%. Market shares for other categories are also conservative.

The same methodology was carried out with different results for various population groups in King County (see Attachment 1 page 14, King County response to screening questions). This yielded strong support for matching pro formas based on the same projected volumes.

In regard to revenue and payer mix, there was no demonstrable reason to reject the null hypothesis that there is no predictable difference in revenue and payer mix for the market and utilization plan developed for each county service area. The same holds true for expenses where Lease expense and Medical Director expense are fixed; Administrative salaries and many supply costs are based on national, statewide and Puget Sound market rates, and non-exempt labor costs are based on Puget Sound market rates.

Clearly, there will be variance in actual revenues and costs versus pro forma revenue and costs for each hospice agency in the two service areas, but the differences will be generated primarily by the level of success in implementing the market and outreach plans as they translate to hospice patients being served by Eden. Fortunately, the experience that Eden has in operating home health and skilled nursing facilities in both counties as well as the experience in operating CMS certified hospices the Western States, has created a strong base for the pro forma estimates. It is Eden’s evidence-based opinion that the best approach to presenting the Snohomish and King hospice pro formas to demonstrate financial feasibility is to present identical pro forma models, as carefully designed by Eden, because this approach reduces overall variance between the submitted pro formas and actual financial performance when the two hospices begin serving patients.

The Table associated with Question 16 provides the lease amount for either King or Snohomish hospices if one hospice approved; and to also provide the rental amount if both the Snohomish and King hospices are approved. The pro forma (to be conservative) presents lease and operating expense assuming that only one hospice is approved per the advice of the Program. The Attachment 6 memorandum to screening questions (Pages 75 through 77) governs the lease amount for each of the two projects – Eden Hospice at Snohomish County and Eden Hospice at King Hospice at King County allocations.

Eden disagrees with Bethany's interpretation and conclusion. The management fee agreement was prepared by EmpRes Healthcare Group, Inc., which has a 100% ownership interest in Eden Hospice at Snohomish County, LLC and EmpRes Healthcare Management, LLC. EmpRes Healthcare Group, Inc also has a 100% interest in EmpRes Healthcare Management, LLC (see Attachment 3, page 39 of the screening response). In the preparation of the financial pro forma all closely held parties approved the form of the calculation of net revenue to (5% of net revenue) to implement the intent of the management fee agreement. The particular formula methodology has been in use for the past 3 years for CoN applications.

As noted above, the Heading for the pro forma and assumptions were mislabeled saying King instead of Snohomish County. As to Administrative staff, the pro forma assumptions states the following:

Administrator: Lisa Belal RN

50 [sic] FTE allocation to Eden Hospice at Snohomish County

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

Director of Patient Care Services: Ashley Rodriguez RN

50 [sic] FTE allocation to Eden Hospice at Snohomish County

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

Cost elements that are not included in the pro forma are staff additions if both the Snohomish County and King County hospice projects are approved. The Program does not have a specific methodology for staff services under this scenario.

Eden has considered several different scenarios: (1) A 1.00 FTE Director of Patient Care position would be recruited to be allocated among the 3 hospices. Currently, Eden Hospice at Whatcom County has scheduled to fill this position when hospice census reaches a hospice census of 45 - 50 patients, which is expected in 2023 or (2) an additional .50 FTE Administrator could be recruited who specialized solely in hospice operations.

The addition of an additional .50 FTE business office manager would likely also be required. The two aforementioned staff additions were not included in either the King or the Snohomish hospice pro formas because they rely on too many linked actions that Eden does not control and are thus, unpredictable.”

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 Snohomish 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 Snohomish County. The applicant provided pro forma Revenue and Expenses Statements for the Snohomish County agency alone, and combined statements for EmpRes Healthcare Group, Inc./Eden as a whole and assuming that both King and Snohomish 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 Snohomish County agency alone. As summarized in Table 17, the applicant projected a net loss of \$171,844 in year one (2022). Years two and three are projected to be profitable with \$271,613 and \$487,709, respectively.

Focusing on the combined statements showing EmpRes Healthcare Group, Inc./Eden and assuming both King and Snohomish counties are approved, the summary in Table 19 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 Snohomish County facility. One concern of note was some assumptions and statements provided for Snohomish County are identical to those provided by the applicant for its King County project. In fact, the commenter noted that many of the Snohomish County statements provided in screening included a ‘King County’ header. Since the applicant is required to address King County operations in some of the financial statements in this application, this became very confusing for both the commenter and department. Within its rebuttal documents, EmpRes Healthcare Group, Inc./Eden agreed that some of the statements have an incorrect header, and specifically pointed out those with errors. This clarification was helpful for this review. Further, EmpRes Healthcare Group, Inc./Eden explained why its assumptions would be similar, if not the same, for both King and Snohomish County projects. The explanation was reasonable.

The applicant also provided separate balance sheets for the Snohomish County agency alone and combined with the parent and King County. 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 18 summarizes the Snohomish County balance sheet. For clarity, the balance sheet is shown again below and identified as ‘Table 18’.

**Department’s Table 18
Eden Hospice at Snohomish County
Balance Sheet for Projected Years 2022 through 2024**

ASSETS	CY 2022 (Year 1)	CY 2023 (Year 2)	CY 2024 (Year 3)
Current Assets	\$82,644	\$383,881	\$908,656
Property and Equipment	\$0	\$0	\$0
Other Assets	\$0	\$0	\$0
Total Assets	\$82,644	\$383,881	\$908,656

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	\$309,768	\$797,479
Total Liabilities, Long-Term Debt, and Equity	\$239,080	\$383,881	\$908,656

It is a basic principal of accounting that a balance sheet must balance. As shown in yellow highlight in Table 18 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 take into account 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, \$171,845, is subtracted from the capital investment, the result is owner’s equity of \$38,155. 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 21 below is a recreation of the three year balance sheet previously shown in Table 18 above, with year one corrected information.

**Department’s Table 21
Eden Hospice at Snohomish County
Balance Sheet for Projected Years 2022 through 2024**

ASSETS	CY 2022 (Year 1)	CY 2023 (Year 2)	CY 2024 (Year 3)
Current Assets	\$82,644	\$383,881	\$908,656
Property and Equipment	\$0	\$0	\$0
Other Assets	\$0	\$0	\$0
Total Assets	\$82,644	\$383,881	\$908,656

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	\$38,155	\$309,768	\$797,479
Total Liabilities, Long-Term Debt, and Equity	\$82,644	\$383,881	\$908,656

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 Snohomish 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.¹⁶

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. Specific to this Snohomish County hospice project, 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 Snohomish 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.

¹⁶ While no capital expenditure is identified for this project, start-up costs are expected to be \$100,000.

Concerns raised during this review focus on the lease costs that are expected to be attributed to the Snohomish County agency. While the formula for the lease costs for both the King and Snohomish agencies are identified in the MOU, the actual dollar amounts are not identified. During the screening of this application, the department requested EmpRes Healthcare Group, Inc./Eden to provide a table showing lease costs specific for the Snohomish operations and connect the costs to the pro forma Revenue and Expense Statement for Snohomish operations. EmpRes Healthcare Group, Inc./Eden provided the table and connected the costs as requested. However, because the pro forma statement included an incorrect King County reference in the header, the commenter did not believe that the applicant had complied with the department's request. Again, EmpRes Healthcare Group, Inc./Eden's rebuttal comments clarified which documents had typographical errors.

The applicant provided a copy of the executed Management Agreement between EmpRes Healthcare Management, LLC (consultant) and Eden Hospice at Snohomish 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 Snohomish 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**.

(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.

Bethany of the Northwest

There is no capital expenditure associated with this project. The applicant clarified that there is some minor equipment purchases that add to approximately \$18,000, but these costs will not be capitalized. [source: March 31, 2021, screening response, p3]

Bethany of the Northwest will make \$114,435 available as start-up costs to fund working capital as necessary. [source: March 31, 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.**

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 \$288,008 would be necessary for his project and provided the following explanations. [source: Application, Exhibit 15]

Department’s Table 22
AccentCare, Inc./Seasons Capital Expenditure Breakdown

Item	Cost
2021 Rental	\$47,436
First Six Months of 2022 Rent	\$104,954
Advertising Costs	\$2,000
Pre-Opening Hiring Costs with Benefits	\$181,054
Total	\$288,008

There was no public comments or rebuttal comments 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 \$288,008 are associated with rent, advertising, and salaries/wages.

AccentCare, Inc./Seasons provided a letter dated January 27, 2021, from its Chief Financial Officer 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: March 30, 2021, screening response, pp53-54]

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.**

(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.

Bethany of the Northwest

There is no capital expenditure associated with this project. However, the applicant identified approximately \$114,435 is available for start-up costs and provided historical financial statements to demonstrate the availability of funding for start-up. [source: Application, Appendix 1 and March 31, 2021, screening response, p3]

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 \$114,435 and are to be paid by the applicant, Bethany of the Northwest. Historical financial statements provided in the application substantiate that the funding is available. **This sub-criterion is met.**

AccentCare, Inc./Seasons

The combined total of capital expenditure and start-up costs for this project is \$379,688. The applicant states all costs will be funded by the applicant, AccentCare, Inc. and provided the following statements regarding the funding. [source: Application, p65]

“The applicant entity has \$2 million in assets provided by the owners of Seasons Hospice & Palliative Care of Snohomish County Washington, LLC. A letter from the Chief Financial Officer for AccentCare, Inc. on behalf of Seasons Hospice & Palliative Care of Snohomish County Washington, LLC (found in Exhibit 17) commits to available funding for the hospice’s capital costs, pre-opening expenses, and operating deficits in the initial year of operation. The applicant’s audited financial statement will document the \$2 million in cash. The hospice has the option of using Seasons Healthcare Management, LLC, for purchasing equipment and furnishing the office in Snohomish 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 (CFO) demonstrating a financial commitment to the project and the intent to fund it. [source: Application, Exhibit 17 and March 30, 2021, screening response, Attachment 1]

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

Department Evaluation

The combined total of capital expenditure and start-up costs for this project is \$379,688. 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 28]

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.**

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

Bethany of the Northwest

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.

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.

- (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.

Bethany of the Northwest

To demonstrate compliance with this sub-criterion, Bethany of the Northwest provided its projected full time equivalents (FTEs) for the Snohomish County agency. The FTE table shown on the following page. [source: March 31, 2021, screening response, p3]

Department's Table 23
Bethany of the Northwest
FTE Projections for Snohomish County - Years 2023 - 2025

FTE Type	Year 1-2023	Year 2-2024 Increase	Year 3-2025 Increase	Total FTEs
Bereavement	0.63	0.58	0.28	1.49
Spiritual Counselor	0.63	0.58	0.28	1.49
Volunteer Coordinator	0.53	0.49	0.23	1.25
Manager of Patient Services	0.39	0.36	0.17	0.92
RN/LPN	2.45	2.25	1.08	5.78
Medical Social Worker	0.81	0.74	0.35	1.90
Home Health Aide	2.45	2.25	1.08	5.78
Administrator	1.00	0.00	0.00	1.00
Administrative Assistant	1.00	0.25	0.50	1.75
Community Liaison	2.00	0.50	0.50	3.00
QAPI Coordinator	0.00	0.50	0.50	1.00
Total FTEs	11.89	8.50	4.97	25.36

In addition to the FTE table summarized above, Bethany of the Northwest clarified that the following FTEs will be under contract and are not included in the table: medical director and therapists.

Focusing on staffing ratios, the applicant provided the following comparison table and statements. [source: Application, p26]

Applicant's Staff / Patient Ratio Table-Recreated

Type of Staff	Bethany Hospice Staff / Patient Ratio	National Hospice and Palliative Care Association - National Average
Bereavement	1:31	Not Identified
Spiritual Counselor	1:31	1:31.4
Volunteer Coordinator	1:37	1:37.3
Manager of Patient Services	1:50	Not Identified
RN/LPN	1:8	1:11.2
Medical Social Worker	1:24	1:24.3
Hospice Aide	1:8	1:10.8

“The staffing ratios were determined after Clinical manager to Clinical manager consultation with an existing non-profit long-term care based agency operating in the Puget Sound that established a hospice agency a number of years ago. We also extensively reviewed literature regarding staffing ratios and reviewed other approved certificate of need applications in Snohomish County.”

Bethany of the Northwest provided the following statements regarding the recruitment and retention of staff and its rationale staffing the agency as proposed in this application. [source: Application, p26 and p28]

“Bethany Hospice’s parent, Bethany has been a non-profit icon of the healthcare industry in the Northwest for nearly 100 years and has a long and distinguished track record of recruiting topnotch staff. Because of its affiliation with Bethany of the Northwest, Bethany Hospice will have the ability to cross-train our nurses and therapists to serve both functions. Many of the staff needed for Bethany Hospice, then, will be addressed through existing Bethany of the Northwest programs and/or increasing part-time FTEs from existing facilities to full time (after specific training in hospice).”

Bethany offers very competitive salaries, generous 403B end-of-year matching, strong health, dental and vision benefits, as well as a sign-on bonus when applicable. Bethany also offers an excellent mission-based environment, a local commute, paid time off (including personal days), tuition reimbursement, scholarship opportunity, longevity bonuses, grief counseling, Employee Assistance Program, The Perks at Work program, and many other benefits. For these reasons we do not expect any problems with recruiting qualified employees.

Additionally, Bethany Hospice has access to excellent recruiting professionals that have been successful finding staff to meet its needs.

Bethany Hospice is aware that there are staffing challenges within the community that have been exacerbated by the COVID-19 pandemic with staff being recruited for higher pay temporary positions. We also acknowledge that there are startup agencies currently in the Snohomish community. While these agencies' volumes have been appropriately accounted for in the methodology and a significant need has still been identified, we do recognize that they are also in the process of recruitment. For these reasons, in addition to allowing time for appropriate planning, licensure, certification and accreditation, Bethany Hospice has delayed our opening to 2023 to ensure not to compromise other providers and reduce recruiting challenges.

Bethany Hospice went to great lengths to ensure adequate staffing for its agency and to ensure that staffing was linked to patient census. Bethany Hospice not only consulted with an existing hospice agency operating in the Puget Sound, but also evaluated the three most recent approved Certificate of Need applications for Snohomish County and national literature regarding current staffing ratios to develop its staffing.

We have purposely been conservative in these assumptions in that even where we believe our staff will be able to achieve greater efficiencies, we have assumed maximum staffing to ensure patient access, quality, and viability of our agency. Our staffing ratios are in line with or better than the recently approved agencies serving Snohomish County, and as can be identified in Table 8 above, our staffing ratios are also in line with, or better than, NHPCO provided national averages.”

Public Comment

AccentCare/Seasons – Oppose

“Bethany simply identifies its benefits package and delays its opening until 2023 so as not to compete for staff with other new hospice programs starting up in the area. However, if other programs have recently staffed by the time the Bethany Hospice is ready to open, there will be fewer staff available without impacting existing providers.”

Bethany of the Northwest Rebuttal Comments

“Again, Seasons nit-picks Bethany’s proposal. Clearly, of the three applicants, Bethany will have the least problems with recruitment and retention. It is clear that Season’s realizes this and raises nonissues in an attempt to avoid being directly compared to Bethany.

Bethany NW has a long and distinguished track record of recruiting topnotch staff. Bethany NW will cross-train our nurses and therapists to serve in multiple settings, including hospice. Many of the staff needed for Bethany Hospice, then, will be addressed through existing Bethany NW programs and/or increasing part-time FTEs from existing facilities to full time (after specific training in hospice).

Bethany offers very competitive salaries, generous 403B end-of-year matching, strong health, dental and vision benefits, as well as a sign-on bonus when applicable. Bethany also offers an excellent mission-based environment, a local commute, paid time off (including personal days), tuition reimbursement, scholarship

opportunity, longevity bonuses, grief counseling, Employee Assistance Program, The Perks at Work program, and many other benefits. For these reasons we do not expect any problems with recruiting qualified employees. Neither of the other applicants have this foundation and history in the community. There is no question Bethany will be able to successfully staff its program.”

Department Evaluation

If approved, Bethany of the Northwest would be a new provider of Medicare and Medicaid hospice services for Snohomish County. To ensure its staffing ratios are reasonable, the applicant based them on internal clinical knowledge and ratios identified in other Snohomish County hospice applications. This approach is reasonable because most applicants base their staffing ratios on national standards.

As shown in the staff table above, 11.89 FTEs are needed in year one, which for this application is year 2023. The table shows the majority of the staff would be recruited in year one, with the remaining staff recruited in years two and three, resulting in 25.36 staff by end of year 2025. The estimated average daily census for years 2023 through 2025 is 19.6, 37.6, and 46.2, respectively. This staffing appears reasonable and consistent with past hospice projects.

Bethany of the Northwest 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, Bethany of the Northwest intends to use the strategies its parent has successfully used in the past for recruitment and retention of staff. Bethany of the Northwest intends to become operational in year 2023. AccentCare, Inc./Seasons expressed concerns with this applicant’s timeline for staff recruitment because of the delayed operational date and suggests that recruitment in year 2023 could impact staffing for existing providers. Bethany of the Northwest responds by reiterating its recruitment strategies that it has successfully used in the past and intends to use with this project. Further, Bethany of the Northwest reminds that it is an established provider of healthcare services in Snohomish and adjacent counties and asserts that its *‘foundation and history’* in the community will be an advantage to staff recruitment. The department does not disagree that a new approval of any new provider in a planning area could impact staffing for the existing providers. However, Bethany of the Northwest provided extensive information regarding its intended recruitment and retention strategies and coupled with its presence in the county and surrounding communities, the department does not expect that approval of this project would impact existing providers any more, or less, than approval of any other new provider in Snohomish County.

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

AccentCare, Inc./Seasons

To demonstrate compliance with this sub-criterion, AccentCare, Inc./Seasons provided its projected full time equivalents (FTEs) for the Snohomish County agency. The FTE table is on the following page. [source: Application, p72]

Department's Table 24
AccentCare, Inc./Seasons
FTE Projections for Snohomish 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	0.00	1.00	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	1.00	1.00	4.00
Music Therapy	1.00	0.00	0.00	0.00	1.00
Nursing	2.00	1.00	1.00	2.00	6.00
Social Work	1.00	0.00	0.00	0.00	1.00
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	2.00	5.00	23.10

In addition to the FTE table, the applicant provided a table showing the number of contracted FTEs needed for the new Snohomish 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, p72]

For clarification, AccentCare, Inc./Seasons provided the following explanation for the contracted staff identified as ‘Physician-Team Support.’ [source: March 30, 2021, screening response, p11]

“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. Seasons Snohomish will contract with providers on a purchased services agreement, or IRS Form 1099 basis, rather than employ such physicians. While not (IRS Form W-2) employees, we have included the amount of these physician services in the FTE count as an efficient way to measure the level of service that will be contracted for and provided.

Physicians who provide direct patient care services will contract with Seasons Snohomish pursuant to a Physician Independent Contractor Agreement, a sample of which is found as Attachment 4 to this document. Exhibit A of that Physician Independent Contractor Agreement describes Physician Services. The individuals who Seasons Snohomish will contract with for such services are still being identified and as such, so there are no draft contracts for the service, only this sample form of agreement. The rates for services set forth in the sample Physician Independent Contractor Agreement and the financials are based on rates Seasons Hospice pays for the same services at its other affiliated hospice agencies.”

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)	0.1815	0.1515	0.1158	0.1217
Physical Therapist	0.0014	0.0008	0.0004	0.0003
Occupational Therapist	0.0010	0.0006	0.0003	0.0002
Medical Social Worker	0.0908	0.0505	0.0290	0.0203
Speech Therapist	0.0023	0.0013	0.0007	0.0005
Clinical Nutritionist	0.0091	0.0051	0.0029	0.0020
Home Health/Hospice Aide	0.0908	0.1010	0.0869	0.0811
Other (List)				
Chaplain	0.0908	0.0505	0.0290	0.0203
Medical Director	0.0209	0.0116	0.0067	0.0047
Administration	0.2723	0.2020	0.1158	0.0811
Business Office \ Admissions	0.2723	0.2020	0.1158	0.1217
Music Therapy	0.0908	0.0505	0.0290	0.0203
Total	1.1239	0.8274	0.5322	0.4743

The applicant provided the following rationale for why the staffing identified above is adequate for the number of patients and visits projected. [source: Application, p72]

“Seasons Snohomish 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 15. Seasons Snohomish 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 0.48 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]

“Snohomish County was designated as a Medically Underserved Area for Primary Care in 1992 and again updated in 1994 with a Medical Underservice Index Score of 61.9, just below the threshold of 62.0. It has three designated geographic Health Professional Shortage Areas (HPSAs), including Monroe/Sulton, Darrington, and Tulalip. Two primary care Federally Qualified Health Centers with multiple locations, two Indian Health Service/Tribal Health/Urban Indian Health Organizations and five low income populations in Marysville, Lynnwood, Monroe/Sultan, Darrington and Tulalip also qualify as HPSA. The three geographic HPSA’s 2021 population of 42,626 account for roughly 5% of the county’s 841,173 total population. (Reports generated from the Health Resources & Services Administration at www.data.hrsa.gov documenting the Snohomish County MUA and HPSA are provided in Exhibit 20.)

Seasons Snohomish 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 comments or rebuttal comments provided under this sub-criterion.

Department Evaluation

If approved, AccentCare, Inc/Seasons would be a new provider of Medicare and Medicaid hospice services for Snohomish 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 Snohomish County agency would be operational in July 2022. As shown in the staff table above, 12.38 FTEs are needed in partial year one (2022) to serve an estimated average daily census of 11 patients. Beginning in full year 1 (2023), the number of FTEs increases to 16.38 to serve an estimated average daily census of 20 patients. By the end of full year three, the FTEs increase to 23.38 to serve an estimated average daily census of 49 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 Snohomish County agency. A summary of the FTEs is shown in the table below. [source: Application, Appendix 12]

**Department’s Table 25
Eden Snohomish 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

**Department's Table 25
Eden Snohomish County Agency Staff Table Continued**

FTE Type	Year 1-2022	Year 2-2023 Increase	Year 3-2024 Increase	Total FTEs
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

EmpRes Healthcare Group, Inc./Eden provided the following clarification regarding the concept of sharing staff with its operational home health agency. [source: March 30, 2021, screening response, p6]

“The home health and hospice operations will NOT be under a single licensed entity. This project will NOT be operated under any other existing Eden license. Therefore, actual FTE information for the existing agency requested in the application does not exist and there is no impact on another agency as described in this question.”

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, p57-58]

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, p59 and March 30, 2021, screening response, p6]

“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 Snohomish County, EmpRes currently operates both a home health agency and a skilled nursing facility in Snohomish County so it has local knowledge and established relationships within Snohomish County for recruiting staff.

Eden Hospice at Snohomish 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 Snohomish 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).*

... Briefly, the key administrative staff are currently employed by Eden in other positions or will be available as part of the Eden Hospice at Whatcom certification process. Direct care staff will be recruited after receipt of certificate of need approval and will be available at the time of licensure (2-3 months, post CON approval).”

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 Comment

“Key staff are listed below.

Administrator: Lisa Belal RN

50 [sic] FTE allocation to Eden Hospice at Snohomish County

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

Director of Patient Care Services: Ashley Rodriguez RN

50 [sic] FTE allocation to Eden Hospice at Snohomish County

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

Additional staffing refers to administrators and administrative support personnel that can be shared between the two programs. Home health and hospice direct care staff are engaged using volume metrics identifying required service levels. Frequently team members live close to a home health or hospice patient and may be able to provide more timely urgent care support, which again addresses WAC 246-310-220 (2) and WAC 246-310-230 (4).

Department Evaluation

If approved, the applicant would be a new provider of Medicare and Medicaid hospice services for Snohomish 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.¹⁷ 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 Snohomish County project are consistent with those of other applicants reviewed and approved by the department.

¹⁷ 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.

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.**

- (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.

Bethany of the Northwest

The applicant provided the following statement under this sub-criterion. [source: Application, p30]

"Bethany is already a well-respected provider of long-term care, transitional care, and assisted living services in Snohomish County and has recently established a home health agency for which it is seeking Certificate of Need approval so as to be able to include Medicare and Medicaid patients. Bethany also works closely with local physicians, hospitals, and other providers and organizations to ensure patients' comprehensive medical, social, and spiritual needs are met. As a subsidiary of Bethany, Bethany Hospice will greatly benefit from these existing relationships.

Bethany will promote continuity in care delivery and support the needs of hospice patients and their families by facilitating the transition of care and closing the care gaps for those served in Bethany's existing programs. That said, Bethany is not intending to limit its services to those we currently care for and will work with/outreach to any provider/patient/family transferring a patient to hospice service to assure seamless transitions."

The applicant also provided a copy of an executed medical director agreement between Bethany Hospice, LLC and Swenson Healthcare, PLLC, a medical group located in Tacoma, within Pierce County. The agreement specifically identifies Don Nguyen, MD as the medical director for the proposed hospice agency. The agreement was executed on January 1, 2021, and is effective for one year with automatic annual renewals in perpetuity (evergreen clause). The agreement includes a job description for the medical director and outlines roles and responsibilities for both the physician and Bethany Hospice. Annual compensation for medical director services is included in the agreement. [source: Application, Exhibit 5]

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

Department Evaluation

While Bethany of the Northwest currently provides Medicare and Medicaid home health services in Washington State, it is not currently approved to provide Medicare and Medicaid hospice services in Washington. With this project, the applicant intends to establish a Medicare and Medicaid certified hospice agency to be located within Bethany System Office space at its 3202 Colby Avenue, Suite G in Everett [98201].

Bethany of the Northwest 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. Bethany of the Northwest provided a copy of its executed Medical Director Agreement and job description. 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 Bethany of the Northwest has the experience and expertise to establish appropriate ancillary and support relationships for the new hospice services in Snohomish County. If this project is approved, the department would include a condition requiring the applicant to provide a listing of ancillary and support services prior to providing services. With agreement to the specific condition, the department concludes **this sub criterion is met.**

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 Snohomish 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 Snohomish 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 Snohomish 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 Snohomish County agency executed on January 1, 2021. The agreement is between Seasons Hospice & Palliative Care of Snohomish 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 Snohomish County project. The role of the physician independent contractor, also referenced in the application as ‘physician team support,’ is explained below. [source: March 31, 2021, screening response, p11 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 Snohomish pursuant to a Physician Independent Contractor Agreement, a sample of which is found as Attachment 4 to this document. Exhibit A of that Physician Independent Contractor Agreement describes Physician Services. The individuals who Seasons Snohomish will contract with for such services are still being identified and as such, so there are no draft contracts for the service, only this sample form of agreement. ...”

There was no public comments or rebuttal comments 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 Snohomish 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 Snohomish County Washington, LLC. The agreement was executed on December 28, 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 Snohomish 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, p61] *“EmpRes has been a Snohomish 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 Snohomish 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 Snohomish County.*
- *Long Term Care facilities: Eden Hospice will work with EmpRes SNFs located in Snohomish 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 Snohomish County.*
- *Oncology Cancer Center: Eden Hospice will develop working relationships with cancer programs in Snohomish 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 Snohomish County, initially relying on relationships developed with physicians in its home health and SNF operations.*

The relationships demonstrate that Eden Hospice at Snohomish 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 Snohomish County.”

EmpRes Healthcare Group, Inc./Eden also provided a copy of the draft medical director agreement to be used for the new Snohomish County hospice agency. The draft agreement is between Eden Hospice at Snohomish 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 9A & 9B]

The applicant provided a copy of its Management Agreement. The agreement was executed on January 6, 2021, between EmpRes Healthcare Management, LLC (Consultant) and Eden Hospice at Snohomish 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: March 30, 2021, screening response, Appendix 3]

There was no public comments or rebuttal comments 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 Snohomish 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 Snohomish 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.**

- (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.¹⁸ 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.¹⁹

¹⁸ WAC 246-310-230(5).

¹⁹ Definitions of standard and condition level surveys: <https://www.compass-clinical.com/deciphering-tjc-condition-level-findings/>

- 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.


- 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 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

Bethany of the Northwest

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, p30]

“Neither Bethany, its parent nor any affiliated entity has any history in respect to criminal convictions, denial or renovate of licenses, or decertification as cited above.”

The applicant provided the following discussion regarding its proposed assessment for customer satisfaction and quality improvement. [source: Application, p29]

“Bethany’s Quality Assessment and Performance Improvement Plan, included in Exhibit 3, provides for the objective and systemic monitoring, evaluation and coordination of the quality, appropriateness, and cost-effectiveness of patient care, resolves identified problems and improves the Agency’s performance. This QAPI program is designed to show measurable improvement in indicators for which there is evidence that improvement in the indicators will improve health outcomes, patient safety, and quality of care. Specific measures are used to capture significant outcomes that are essential to optimal care and will be used in care planning and coordination of services and events. Assessment of these measures are achieved through data collection, consists of clinical record review, patient interviews, and patient satisfaction reports.

Also included in Exhibit 3 is Bethany’s patient satisfaction policy confirming that patients will be surveyed at least upon discharge to obtain information regarding their satisfaction with the services provided. The information obtained is analyzed and any problems identified are addressed.

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

Department Evaluation

Bethany of the Northwest does not operate outside of Washington State. As of the writing of this evaluation, Bethany of the Northwest owns or operates three nursing homes, one assisted living facility, and one in home service agency. All five healthcare facilities are located in Snohomish County. Below is a summary of the two areas reviewed for Bethany of the Northwest and its healthcare facilities.

Terminated Provider Counts Report

Focusing on years 2018 through 2021, none of Bethany of the Northwest’s healthcare facilities were involuntarily terminated from participation in Medicare reimbursement.

Conformance with Medicare and Medicaid Standards

Nursing Homes

Focusing on years 2018 through 2021, all three nursing homes were surveyed. The department reviewed the survey information for the nursing homes and found a total of 29 surveys. The scope and severity of the deficiencies required follow up visits by the surveyors. The deficiencies ranged from patient care, charting, and pain management; few were noted as ‘pattern’ or ‘widespread.’ The nursing homes submitted plans of correction (POC) and corrected the deficiencies prior to the required follow up visit. All three facilities are in conformance with CMS standards at this time.

In Home Service Agency

Bethany of the Northwest was recently approved to establish a Medicare / Medicaid home health agency in Snohomish County. As of the writing of this evaluation, the agency is not yet operational and has not been surveyed.

Bethany of the Northwest identified two physicians that would provide medical director services: Don Nguyen, MD and Darren Randolph Swenson, MD. Using data from the Medical Quality Assurance Commission, the department confirmed that both physicians hold an active medical license with no enforcement actions.

Given that Bethany of the Northwest 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 Snohomish County.

In review of this sub-criterion, the department considered the total compliance history of Bethany of the Northwest organization. The department also considered the compliance history of the two proposed Medical Directors 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 Bethany of the Northwest 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 Bethany of the Northwest. The department concludes that this project **meets this sub-criterion.**

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 Snohomish County Washington, 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 Snohomish 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, p84]

"Although this criterion is not applicable, as the applicant is not an existing agency, the proposed Seasons Snohomish 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 Snohomish 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 Snohomish County implements to assure quality assessment and program improvement:

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

Seasons Snohomish 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 comments or rebuttal comments 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 26
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
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 Snohomish 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 Snohomish 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 62]

"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, p59-60]

"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 Snohomish 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 comments or rebuttal comments 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 27
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 Homes²⁰

Focusing on years 2018 through 2021, of the 56 nursing homes, 53 were surveyed during the time frame.²¹ 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.

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 Snohomish 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.**

²⁰ 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.

²¹ One nursing home in each of the states of Oregon, South Dakota, and Wyoming was not surveyed.

- (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.²² 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.

Bethany of the Northwest

The applicant provided the following statements related to this sub-criterion. [source: Application, p31]
"Bethany is already a well-respected provider of long-term care, transitional care, and assisted living services in Snohomish County. Bethany works closely with local physicians, hospitals, and other providers and organizations to ensure patients' comprehensive medical, social, and spiritual needs are met. As a subsidiary of Bethany, Bethany Hospice will greatly benefit from these existing relationships.

Bethany Hospice will promote continuity in care delivery and support the needs of hospice patients and their families by facilitating the transition of care and closing the care gaps for patients at end of life.

We will additionally accomplish this through enhanced cooperation and coordination between our Bethany division of SNFs, and ALFs, and our subsidiary companies (Bethany Home Health, LLC and Bethany Hospice, LLC)."

Public Comment

Linda Whitesell, RN, Geriatric Nurse Practitioner - Support

"Bethany is well-equipped to provide hospice care for its residents who require and request it. Their long-term care programs focus on palliative care, usually a precursor to hospice care. Even when death is imminent and the resident and/or family declines formal hospice care through an outside agency, the staff at Bethany function in the same way as they would, providing care and comfort to the dying and support to their loved ones. The formal addition of a hospice program would enhance the scope and practice of Bethany of the Northwest. It is a logical step to provide care for the whole resident throughout their

²² Revised Code of Washington 70.245 The Washington Death with Dignity Act that is implemented by Washington Administrative Code 246-978.

journey to life's end. Whether at one of their facilities or in a home setting, Bethany will meet the needs of their clients. They deserve the consistent 5-star ratings they receive. They have been providing care for 90 years and enjoy an excellent reputation in this community."

Bethany of the Northwest did not provide rebuttal comments to the letter of support.

Department Evaluation

Bethany of the Northwest provided a listing of potential referral sources for its proposed hospice agency and also stated it would coordinate with its Bethany-owned healthcare facilities to ensure continuity of care. Additionally, the applicant stated that other potential referral sources would be sought in the county.

Certificate of Need evaluations also take into account any public comments submitted during a review. For this project, the public comment provided supported the Bethany of the Northwest project and indicated that the addition of hospice services in Snohomish County would benefit residents.

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 the need sub-criterion under WAC 246-310-210(1).

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 Snohomish 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 Snohomish 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 Snohomish 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 Snohomish 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 Snohomish 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 Snohomish 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 Snohomish 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 Snohomish 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 comments or rebuttal comments provided under this sub-criterion.

Department Evaluation

Given that AccentCare, Inc./Seasons does not currently provide hospice services in Snohomish 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, p62]
"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 LGBTQT population and with local hospital, physicians, skilled nursing facilities and other providers. Eden Hospice at Snohomish County will co-locate with Eden Home Health of Snohomish 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 Snohomish 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 Snohomish 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 Snohomish County.”

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

Department Evaluation

Given that EmpRes Healthcare Group, LLC/Eden does not currently provide hospice services in Snohomish 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.

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 4 letters expressing concerns regarding the availability of ‘Death with Dignity²³’ options in Snohomish County. While each letter provides a different perspective, all 4 letters urge 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 religious healthcare systems that don’t offer access to Death with Dignity (DwD), nor do they honor end of life directives they decide are contrary to the teachings of their church. In Snohomish County, the percentage of hospice programs that deny some legal end of life services is worse. 74.3% of hospice care is provided by religious healthcare systems deny access to Death with Dignity, and may not honor some end of life directives. I can’t be more specific because currently, the Department of Health doesn’t require hospice programs to have DwD policies in place for patients to review prior to entering a program. This is 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 all too often low-income women, disabled by their illnesses and not fully informed when they enter a hospice program that they may be relinquishing access to DwD options or that the hospice they choose might not honor their end of life directives. Their dignity as human beings and access to fully informed consent are both denied. The

²³ 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].

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.

I am not certain that Snohomish County actually needs to expand hospice services at this time. The four new hospices approved in 2019 are secular and deserve to have an opportunity to compete successfully against the two hospices with over 74% market share that oppose DwD. If additional hospices are approved, Eden and Seasons both provide adequate Death with Dignity policies and should be considered. I don’t know what Bethany’s policy is. It is not included in the application, and Bethany did not respond to a request for a copy so at this time that application should not be considered for Snohomish County.

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 Snohomish 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.

I would like to add that although (Bethany) disavowed any relationship with Catholic healthcare systems, (Bethany) made multiple references to the relationship that Bethany has with Providence which is a large Catholic healthcare system which adheres strictly to the Ethical and Religious Directives and which would further increase the market share of hospices in Snohomish County that prohibit access to DwD and some end of life directives as well.”

Carolynn Zimmers Public Comment

“...I would prefer that all hospice providers allow DWD or, at least, DWD friendly facilities be given priority in the application process until market share of a county’s admissions parallels the 60 percentage of Washingtonians who voted for DWD in 2008. At this time, as is documented in my written testimony, hospice providers that deny DWD in Snohomish County far outnumber facilities that support DWD options.

When a person is dying, they become vulnerable and decision making can become difficult. Transparency and access to answers is essential. I am asking that Eden and Seasons be given priority because they support DWD and they are transparent. They have submitted their policies on DWD and Bethany has not.”

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 Snohomish County Hospice Agencies by 2019 Market Share of Admissions

Name	2019 Admissions	2019 Market Share ⁵	Support	Refuse	Unknown
Glacier Peak/Cornerstone	0	0.0%			0.0%
Continuum Care of Snohomish	0	0.0%			0.0%
Envision Hospice of WA	0	0.0%	0.0%		
Evergreen Health	524	20.5%	20.5%		
Hospice of the Northwest	63	2.5%			2.5%
Inspiring Hospice Partners of OR	0	0.0%			0.0%
Kaiser Permanente Hospice	69	2.7%			2.7%
Providence Hospice/Snohomish	1,885	73.7%		73.7%	
Providence Hospice/Seattle	15	0.6%		0.6%	
TOTAL	2,556	100.0%	20.5%	74.3%	5.2%

The source for the ‘2019 Market Share’ data was obtained by the DOH 2020 Hospice Need Methodology

Of the three Snohomish County applicants, only Bethany of the Northwest provided rebuttal comments related to the Death with Dignity topic which are restated below.

Bethany of the Northwest Rebuttal Comments

“The Save Secular Healthcare organization has attempted to insert its concern about non-secular healthcare into the CN Process. On March 23, 2021, the CN Program Manager issued a memo to all hospice CN applicants stating:

A copy of the attached Save Secular Healthcare WA (SSHW) email that was sent to hospice applicants for the 2020 review cycles was forwarded to the Certificate of Need (CN) Program. SSHW’s email requested that you provide information related to Death with Dignity directly to the CN program as a part of your screening responses or within 10 days of the Beginning of Review.

We recommend that you do NOT follow SSHW’s request in the manner they outlined. The CN process has specific timelines for submission of information during the review. Submission of information consistent with SSHW’s request could be considered an amendment to your application as defined in Washington Administrative Code (WAC) 246-310-100(1)(a) unless the program asked you questions specifically related to your participation in Death with Dignity in screening. If you wish to provide this information to the Certificate of Need Program, the appropriate time to do so would be after the formal beginning of review, during the public comment period.

In their email, SSHW also requested that applicants provide documentation directly to them by email. If you wish to provide this information directly to SSHW, you may, but it is not required as part of the evaluation process for CN.

Bethany followed the Department’s guidance. We understood from the email that it was optional for applicants to provide a policy; and that the Department does not require such a policy as part of its review.

There was no effort to “hide” anything. Bethany NW has written policies that fully comply with all laws related to Death with Dignity. We are not providing a copy of the policy with this rebuttal, because we understand that it would be considered new information. That said, we are very willing to have a condition placed on our approval requiring that we provide a copy of the current Bethany Death with Dignity policies.

Comments made during public comment attempted to direct the Department to use Death with Dignity criteria for reviewing the submitted applications. These criteria are inconsistent with the state mandated certificate of need review criteria. They are also not requested of applicants in the application guidelines,

statute or rules. Specifically, the public comment suggested that applications should be approved or denied based on an applicant's policy regarding the Death with Dignity."

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.

Bethany of the Northwest WAC 246-310-230(4) Conclusion

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 need sub-criterion under WAC 246-310-210(1). Based on the failure in the need section of this evaluation related to the omission of a draft or executed charity care policy for the new agency, the department concludes that approval of the Bethany of the Northwest project could result in unwarranted fragmentation of hospice services in the planning area.

This sub-criterion is not met.

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.**

- (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.

Bethany of the Northwest

This sub-criterion is addressed in sub-section (3) above and **is met for** this project

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

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

Bethany of the Northwest

Based on the source information reviewed, the department concludes that the applicant has not met the cost containment criteria in 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.

- (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 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.

Bethany of the Northwest

For this project, Bethany of the Northwest **did not meet** the applicable review criteria under WAC 246-310-210 and 230. Therefore, the department’s evaluation under this sub-criterion is completed.

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 Snohomish County is responding to the Department of Health’s 2020 methodology documenting a need for two additional hospice agencies to serve residents of Snohomish County. Any alternative that does not include adding a program in Snohomish 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 Snohomish 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 Snohomish County need was announced for two additional 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 discussed previously, racial and ethnic disparities in accessing hospice care are seen in Snohomish County. Seasons Snohomish County believes it can overcome many of the cultural barriers through its proposed outreach efforts, diversity in staffing, and programs developed to overcome such racial and ethnic barriers. This is based on the experience of Seasons Hospice affiliates throughout a diverse range of communities across the nation. Furthermore, a recent article, *Closing the Gap in Hospice Utilization for the Minority Medicare Population*, concludes that “the prevalence of for-profit hospices was associated*

with significantly increased hospice utilization disparities in hospice care exist, for-profit hospices enroll more minorities, which in turn leads to increased access and overall lower healthcare costs. A copy of this article is found in Exhibit 11.

As the methodology in use by the Department of Health demonstrates, the current capacity of hospices serving the market is 2,951, lower than the forecast of 3,458 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 new hospice programs spur 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 Snohomish 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. Moreover, as indicated in the above referenced article, increasing access to minorities, an under-served population, lowers Medicare costs, with an average savings of approximately \$2,105 per Medicare hospice enrollee. Overall, this leads to improved access and quality of life while producing a cost savings.

Furthermore, Seasons Snohomish County addresses staffing issues in Section C, Structure and Process (Quality) of Care, Question #9, pages 74-81, and is not repeated here. Recruitment and retention efforts, along with education and outreach efforts ensure a strong workforce results with establishment of Seasons Snohomish County. Therefore, the impact on staffing is positive as development opportunities increase for the healthcare workforce.

Overall, approval of Seasons Snohomish County's hospice program for Snohomish County is consistent with the Department's need methodology, assures residents of Snohomish 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 comments or rebuttal comments provided under this sub-criterion.

Department Evaluation

The only options 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 Snohomish 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 Snohomish County. **This sub-criterion is met.**

EmpRes Healthcare Group, Inc./Eden

The applicant provided the following statements in response to this sub-criterion. [source: Application, pp64-71]

“Eden Hospice at Snohomish County, LLC is requesting CN approval to operate a Medicare certified and Medicaid eligible hospice agency in Snohomish County. The hospice agency will be co-located with the EmpRes Home Health of Snohomish 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 comments or rebuttal comments 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 Snohomish 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 Snohomish County. **This sub-criterion is met.**

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

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

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

Department Evaluation for Bethany of the Northwest

There is no construction or capital expenditure associated with this project.

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.

Bethany of the Northwest

The applicant provided the following statement in response to this sub-criterion. [source: Application, pp34-35]

“The 2019 Report to the National Hospice and Palliative Care Organization, Hospice: Leading Interdisciplinary Care, identified that:

Today, value across the health care system in large part involves diverse clinical disciplines to coordinate care, while reducing overall costs without compromising patient outcomes. For decades, the hospice program includes terminally ill patients and their families to collaboratively develop care plans with their hospice interdisciplinary team and take control of patients’ end of life care. The hospice value proposition brings care to patients and their families that is unique and meaningful, as it provides comfort care as well as physical, emotional, and spiritual support to patients and their families on terms that they themselves choose. Hospice provides each family services that are tailored to their preferences and the patient’s clinical condition.

This report also referenced data demonstrating that “hospice care is cost-effective for Medicare and its beneficiaries. By avoiding expensive treatments and procedures solely designed to prolong the life of terminally-ill patients, hospice users save Medicare dollars while still receiving quality, patient-preferred, end-of-life care on their own terms.”

Ensuring immediate access to high quality hospice services is critical to the financing and delivery of health care in Snohomish County. As a non-profit, mission-driven organization, Bethany not only has the proven track record, commitment to the highest quality services and understanding and value of a continuum, but also has a history of cost-effective operations. Adding hospice to Bethany’s existing services will further our cost effectiveness. Bethany already operates 262 skilled and sub-acute nursing beds and 60 apartments for assisted living at three separate locations in Snohomish County. Bethany also has recently opened a licensed home health agency for which it is seeking CN approval, and provides a number of services that support providers such as Providence and the Everett Clinic in managing patients.

The hospice agency will be able to share staff, administration, and ancillary services with Bethany of the Northwest, requiring very little investment, but a great complement of services to the community.”

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

Department Evaluation

Bethany of the Northwest provided sound and reasonable rationale for establishing Medicare and Medicaid-certified hospice services in Snohomish County. If approved, this project has the potential to improve delivery of necessary in-home services to Snohomish County residents. However, since the application did not meet the applicable review criteria under WAC 246-310-210 and 230, the department cannot conclude that this project is the best available option for Snohomish County residents. **This sub-criterion is not met.**

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, pages 65-66, 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 Snohomish County described in detail in Section II, Project Description, pages 8-14 and in response to Question #7, pages 16-30, 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 Snohomish 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 Snohomish County."

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

Department Evaluation

AccentCare, Inc./Seasons provided sound and reasonable rationale for establishing Medicare and Medicaid-certified hospice services in Snohomish County. If approved, this project has the potential to improve delivery of necessary in-home services to Snohomish 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 Snohomish 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, p71]

"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 and the Table 14-A and 14-B analysis of achieving the "average" national hospice utilization rate would save \$2,362 per hospice patient in Snohomish County hospitals.

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 Snohomish 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 lower utilization of hospice services is that patients managed in programs like the health home project for fragile, acute care dual-eligible patients and hospice care for dual-eligible patients and their families demonstrate a high satisfaction rate with supportive services. The evidence presented in this application documents that pain can be reduced while 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 Snohomish County hospices in the provision of Pediatric services."

There was no public comments or rebuttal comments 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 Snohomish County. If approved, this project has the potential to improve delivery of necessary in-home services to Snohomish 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 Snohomish 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
 Prepared by DOH Program Staff

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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.

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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 8 - Numeric Need		
Step 7 (Patient Days / 365) = Unmet ADC					
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

Department of Health
2020-2021 Hospice Numeric Need Methodology
Survey Responses

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.