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**CN21-50**

**Hospice Agency Certificate of Need  
Application Packet**

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**Application submission must include:**

- One electronic copy of your application, including any applicable attachments – no paper copy is required.
- A check or money order for the review fee of \$21,968 payable to Department of Health.

Include copy of the signed cover sheet with the fee if you submit the application and fee separately. This allows us to connect your application to your fee. We also strongly encourage sending payment with a tracking number.

Mail or deliver the application and review fee to:

**Mailing Address:**

Department of Health  
Certificate of Need Program  
P O Box 47852  
Olympia, Washington 98504-7852

**Other Than By Mail:**

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

**Contact Us:**

Certificate of Need Program Office 360-236-2955 or [FSLCON@doh.wa.gov](mailto:FSLCON@doh.wa.gov).

# Application Instructions

The Certificate of Need Program will use the information in your application to determine if your project meets the applicable review criteria. These criteria are included in state law and rules. Revised Code of Washington ([RCW](#)) [70.38](#) and Washington Administrative Code ([WAC](#)) [246-310](#).

## General Instructions:

- Include a table of contents for application sections and appendices/exhibits
- Number **all** pages consecutively
- Make the narrative information complete and to the point.
- Cite all data sources.
- Provide copies of articles, studies, etc. cited in the application.
- Place extensive supporting data in an appendix.
- Provide a detailed listing of the assumptions you used for all of your utilization and financial projections, as well as the bases for these assumptions.
- Under no circumstance should your application contain any patient identifying information.
- Use **non-inflated** dollars for **all** cost projections
- **Do not** include a general inflation rate for these dollar amounts.
- **Do** include current contract cost increases such as union contract staff salary increases. You must identify each contractual increase in the description of assumptions included in the application.
- **Do not** include a capital expenditure contingency.
- If any of the documents provided in the application are in draft form, a draft is only acceptable if it includes the following elements:
  - a. identifies all entities associated with the agreement,
  - b. outlines all roles and responsibilities of all entities,
  - c. identifies all costs associated with the agreement,
  - d. includes all exhibits that are referenced in the agreement, and
  - e. any agreements in draft form must include a document signed by both entities committing to execute the agreement as submitted following CN approval.

**Do not skip any questions in this application. If you believe a question is not applicable to your project, explain why it is not applicable.**

**Answer the following questions in a manner that makes sense for your project. In some cases, a table may make more sense than a narrative. The department will follow up in screening if there are questions.**

Program staff members are available to provide technical assistance (TA) at no cost to you before submitting your application. While TA isn't required, it's highly recommended and can make any required review easier. To request a TA meeting, call 360-236-2955 or [email us at FSLCON@doh.wa.gov](mailto:FSLCON@doh.wa.gov).

## Certificate of Need Application Hospice Agency

Certificate of Need applications must be submitted with a fee in accordance with Washington Administrative Code [\(WAC\) 246-310-990](#).

Application is made for a Certificate of Need in accordance with provisions in Revised Code of Washington ([RCW](#) 70.38 and [WAC 246-310](#)), rules and regulations adopted by the Washington State Department of Health. I attest that the statements made in this application are correct to the best of my knowledge and belief.

Signature and Title of Responsible Officer  Steve Morris, CEO   Email Address  Steve.morris@inspiringhospice.com	Date 01/20/2021    Telephone Number  (541) 386-1942
Legal Name of Applicant  Inspiring Hospice Partners of Oregon, LLC dba Heart of Hospice   Address of Applicant  407 Portway Ave Suite 201 Hood River, OR 97031	Provide a brief project description <input type="checkbox"/> New Agency <input checked="" type="checkbox"/> Expansion of Existing Agency <input type="checkbox"/> Other: _____  Estimated capital expenditure: \$ ____ \$75,000.00 ____
Identify the county proposed to be served for this project. Note: Each hospice application must be submitted for one county only. If an applicant intends to obtain a Certificate of Need to serve more than one county, then an application must be submitted for each county separately.  <u>Thurston</u>	

## **Applicant Description**

Answers to the following questions will help the department fully understand the role of the applicant(s). Your answers in this section will provide context for the reviews under Financial Feasibility ([WAC 246-310-220](#)) and Structure and Process of Care ([WAC 246-310-230](#)).

1. Provide the legal name(s) and address(es) of the applicant(s).  
Note: The term “applicant” for this purpose includes any person or individual with a ten percent or greater financial interest in the partnership or corporation or other comparable legal entity as defined in [WAC 246-310-010\(6\)](#).  
Inspiring Hospice Partners of Oregon, LLC  
dba Heart of Hospice  
407 Portway Ave Suite 201  
Hood River, OR 97031  
Steve Morris  
815 HWY 141  
White Salmon WA 98672
2. Identify the legal structure of the applicant (LLC, PLLC, etc.) and provide the Unified Business Identifier (UBI).  
LLC  
UBI:604-096-082
3. Provide the name, title, address, telephone number, and email address of the contact person for this application.  
Steve Morris, CEO  
407 Portway Ave Suite 201  
Hood River OR 97031  
(541) 386-1942 office  
(404) 274-3291 mobile  
[steve.morris@inspiringhospice.com](mailto:steve.morris@inspiringhospice.com)
4. Provide the name, title, address, telephone number, and email address of the consultant authorized to speak on your behalf related to the screening of this application (if any).  
NA- We are submitting application on our own.
5. Provide an organizational chart that clearly identifies the business structure of the applicant(s).  
Steve Morris, CEO/Administrator  
Dr. Stephen McLennon, MD – Medical Director  
Leigh Stratton BSN – Clinical Director  
Peggy Menasco, Human Resource Director  
attachment: #9

6. Identify all healthcare facilities and agencies owned, operated by, or managed by the applicant. This should include all facilities in Washington State as well as out-of-state facilities. The following identifying information should be included:
  - Facility and Agency Name(s)  
Inspiring Hospice Partners of Oregon dba Heart of Hospice
  - Facility and Agency Location(s)  
Oregon Office:  
407 Portway Ave Suite 201  
Hood River, Oregon 97031  
Snohomish County Office  
12626 4<sup>th</sup> Avenue, #203A  
Everett, Washington 98204-6427
  - Facility and Agency License Number(s)  
Washington State License: HIS.FS.00000185
  - Facility and Agency CMS Certification Number(s)  
CMS Certification Number: 38-1554  
Oregon State License: 1601070  
Washington Medicaid: 2005904  
Oregon Medicaid: 243105
  - Facility and Agency Accreditation Status  
Accredited by the State of Washington and Oregon

**Project Description**

1. Provide the name and address of the existing agency, if applicable.  
Inspiring Hospice Partners of Oregon, dba Heart of Hospice  
Oregon Office:  
407 Portway Ave Suite 201  
Hood River, Oregon 97031  
  
Snohomish County Office  
12626 4<sup>th</sup> Avenue, #203A  
Everett, Washington 98204-6427
2. If an existing Medicare and Medicaid certified hospice agency, explain if/how this proposed project will be operated in conjunction with the existing agency.  
The relationship this project will have on our long-range business plan will simply allow for us to expand the current level of service in Skamania, Klickitat, Snohomish and the Columbia Gorge to the residents of Thurston county. The level and extent of unmet need, coupled with the fact that we already have our Medicare & Medicaid Permit in Washington and Oregon, will allow for us to start meeting the unmet need once the Certificate of Need is issued and staff are hired and trained. In October 2017, we completed our Washington State Hospice Survey 100% deficiency free. Our long-term business plan is to continue to serve the individuals who meet the Medicare hospice criteria and bring the highest level of hospice care to the counties we serve. Our plan is to continue to follow both the Federal and State of

Washington regulations to ensure that the individuals who deserve to receive their hospice benefit have the opportunity to be served by an organization which takes the Medicare Hospice Benefit most seriously. Our goal is to change the way hospice is perceived and received. "The Right Hospice for the Right Patient at the Right Time." Our current office in Hood River, Oregon will continue to operate fully and provide oversight in the development of the newly granted Certificate of Need. Dr. Stephen McLennon, MD will be the medical director as a fulltime employee. Under Dr. McLennon's leadership and expertise in hospice we will continue to provide exceptional hospice care to our current office and also Thurston county. Leigh Stratton will continue to function as the Clinical Director, under Leigh's leadership we will develop the clinical team just as we have at our current office in order to serve the individuals of Thurston county. Peggy Menasco will continue to oversee the human resources department. This role is vital in both the recruitment and development of hospice professionals. Peggy, will continue to serve in this capacity in order to foster a place where hospice professionals want to flourish and make a difference. Lastly, Steve Morris, the administrator will continue to oversee the entire hospice project, while pulling from his 20 years of experience in developing hospices that provide the most regulatory compliant services according to the State of Washington and CMS. This team of seasoned hospice professionals will continue to provide direction and the expertise necessary in order to meet our current needs and unmet needs of Thurston county once Certificate of Need is granted for Thurston county.

Heart of Hospice has been in operations for over 15 years as a Medicare Certified Hospice in Oregon and Washington. In order to provide Hospice in the State of Washington you have three components. 1<sup>st</sup> is State Licensure, 2<sup>nd</sup> CMS Medicare Certification, and 3<sup>rd</sup> is Certificate of Need. Heart of Hospice has in place the 1<sup>st</sup> and 2<sup>nd</sup> components for Thurston county. Once Heart of Hospice is granted the CN for Thurston county we will essentially be 100% complete and able to provide Hospice Care. The other applicants have not yet completed the 1<sup>st</sup> or the 2<sup>nd</sup> requirements. This sets us apart, allowing us once CN is granted to access the underserved county of Thurston and start impacting the community. In addition to this we are able to collect payment as we have the contractual agreements for payment from Insurances, Medicaid and Medicare in place. At this time, Heart of Hospice does not have CN for Thurston County, for this reason, Heart of Hospice is seeking this project to be approved. Once this project is approved we will have completed the three requirements in order to provide hospice in Thurston County.

Heart of Hospice's Thurston County office will be under our current Medicare/Medicaid provider number. We will not be seeking a new Medicare/Medicaid number. This would only delay access for Thurston county. Heart of Hospice has already completed and proven to

Medicare/Medicaid, the state of Washington that we meet the requirements to participate in the Medicare Trust Fund.

3. Provide the name and address of the proposed agency. If an address is not yet assigned, provide the county parcel number and the approximate timeline for assignment of the address.

1450 Wilmington Drive  
Dupont, WA

4. Provide a detailed description of the proposed project.

Heart of Hospice proposes to extend our Medicare/Medicaid certified hospice agency to Thurston county. Heart of Hospice's Thurston county office will be housed at 1450 Wilmington Drive Dupont, WA. This application is being submitted congruently with a proposal for Pierce county. This Need Approval and operation is independent of the Need Approval for Pierce county. Heart of Hospice is treating the two Certificate of Need applications independently. Heart of Hospice is committed to this project regardless of the decisions on our Pierce proposal. Heart of Hospice is also 100% capable of completing both projects once the Department approves Thurston and Pierce counties. Heart of Hospice has proven financial feasibility for both projects independently as well as congruently.

Consistent with the services provided by Heart of Hospice in Skamania, Klickitat, Snohomish and our Oregon Program, the services will focus on treating the whole person, not just their disease, and on the needs of both the patient and the family. Our health care team is specially trained in pain and disease management, as well as practical needs such as insurance coverage, transportation, and assistance with bathing. Additionally, they attend to the emotional and spiritual needs such as caregiver stress, grief, and fear of dying. Care is provided by an interdisciplinary team including the physician, medical director, nurse, social worker, chaplain, pharmacist, certified nursing assistant, volunteers, and other therapists.

We provide the following services to aid in the palliative care of our patients and their families:

- Pain and symptom management by skilled nurses and physicians.
- Counseling, including spiritual, nutritional and bereavement.
- Education on the disease process, coping skills and care planning.
- Assistance with personal care by hospice aides.
- Trained volunteer support.
- Physical, occupational and speech therapy, as needed.
- On-Call Interdisciplinary Team 24 hours a day.
- Availability of durable medical equipment, oxygen, medical supplies, and related medications.

All services are provided directly by our agency with the exception of physical and occupational therapy whom are contracted.

Heart of Hospice provides hospice services to patients who are faced with a life-limiting illness who desire to be cared for under the hospice philosophy of care. The primary goal of hospice is to provide comfort through the relief of physical, emotional, and spiritual suffering while promoting the dignity of terminally ill persons and their families where they call home. "Home" may be a private residence, an Assisted Living Community, an Adult Foster Care Home, a Skilled Nursing Facility or a Hospital, in either an urban or a rural community. Heart of Hospice has a long history of successfully caring for the populations of large counties and a proven track record of reaching the entire county regardless of where the patient calls home. Heart of Hospice provides respectful care to all patients on an equal basis, whether they are homeless in an urban community or living in a yurt in the Cascade mountain range.

5. Confirm that this agency will be available and accessible to the entire geography of the county proposed to be served.

Heart of Hospice confirms that we will be available and accessible to the entire geography of Thurston county.

6. With the understanding that the review of a Certificate of Need application typically takes at least six to nine months, provide an estimated timeline for project implementation, below:

<b>Event</b>	<b>Anticipated Month/Year</b>
CN Approval	9/2021
Design Complete (if applicable)	NA
Construction Commenced (if applicable)	NA
Construction Completed (if applicable)	NA
Agency Prepared for Survey	9/2021 Exesiting agency
Agency Providing Medicare and Medicaid hospice services in the proposed county.	12/2021

7. Identify the hospice services to be provided by this agency by checking all applicable boxes below. For hospice agencies, at least two of the services identified below must be provided.

<input checked="" type="checkbox"/> Skilled Nursing	<input checked="" type="checkbox"/> Durable Medical Equipment
<input checked="" type="checkbox"/> Home Health Aide	<input checked="" type="checkbox"/> IV Services
<input checked="" type="checkbox"/> Physical Therapy	<input checked="" type="checkbox"/> Nutritional Counseling
<input checked="" type="checkbox"/> Occupational Therapy	<input checked="" type="checkbox"/> Bereavement Counseling
<input checked="" type="checkbox"/> Speech Therapy	<input checked="" type="checkbox"/> Symptom and Pain Management
<input checked="" type="checkbox"/> Respiratory Therapy	<input checked="" type="checkbox"/> Pharmacy Services
<input checked="" type="checkbox"/> Medical Social Services	<input checked="" type="checkbox"/> Respite Care



<input checked="" type="checkbox"/> Palliative Care	<input checked="" type="checkbox"/> Spiritual Counseling
<input type="checkbox"/> Other (please describe)	

8. If this application proposes expanding an existing hospice agency, provide the county(ies) already served by the applicant and identify whether Medicare and Medicaid services are provided in the existing county(ies).  
 Skamania (YES), Klickitat (YES), Snohomish (starting to hire March, 2021 delayed due to COVID-19 pandemic).

9. If this application proposes expanding the service area of an existing hospice agency, clarify if the proposed services identified above are consistent with the existing services provided by the agency in other planning areas.  
 The services provided in Thurston county will be consistent with the existing services we provide to our Oregon and Washington Patients. We will continue to provide the entire Medicare hospice benefit regardless of service area on a consistent basis.

10. Provide a general description of the types of patients to be served by the agency at project completion (e.g. age range, diagnoses, special populations, etc).  
 Heart of Hospice provides hospice services to patients who are faced with a life-limiting illness who desire to be cared for under the hospice philosophy of care. The primary goal of hospice is to provide comfort through the relief of physical, emotional, and spiritual suffering while promoting the dignity of terminally ill persons and their families where they call home. "Home" may be a private residence, an Assisted Living Community, an Adult Foster Care Home, a Skilled Nursing Facility or a hospital, in either an urban or a rural community. Heart of Hospice has a long history of successfully caring for the populations of large counties and a proven track record of reaching the entire County regardless of where the patient calls home. Heart of Hospice provides respectful care to all patients on an equal basis, whether they are homeless in an urban community or living in a yurt in the Cascade mountain range.  
 The following reflects our age groups by experience. Heart of Hospice identifies the anticipated age range based on experience to serve the adult population. Heart of Hospice is able to provide service to all ages, but based on historical data the population has been 35 years and older.

	WA	OR
<1- 34 years	0%	0%
35 - 64 years	7%	12%
65 - 74 years	21%	14%
75 - 84 years	37%	27%
85 + years	37%	49%

11. Provide a copy of the letter of intent that was already submitted according to [WAC 246-310-080](#) and [WAC 246-310-290\(3\)](#).

See attachment: #31

12. Confirm that the agency will be licensed and certified by Medicare and Medicaid. If this application proposes the expansion of an existing agency, provide the existing agency's license number and Medicare and Medicaid numbers.

IHS.FS.            IHS.FS.00000185

Medicare #:           38-1554          

Medicaid #:           2005904          

13. Identify whether this agency will seek accreditation. If yes, identify the accrediting body.

No. The agency has no need to seek accreditation.

**Certificate of Need Review Criteria**

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

[WAC 246-310-210](#) provides general criteria for an applicant to demonstrate need for healthcare facilities or services in the planning area. [WAC 246-310-290](#) provides specific criteria for hospice agency applications. Documentation provided in this section must demonstrate that the proposed agency will be needed, available, and accessible to the community it proposes to serve. Some of the questions below only apply to existing agencies proposing to expand. For any questions that are not applicable to your project, explain why.

1. For existing agencies, using the table below, provide the hospice agency's historical utilization broken down by county for the last three full calendar years. Add additional tables as needed.

<b>COUNTY-Klickitat</b>	2020	2019	2018
Total number of admissions	32	26	24
Total number of visits	1936	1829	1756
Average daily census	9.54	7.75	7.04
Total number of patient days	3,482	2,826	2,570
<b>COUNTY-Skamania</b>	2020	2019	2018
Total number of admissions	22	17	10
Total number of visits	1331	1196	731
Average daily census	6.56	5.06	2.93
Total number of patient days	2,394	1,847	1,071
<b>COUNTY-Snohomish</b>	2020	2019	2018

Total number of admissions	0	0	0
Total number of visits	0	0	0
Average daily census	0	0	0
Total number of patient days	0	0	0
<b>Oregon</b>	2020	2019	2018
Total number of admissions	158	150	163
Total number of visits	9,559	10,555	11,928
Average daily census	47.12	44.67	47.84
Total number of patient days	17,197	16,306	17,462

2. Provide the projected utilization for the proposed agency for the first three full years of operation. For existing agencies, also provide the intervening years between historical and projected. Include all assumptions used to make these projections.

<b>COUNTY-Pierce</b>	2022	2023	2024
Total number of admissions	200	250	300
Total number of visits	7,200	9,000	10,800
Average daily census	32.88	41.10	49.32
Total number of patient days	12,000	15,000	18,000
<b>COUNTY-Thurston</b>	2022	2023	2024
Total number of admissions	183	233	300
Total number of visits	6,600	8,400	10,800
Average daily census	30.14	38.36	49.32
Total number of patient days	11,000	14,000	18,000
<b>COUNTY-Klickitat</b>	2022	2023	2024
Total number of admissions	50	73	87
Total number of visits	1,800	2,628	3,132
Average daily census	8.22	12	14.30
Total number of patient days	3,000	4,380	5,220
<b>COUNTY-Skamania</b>	2022	2023	2024
Total number of admissions	30	35	40
Total number of visits	1,080	1,260	1,464
Average daily census	4.93	5.75	6.68
Total number of patient days	1,800	2,100	2440
<b>COUNTY-Snohomish</b>	2022	2023	2024
Total number of admissions	200	233	300
Total number of visits	7,200	8,400	10,800
Average daily census	32.88	38.36	49.32
Total number of patient days	12,000	14,000	18,000

Oregon	2022	2023	2024
Total number of admissions	370	375	390
Total number of visits	13,200	13,500	14,040
Average daily census	60.27	61.64	63.29
Total number of patient days	22,000	22,500	23,400

3. Identify any factors in the planning area that could restrict patient access to hospice services.

NONE

4. Explain why this application is not considered an unnecessary duplication of services for the proposed planning area. Provide any documentation to support the response.

We are able to justify that the proposed project does not constitute an unnecessary duplication of services. The data provided by the department proves for itself that the current providers are not able to meet the need. Without knowing the focus of each organizations, we can only assume that the listed providers have constraints as they are NOT providing services to 78% of the deaths 0-64 years of age and 50% of the deaths 65+. On average 56% of Thurston County patients who died did not receive a single day of hospice care as reported by the department. Heart of Hospice is fully committed to providing Hospice care. Our focus has been outlined throughout this application.

5. Confirm the proposed agency will be available and accessible to the entire planning area.

Heart of Hospice confirms, established in 2006, and has been providing services in Washington State and is comfortable managing the Washington State communities that are a true mix of rural and urban. Heart of Hospice has worked diligently to manage coverage of large geographic areas without compromising quality of care. Many of the rural communities we serve are underserved, given the wide and diverse geographic area and rural nature of much of the area. Through our strong community partnering, education, and marketing, Heart of Hospice has made significant impact in serving our communities.

6. Identify how this project will be available and accessible to under-served groups.

Serving diverse populations is another strength of Heart of Hospice; minority populations, including Japanese, Hispanic and Native American; people of all socio-economic levels; even working with destitute and indigent people. Heart of Hospice works diligently to carry on the mission of Hospice, with the highest standards possible, to ensure that any person in need of Hospice Care receives it regardless of their ability to pay.

In March 2012, Heart of Hospice was the first Hospice on the West Coast, and the 9<sup>th</sup> hospice in the nation to achieve Four Stars from the Veteran's Administration for attaining their highest designation, Level 4. Heart of Hospice's We Honor Veteran's program is robust, and includes providing specialized training on veteran's issues at end of life to all staff, employing clinical staff who are veterans, our volunteer veteran to veteran program, and veteran service recognition. Heart of Hospice is proud to work closely with the local and regional Veterans Administration, and local community facilities which serve veterans, to provide the specialized hospice care that our service women and men deserve.

attachment: #2

Heart of Hospice has several programs which demonstrate the high quality of standards we bring to our communities. These programs include:

- Heart to Heart Care: We hold a philosophy of Heart to Heart care, a stance and a belief that makes us unique. This philosophy is based upon each patient's non-medical unique needs, whether it is a huckleberry milkshake or a final wish. Heart of Hospice's team members know we can't add days to our patient's lives; so, we work hard to add life to their days. It is an honor and a joy to assist people as they travel this part of life's journey with dignity and grace.
  - Bereavement services: Heart of Hospice has a strong bereavement program, not only for the hospice patients we serve, but for our communities as well. From phone contacts, one-on-one visits, linking to community services, a giving library of books and other print materials, bereavement groups, and a yearly Butterfly Release Community Bereavement Ceremony. Heart of Hospice takes seriously the need to help heal the loss that individuals, families, and communities experience following the death of loved ones.
  - Indigent/destitute: Heart of Hospice has developed, together with local funeral homes a program to assure that truly destitute families can have funeral services, while supporting our local funeral homes.
  - Volunteer Programs: Heart of Hospice has an active and robust Volunteer Program. From our award winning youth volunteers, to our regular volunteers, to our veteran volunteers, Heart of Hospice continually upgrades and expands the ways that volunteers can help make the hospice experience lighter, easier, for patients and families feeling more supported. Our innovative programs include: office volunteers, patient visiting volunteers, relief care volunteers, the flower program volunteers, music volunteers, youth volunteers, Santa volunteers, yard and maintenance volunteers, and more. Many of our volunteers have been with Heart of Hospice for over five years, and at current count have over fifty active volunteers supporting hospice patients and families.
- Community partnering and education: Heart of Hospice has a strong commitment to the local community. Participating in a number of events—health fairs, volunteer fairs, etc., Heart of Hospice works collaboratively

with and supports other volunteer and healthcare organizations and governmental agencies, providing education and support to our communities and healthcare partners. In addition, we have partnered with local healthcare and emergency support agencies in the area in order to be of assistance during emergencies.

7. Provide a copy of the following policies:

- Admissions policy
- Charity care or financial assistance policy
- Patient Rights and Responsibilities policy
- Non-discrimination policy
- Any other policies directly related with patient access (example, involuntary discharge)
  - Heart of Hospice's admission policies prohibit discrimination on the basis of race, income, ethnicity, sex, disability, age, pre-existing condition, physical, mental status and sexual identity. 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 welcomed at Heart of Hospice. There is no reason that Heart of Hospice would not accept a patient who qualifies and is wanting to elect their Hospice Benefit.  
attachment: #19, #20, #21, #22, #23, #24

8. If there is not sufficient numeric need to support approval of this project, provide documentation supporting the project's applicability under WAC 246-310-290(12). This section allows the department to approve a hospice agency in a planning area absent numeric need if it meets the following review criteria:

- All applicable review criteria and standards with the exception of numeric need have been met;
- The applicant commits to serving Medicare and Medicaid patients; and
- A specific population is underserved; or
- The population of the county is low enough that the methodology has not projected need in five years, and the population of the county is not sufficient to meet an ADC of thirty-five.

Note: The department has sole discretion to grant or deny application(s) submitted under this subsection.

- Heart of Hospice is making the assumptions based on experience in providing hospice in the State of Washington. The numbers we have used to forecast use rate, market share, intensity of service and all other data is based on our experience in Hospice in similar counties in both Washington and Oregon. These assumptions are based on Heart of Hospice's 2020 experience, we have extrapolated the data from Heart of Hospice's actual operation.

- Heart of Hospice has forecasted using the Department of Health's Certificate of Need Program Numeric Methodology outlined in WAC (246-310-290) providing hospice and also using the Methodology assumptions that the state has provided.
- Heart of Hospice has combined both the states data and our actual data throughout this application.
- Heart of Hospice has great hospice experience in opening hospices in the State of Washington. Currently, Heart of Hospice provides Hospice in Klickitat, Skamania, Snohomish counties. Our vast knowledge of this very special patient population has brought us to agreeing with the state and that the need for hospice care is most necessary. Heart of Hospice provides hospice also in the State of Oregon. Our experience in operating a Medicare Certified Hospice has led us to our assumptions of need. We have the knowledge to understand how to provide care when hospice is needed and how our unique geography and patient populations require a team with experience of working with many difference geographies in the mountains, rivers, and cities. Providing hospice in yurts, mansions, skilled nursing homes, assisted living communities, forests, riverside, stick-built homes, mobile homes, under bridges and anywhere else someone calls home, requires a very special team of professionals who agree that EVERYONE who meets the Medicare Guidelines deserves to receive hospice regardless of where they call home and regardless of their ability to pay. Each person who has a life limiting illness with six months or less, if the disease follows its normal course, has the right to receive hospice by a team of professionals. Until we as a community and The State of Washington have reached each and every one of these individuals Heart of Hospice will continue to believe that NEED is necessary.
- Heart of Hospice's admission policies prohibit discrimination on the basis of race, income, ethnicity, sex, disability, age, pre-existing condition, physical, mental status and sexual identity. 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 welcomed at Heart of Hospice. There is no reason that Heart of Hospice would not accept a patient who qualifies and is wanting to elect their Hospice Benefit.

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

Financial feasibility of a hospice project is based on the criteria in [WAC 246-310-220](#).

1. Provide documentation that demonstrates the immediate and long-range capital and operating costs of the project can be met. This should include but is not limited to:
  - Utilization projections. These should be consistent with the projections provided under the Need section. Include all assumptions.

- Pro Forma revenue and expense projections for at least the first three full calendar years of operation. Include all assumptions.
- Pro Forma balance sheet for the current year and at least the first three full calendar years of operation. Include all assumptions.
- For existing agencies proposing addition of another county, provide historical revenue and expense statements, including the current year. Ensure these are in the same format as the projections. For incomplete years, identify whether the data is annualized.

2. Provide the following agreements/contracts:

- Management agreement.
- Operating agreement
- Medical director agreement
- Joint Venture agreement  
attachment: #3, #13

Note, all agreements above must be valid through at least the first three full years following completion or have a clause with automatic renewals. Any agreements in draft form must include a document signed by both entities committing to execute the agreement as submitted following CN approval.

3. Provide documentation of site control. This could include either a deed to the site or a lease agreement for the site.

If this is an existing hospice agency and the proposed services would be provided from an existing main or branch office, provide a copy of the deed or lease agreement for the site. If a lease agreement is provided, the agreement must extend through at least the projection year. Provide any amendments, addendums, or substitute agreements to be created as a result of this project to demonstrate site control.

If this is a new hospice agency at a new site, documentation of site control includes one of the following:

- a. An executed purchase agreement or deed for the site.
- b. A draft purchase agreement for the site. The draft agreement must include a document signed by both entities committing to execute the agreement as submitted following CN approval.
- c. An executed lease agreement for at least three years with options to renew for not less than a total of two years.
- d. A draft lease agreement. For Certificate of Need purposes, draft agreements are acceptable if the draft identifies all entities entering into the agreement, outlines all roles and responsibilities of the entities, identifies all costs associated with the agreement, includes all exhibits referenced in the agreement. The draft agreement must include a document signed by both entities committing to execute the agreement as submitted following CN approval.



Leased office at 1460 Wilmington Drive, Dupont WA. This office has been leased for Five (1) years with one (1) option of two (2) years. Heart of Hospice will use this space for both the Pierce County CN and also the Thurston County CN. This lease will remain in effect if both or either CN's are granted. If the department does not grant Heart of Hospice CN for both Pierce or Thurston county Heart of Hospice has till 12/31/2021 to terminate lease. Heart of Hospice has notified the department that the landlord has the lease at legal for signature and that we will have the lease signed in two weeks. Heart of Hospice will have the lease at the department prior to the screening.

See attached # 35

4. Complete the table on the following page with the estimated capital expenditure associated with this project. Capital expenditure is defined under [WAC 246-310-010\(10\)](#). If you have other line items not listed in the table, include the definition of the line item. Include all assumptions used to create the capital expenditure estimate.

Item	Cost
a. Land Purchase	\$0.00
b. Utilities to Lot Line	\$0.00
c. Land Improvements	\$0.00
d. Building Purchase	\$0.00
e. Residual Value of Replaced Facility	\$0.00
f. Building Construction	\$0.00
g. Fixed Equipment (not already included in the construction contract)	\$0.00
h. Movable Equipment	\$0.00
i. Architect and Engineering Fees	\$0.00
j. Consulting Fees	\$0.00
k. Site Preparation	\$0.00
l. Supervision and Inspection of Site	\$0.00
m. Any Costs Associated with Securing the Sources of Financing (include interim interest during construction)	
1. Land	\$0.00
2. Building	\$0.00
3. Equipment	\$0.00
4. Other	\$0.00
n. Washington Sales Tax	\$0.00
<b>Total Estimated Capital Expenditure</b>	<b>\$0.00</b>

\*Heart of Hospice is not building a building. We are leasing office space.

5. Identify the entity responsible for the estimated capital costs identified above. If more than one entity is responsible, provide breakdown of percentages and amounts for each.

Heart of Hospice is not building a building. We are leasing office space.  
Heart of Hospice does not have these Capital Expenses.

6. Identify the amount of start-up costs expected to be needed for this project. Include any assumptions that went into determining the start-up costs. Start-up costs should include any non-capital expenditure expenses incurred prior to the facility opening or initiating the proposed service. If no start-up costs are expected, explain why.

Heart of Hospice has included the Lease Payments for the Pierce/Thurston County office in the Financials provided. You will notice that these fees have been included in the Occupancy Expense for 2021. Under the tab OCCUPANCY in the excel spreadsheet that has been provided you see the note that outlines occupancy expenses that match the lease as provided. Because we are fully operational in other counties Heart of Hospice has a unique position for Cost-Savings. Heart of Hospice does not nor will not

need the Start Up Cost like other organizations might need due to the fact that they are not in operation and are not Medicare and or State Licensed. The cost associated with Start-Up will be related to hiring and training staff and office space lease. Operating a hospice in the State of Washington has three components. Heart of Hospice already has the first two parts (Medicare Certification and State Licensure). Heart of Hospice is seeking the third part which is the CN for Thurston county. You will notice in the performa that Heart of Hospice has listed the full lease in both Thurston and Pierce. We have shown this in order to show that we are able to cover all cost regardless if we only receive one or the other CN.

7. Identify the entity responsible for the estimated start-up costs identified above. If more than one entity is responsible, provide breakdown of percentages and amounts for each.

The capital expenditure for this project will be funded through existing agency reserves. A letter has been provided to show that Heart of Hospice has the funds needs to complete this project.  
attachment #10

8. Explain how the project would or would not impact costs and charges for healthcare services in the planning area.

Would not change healthcare charges.

9. Explain how the costs of the project, including any construction costs, will not result in an unreasonable impact on the costs and charges for health services in the planning area.

Heart of Hospice does not have any cost associated with construction. The cost assosicated with this project are all patient related. These cost are covered by the mediare payment. Medicare provides an annual update of the payment structure of hospice.

10. Provide the projected payer mix by revenue and by patients by county as well as for the entire agency using the example table below. Medicare and Medicaid managed care plans should be included within the Medicare and Medicaid lines, respectively. If “other” is a category, define what is included in “other.”

Our projections are outlined in our excel workbook. The percentage of revenue projections are the same for all counties. We used the same projections.

Payer Mix	Percentage of Gross Revenue	Percentage by Patient
Medicare	89%	89%
Medicaid	2%	2%
Other Payers (list in individual lines) VA/BCBS/	5%	5%

Charitable/No-PAY	4%	4%
Total	100%	100%

11. If this project proposes the addition of a county for an existing agency, provide the historical payer mix by revenue and patients for the existing agency. The table format should be consistent with the table shown above.

Our projections are based on our actual revenues. You will find in your performance we have shown our actual for 2020 and used those numbers to project out.

Payer Mix	Percentage of Gross Revenue	Percentage by Patient
Medicare	89%	89%
Medicaid	2%	2%
Other Payers (list in individual lines) VA/BCBS/	5%	5%
Charitable/No-PAY	4%	4%
Total	100%	100%

12. Provide a listing of equipment proposed for this project. The list should include estimated costs for the equipment. If no equipment is required, explain.

No new medical equipment is being proposed for this project. Heart of Hospice already owns all of the medical equipment that it needs for this project, with the exception of (a) de minimus items such as stethoscopes and the usual contents of a nurse's bag, and (b) leased medical equipment to be provided to patients under our Durable Medical Equipment contract.

13. Identify the source(s) of financing (loan, grant, gifts, etc.) and provide supporting documentation from the source. Examples of supporting documentation include: a letter from the applicant's CFO committing to pay for the project or draft terms from a financial institution.

Heart of Hospice is not seeking funding from any institution. Heart of Hospice has their reserves and also the commitment of Steve Morris, CEO/Owner. Mr. Morris is capable of fully funding this project without any outside sources. Mr. Morris has provided a letter to state this.

Attachment #10, #11

14. If this project will be debt financed through a financial institution, provide a repayment schedule showing interest and principal amount for each year over which the debt will be amortized.

Heart of Hospice will not be seeking funding from a financial institution.

15. Provide the most recent audited financial statements for:

- The applicant, and
- Any parent entity responsible for financing the project.

Heart of Hospice does not have audited financial statements. Attached you will find our Current Balance Statements and also our Profit and Loss statement.

Attachment # 38

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

Projects are evaluated based on the criteria in [WAC 246-310-230](#) for staffing availability, relationships with other healthcare entities, relationships with ancillary and support services, and compliance with federal and state requirements. Some of the questions within this section have implications on financial feasibility under [WAC 246-310-220](#).

1. Provide a table that shows FTEs [full time equivalents] by category for the county proposed in this application. All staff categories should be defined.

Thurston Staff	2021 FTE		2022 Projection		2023 Projection		2024 Projection	
	FTE		FTE		FTE		FTE	
RN	10		13		18		19	
LPN								
Hospice Aide	8		11		15		16	
<b>NURSING TOTAL</b>	18		24		33		35	
Admin	1		1		1		1	
Medical Director	2		3		3		3	
DNS	1		1		1		1	
Business/Clerical	4		5		6		7	
<b>ADMIN. TOTAL</b>	8		10		11		12	
PT (contracted)								
OT (contracted)								
Speech Therapist	1		1		1		1	

Med Social Work	2		3		4		4	
Pastoral / Other Counselor	2		3		4		4	
1Volunteers	3		4		4		4	
Other (specify):	2		2		2		2	
<b>ALL OTHERS TOTAL</b>								
<b>TOTAL STAFFING</b>	36		47		59		62	

2. If this application proposes the expansion of an **existing** agency into another county, provide an FTE table for the entire agency, including at least the most recent three full years of operation, the current year, and the first three full years of operation following project completion. There should be no gaps in years. All staff categories should be defined.

Total Staff	2021 FTE		2022 Projection		2023 Projection		2024 Projection	
	FTE		FTE		FTE		FTE	
RN	10		13		18		19	
LPN								
Hospice Aide	8		11		15		16	
<b>NURSING TOTAL</b>	18		24		33		35	
Admin	1		1		1		1	
Medical Director	2		3		3		3	
DNS	1		1		1		1	
Business/Clerical	4		5		6		7	
<b>ADMIN. TOTAL</b>	8		10		11		12	
PT (contracted)								
OT (contracted)								
Speech Therapist	1		1		1		1	

Med Social Work	2		3		4		4	
Pastoral / Other Counselor	2		3		4		4	
1Volunteers	3		4		4		4	
Other (specify):	2		2		2		2	
<b>ALL OTHERS TOTAL</b>								
<b>TOTAL STAFFING</b>	36		47		59		62	

3. Provide the assumptions used to project the number and types of FTEs identified for this project.

Heart of Hospice believes in keeping our ratios lower than national average is most important in providing the highest level of service to our patients. Our staffing assumptions are 1 RN per 10 patients, 1 MSW per 35 Patients, 1 Spiritual Care Consoler per 40 patients, 1 C.N.A. per 10 patients. We take great pride in being able to meet the complete hospice needs of our patients.

Heart of Hospice ratios are better than those put forth by the National Hospice and Palliative Care Organization. As required by federal law we ensure 24-hour per day, 7 days per week availability. Our Goal is to provide a low patient per clinician percentile. This allows for each patient to receive the highest level of care. This level of commitment is what is needed by each and every individual who is seeking their hospice benefit.  
attachment #32

4. Provide a detailed explanation of why the staffing for the agency is adequate for the number of patients and visits projected.

The staffing model Heart of Hospice follows is sufficient for adequate care for the number of patients and visits that are being projected. Heart of Hospice has used this model throughout all of our experience and have found that the level of care that we provide has matched the visits needed. Our ratio staff numbers are better than the national averages throughout hospice. This is how we have come to making our assumptions.  
attachment #32

5. Provide the name and professional license number of the current or proposed medical director. If not already disclosed under 210(1) identify if the medical director is an employee or under contract.

Dr. Stephen McLennon, MD  
 MD60823639  
 Full time employeed  
 attachment #12, #13

6. If the medical director is/will be an employee rather than under contract, provide the medical director’s job description.

Full time employeed  
 attachment #13

7. Identify key staff by name and professional license number, if known. (nurse manager, clinical director, etc.)

Leigh Stratton, Clinical Director RN60149796

8. For existing agencies, provide names and professional license numbers for current credentialed staff.

First Name	Last Name	WA License #
Katelyn	Dean	NC61003168
Brandy	Estep	NC60888299
Jessalyn	Fey	RN60837053
Elizabeth	Fisher	RN60640968
Ruesha	Hendricks	RN61040348
Lesley	Laraway	RN00160831
Bobbie	Lupoli	N261111797
Sara	Marsden	RN61044357
Stephen	McLennon	MD60823639
Gillian	Nelson	RN60932617
Andra	Parsons	RN60918163
Megan	Reed	NC60793939
Laura	Roe	NC60013068
Lorie	Saito	AP60507001
Leigh	Stratton	RN60149796

9. Describe your methods for staff recruitment and retention. If any barriers to staff recruitment exist in the planning area, provide a detailed description of your plan to staff this project.

Heart of Hospice will continue to recruit and orientate clinicians with the highest regards to quality of service. We also believe that having lower patient to staff



ratios create a more positive and productive place to work. The current management team and Board of Directors will ensure that each and every clinician recruited to serve Thurston county is given the same support that the current staff receive. With the current decrease in unemployment, Heart of Hospice has taken great strides in creating a competitive place for people wanting to work. Heart of Hospice has increased the base wages across the board and has also increased our benefits package. Heart of Hospice provide 100% employer paid Health Insurance, Dental Insurance, Vision Insurance, Short Term-Disability, Long Term-Disability, and Life Insurance for each and every full-time employee regardless of their position. Heart of Hospice has also increased our 401K employer Match to help each team member save for the future. Heart of Hospice provide a very competitive Paid Time Off benefit in order for our team to refuel and have a work life balance. Heart of Hospice has great success in growing our own team. We have a history of our C.N.A. continuing their education to become Registered Nurses. Heart of Hospice also takes great pride in recruiting staff and introducing them to the Hospice World. It is not our intention to poach staff from the current providers.

Immediately upon receipt of the Certificate of Need, Heart of Hospice will use Indeed.com, the careers page of its new social-media enabled website and our successful employee referral bonus program, to recruit the following staff:  
Three Registered Nurse Case Manager  
One CNA  
One office-based Patient Care Specialist to provide administrative support and a marketing/education specialist

Filling these positions so that we can begin caring for patients throughout Thurston county immediately will be our first HR priority from the moment the Certificate of Need is received. In our experience, when appropriate resources are dedicated to processing applications and conducting interviews, these positions should take no longer than one month to fill, from advertisement of the position through the new employee's first day. Therefore, by the beginning of the second month after receipt of the CN, the Thurston county office will be appropriately staffed to care for up to ten patients. Our social worker, spiritual care coordinator, volunteer coordinator, bereavement coordinator, medical director and patient care manager will complete the starting Thurston county Interdisciplinary Group while we recruit Pierce County-based staff to fill those positions locally.

Therefore, by the beginning of month two, we are confident that we would have a locally-based administrative person, a marketing/education specialist, CNA, nurse, social worker and spiritual care coordinator. Additional support, as needed, will be lent from Heart of Hospice (Main).

By month three, we'd expect our census to exceed ten patients on service. At this point, it is time to begin recruiting for a second CNA.

Recruitment and hiring is driven in part by census.

To summarize, if census growth is linear and according to plan, hiring in the first three months following receipt of the certificate of need is planned as follows:

End of Month 1: 3 Local RN, CNA and Admin. Visiting DCS, PCM, SW, SCC, VC/BC and Medical Director.

End of Month 2: CNA, Admin, SW and SCC. Visiting DCS, PCM, VC/BC and Medical Director.

End of Month 3: CNA, Admin, SW, SCC, VC/BC. Visiting DCS, PCM, and Medical Director. Recruitment for second RN and CNA begins.

End of Month 4: CNAs, one admin, SW, SCC, VC/BC. Visiting DCS, PCM and Medical Director.

Heart of Hospice will continue to recruit and orientate clinicians with the highest regards to quality of service. The current management team and Board of Directors will ensure that each and every clinician recruited to serve Thurston county is given the same support that the current staff receive. Heart of Hospice has taken great strides in creating a competitive employer. Heart of Hospice has increased the base wages across the board and has also increased our benefits package. Heart of Hospice provide 100% employer paid Health Insurance, Dental Insurance, Vision Insurance, Short Term-Disability, Long Term-Disability, and Life Insurance for each and every full-time employee regardless of their position. Heart of Hospice also provides a 401k with a 3% employer match – almost unheard of, amongst small businesses, to help each team member save for the future. Heart of Hospice provides a Paid Time Off benefit that is competitive with large corporate employers, in order for our team to refuel and have a work life balance. We also support professional development by providing education reimbursement for eligible employees who complete their Registered Nursing education while employed at the hospice. By providing big-employer benefits and opportunities in a small-company, family-like environment that affords direct access to the leadership team at all times, Heart of Hospice has had great success in growing our own teams thus far, and looks forward to carrying on that tradition in Thurston county.

10. Identify your intended hours of operation and explain how patients will have access to services outside the intended hours of operation.

Heart of Hospice business hours are Monday through Friday from 8:00 a.m. to 5:00 p.m. However, we have on-call staff available 24 hours a day, 7 days per week.

11. For **existing** agencies, clarify whether the applicant currently has a method for assessing customer satisfaction and quality improvement for the hospice agency.

Heart of Hospice is contracted with FAZZI CAHPS (Medicare Approved). October 2018 FAZZI Awarded Heart of Hospice with the Award of Distinction. This is the 3<sup>rd</sup> year in a row that Heart of Hospice has received this distinction. Once more, Heart of Hospice takes great pride and detail in ensuring that each and every patient receives the level of hospice care that they are entitled to receive according to Medicare and also the State of Washington. We have included our policies on Quality Improvement (QAPI).

12. For **existing** agencies, provide a listing of ancillary and support service vendors already in place.

Skyline Hospital: GIP, Respite

Mid-Columbia Regional Medical Center: GIP, Respite

Providence Hood River Memorial Hospital: GIP, Respite

NORCO: DME

OPTUM: Pharmacy Oversight

Visiting Health Services Home Care Services: PT, OT, Therapy

As you can see we are prepared to be a community partner and work with other Health Care providers to bring the mission of Hospice to the community. Once the CN is awarded we will extend our contracted obligations with additional local providers in order to meet the patient's needs. Heart of Hospice will seek local Hospital, and Skilled Nursing Home Agreements. These agreements will be necessary to provide general inpatient and respite services to our hospice beneficiaries. Heart of Hospice has provided all the required contracts that Medicare Requires to show that we know what we are doing. Heart of Hospice is always following the regulations and wants to show the department that even though these contracts may not be related to Thurston county we understand the importance of the contract and the relationships to provide a high-level hospice. The contracts that will be utilized is our NORCO (durable medical equipment) and HospiScripts/Optum (pharmacy) contracts. These contractual arrangements are with Heart of Hospice and do not need to be assigned directly to the Thurston County Office. Being that Heart of Hospice is already a thriving and regulatory following program we will continue to ensure that all contractual relationships are in place prior to providing care in Thurston County.

Heart of Hospice will ensure that each and every required contractual relationship is in place prior to 12/01/2021 the identified start date in our per forma. These relationships will be in place and will follow the regulatory requirements. Heart of Hospice has chosen to wait for the CN to be granted to complete these. Establishing the relationships and services that are required to meet regulatory requirements will be completed prior to 12/01/2021.

attachments: #14, #15, #16, #17, #18

12. Identify whether any of the existing ancillary or support agreements are expected to change as a result of this project.

The working relationships we have in place will not change. Once CN is granted we will build additional relationships. The relationships we have that currently serve Klickitat and Skamania Counties will remain in place.

13. For **new** agencies, provide a listing of ancillary and support services that will be established.

N/A

14. For **existing** agencies, provide a listing of healthcare facilities with which the hospice agency has working relationships.

Skyline Hospital: GIP, Respite

Mid-Columbia Regional Medical Center: GIP, Respite

Providence Hood River Memorial Hospital: GIP, Respite

NORCO: DME

OPTUM: Pharmacy Oversight

Visiting Health Services Home Care Services: PT, OT, Therapy

15. Clarify whether any of the existing working relationships would change as a result of this project.

The working relationships we have in place will not change. Once CN is granted we will build additional relationships. The relationships we have that currently serve Klickitat and Skamania Counties will remain in place.

16. For a **new** agency, provide a listing of healthcare facilities with which the hospice agency would establish working relationships.

N/A

17. Identify whether any facility or practitioner associated with this application has a history of the actions listed below. If so, provide evidence that the proposed or existing facility can and will be operated in a manner that ensures safe and adequate care to the public and conforms to applicable federal and state requirements. [WAC 246-310-230\(3\) and \(5\)](#)

- a. A criminal conviction which is reasonably related to the applicant's competency to exercise responsibility for the ownership or operation of a hospice care agency; or
- b. A revocation of a license to operate a health care facility; or

- c. A revocation of a license to practice a health profession; or
- d. Decertification as a provider of services in the Medicare or Medicaid program because of failure to comply with applicable federal conditions of participation.

NONE.

18. Provide a discussion explaining how the proposed project will promote continuity in the provision of health care services in the planning area, and not result in an unwarranted fragmentation of services. [WAC 246-310-230](#)

This project greatly improves continuity and avoids fragmentation. Thurston county residents currently do not have access 100% to a Medicare and Medicaid hospice program. The approval of this project will allow for us to serve the residents of Thurston throughout the entire county. We are seeking approval in order to serve the entire county not only the high-density patient populations. Our history has proven that we are able to meet patients and family's needs regardless of the geographic location. We currently serve patients in remote areas (off the grid) and also in the city. Our ethics prove that regardless of individuals social economic or geographic location our team is 100% dedicated to their quality of care. Patients and families who are terminal ill should have options and access to Quality Hospice Care. Most of the individuals who are being faced with end of life need immediate access to Hospice. Frequently, we have found that individuals who do not have choice or access and die without hospice could have died with comfort knowing that Hospice was by their side. This approval will allow the individuals throughout Thurston County to know that Heart of Hospice is available to them when they are ready and they are able to start receiving hospice the moment they contact our office. Throughout this application we have shown our commitment to our communities. Our history shows we are able to serve large counties and reach the patient where ever they call home. We are prepared to go the distance to change the life of one patient and family at a time.

19. Provide a discussion explaining how the proposed project will have an appropriate relationship to the service area's existing health care system as required in [WAC 246-310-230](#).

Heart of Hospice has always been a positive member of the health care community and also the community itself. Heart of Hospice will continue to work with local providers and other hospice in order to serve the patient's who desire to seek hospice care. Heart of Hospice intension is to partner with the community not to destroy or tear apart any other providers. Heart of Hospice refuses to be part of a community of distruction and hurt. Throughout our past CN applciations we have always taken the high road as we have had to defend ourself of mistruths trying to destroy our name. We will continue to stand as a proud member of the Hospice Profession and always push for a positive experience. Our hope is that all hospice's and

healthcare providers would follow the ethics they speak and welcome us into the community to help us serve.

20. The department will complete a quality of care analysis using publicly available information from CMS. If any facilities or agencies owned or operated by the applicant reflect a pattern of condition-level findings, provide applicable plans of correction identifying the facility's current compliance status.

Heart of Hospice does not have any condition-level findings nor has Heart of Hospice ever had any condition-level findings. In fact our last Washington Survey we passed with 100% approval.

21. If information provided in response to the question above shows a history of condition-level findings, provide clear, cogent and convincing evidence that the applicant can and will operate the proposed project in a manner that ensures safe and adequate care, and conforms to applicable federal and state requirements.

NA

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

Projects are evaluated based on the criteria in WAC 246-310-240 in order to identify the best available project for the planning area.

1. Identify all alternatives considered prior to submitting this project. At a minimum include a brief discussion of this project versus no project.

Heart of Hospice has prepared for this application because of the need the State of Washington has identified. Our mission at Heart of Hospice is to make sure those in need of hospice receive it. We are not in a position of purchasing any of the current Thurston county providers. We are capable of adding Thurston county to our operation and meeting the un-met need as identified by the State of Washington. This opportunity will allow Heart of Hospice to reach its GOAL of SERVICE. We are financially stable, debt free, and can support Thurston county. We have no other alternatives than applying and being granted this CN.

Heart of Hospice has put forward a very real and up-to-date application based on real Washington Hospice operations. We already operate in the State of Washington and remain in good standing with a perfect state survey. No other CN applicant can offer this. We are able to contain our cost and share office resources to manage most efficiently and professionally. Our overhead cost is reduced as we are already fully functioning in the state and require very little capital investment to be fully operational in Thurston county. Heart of Hospice number one concern is patient care and quality. Heart of Hospice has provided the information from the Veterans Administration. We are a 4 Star Hospice Partner and wish to continue to serve this very unique patient population of heroes who deserve the highest level in End of Life Care. We have operated for over 15 years as Heart of Hospice providing care throughout the Columbia Gorge and now we are

excited to expand and provide the same exceptional care in Thurston County. We are committed to the State of Washington and strive to be a leader in hospice in this state. Steve Morris, our owner is a Washington Resident and is fully committed to this service, he has owned and operated Hospice since 2005 full time. We believe the department should consider Heart of Hospice to be the BEST because the department is also familiar with the quality of care that Heart of Hospice provides. Heart of Hospice has a record with the State of Washington as being a partner who cares about what they do. To us this is the biggest measure one can have. The department has had the opportunity to work with Heart of Hospice for several years and has most recently awarded Heart of Hospice with a Perfect State Survey as of October 2017. This measure alone makes us Stand Out. The State of Washington has a very HIGH Standard and we are very proud of our work. Each of the members of our team are excited for this opportunity and have come forward to support this application. As an employer, we are also excited to bring new career opportunities to Thurston County while offering a very competitive employment package and a great place to work.

According to the federal regulations all services must be provided by staff employed by the hospice agency. Only under extreme circumstances may a hospice subcontract for core services. Our program takes great pride and offers only full time employment to each and every hospice professional. We believe that our patients deserve the respect and the continuity of care by our team. Our program takes great pride in providing the services we provide. We do not feel that we should ever postpone this action. Many times, we are only given hours to care for a patient. Our program must be prepared to react the moment the phone rings and we are asked to help. This is what sets us apart from other programs. We strive to set the highest standards in Hospice care. We have made the choice to remain focused on Hospice Care. We do not seek to be an organization that conquers all aspects of healthcare. We made a conscious decision to become experts in HOSPICE and only HOSPICE. We believe that being a HOSPICE only organization sets us apart as this is our only area of focus. The idea of diversifying into other areas of healthcare venture has zero appeal to our organization. Our goal is to set the Highest Standard of care while providing a great place to work while providing "The Right Hospice to the Right Patient at the Right Time." As we have shown throughout this application we are able to contain cost and utilize the resources Medicare offers to us in order to provide "The Right Hospice to the Right Patient at the Right Time." We have proven throughout this application that we are able to provide the highest level of care and that we spend more direct time with our patients during their last days while maintain a positive cash flow and being debt free. This is easy for us. We are extremely proud of the hospice services our organization provides to our communities. We have decided to apply for Thurston and Pierce counties so that we are able to provide THE RIGHT

HOSPICE FOR THE RIGHT PATIENT AT THE RIGHT TIME. We truly are passionate about hospice service and have made it our life mission to provide the highest level of services we can under the Medicare Hospice Benefit. According to NHPCO (National Hospice and Palliative Care Organization 2020 Editions Facts and Figures ((Hospice Care in America)). In 2018 of all Medicare decedents 50.7% received one day or more of hospice care and were enrolled in hospice at the time of death. The state of Washington was 46%. This is sad to us. Not only has NHPCO indicated that Washington State is behind the national average. BUT, also the State of Washington has proven that Pierce and Thurston Counties are currently not able to serve the population. OUR drive to bring hospice to these communities can change family's perception of HOSPICE. Once more according to NHPCO of all the MEDICARE Hospice Beneficiaries. 26.3% received hospice for 1-7 days. 11.5% 8-14 days, 12.1% 15-30 days. This is not acceptable... Currently, 50% of Medicare Hospice Recipients are receiving hospice for less than 30 days... Heart of Hospice wants to help change the way hospice is perceived and received in the State of Washington. It is for this reason we are seeking the CN that have been identified by the state. Heart of hospice is on trend with the National Statistics and want to help bring the State of Washington up. Heart of Hospice also wants to see more and more Medicare Beneficiaries receiving the hospice benefits. Hospices as a community need to work together in order to make this happen and that is what we intend to do. WE are ready to work with the current providers and become a team for excellence. As provided in the application Heart of Hospice has proven our commitment to regulations and to service. We maintain that our excellence will impact these two counties and for that reason we made the decision to apply for all three at the same time. At no time have we considered not applying for these counties. WE are 100% committed to the service of hospice and only will find a positive outcome once we are working with our community partners to have an impact with them on these communities. As the department is aware. Heart of Hospice had applied for Thurston and Clark Counties prior. Heart of Hospice was not granted the CN's due to competing applications. Heart of Hospice met all needs of the applications prior. Heart of Hospice has sought Technical Assistance from the department and has shown for 15 years the commitment that Heart of Hospice has to provide this care. Heart of Hospice respected the departments decisions and continued to seek the assistance from the department in order to submit a successful application so that we can SERVE these communities. Heart of Hospice has proven to the State of Washington that we are a PARTNER for HOSPICE Care and that is why we are so dedicated to this service. WE will continue to push to provide this care and will continue to seek wisdom to provide HOSPICE. As prior stated Heart of Hospice only focus is on HOSPICE and we feel this sets us apart and allows for 100% focus on our Hospice Goal of impacting our communities with compassionate hospice.



Throughout our application we have shown the steps Heart of Hospice takes to reach the patients and family. We have shown our level of intensity in the application, and it is for this reason we have pushed forward with submitting both counties. WE want to be an agent of change for HOSPICE...

The focus of our staff is patient care. We believe Medicare intended for us to be with our patients and provide the care we are trained to provide. As you are aware Medicare Pays all hospices based on a per diem rate. We do not receive any further funding for any additional care we provide. The idea of providing more visits with our patients makes us a stronger program. Our responsibility is to not only be the best steward of the Medicare trust fund but also to the patients we serve. We also believe that our marketing approach is to provide the best hospice care and in return we will have a profound impact on the communities we serve. Our staff of medical professionals can easily retain a job anywhere with the current medical shortage. I am proud that each member of our team wants to be with our hospice as they are truly able to provide the highest level of care based on need not finance. The medical professionals who choose to work in Hospice have a great desire to impact the families they serve. Our programs focus is to give the staff the opportunity to do just that. In return the staff productivity increases.

- (a) Improved service in geographic areas and to special populations;  
Heart of Hospice will improve service in Thurston County with our experience in, and strong focus on, seeking the hard-to-reach patient population in rural areas, as well as the more densely populated areas. Heart of Hospice is familiar with what it takes to reach the far and wide. Based on our current operations, Heart of Hospice has the resources and skills in place to go places that other may not or have not gone before. Heart of Hospice currently works with special populations in Washington and has created positive outcomes that may otherwise not have happened if Heart of Hospice had not been involved. For example, Heart of Hospice takes great pride in working beside our Sovern Nation community. We have grown to understand this amazing group of American's and work with the elders to achieve the goal of comfort. Heart of Hospice has and is not afraid to reach out to geographic areas that you need to take a snow plow with you in-order to provide care in the rural areas of Washington. These are just a few examples of what we do currently to improve our community.
  
- (b) Most cost efficient and financially feasible service;  
We feel we are able to be most cost-efficient and provide financially feasible services as a result of cost-sharing efficiencies with our current operation. Our current team is ready to assist in the opening and

operation of Thurston County. Cost efficient and financial feasibility is of great importance. Heart of Hospice excels on providing Hospice Care according to the Medicare and State Regulations. If you follow the regulations that CMS has put forth you will be successful from a financial standpoint. Heart of Hospice takes the Medicare Trust Fund most seriously. Just this week we completed our 2020 Self-Determination Cap Report. I am proud to report that Heart of Hospice was under Cap by \$1,849,905.92. CAP is an indication to CMS that your hospice is admitting the appropriate hospice patients. Heart of Hospice is PROUD that we have always been under our CAP. Since its inception, Medicare has included a **cap** limiting the average annual payment per patient a **hospice** can receive. ... If a **hospice** provider's total payments divided by its total number of beneficiaries exceeds the **cap** amount, then the provider must repay the excess to the program. In order to be Cost Efficient you must work with your community partners when spending the Funds, you received from the Medicare Trust. Heart of Hospice has contracts in place that allow for smooth financial operations.  
attachment: #29

- (c) Minimum impact on existing programs;  
Our current program is stable and will continue to provide the highest level of care; Thurston County will not be a drain on our existing staff. Rather, we will hire to meet the new needs. We also seek to work with the current providers to change the way hospice is perceived in Thurston County. We want to be a partner to the hospice community as it takes all of us to have a true impact to those we serve. Heart of Hospice has high hopes that the current providers and Heart of Hospice will continue to work together and change the communities we serve. Heart of Hospice is and has been a Hospice Member with the Washington Hospice and Palliative Care Organization.
- (d) Greatest breadth and depth of hospice services;  
Heart of Hospice only focuses on hospice care, a discipline in which its owner, Steve Morris, has worked exclusively for the past twenty years. Each Board member has between eight and twenty years of hospice expertise. We are fully committed to providing Hospice the way Medicare and the State of Washington have licensed us, by meeting all of the needs of patients – physical, spiritual and emotional. We do this by spending, in some cases, double the amount of nursing time with our patients as other providers do. See our charts and comparative data in our application. We also engage volunteers and our Foundation to meet a patient's needs in creative ways – whether it be by providing hairdressing services to homebound patients, pet therapy or preserving a patient's family memories through crafts. The focus will remain the same for Thurston County. Heart of Hospice is excited to bring our Hospice Professional Organization to our neighboring county.

- (e) Historical provision of services; and

Heart of Hospice has been providing care for over ten years. And Heart of Hospice has proven to be a Program of Excellence with both our deficiency free survey in October of 2017 and also recognized three years in a row from FAZZI as a Program of Excellence. Over and over in this application we have shown our serious dedication to the profession of Hospice. This fire is deep inside of us and we will continue to impact the community as a positive force bringing Hospice to those who deserve to receive the earned Medicare Hospice Benefit.

- (f) Plans to employ an experienced and credentialed clinical staff with expertise in pain and symptom management.

Heart of Hospice will be using current Heart of Hospice staff to recruit, teach and oversee Thurston County. We will use the same teaching that has proven successful for Heart of Hospice. Heart of Hospice has outlined that we intend to continue our recruitment ahead of time. Heart of Hospice knows that Hospice is a special place to be and knows how to recruit, retain and encourage our new team members in the growing profession of hospice. Heart of Hospice provides internships, rotations, and shadowing currently for our local colleges. Heart of Hospice plans on growing these relationships into the Thurston County Universities. Currently, Heart of Hospice team members are also adjunct faculty or provide guest lecturing at our local nursing school. This is a fantastic way to introduce hospice to new professionals.

Heart of Hospice firmly believes that Heart of Hospice should be granted the CN for Thurston County. We have respectfully and completely followed these processes for four solid years with the department. We have listened and sought each and every piece of assistance the department has been willing to provide. We have provided our application with the highest level of integrity. We have chosen to be respectful and hang on our ethics rather than try to make other applicants look bad or less deserving. In reviewing our application, we have stood by the facts and proven to the department that we are worthy of being granted this CN due to pure fact of integrity and honesty. We have answered and provided the truth to each and every question asked. We feel 100% that we have met the CN requirements. We understand the department has rules they must follow and we have followed them. We have attempted to answer each and every question with honesty and pride. We have provided our CMS/Medicare and Washington State Hospice Deficiency Free Survey. We have continued to seek wisdom and guidance in providing hospice care each and every day. WE daily impact our communities and are more than excited to bring this same level of respect to our new employees and to the county of Thurston. This

application has been completed by Steve Morris. I live and breathe Hospice Care. It is my life's mission to impact the healthcare community for the highest level of service. I do believe one person can change the world one patient and family at a time. I hope those who know me and my company see this in each and everything we do. We strive to serve and that is all we can do.

2. Provide a comparison of the project with alternatives rejected by the applicant. Include the rationale for considering this project to be superior to the rejected alternatives. Factors to consider can include, but are not limited to: patient access to healthcare services, capital cost, legal restrictions, staffing impacts, quality of care, and cost or operation efficiency.

Hospice is special project. You do not have any other options to provide hospice care outside of a CN. In order to provide Hospice in a county you must have a CN. That is the purpose of this application.

3. If the project involves construction, provide information that supports conformance with WAC 246-310-240(2):

- The costs, scope, and methods of construction and energy conservation are reasonable; and
- The project will not have an unreasonable impact on the costs and charges to the public of providing health services by other persons.

Heart of Hospice does not involve construction.

4. Identify any aspects of the project that 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.

Heart of hospice does not seek any financing.

### **Hospice Agency Superiority**

In the event that two or more applications meet all applicable review criteria and there is not enough need projected for more than one approval, the department uses the criteria in WAC 246-310-290(11) to determine the superior proposal.

Heart of Hospice wishes to provide a summary of its unique ability to satisfy each of the six specific factors set forth for the Department's consideration in WAC 246-310-290(9) 35, and to make certain relevant comparative observations of the other applicants.

The six factors set forth in WAC 246-310-290(9) 35 for the Department's consideration are, as between applicants competing for a certificate of need, which applicant offers the most in terms of:

1. Improved service in geographic areas and to special populations.
2. Most cost efficient and financially feasible service
3. Minimum impact on existing programs
4. Greatest breadth and depth of hospice services
5. Historical provision of hospice services

6. Plans to employ an experienced and credentialed clinical staff with expertise in pain and symptom management.

#### Improved Service

Heart of Hospice is committed to a higher-than-average standard of care. This “improved service” philosophy is also one of the six factors that WAC 246-310-290(9) 35 allows the Department to consider in making a determination as to which, amongst competing applicants, best meets the forecasted need. Heart of Hospice is proud to provide more and better care to its patients than its competitors. Heart of Hospice looks forward to bringing an improved level of service to Thurston county. It is not difficult to see where the extra hours spent with patients – the “improved service” that is so important to the State of Washington - come from.

Heart of Hospice enjoys special recognition for its focus on the Veteran population as a Four Star level partner with the Veterans’ Administration’s “We Honor Veterans” program.

Finally, even as a small business which expends resources frugally in the interests of its patients and its employees, Heart of Hospice has achieved a level of operational sophistication that is second to no corporate organization – its most recent Washington state survey showed Heart of Hospice to be deficiency free.

#### Cost Efficient/Financial Feasibility (this section also covers Historic Provision of Hospice Services)

Heart of Hospice is an established corporate citizen of the State of Washington, having operated a hospice program here for over ten years. Intimately familiar with the laws and regulations governing the operation of a hospice program in this state, Heart of Hospice’s well-established presence in Washington, and existing Medicare/Medicaid licensure, allow it to begin service in Pierce county seamlessly and immediately, if granted the Certificate of Need. With no resources expended upon learning the local legal or business landscape, and no lead time required for Medicare/Medicaid licensure, Heart of Hospice can begin meeting Thurston county’s unmet need most efficiently.

#### Minimum impact on existing programs

If Heart of Hospice has a negative impact on existing programs, it will simply be a function of employees and patients seeking a higher standard of treatment or care in the marketplace. Heart of Hospice is a respected and long-term partner of hospitals, nursing facilities, assisted living facilities and personal care homes throughout the Colombia Gorge; it expects to build similar rich partnerships in Thurston.

#### Greatest breadth and depth of hospice services

Heart of Hospice provides hospice services in all of the same settings (in-home, nursing homes, assisted living facilities, in respite settings). This singular focus allows Heart of Hospice to consistently outdo its competitors in time spent with patients, across disciplines.

Heart of Hospice’s breadth of services extends to the fullest range of therapies and volunteer services imaginable to hospice patients – they have been covered extensively in the application. One aspect that, perhaps, has not been

highlighted thus far, is Heart of Hospice's leadership in emergency preparedness in this part of the country; during the forest fires of 2017, Heart of Hospice helped to evacuate residents in Stevenson & Klickitat counties to safety, and in 2020 Heart of Hospice partnered with Klickitat county to prepare for the COVID-19 Pandemic and emergency response.

Our staff is accustomed to working in difficult and rural conditions. Having spent winters in The Gorge where we have two roads in and out that are closed frequently, we have challenges of servicing our patients in need during difficult conditions. During our most recent past, I-84 was closed for several weeks while a fire closed us off from Protland. We had patients in Skamania County Washington that had to be evacuated because hot embers were falling into dry leaves in their yards. As soon as we were notified, we jumped into action and contacted both local hotels and facilities. The relationships we have with our local providers afforded us to provide our families with multiple options to choose from that best suit both their health care needs and the needs of their family unit.

Plans to employ an experienced and credentialed clinical staff with expertise in pain and symptom management.

Beginning with this excellent and cohesive team – all of whom have worked extensively together – Heart of Hospice will leverage its stellar reputation to recruit through personal referrals and traditional advertising channels.

Heart of Hospice's roots in the Columbia Gorge also afford it a distinct advantage when recruiting for Thurston County – many young graduates from the Gorge area will ultimately wish to spend a part of their career in "The City", and at times, professionals working in "The City" may wish to return or relocate to the rural Gorge. Having both urban and rural locations will allow Heart of Hospice to retain more of its hard-won talent than perhaps a program with only an urban location.

Heart of Hospice has recently conducted a review of its employee benefits and policies so as to significantly augment its offering to employees; we look forward to offering Pierce county employees the best professional development opportunities and benefits in the industry.

Heart of Hospice greatly appreciates the opportunity to be considered as a partner and service-provider to the Thurston county community. It has been an honor to tell the story of our work, our history and our philosophy on hospice care through this application process.

**Multiple Applications in One Year**

In the event you are preparing more than one application for different planning areas under the same parent company – regardless of how the proposed agencies will be operated – the department will require additional financial information to assess conformance with WAC 246-310-220. The type of financial information required from the department will depend on how you propose to operate the proposed projects. Related to this, answer the following questions:

1. Is the applicant (defined under WAC 246-310-010(6)) submitting any other hospice applications under either of this year's concurrent review cycles? This could include the same parent corporation or group of individuals submitting under separate LLCs under their common ownership.

Yes, Heart of Hospice has submitted applications for both Pierce and Thurston counties.

If the answer to this question is no, there is no need to complete further questions under this section.

2. If the answer to the previous question is yes, clarify:
  - Are these applications being submitted under separate companies owned by the same applicant(s); or
  - Are these applications being submitted under a single company/applicant?
  - Will they be operated under some other structure? Describe in detail.

Heart of Hospice is submitting both CN Applications as a single company/applicant.

Heart of Hospice will be operated under the same structure. Nothing different than we currently operate.

3. Under the financial feasibility section, you should have provided a pro forma balance sheet showing the financial position of this project in the first three full calendar years of operation. Provide pro forma balance sheets for the **applicant**, assuming approval of this project showing the first three full calendar years of operation. In addition, provide a pro forma balance sheet for the **applicant** assuming approval of **all** proposed projects in this year's review cycles showing the first three full calendar years of operation.

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4. In the event that the department can approve more than one county for the same applicant, further pro forma revenue and expense statements **may** be required.
  - If your applications propose operating multiple counties under the same license, provide combined pro forma revenue and expense statements showing the first three full calendar years of operation assuming approval of all proposed counties.
  - If your applications propose operating multiple counties under separate licenses, there is no need to provide further pro forma revenue and expense statements.

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## **Certificate of Need Program Revised Code of Washington (RCW) and Washington Administrative Code (WAC)**

Certificate of Need Program laws [RCW 70.38](#)

Certificate of Need Program rules [WAC 246-310](#)

### **Commonly Referenced Rules for Hospice Projects:**

WAC Reference	Title/Topic
<a href="#">246-310-010</a>	Certificate of Need Definitions
<a href="#">246-310-200</a>	Bases for findings and action on applications
<a href="#">246-310-210</a>	Determination of Need
<a href="#">246-310-220</a>	Determination of Financial Feasibility
<a href="#">246-310-230</a>	Criteria for Structure and Process of Care
<a href="#">246-310-240</a>	Determination of Cost Containment
<a href="#">246-310-290</a>	Hospice services—Standards and need forecasting method.

### **Certificate of Need Contact Information:**

[Certificate of Need Program Web Page](#)

Phone: (360) 236-2955

Email: [FSLCON@doh.wa.gov](mailto:FSLCON@doh.wa.gov)

### **Licensing Resources:**

[In-Home Services Agencies Laws, RCW 70.127](#)

[In-Home Services Agencies Rules, WAC 246-335](#)

[Hospice Agencies Program Web Page](#)