

December 29, 2021

RECEIVED

By CERTIFICATE OF NEED PROGRAM at 3:58 pm, Dec 29, 2021

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

CN22-27

Re: Application of Providence Health & Services – Washington d/b/a Providence Hospice Spokane to Operate a Medicare Certified and Medicaid Eligible Hospice Agency in Spokane County

Dear Mr. Hernandez:

Enclosed please find the certificate of need application of Providence Health & Services – Washington d/b/a Providence Hospice Spokane to operate a Medicare certified and Medicaid eligible hospice agency in Spokane County.

As required, the review and processing fee of \$21,968 has been mailed separately to you (Check #3247685). A copy of the check has been enclosed with our application.

Please contact me at 425-525-6656 or Sarah.Cameron@providence.org if you have any questions regarding this application. Thank you for your assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sarah Cameron".

Sarah Cameron
Chief Strategy and Planning
Providence Home and Community Care



Hospice Agency Certificate of Need Application Packet

Contents:

1.	260-035	Contents List/Mailing Information.....	1 Page
2.	260-035	Application Instructions.....	1 Page
3.	260-035	Hospice Application.....	12 Pages
4.	RCW/WAC and Website Links.....		1 Page

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.

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).

RECEIVED

By CERTIFICATE OF NEED PROGRAM at 3:58 pm, Dec 29, 2021

Certificate of Need Application
Hospice Agency

CN22-27

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:  Sarah Cameron Chief Strategy and Planning Email Address: Sarah.cameron@providence.org	Date: 12/30/2021 Telephone Number: (425) 525-6656
Legal Name of Applicant Providence Health & Services-Washington d/b/a Providence Hospice Spokane Address of Applicant: 1000 North Argonne Road, Suite 201 Spokane Valley, WA 99212	Provide a brief project description <input checked="" type="checkbox"/> New Agency <input type="checkbox"/> Expansion of Existing Agency <input type="checkbox"/> Other: _____ Estimated capital expenditure: \$ <u>32,646</u>
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. Spokane County	

**Providence Health & Services – Washington
d/b/a Providence Hospice Spokane**

Certificate of Need Application

**Proposing to Operate a Medicare Certified and
Medicaid Eligible Hospice Agency in
Spokane County**

December 2021

Table of Contents

Introduction and Summary	3
Applicant Description	6
Project Description.....	8
Project Rationale	
A. Need	19
B. Financial Feasibility	28
C. Structure and Process (Quality) of Care	37
D. Cost Containment.....	51

Figures

Figure 1. Providence Current and Proposed Counties Served in Washington.....	11
--	----

Tables

Table 1. Estimated Timeline for Project Implementation	9
Table 2. Hospice Services to Be Provided	9
Table 3. Providence Hospice Spokane Utilization Forecasts 2023-2025.....	19
Table 4. Hospice Admissions and Deaths by Age Cohort	21
Table 5. Deaths in Spokane County by Age Cohort	22
Table 6. Average Deaths and Projected Patients in Spokane County by Age Cohort	22
Table 7. Potential Spokane County Hospice Volume, 2020-2022 by Age Cohort.....	23
Table 8. Potential Spokane County Hospice Volume Beyond Planning Area Capacity, 2021-2023	23
Table 9. Spokane County Admissions & Patient Days Unmet Need, 2021-2023	23
Table 10. Spokane County Unmet Need Based on ADC, 2021-2023.....	24
Table 11. Spokane County Unmet Need For Hospice Agencies, 2023	24
Table 12. Providence Hospice Spokane Utilization Forecasts 2023-2025.....	28
Table 13. Providence Hospice Spokane Capital Expenditures.....	32
Table 14. Providence Hospice Spokane Estimated Start-Up Costs	33
Table 15. Providence Hospice Spokane Projected Payer Mix.....	35
Table 16. Listing of Equipment Proposed for Providence Hospice Spokane	35
Table 17. Providence Hospice Spokane FTE Forecast for Spokane County, 2022-2025.....	37
Table 18. Providence Hospice Spokane FTE Budgeted Caseload (ADC) Per FTE.....	38
Table 19. Alternative 1: Do Nothing or Postpone Action.....	52
Table 20. Alternative 2: Requested Project (CN Approval to Operate a New Hospice Agency)	53
Table 21. Alternative 3: Acquisition of an Existing Hospice Agency in Spokane County.....	54

Exhibits

- Exhibit 1. Check (Application Fee) to Washington State Department of Health
- Exhibit 2. PH&S - Washington Community Benefit, 2020
- Exhibit 3. Providence Health & Services Legal Structure
- Exhibit 4. Providence Health & Services – Washington d/b/a Providence Hospice Spokane Organizational Chart
- Exhibit 5. Providence Facilities with Post-Acute Care Services
- Exhibit 6. 1 – 9: References for Patients to Be Served
- Exhibit 7. Letter of Intent
- Exhibit 8. Department of Health 2021-2022 Hospice Numeric Need Methodology
- Exhibit 9. Admission Criteria and Process Policy
- Exhibit 10. Charity Care Policy
- Exhibit 11. Patient Family Bill of Rights and Responsibilities Policy
- Exhibit 12. Nondiscrimination Policy
- Exhibit 13. Providence Hospice Spokane Revenue and Expense Pro Forma & Assumptions
- Exhibit 14. Providence Hospice Spokane Pro Forma Balance Sheet & Assumptions
- Exhibit 15. Medical Director Job Description
- Exhibit 16. Providence Lease Agreement and Internal Rent Expense Allocation
- Exhibit 17. Letter of Financial Commitment
- Exhibit 18. Providence St. Joseph Health Audited Financials, 2020
- Exhibit 19. Washington Provider Credentials - Dr. Thomas Schaaf
- Exhibit 20. Article – Providence Invests to Retain Workers
- Exhibit 21. Employee Training and Development Policy
- Exhibit 22. Providence Home Services Clinical Ladder Handbook
- Exhibit 23. Quality Assessment and Performance Improvement Program

Introduction and Summary

Providence Health & Services - Washington d/b/a Providence Hospice Spokane ("Providence Hospice Spokane") requests certificate of need ("CN") approval to operate a Medicare certified and Medicaid eligible hospice agency to serve residents in Spokane County, Washington.

The Sisters of Providence, whose work led to the formation of Providence Health & Services - Washington ("Providence"), have provided health care services in the Pacific Northwest since the 1850s, including care for those who are approaching the end of life. These early endeavors to offer access to health care, including hospice services, were driven by a core tenet that health is a human right. More than 150 years later, the Sisters' legacy continues to serve those in need, especially those who are poor and vulnerable.

Today, Providence continues this tradition and heritage by providing personalized, compassionate whole person care for people nearing end of life. Our physicians, nurses, hospice aides, chaplains, social workers, community volunteers, and other team members provide highly effective and high-quality interdisciplinary care. This care ranges from pain control and comfort care to emotional, social, spiritual, and bereavement support, including support for family members, friends, and those who provide care.

Providence has deep experience in providing hospice services in Washington. Providence operates hospice agencies in the following Washington counties: Clark, Island, King, Klickitat, Lewis, Mason, Pierce, Skamania, Snohomish, and Thurston Counties.¹ On average, Providence in Western Washington serves more than 1,100 hospice patients daily and approximately 5,500 unique patients annually. In Washington, Providence hospice employs over 510 clinical and administrative staff and has approximately 251 volunteers serving our patients, families, and community.

Providence is a leader in the hospice provider community and actively participates in state and national organizations. Quality, safety, and clinical excellence have been core principles of the organization since its inception. Committed to the aims of the Medicare Conditions of Participation and to compliance with all local, state, and federal laws and regulations, Providence has never had any license revocations.

Ultimately, Providence is pursuing a certificate of need to establish a hospice agency in Spokane County for three reasons:

- Serve the unmet and growing needs of the population;
- Provide services to underserved and specific populations, including, but not limited to, pediatric patients, dual eligible beneficiaries, the homeless and those experiencing housing insecurity, and end-stage renal disease patients nearing the end of life;
- Promote enhanced continuity of care for patients in the planning area.

Need Is Shown for A New Hospice Agency In Spokane County

In order to determine whether there is need for new hospice agencies, the Department of Health ("the Department") relies upon the Hospice Need Forecasting Method set forth in WAC

¹ Providence Hospice (based in Portland, Oregon) operates the hospice agency in Clark County.

246-310-290. Utilizing the Forecasting Method, the numeric need for additional hospice agencies is calculated for each planning area using a three-year planning horizon.

According to the Department's 2021-2022 Hospice Numeric Need Methodology, there is an unmet ADC need of 45 in Spokane County in 2023, representing a need for 1.3 new hospice agencies in that year. Providence Hospice Spokane intends to meet that need by operating a Medicare certified and Medicaid eligible hospice agency to serve residents in Spokane County. The hospice agency will be based in the City of Spokane, utilizing existing office space currently leased by Providence.

Providence Has Extensive Experience Serving Underserved Populations

Providence has an established history and reputation of providing unique services to underserved populations in the counties where it provides hospice services. Providence intends to offer many of the same services to Spokane County residents. In serving residents of other Washington counties, Providence offers services and programs that include, but are not limited to, the following:

- Pediatric hospice and palliative care services
- End-stage renal disease program
- Dual eligible beneficiaries
- Homeless population
- Veterans
- Cardiac hospice
- Community-based palliative care
- Culturally appropriate care
- Grief and bereavement services

Given Providence's experience and dedication in providing unique services to populations who often go underserved, Providence Hospice Spokane looks forward to bringing similar services to the residents of Spokane County.

Providence Is Committed To, And Has Deep Roots In, The Local Community

Providence has a long and well-established history in northeast Washington and Spokane County. The Sisters of Providence opened Sacred Heart Hospital more than 135 years ago in 1886 on the banks of the Spokane River, with St. Luke's Rehabilitation Medical Center founded soon after in 1897. In 1919, in response to community need, Providence Mt. Carmel was opened in Colville, Stevens County. St. Joseph Hospital in Chewelah and Holy Family Hospital on Spokane's north side opened in 1929 and 1964 respectively. Today, Providence in northeast Washington delivers comprehensive tertiary and quaternary ambulatory and acute care from the beginning to end of life, including primary and specialty care, home care, and other pre- and post-acute services in a variety of in-person and virtual settings.

An Integrated Care Delivery Network with Broad Support

As part of an integrated care delivery system, Providence has an extensive footprint in Spokane County and the surrounding area of northeast Washington. With four hospitals, including Sacred Heart Children's Center, and an extensive breadth and depth of health care

services from ambulatory to post-acute, Providence has a well-integrated network of health care services. This includes Providence Home and Community Care (“PHCC”)² administered facilities and programs in Spokane County, including Providence Emilie Court Assisted Living, Providence Infusion and Pharmacy Services, Providence St. Joseph Care Center, and Providence VNA Home Health. In addition, Providence in northeast Washington through Providence Medical Group employs more than 600 physicians and advanced practice clinicians, with more than 60 clinic locations in Spokane County and Stevens County. Finally, Providence participates in a number of key joint ventures, including The Alliance for Cancer Care (partnering with Kootenai Health and Cancer Care Northwest), Life Flight Network (critical care transport), Inland Imaging (radiology services), CareUnity (an Accountable Care Organization in partnership with Kaiser Permanente), and Inland Northwest Behavioral Health (a psychiatric hospital).

In addition, and importantly, the Providence Mission reaches beyond the walls of care settings to touch lives in the places where relief, comfort, and care are needed. One way in which Providence lives its Mission is through providing community benefit. These investments not only support the health and well-being of our patients, but of the whole community. Through programs and donations, Providence’s community benefit connects families with preventive care to keep them healthy, fills gaps in community services, and provides opportunities that bring hope in difficult times. Providence provides significant community benefit in the form of free and discounted medical care; community health programs, grants, and donations; education and research programs; the unfunded portion of government-sponsored medical care; and subsidized services. In 2020, Providence provided \$675 million in community benefit in Washington.³

Further, Providence has established foundations for its hospice agencies. The Providence Hospice of Seattle Foundation and Providence Hospice Home Care Foundation of Snohomish County are the philanthropic arms of our hospice agencies serving King, Pierce, and Snohomish Counties. The foundations provide services and programs to terminally ill patients and their families. Programs include, but are not limited to, the following: children’s bereavement (Safe Crossings and Camp Erin), pediatric hospice and palliative care (Stepping Stones), adult palliative care, support of low-income patients and families (Patient Special Needs), and complementary therapies (e.g., music and massage).

Finally, when the Sisters of Providence began their tradition of caring nearly 160 years ago, they greatly depended on partnering with others in the community who were committed to the same aims. Today, we collaborate with social service and government agencies, charitable foundations, community organizations, universities and other educational institutions, local providers, and many other partners to identify the greatest needs and create solutions together. Providence Hospice Spokane will carry forward and further extend this long tradition of community collaboration.

² Providence Home and Community Care is not a separate Providence legal entity, but is an internal division of Providence. PHCC manages many of Providence’s post-acute services, in particular home health, hospice, PACE, infusion, and Skilled Nursing Facilities.

³ Please see Exhibit 2 for details about Providence Health & Services - Washington’s community benefit in 2020.

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\(6\)](#).

Providence Hospice Spokane will administer the Spokane County services out of an office currently leased by Providence Health & Services. The name and addresses are provided below:

- Legal Name: Providence Health & Services – Washington
d/b/a Providence Hospice Spokane
- Licensed Address: 1000 North Argonne Road, Suite 201
Spokane Valley, WA 99212
- Office Address: 1000 North Argonne Road, Suite 201
Spokane Valley, WA 99212

2. Identify the legal structure of the applicant (LLC, PLLC, etc.) and provide the Unified Business Identifier (UBI).

Providence Health & Services – Washington d/b/a Providence Hospice Spokane will be organized as a private, non-profit organization – 501(c)(3). A Unified Business Identifier (UBI) and State of Washington Registration and License for Providence Health & Services – Washington d/b/a Providence Hospice Spokane will be obtained after CN approval is granted.

3. Provide the name, title, address, telephone number, and email address of the contact person for this application.

The contact person for this application is provided below:

- Name: Sarah Cameron
- Title: Chief Strategy and Planning
- Address: 2811 S. 102nd Street, Suite 220
Tukwila, WA 98168
- Telephone Number: (425) 525-6656
Email Address: sarah.cameron@providence.org

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).

This question is not applicable. There is no consultant authorized to speak on our behalf related to the screening of this application.

5. Provide an organizational chart that clearly identifies the business structure of the applicant(s).

On July 1, 2016, Providence Health & Services and St. Joseph Health System, a California non-profit corporation, became affiliated. The new affiliation created a new “super-parent,” Providence St. Joseph Health (“PSJH”), a Washington non-profit corporation. PSJH has facilities located in Alaska, Washington, Montana, Oregon, California, New Mexico, and Texas.

It is important to note that Providence Health & Services remains a viable corporation as do any and all subsidiaries and d/b/a entities that fall under that corporate umbrella. This new affiliation did not change the name or corporate structure of Providence Health & Services. For the purposes of this CN application, the Providence Health & Services legal structure has been provided in Exhibit 3. In addition, an organizational chart for Providence Health & Services – Washington d/b/a Providence Hospice Spokane is provided in Exhibit 4.

6. Identify all healthcare facilities and agencies owned, operated by, or managed by the applicant or its affiliates with overlapping decision-makers. 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)**
- **Facility and Agency Location(s)**
- **Facility and Agency License Number(s)**
- **Facility and Agency CMS Certification Number(s)**
- **Facility and Agency Accreditation Status**
- **If acquired in the last three full calendar years, list the corresponding month and year the sale became final**
- **Type of facility or agency (home health, hospice, other)**

A list of all health care facilities and agencies with post-acute care services that are owned, operated by, or managed by Providence or its affiliates with overlapping decision-makers (including hospice, home health, home infusion pharmacy, durable medical equipment, PACE, skilled nursing facilities, and other residential care settings) is provided in Exhibit 5.

Project Description

1. Provide the name and address of the existing agency, if applicable.

This question is not applicable. Providence Hospice Spokane is a new agency.

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.

This question is not applicable. Providence Hospice Spokane is a new agency.

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.

The name and address of the proposed agency is provided below:

- Name: Providence Health & Services – Washington
d/b/a Providence Hospice Spokane.
- Office Address: 1000 North Argonne Road, Suite 201
Spokane Valley, WA 99212

4. Provide a detailed description of the proposed project.

Providence Health & Services – Washington d/b/a Providence Hospice Spokane seeks to operate a Medicare certified and Medicaid eligible hospice agency to serve residents of Spokane County, Washington.

Drawing upon the expertise and experience of the other hospice agencies owned and operated by Providence, Providence Hospice Spokane will provide a full range of hospice services, including all hospice services required by the Medicare and Medicaid programs. In alignment with our Mission and values, Providence Hospice Spokane will provide hospice services to Spokane County residents, regardless of their ability to pay. In addition, the hospice agency will offer specialized services such as pediatric hospice and palliative care, cardiac hospice, and grief and bereavement services, as well as programs focusing on specific populations, such as dual eligible individuals, individuals who are experiencing homelessness or unstable housing, end-stage renal disease patients, the Latino population, and veterans. We provide details about these services and populations in Section 10.

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

We confirm that the proposed agency will be available and accessible to the entirety of Spokane County.

In addition, as noted above, Providence Hospice Spokane is committed to serving

underserved populations in the community, regardless of the ability to pay, including individuals experiencing homelessness or unstable housing; infants, children, and adolescents nearing the end of life; the Latino population; veterans; dual eligible individuals; and adults living with advanced illnesses who need specialized services, such as those with advanced cardiac disease or end-stage renal disease.

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:

Table 1. Estimated Timeline for Project Implementation

Event	Anticipated Month/Year
CN Approval	August/2022
Design Complete (if applicable)	N/A
Construction Commenced (if applicable)	N/A
Construction Completed (if applicable)	N/A
Agency Prepared for Survey	October/2022
Agency Providing Medicare and Medicaid hospice services in the proposed county.	January/2023

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.

Table 2. Hospice Services to 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 checked="" type="checkbox"/> Other (please describe) Please see explanation below	

Other hospice services to be provided by this agency include, but are not limited to,

pediatric hospice and palliative care, bereavement services, cardiac hospice care, care to patients with end-stage renal disease, massage therapy, music therapy, and pet therapy.

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).

Providence Hospice Spokane will be established as a new hospice agency, rather than as an expansion of an existing agency. However, Providence provides Medicare and Medicaid hospice services through four existing agencies (Providence Hospice of Seattle, Providence Hospice and Home Care of Snohomish County, Providence SoundHomeCare and Hospice, and Providence Hospice (based in Portland, Oregon) in the following counties in Washington: Clark, Island, King, Klickitat, Lewis, Mason, Pierce, Skamania, Snohomish, and Thurston.

Figure 1 contains a map of all counties served by Providence hospice agencies in Washington, as well as the proposed addition of Spokane County.

Figure 1. Providence’s Current and Proposed Counties Served in Washington



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 proposed project in Spokane is a new agency and will not be an expansion of an existing agency. However, Providence Hospice Spokane will utilize the expertise and experience of Providence’s existing programs and services and will provide a full range of services to Spokane County residents. Details are provided in Section 10.

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.).

The proposed agency will serve all patients requiring hospice services in Spokane County, with an emphasis on underserved populations, especially the poor and vulnerable. Providence Hospice Spokane intends to provide a full range of hospice services to patients of all ages, regardless of insurance status or ability to pay.

Consistent with the other Providence hospice agencies in Washington, Providence Hospice Spokane will serve hospice patients, as well as their families, with teams of experienced, compassionate, professional health care providers who have specialized training in end-of-life care. Our hospice care teams will include hospice physicians, advanced registered nurse practitioners, nurses, medical social workers, hospice aides (certified nursing assistants), chaplains, occupational/physical/speech therapists, pharmacists, grief support counselors, and volunteers. The teams will provide comprehensive services, ranging from pain control and comfort care to emotional, social, and spiritual support, including support for family members and caregivers.

Specialized hospice services will be provided to meet the needs of specific communities. This includes, but is not limited to, children living with life limiting illnesses, individuals experiencing homelessness or housing instability, and, most recently, caring for COVID-positive patients in supervised living settings, as well as home settings. In the early part of the pandemic, Providence partnered quickly with skilled nursing facilities impacted by COVID outbreaks to share infection prevention practices, offer supportive services to facility staff to cope more effectively with stress and fear, provide direct clinical care to those facing end of life, and provide testing, as appropriate, to ensure the safe provision of care.

The proposed hospice agency will focus on, but not be limited to, the provision of services in Spokane County, such as:

Pediatric Hospice and Palliative Care

Providence has extensive, long-standing experience in Washington providing pediatric hospice care, concurrent care, and palliative care to infants, children, and adolescents nearing end of life, as well as support for their families. With the concurrent care benefit, children are able to receive hospice care and continue curative treatment at the same time. Providence's pediatric interdisciplinary care teams practice a combination of active and compassionate therapies intended to comfort and support the child, as well as family members and other significant people in the child's life through the end of life. For example, Providence's Snohomish County pediatric Carousel Program, provides a unique blend of home health, palliative, and hospice care. Experienced caregivers provide a holistic approach in addressing the physical, educational, psychological, social, and spiritual needs of young patients and their families. Our caregivers' focus is always on the child's quality of life.

The tenderhearted Carousel Program also provides three complimentary bereavement

services for children and teens. These include the following:

- Standing Together: workshops targeting death education and unresolved grief;
- School Grief Response Team: death crisis counseling for students and staff in local schools;

In western Washington, Providence has worked closely with Seattle Children's Hospital and Mary Bridge Children's Hospital in Tacoma to provide these services in a home-based community setting. In Spokane County, we intend to partner with Sacred Heart Children's Hospital ("SHCH") to bring the same types of pediatric hospice services to Spokane County residents. With 120 specialists, representing 29 subspecialties, SHCH has a long-established history of serving children's needs in eastern Washington. SHCH, with 177 pediatric beds, provides a full spectrum of pediatric services, including Spokane's only pediatric intensive care, psychiatry, hematology, and oncology programs.

Of note is Providence's Perinatal Supportive & Palliative Care program at Sacred Heart Medical Center, which supports infants and their families when newborns face a short survival period. In addition, the Forget-Me-Not program and the Sunflower program provide a range of palliative care, assistance, grief support, and coordination of care services at no additional cost to families.

While pediatric hospice care may constitute a relatively low volume in terms of the annual number of patients served by any given hospice agency, these children are high need patients given their special needs and circumstances, and the needs and circumstances of their families and support groups. Providence Hospice Spokane intends to meet those unique needs in Spokane County, just as other Providence hospice agencies have been doing in other parts of Washington.

End-Stage Renal Disease Care

Those with end-stage renal disease ("ESRD") rarely use hospice services due to the life prolonging nature of dialysis. However, Providence has experience working closely with the Northwest Kidney Center to support ESRD patients who may benefit from palliative care. Our partnership with Northwest Kidney Center allows patients to receive palliative care while still remaining eligible for ESRD treatment under Medicare. The challenge that ESRD patients face is that, under current Medicare guidelines, patients would have to forgo dialysis in order to qualify for the Medicare hospice benefit, thus creating a barrier to accessing both services simultaneously.

Within the Medicare reimbursement structure, people who pursue hospice care with a qualifying diagnosis of ESRD must terminate dialysis before they can access hospice benefits. This results in a median length of stay of 5 days, which is a poor utilization of hospice services. Additionally, ESRD disproportionately affects minority populations, who, in turn, experience inadequate access to compassionate in-home end-of-life care. In an effort to address these disparities, Northwest Kidney Center, a regional non-profit dialysis provider, partnered with Providence Hospice of Seattle, a regional hospice provider, in a financial reimbursement agreement that allows patients with a qualifying diagnosis of ESRD to continue dialysis while receiving hospice care. Through this collaboration, patients gain access to appropriate hospice care for weeks to months

instead of a few days, and they may avoid undesired hospitalizations at the end of life.

By partnering with Northwest Kidney Center, Providence has been able to provide much-needed services to this underserved population. As noted in a recent article regarding the Providence/Northwest Kidney Center partnership: “Only 2.3% of Medicare decedents who received hospice care in 2018 had a kidney condition as their principal diagnosis.”⁴ Daniel Lam, M.D., the medical advisor for Northwest Kidney Center, states: “There are a lot of palliative care needs among the dialysis patient population. We think expanding hospice access is the right thing to do for a population that experiences such disparities in this important service.”⁵ Dr. Lam further elaborates on this critical partnership: “Providence Hospice was willing to partner with us on a service that ultimately benefits patients and families, and allows them to focus on what is most important — each other. Providence’s track record of providing hospice services for other vulnerable populations demonstrated to us that they aligned with Northwest Kidney Centers.”⁶

Given the experience and commitment of Providence in partnering to provide hospice services to those experiencing ESRD, Providence Hospice Spokane intends to partner to bring these same services to Spokane residents. With the prevalence of ESRD in the State of Washington being 1,722.9 per million,⁷ along with more than 1 in 7 of U.S. adults estimated to have chronic kidney disease,⁸ Providence believes there is an imperative to expand hospice services to ESRD patients in Spokane.

Dual Eligible Beneficiaries

Dual eligible individuals — those who qualify for both Medicare and Medicaid — are an often-overlooked underserved population with respect to hospice services. CMS reports that, in 2018, there were 12.2 million individuals classified as dual eligible, who “experience high rates of chronic illness, with many having long-term care needs and social risk factors ... and 60 percent have multiple chronic conditions.”⁹ Of particular concern, CMS reports that 18% of dual eligibles report their health status as being “poor,” compared to just 6% for other Medicare enrollees.¹⁰

Our analysis indicates that Spokane County has a higher rate of dual eligible individuals as a percentage of total Medicare enrollees compared to, for example, King and Snohomish Counties. In 2019, Spokane County reported 15.6% of Medicare enrollees as being dually eligible, while King and Snohomish Counties reported 14.3% and 13.2%, respectively. Moreover, dual eligibles in Spokane County access hospice services at a lower rate than regular Medicare enrollees: 2019 data for Spokane County shows dual eligible utilization of hospice services at 445 admissions per 1,000 deaths compared to 561 per 1,000 deaths for non-dual Medicare enrollees. When compared to the national

⁴ Exhibit 6.1: “Kidney Dialysis Palliative Care Program Bridging a Gap to Hospice.”

⁵ Ibid.

⁶ Ibid.

⁷ Exhibit 6.2: CDC Prevalence of ESRD by U.S. State.

⁸ Exhibit 6.3: Chronic Kidney Disease in United States, 2021.

⁹ Exhibit 6.4: People Dually Eligible for Medicare and Medicaid, CMS Fact Sheet 2020.

¹⁰ Ibid.

average of 574 hospice admissions per 1,000 deaths for dual eligibles, Spokane County represents 77.5% of the national average. If Spokane County could close the gap and meet the national average, an additional 129 dual eligible individuals could potentially access hospice services.¹¹ In addition, dual eligible individuals tend to be of a minority race or ethnicity, younger, and female, based on 2020 CMS data analysis.¹²

Providence Hospice Spokane intends to develop outreach programs to underserved populations, including a focus on improving access to hospice services for dual eligible individuals. Providence Hospice Spokane will be able to leverage existing infrastructure within Providence, such as its Population Health Community Health Workers (“CHWs”). Providence’s CHWs are frontline public health workers who are trusted members of, and have a close understanding of, the community members we serve in Spokane County. CHWs help remove barriers, bridge gaps, and assist in patient navigation in order to improve health outcomes for our vulnerable and underserved populations. Providence Hospice Spokane looks forward to meeting the hospice needs of the dual eligible beneficiaries.

Finally, Providence’s extensive network of health care facilities and programs, which span a wide spectrum of care in the planning area, is a significant differentiator when compared to other applicants. This is important for dual eligibles, as it is well-documented that they have higher rates of chronic disease, which is best addressed by integrated systems of care where they can access and obtain the appropriate mix of services to manage their conditions.

Homeless Population

Another critically underserved population is community residents who are experiencing homelessness or housing insecurity. In Washington State, homelessness rose 6.2% between 2019 and 2020, with 30 out of every 10,000 persons in the State being homeless, according to a recent report from the U.S. Department of Housing and Urban Development.¹³ In 2020, the City of Spokane’s Point-In-Time (“PIT”) count showed 1,559 people in city shelters and 541 unsheltered.¹⁴

Catholic Charities Eastern Washington (“Catholic Charities”) is a leader in Spokane County in addressing the needs of the homeless and those experiencing housing insecurity. It operates 61 affordable housing complexes serving 4,242 residents, which includes housing for both individuals and families, as well as seniors, farmworkers, veterans, the homeless, and disabled. There are 7 properties dedicated to homeless individuals and 12 for homeless families. Only chronically homeless individuals and families are eligible to live in these supportive housing projects. All Catholic Charities housing projects also provide comprehensive services, such as onsite services, including mental health care, substance use disorder care, and case management. Life skills coordinators, security staff, property management and maintenance/janitorial staff

¹¹ Exhibit 6.5: Spokane County Hospice Data, 2015-2019 Medicare Claims.

¹² Exhibit 6.6: Medicare-Medicaid Dual Enrollment, 2016 through 2019, p. 2.

¹³ Exhibit 6.7: The 2020 Annual Homeless Assessment Report to Congress; see pp. 14,15.

¹⁴ Exhibit 6.8: 2020 PIT Count Presentation.

provide much-needed services at the housing projects as well. Catholic Charities also operates four homeless shelters: one for chronically street homeless single adults, two for homeless families, and one for homeless teens. The House of Charity, the largest shelter in Eastern Washington, focuses on the most marginalized homeless, including those with mental health and substance use disorders.¹⁵

In planning to bring hospice services to Spokane County and to understand the hospice needs of this underserved population, Providence has been meeting with community leaders, including those at Catholic Charities. Through discussions with Catholic Charities, Providence has confirmed that there is a significant unmet need for hospice and palliative care in the homeless and housing insecure population in Spokane County, especially those in housing units and shelter environments. Anecdotal examples include those experiencing homelessness moving into permanent supportive housing apartment complexes, but soon thereafter, due to medical complications coming from long-term life on the streets, passing away in their apartments. Unfortunately, it also is a regular occurrence for homeless men and women to pass away while in shelter beds. There are homeless individuals who are unable to navigate hospice access and lack access to standard hospice services, such as palliative care and grief and bereavement support. These sorts of examples demonstrate an unmet need in this vulnerable population.

Providence recognizes that stable housing is a driver of health and well-being, and we have long been committed to addressing the needs of those experiencing homelessness or housing insecurity. Examples of our commitment include Providence's Supportive Housing, which includes 17 programs with a total of 804 units, the recently acquired Seattle Affordable Housing Program,¹⁶ and community-based partnerships through our "Housing Is Health" initiative.¹⁷ These efforts are not new to Providence but represent a long-standing tradition of providing shelter to the aged, infirm, marginalized, and underserved members of the communities served by Providence.

Providence Hospice Spokane will develop hospice services specific to those experiencing homelessness and housing insecurity. By partnering with local entities, such as Catholic Charities, Providence intends to provide hospice services within shelters and permanent supportive housing. By utilizing the existing community health workers who are employed by Providence, as well as collaborating with the already existing Catholic Charities medical and case management staff who are onsite in the shelters and homeless housing complexes, Providence Hospice Spokane can improve outreach, education, and access to hospice and palliative services. In addition, Providence Hospice Spokane will explore how it can better train and inform staff in shelters and temporary housing about how to identify and assist those in need of hospice services.

Veterans

Providence is proud to serve those who have served our country. Our hospice teams are dedicated, trained, and committed to providing sensitive and highly skilled care that meets the specific needs of veterans at the end of life. We utilize the National Hospice

¹⁵ Exhibit 6.9: "Fair questions and the truth about homelessness in Spokane."

¹⁶ See <https://www.providence.org/supportive-housing/news>

¹⁷ See <https://blog.providence.org/topic-spotlight-housing-is-health>

and Palliative Care Organization (“NHPCO”) We Honor Veterans program to guide our care. We provide pinning ceremonies that honor those who have served in the American Armed Forces. In addition, many of our volunteers are veterans themselves, offering a unique level of understanding as they work with and support our veteran patients.

In Spokane County, Providence has a long-established relationship with the VA through Providence’s Adult Day Health (“ADH”) program. The ADH program has had a contractual relationship with the VA for more than 30 years, with approximately 20% to 30% of all ADH clients being veterans on any given day. In addition, the ADH program has developed a collaborative partnership with the VA, with the VA supporting the decision to keep the ADH program open to serve clients during the pandemic, recognizing the importance of socialization on the health of veterans. Providence Hospice Spokane looks forward to building on this existing relationship and providing hospice services to veterans residing in Spokane County.

Minority Communities

Providence has established programs aimed at improving access to hospice and palliative care and providing culturally competent care for minority communities, including the Latino and Asian communities, which are often underserved in terms of hospice services. Limited knowledge of hospice programs, fear of discrimination, possible costs, low-income status, lack of education, and language barriers are well-known impediments to accessing hospice services by racial and ethnic minorities.

Understanding that barriers to access to hospice services exist for these underserved populations, Providence Home and Community Care has focused on providing culturally competent care and improved access to hospice and palliative care. For example, Providence partnered with Keiro¹⁸ to develop Iyashi Care at Providence Trinity Care Hospice in Torrance, California. Iyashi Care is a culturally sensitive palliative care program for the Japanese-American and Japanese communities with the goal of improving quality of life and removing cultural barriers to hospice care.¹⁹ In western Washington, Providence recently launched an initiative to improve access to hospice and palliative care for the Latino community with the goal of increased access to these services to a rate that matches the representation of Latinos in King County. These efforts include building a Spanish-speaking hospice team, providing community education about hospice care, and providing culturally sensitive programming based on experience, research, and insights with respect to the Latino community. Providence expects these programs to be expanded to Black, Asian Pacific Island, and other populations.

In Spokane County, Hispanics or Latinos make up 6.1%, Asians 2.4%, and Blacks or African-Americans 2.0% of the population in the County.²⁰ Providence Hospice Spokane recognizes that these populations tend to access hospice services at a lower rate than

¹⁸ For additional details, see <https://www.keiro.org/>

¹⁹ For a program overview, see <https://foundation.providence.org/ca/trinitycare/about-us/our-stories/iyashi-care>

²⁰ See Census QuickFacts, Spokane County

Source: <https://www.census.gov/quickfacts/fact/table/spokanecountywashington,WA/DIS010219#DIS010219>

the overall population.²¹ Accordingly, Providence Hospice Spokane intends to implement programs to increase appropriate hospice access and use in these specific populations.

Cardiac Hospice Care

Providence's hospice agencies in Washington work collaboratively with patients' cardiologists to provide specialized services to those with advanced cardiac disease. Providence provides services to those receiving inotrope medications and who have Left Ventricular Assist Devices ("LVAD"), allowing patients with this advanced specialty care to remain in their homes outside of the hospital setting. Providence's team approach not only helps with more effective ways to manage and cope with symptoms at home, but it also addresses depression and anxiety in this population, which has higher rates of depression.

Community-based Palliative Care

Palliative care is designed for people with complicated, ongoing illnesses, from the point of diagnosis through the end of life. It brings together a special team of health care workers to relieve the pain, symptoms, and stress of serious medical conditions. Palliative care experts address the physical, psychological, social, and spiritual needs of these patients. The difference between regular hospice and community-based palliative care is that hospice serves only those who are approaching the last stages of life, while palliative care may be used for the duration of a serious illness. Providence Hospice Spokane will utilize the expertise and experience of the existing Providence hospice agencies and palliative care providers to bring this program to Spokane County.

Grief and Bereavement Services

Providence's grief and bereavement services are well known in Washington, particularly for providing unique services often left unfulfilled by other medical providers. Adult bereavement services are provided for 15 months after the death of a loved one. Services include a wide variety of educational bereavement support groups, individual counseling, and memorial events. These services are provided to anyone in the community, even if a loved one did not receive our hospice services. Other local hospice and community providers often refer patients and families to Providence for these bereavement services.

A further example of our unique services is Providence Hospice of Seattle's Safe Crossings Children's Grief Program, which provides support for children, teens, and their families who are facing or have experienced the loss of a loved one. Services include individual counseling, support groups, school groups, and memorial events. Counselors have specialized training in trauma-informed grief. These services also are provided to anyone in the community, even if a loved one did not receive our hospice services.

Providence Hospice Spokane intends to make these grief and bereavement services available to Spokane County residents.

²¹ See <https://americanhospice.org/learning-about-hospice/latino-families-and-hospice/>

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

A copy of the letter of intent that was submitted by Providence Hospice Spokane on November 30, 2021, regarding the establishment of a Medicare certified and Medicaid eligible hospice agency in Spokane County is provided in Exhibit 7.

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.: Not applicable.

Medicare #: Not applicable.

Medicaid #: Not applicable.

The proposed project will be a new hospice agency based in Spokane County. Providence Hospice Spokane will seek licensure and certification by Medicare and Medicaid upon approval of the certificate of need application.

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.**

Providence Hospice Spokane is not an existing agency. This question is not applicable.

- 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.**

Table 3. Providence Hospice Spokane Utilization Forecasts 2023-2025

SPOKANE COUNTY	Forecast 2023-2025²		
Providence Hospice Spokane (the Project)	2023	2024	2025
Total Number of Admissions ("Unduplicated Patients Served") ¹	83	165	247
Total Number of Patient Days ³	5,110	10,248	15,330
Average Daily Census ("ADC")	14	28	42
Average Length of Stay (Days)	62.12	62.12	62.12

Source: Providence Hospice Spokane

¹ For the purposes of this table, Total Number of Admissions is defined as Total Number of Unduplicated Patients Served.

² Based on project start date of January 1, 2023.

³ 2024 is a leap year; therefore Total Number of Patient Days is calculated using the ADC x 366 in 2024.

As set forth in Table 3 above, the utilization forecast for 2023-2025 used to drive the pro forma revenue and expense projections for Providence Hospice Spokane is comprised of four components:

- Total Number of Admissions (“Unduplicated Patients Served”)
- Total Number of Patient Days
- Average Daily Census (“ADC”)
- Average Length of Stay (days) per patient

If our requested project is approved, we anticipate beginning services in Spokane County on January 1, 2023. Therefore, the first full year of operations will be 2023 and the third full year of operations will be 2025. The step-by-step methodology and assumptions used to develop the utilization forecasts for each pro forma statement are presented below:

The Project (Spokane County, “The Project”)

Step 1. The average daily census (component C) is set at 42 ADC by the end of the third full year of operation (2025), in-line with and supported by the unmet need identified in the Department of Health 2021-2022 Hospice Numeric Need Methodology. Our annual ADC assumption aligns with our internal benchmarked RN staffing ratio of 14 ADC per RN. Years 1 through 3 of the pro forma include a straight line ramp up phase for the new agency.

Step 2. Total number of patient days (component B) is calculated as total targeted ADC multiplied by the number of days in the year. As an example, the formula for the 2025 Total Hospice Days is:

$$\text{Average Daily Census} \times \# \text{ of Days in the Year} = \text{Total number of patient days}$$

or $42 \times 365 = 15,330$

Step 3. ALOS (component D) for The Project is set to the State of Washington average of 62.12 as published in the Department of Health 2021-2022 Hospice Numeric Need Methodology.

Step 4. The number of unduplicated patients served (component A) was calculated as total number of patient days in that year (from step 2) divided by the ALOS per patient (from step 3), rounded to the nearest whole number. As an example, the formula for the 2025 Total Number of Unduplicated Patients Served is:

$$\frac{\text{Average Daily Census} \times \# \text{ of Days in the Year}}{\text{WA State Average ALOS}} = \text{Total Number of Admissions}$$

or $(42 \times 365) / 62.12 = 247$

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

The existing providers of hospice services in Spokane County are Hospice of Spokane, Horizon Hospice & Palliative Care, and Kindred Hospice. While the existing hospice agencies in Spokane County are well-established, they are not meeting current need in the County and have not kept pace with the demand for hospice services driven by population growth. Consequently, the 2021-2022 Hospice Numeric Need Methodology forecasts an unmet ADC need of 45 in the target year of 2023, establishing need for 1.3 hospice agencies (see page 9 (Steps 7 and 8) of Exhibit 8).

To our knowledge, the only factor that is currently restricting patient access to hospice services is the lack of needed hospice agencies in Spokane County. We do note, however, that the 2021-2022 Hospice Numeric Need Methodology is the first need model in recent years to indicate unmet need in Spokane County.

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.

The Department of Health has identified net need for one additional hospice agency in Spokane County in 2023, according to the 2021-2022 Hospice Numeric Need Methodology.

By definition, if need is shown in the planning area, the proposed project cannot result in unnecessary duplication of services.

Providence Hospice Spokane intends to provide high-quality, compassionate care for individuals as they face the end of life. It is our goal to provide the support that people need to allow them to spend their time living as fully and completely as they wish, in their own familiar surroundings, and in the company of family and friends. This application proposes to address a large portion of the unmet need in Spokane County and, therefore, will not constitute an unnecessary duplication of services in the County.

Additionally, Providence Hospice Spokane is committed to serving underserved populations in the community, including, but not limited to, individuals experiencing homelessness or unstable housing, infants, children, and adolescents nearing end of life, and adults living with advanced illnesses and in need of specialized services, such as those with advanced cardiac disease or end-stage renal disease.

Hospice Need Methodology

In the case of the hospice agency need assessment, the methodology used to estimate the need for hospice agencies is set forth in the eight-step need forecasting method in WAC 246-310-290(8). The steps are as follows:

STEP 1: Calculate the following two statewide predicted hospice use rates using department of health survey and vital statistics data:

- The percentage of patients aged sixty-five and over who will use hospice services. This percentage is calculated by dividing the average number of unduplicated admissions during the last three years for patients sixty-five and over by the average number of past three years statewide total deaths age sixty-five and over.
- The percentage of patients under sixty-five who will use hospice services. This percentage is calculated by dividing the average number of unduplicated admissions during the last three years for patients under the age of sixty-five by the average number of past three years statewide total deaths under sixty-five.

Table 4 provides hospice admissions and deaths by the two age cohorts from ages 0-64 and ages 65+.

Table 4. Hospice Admissions and Deaths by Age Cohort

	2018	2019	2020	Average
Hospice Admissions (ages 0-64)	4,114	3,699	3,679	3,831
Hospice Admissions (ages 65+)	26,207	26,017	27,956	26,727
Deaths (ages 0-64)	14,055	14,047	16,663	14,922
Deaths (ages 65+)	42,773	44,159	46,367	44,433

Use Rates (0-64) = 25.67%
Use Rates (65+) = 60.15%

Source: DOH 2021-2022 Hospice Numeric Need Methodology

STEP 2: Calculate the average number of total resident deaths over the last three years for each planning area by age cohort:

Please see Table 5, which provides deaths in Spokane County from 2018 to 2020 by age cohort.

Table 5. Deaths in Spokane County by Age Cohort

	2018	2019	2020	Average
Deaths (ages 0-64)	1,177	1,143	1,634	1,318
Deaths (ages 65+)	3,556	3,545	4,322	3,808

Source: DOH 2021-2022 Hospice Numeric Need Methodology

STEP 3: Multiply each hospice use rate determined in Step 1 by the planning areas' average total resident deaths determined in Step 2, separated by age cohort:

Please see Table 6, which provides the Planning Area's average annual deaths for 2018 through 2020 and projected hospice patients by age cohort.

Table 6. Average Deaths and Projected Patients in Spokane County by Age Cohort

	Average 2018-2020	Use Rate	Projected Patients
Deaths (ages 0-64)	1,318	25.67%	338
Deaths (ages 65+)	3,808	60.15%	2,290

Source: DOH 2021-2022 Hospice Numeric Need Methodology

STEP 4: Using the projected patients calculated in Step 3, calculate a use rate by dividing projected patients by the three-year historical average population by county. Use this use rate to determine the potential volume of hospice use by the projected population by the two age cohorts identified in Step 1, (a)(i) and (ii) of this subsection using OFM data:

Please see Table 7, which provides the potential volume of hospice use by age cohort.

Table 7. Potential Spokane County Hospice Volume, 2020-2022 by Age Cohort

Projected Patients	2018-2020 Average Population	2021 Projected Population	2022 Projected Population	2023 Projected Population	2021 Potential Volume	2022 Potential Volume	2023 Potential Volume
Ages 0-64							
338	423,256	426,740	428,033	429,326	341	342	343
Ages 65+							
2,290	87,852	94,670	97,979	101,288	2,468	2,554	2,641

Source: DOH 2021-2022 Hospice Numeric Need Methodology

STEP 5: Combine the two age cohorts. Subtract the average of the most recent three years hospice capacity in each planning area from the projected volumes calculated in Step 4 to determine the number of projected admissions beyond the planning area capacity:

Please see Table 8, which provides the number of projected admissions beyond the Planning Area’s existing capacity.

Table 8. Potential Spokane County Hospice Volume Beyond Planning Area Capacity, 2021-2023

2021 Potential Volume	2022 Potential Volume	2023 Potential Volume	Current Supply	2021 Admits (Unmet)	2022 Admits (Unmet)	2023 Admits (Unmet)
2,809	2,896	2,984	2,720.50	89	176	263

Source: DOH 2021-2022 Hospice Numeric Need Methodology

STEP 6: Multiply the unmet need from Step 5 by the statewide average length of stay as determined by CMS to determine unmet need patient days in the projection years:

Please see Table 9, which provides the unmet need for both admissions and patient days in Spokane County.

Table 9. Spokane County Admissions & Patient Days Unmet Need, 2021-2023

2021 Admits (Unmet)	2022 Admits (Unmet)	2023 Admits (Unmet)	WA Statewide ALOS	2021 Patient Days (Unmet)	2022 Patient Days (Unmet)	2023 Patient Days (Unmet)
89	176	263	62.12	5,511	10,934	16,357

Source: DOH 2021-2022 Hospice Numeric Need Methodology

STEP 7: Divide the unmet patient days from Step 6 by 365 to determine the unmet need ADC:

Please see Table 10, which provides the unmet need based on Average Daily Census in Spokane County. As noted below, absent additional hospice capacity, the Planning Area will experience an unmet ADC need of 45 by the target year 2023.

Table 10. Spokane County Unmet Need Based on ADC, 2021-2023

2021 Patient Days (Unmet)	2022 Patient Days (Unmet)	2023 Patient Days (Unmet)	2021 ADC (Unmet)	2022 ADC (Unmet)	2023 ADC (Unmet)
5,511	10,934	16,357	15	30	45

Source: DOH 2021-2022 Hospice Numeric Need Methodology

STEP 8: Determine the number of hospice agencies in the planning area that could support the unmet need with an ADC of thirty-five:

Please see Table 11, which provides the unmet need for hospice agencies in Spokane County. As noted, absent additional hospice capacity, the Planning Area will experience numeric need for 1.3 agencies by the target year of 2023.

Table 11. Spokane County Unmet Need For Hospice Agencies, 2023

2021 ADC (Unmet)	2022 ADC (Unmet)	2023 ADC (Unmet)	Agencies Needed in 2023
15	30	45	1.3

Source: DOH 2021-2022 Hospice Numeric Need Methodology

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

Providence Hospice Spokane confirms and commits that the proposed agency will be available and accessible to the entire Spokane County planning area.

6. Identify how this project will be available and accessible to underserved groups.

As a long-established hospice provider, Providence has deep roots in, and is fully committed to, the local communities in Washington. Providence has provided compassionate, high-quality hospice services in Washington for decades to all people in need, with a special concern for the poor, the vulnerable, and underserved groups.

Below we provide a summary of a number of key services and programs Providence Hospice Spokane intends to bring residents of Spokane County. While this list is not exhaustive, it demonstrates our commitment to serving underserved populations. For additional detail, please see our detailed response in question 10 of the Project Description section.

Pediatric Hospice and Palliative Care

Providence has extensive, long-standing experience in Washington providing pediatric hospice care, concurrent care, and palliative care to infants, children, and adolescents nearing end of life, as well as support for their families. While pediatric hospice care may constitute a relatively low volume in terms of the annual number of patients served by any

given hospice agency, these children are high-need patients given their special needs and circumstances, and the needs and circumstances of their families and support groups. Providence Hospice Spokane intends to meet those unique needs, just as other Providence hospice agencies have been doing in other parts of Washington.

End-Stage Renal Disease Care

Those with ESRD rarely use hospice services due to the life prolonging nature of dialysis. However, Providence has experience working closely with the Northwest Kidney Center to support ESRD patients who may benefit from palliative care. Our partnership with Northwest Kidney Center allows patients to receive palliative care while still remaining eligible for ESRD treatment under Medicare. Given the experience and commitment of Providence in partnering to provide hospice services to those with ESRD, Providence Hospice Spokane intends to partner to bring these same services to Spokane County residents.

Dual Eligible Beneficiaries

Dual eligible individuals — those who qualify for both Medicare and Medicaid — are an often-overlooked underserved population with respect to hospice services. CMS reports that, in 2018, there were 12.2 million individuals classified as dual eligible, who “experience high rates of chronic illness, with many having long-term care needs and social risk factors ... and 60 percent have multiple chronic conditions.” Of particular concern, CMS reports that 18% of dual eligibles report their health status as being “poor,” compared to just 6% for other Medicare enrollees. Providence Hospice Spokane intends to develop outreach programs to underserved populations, including a focus on improving access to hospice services for dual eligible individuals.

Homeless Population

Another critically underserved population is community residents who are experiencing homelessness or housing insecurity. Providence Hospice Spokane will provide hospice services specific to those experiencing homelessness and housing insecurity. By partnering with local entities such as Catholic Charities, we intend to provide hospice services within shelters and temporary housing. By utilizing the existing community health workers employed by Providence, Providence Hospice Spokane can improve outreach, education, and access to hospice and palliative care services. In addition, Providence Hospice Spokane will explore how it can train and inform staff in shelters and temporary housing about how to identify and assist those in need of hospice services.

Veterans

Providence is proud to serve those who have served our country. Our hospice teams are dedicated, trained, and committed to providing sensitive and highly skilled care that meets the specific needs of veterans at the end of life. We utilize the National Hospice and Palliative Care Organization (“NHPCO”) We Honor Veterans program to guide our care. We provide pinning ceremonies that honor those who have served in the American Armed Forces. In addition, many of our volunteers are veterans themselves, offering a unique level of understanding as they work with and support our veteran patients. In addition, Providence has a long-established relationship with the VA in Spokane County through Providence’s Adult Day Health (“ADH”) program. The ADH program has had a contractual relationship

with the VA for more than 30 years, with approximately 20% to 30% of all ADH clients being veterans on any given day. The ADH program has developed a collaborative partnership with the VA, and we look forward to building on this existing relationship and providing hospice services to veterans residing in Spokane County.

Minority Communities

Providence has established programs aimed at improving access to hospice and palliative care and providing culturally competent care for minority communities, including the Latino and Asian communities, which are often underserved in terms of hospice services. Limited knowledge of hospice programs, fear of discrimination, possible costs, low-income status, lack of education, and language barriers are well known impediments to accessing hospice services by racial and ethnic minorities. Providence Hospice Spokane recognizes that these populations tend to access hospice services at a lower rate than the overall population. Accordingly, Providence Hospice Spokane intends to implement programs to increase hospice access and use in these specific populations.

Cardiac Hospice Care

Providence's hospice agencies in Washington work collaboratively with patients' cardiologists to provide specialized services to those with advanced cardiac disease. Providence provides services to those receiving inotrope medications and who have Left Ventricular Assist Devices ("LVAD"), allowing patients with this advanced specialty care to remain in their homes outside of the hospital setting. Providence's team approach not only helps with more effective ways to manage and cope with symptoms at home, but it also addresses depression and anxiety in this population, which has higher rates of depression. Providence Hospice Spokane intends to offer the same type of cardiac hospice services that are being provided by other Providence hospice agencies in Washington to the residents of Spokane County.

Community-Based Palliative Care

Palliative care is designed for people with complicated, ongoing illnesses, from the point of diagnosis through the end of life. It brings together a special team of health care workers to relieve the pain, symptoms, and stress of serious medical conditions. Palliative care experts address the physical, psychological, social, and spiritual needs of these patients. The difference between regular hospice and community-based palliative care is that hospice serves only those who are approaching the last stages of life, while palliative care may be used for the duration of a serious illness. Providence Hospice Spokane will utilize the expertise and experience of the existing Providence hospice agencies and palliative care providers to bring this program to Spokane County.

Grief and Bereavement Services

Providence's grief and bereavement programs are well known in Washington for providing comprehensive and unique services often left unfulfilled by other medical providers, in particular with respect to children and adolescents who have suffered the loss of a loved one. Services include a wide variety of educational bereavement support groups, individual counseling, and memorial events. These services are provided to anyone in the community,

even if a loved one did not receive our hospice services. Other local hospice and community providers often refer patients and families to Providence for these bereavement services. Providence Hospice Spokane intends to make all of these services available to Spokane County residents.

7. Provide a copy of the following policies:

- **Admissions policy**
- **Charity care or financial assistance policy**
- **Patient Rights and Responsibilities policy**
- **Non-discrimination policy**

Suggested additional policies include any others believed to be directly related to patient access (death with dignity, end of life, advanced care planning)

Please see Exhibit 9 for the Admission Criteria and Process Policy. The Admission Criteria and Process Policy addresses patient referrals, so a separate referral policy is unnecessary. Please see Exhibit 10 for the Charity Care Policy. Please see Exhibit 11 for the Patient Family Bill of Rights and Responsibilities Policy. Please see Exhibit 12 for the Nondiscrimination Policy.²²

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.

As discussed in Section 4 above, the Department of Health has identified net need for one additional hospice agency in Spokane County in 2023, according to the Department's 2021-2022 Hospice Numeric Need Methodology.

²² Exhibit 12 also includes a patient handout titled "Notice of Nondiscrimination and Accessibility Rights". This two-page patient handout is reviewed by our admission nurses with patients and families at the time of admission to hospice.

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 using at a minimum the following Revenue and Expense categories identified at the end of this question. 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.

Utilization projections

Table 12. Providence Hospice Spokane Utilization Forecasts 2023-2025

SPOKANE COUNTY	Forecast 2023-2025 ²		
	2023	2024	2025
Providence Hospice Spokane (the Project)			
Total Number of Admissions ("Unduplicated Patients Served") ¹	83	165	247
Total Number of Patient Days ³	5,110	10,248	15,330
Average Daily Census ("ADC")	14	28	42
Average Length of Stay (Days)	62.12	62.12	62.12

Source: Providence Hospice Spokane

¹ For the purposes of this table, Total Number of Admissions is defined as Total Number of Unduplicated Patients Served.

² Based on project start date of January 1, 2023.

³ 2024 is a leap year; therefore Total Number of Patient Days is calculated using the ADC x 366 in 2024.

As set forth in Table 12, the utilization forecast for 2023-2025 used to drive the pro forma revenue and expense projections for Providence Hospice Spokane is comprised of four components:

Total Number of Admissions ("Unduplicated Patients Served")

Total Number of Patient Days

Average Daily Census ("ADC")

Average Length of Stay (Days) per patient

For planning purposes, Total Number of Admissions is assumed to be equivalent to Total Unduplicated Patients Served and will be referred to in the text as "Unduplicated Patients Served."

If our requested project is approved, we anticipate beginning services in Spokane County on January 1, 2023. Therefore, the first full year of operations will be 2023 and the third full year of operations will be 2025. Utilization forecasts through 2025 for the project are provided in Table 12. The step-by-step methodology and assumptions used to develop the utilization forecasts for each pro forma statement are presented below:

The Project (Spokane County, “The Project”)

Step 1. The average daily census (component C) is set at 42 ADC by the end of the third full year of operation (2025), in-line with and supported by the unmet need identified in the Department of Health 2021-2022 Hospice Numeric Need Methodology. Our annual ADC assumption aligns with our internal benchmarked RN staffing ratio of 14 ADC per RN. Years 1 through 3 of the pro forma include a straight line ramp up phase for the new agency.

Step 2. Total number of patient days (component B) is calculated as total targeted ADC multiplied by the number of days in the year. As an example, the formula for the 2025 Total Hospice Days is:

$$\text{Average Daily Census} \times \# \text{ of Days in the Year} = \text{Total number of patient days} \\ \text{or } 42 \times 365 = 15,330$$

Step 3. ALOS (component D) for The Project is set to the State of Washington average of 62.12 as published in the Department of Health 2021-2022 Hospice Numeric Need Methodology.

Step 4. The number of unduplicated patients served (component A) was calculated as total number of patient days in that year (from step 2) divided by the ALOS per patient (from step 3), rounded to the nearest whole number. As an example, the formula for the 2025 Total Number of Unduplicated Patients Served is:

$$\text{(Average Daily Census} \times \# \text{ of Days in the Year)} / \text{WA State Average ALOS} = \\ \text{Total Number of Admissions} \\ \text{or } (42 \times 365) / 62.12 = 247$$

Pro Forma Revenue and Expense Projections

Please see Exhibit 13, which includes a pro forma forecast showing operating revenue and expenses for the first three full calendar years of operation (full-years 2023 – 2025) for the Project and a list of assumptions and the basis for each assumption used in determining the projections. Please note that the pro forma is primarily driven by patient days. Although total number of admissions is presented in the utilization forecast table (see Table 12), it should be noted that the total number of admissions does not drive any items in the financial pro forma.

Pro Forma Balance Sheet

Please note that Providence does not hold balance sheets at the facility level, and does not routinely use balance sheets as part of its financial analysis when evaluating new business ventures. Instead, a business pro forma is generally relied upon for evaluation of new business ventures. With that said, for purposes of this Application and to satisfy the Department’s questions relating to balance sheets, Providence has extrapolated information from its business pro forma to construct a pro forma balance sheet. This balance sheet has

been created solely for the Department's review of this Application and will not be generally used in the business and financial operations of Providence Hospice Spokane. Please see Exhibit 14 for a balance sheet for the current year and the first three years of operation.

Historical Revenue and Expense Statement

Providence Hospice Spokane is a proposed new hospice agency, and therefore no historical revenue and expense statements have been provided.

2. Provide the following agreements/contracts:

- **Management agreement.**
- **Operating agreement**
- **Medical director agreement**
- **Joint Venture agreement**

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.

As part of a large integrated health system that manages the key elements of the provision of care, management of operations, and management of administration services, Providence Hospice Spokane will not have any management agreements and will not have any operating agreements.

The Medical Director will be employed directly by Providence Hospice Spokane and, consequently, there is no Medical Director agreement. Please see Exhibit 15 for a copy of the Medical Director job description.

Providence Hospice Spokane is wholly owned by Providence Health & Services – Washington and is not party to any joint ventures with respect to the proposed project.

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.

Please see Exhibit 16, which demonstrates Providence has sufficient interest in the Argonne Road, Spokane facility that will serve as the office space for Providence Hospice Spokane. Providence Hospice Spokane will occupy all of Suite 201, which consists of 3,338 rentable square feet (rsf).

Exhibit 16 includes:

- The original lease agreement between Providence Health & Services – Washington (lessee) and David Black Play Hard Trust (lessor), dated January 30, 2020 (commencing January 30, 2020), for an initial term of 5 years with three 5-year extensions. This lease agreement is for the entirety of the building (comprised of approximately 14,499 square feet of rentable area) and all parking areas on the property.
- The internal rent expense allocation term sheet for Suite 201 setting forth the monthly and annual rent assessed to Providence Hospice Spokane for five years.

The monthly and annual rental allocation to Providence Hospice Spokane is set forth in the internal rent expense allocation term sheet. The term sheet does not tie directly to the underlying lease, as it is specific to Suite 201 on the second floor. However, the monthly allocated rental payments do cover (1) the base rent as set forth in the underlying lease agreement and (2) additional rents referenced in the underlying lease agreement, including real estate taxes, interior and exterior building maintenance, HVAC maintenance, water/sewer, insurance, administrative expenses, landscaping, and common area janitorial expenses.

- 4. Complete the following table 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.**

Capital expenditures associated with this project consist of equipment needed to establish a new agency in an existing location leased by Providence. Please see Table 13 for details. The unit cost assumptions are based on recent Providence experience sourcing similar equipment.

Table 13. Providence Hospice Spokane Capital Expenditures

Item	Cost
a. Land Purchase	\$
b. Utilities to Lot Line	\$
c. Land Improvements	\$
d. Building Purchase	\$
e. Residual Value of Replaced Facility	\$
f. Building Construction	\$
g. Fixed Equipment (not already included in the construction contract)	\$
h. Movable Equipment	\$ 29,950
i. Architect and Engineering Fees	\$
j. Consulting Fees	\$
k. Site Preparation	\$
l. Supervision and Inspection of Site	\$
m. Any Costs Associated with Securing the Sources of Financing (include interim interest during construction)	
1. Land	\$
2. Building	\$
3. Equipment	\$
4. Other	\$
n. Washington Sales Tax (Local Spokane Tax Rate @ 9.0%)	\$ 2,696
Total Estimated Capital Expenditure	\$ 32,646

- 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.**

The applicant, Providence Hospice Spokane, will be the entity responsible for the estimated capital costs.

Please see Exhibit 17, which provides a letter of financial commitment from the Chief Financial Officer for Providence Home & Community Care related to responsibility for the estimated capital and start-up costs.

- 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.**

We have identified \$148,745 in start-up costs, which include initial medical and office supplies, admission packets and brochures, initial staffing costs, costs to set up the Epic electronic health record, and costs for moving and set-up of desktop workstations. All start-up costs are detailed in Table 14, together with all assumptions used in determining these expenses.

Table 14. Providence Hospice Spokane Estimated Start-Up Costs

Item	Cost	Expense Line Item	Assumption/Basis
License - DOH & CLIA	3,483	Licenses	DOH & CLIA initial license fees
Office Supplies	213	Office Supplies	Expenses to cover paper, pens, post-its, and flip-charts in the first 2 months of 2023
Med Supplies	3,407	Medical Supplies	Expenses to cover medical supplies in the first 2 months of 2023
Cell Phones	200	Telephone and Wireless	\$50 per phone monthly charge for 2 months for 2 phones based on current rates paid by Providence
IT Labor Costs (Epic / Technology Set-Up)	81,353	Other Purchased Services	Labor costs quoted from IT for time to implement Epic and set-up technology based on past experience of similar internal projects
Labor Costs (Hospice Director & Initial RN)	57,889	Salaries & Benefits	0.2 FTE each for Hospice Director and RN representing 2 months salary and benefits (rounded to 1 decimal place for FTE count) during set-up period
Moving Costs	1,000	Other Misc. Expenses	Costs to move and arrange furniture based on past experience
Print & Publication (Admission Packets)	200	Print & Publication	30 Admission packets @ \$5 each + 40 brochures @ \$1.25
Travel	1,000	Travel - Administrative	To cover air, hotel, and incidentals for 2 visits during set-up
Total Equipment Cost	148,745		

Source: Providence Hospice Spokane

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.

Start-up costs are included in the financial pro forma as operating expenses expected to be incurred in 2022. As such, the applicant, Providence Hospice Spokane, is the entity responsible for the estimated start-up costs identified in Table 14.

Please see Exhibit 17, which provides a letter of financial commitment from the Chief Financial Officer for Providence Home & Community Care related to responsibility for the estimated capital and start-up costs.

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

Providence has a long history of providing quality hospice services, serving several counties in Washington in a cost-efficient manner. Coupled with the significant support infrastructure, economies of scale, established care protocols, and seasoned care teams, a new hospice agency in Spokane County, led by Providence, will not adversely impact costs or charges for healthcare services in Spokane County.

In fact, when delivered appropriately and in a timely manner, hospice care has been shown to be cost-effective and is documented to reduce end-of-life costs without sacrificing quality

of care. Research literature supports the cost-effectiveness of hospice care. In one study, researchers analyzed the association of hospice use with survival and health care costs among patients diagnosed with metastatic melanoma. They found that patients with four or more days of hospice care had longer survival rates and incurred lower end-of-life costs. The patients with four or more days of hospice incurred on average costs of \$14,594, compared to the groups who received one to three days of care, and no hospice care at all (\$22,647 and \$28,923, respectively).²³

In a more recent study, researchers simulated the impact of increased hospice use among Medicare beneficiaries with poor-prognosis cancer on overall Medicare spending. The study identified 18,165 fee-for-service Medicare beneficiaries who died in 2011 with a poor-prognosis cancer diagnosis and matched them to similar patients who did not receive hospice services. Using a regression model to estimate the difference in weekly costs, the study estimated an annual national cost savings between \$316 million and \$2.43 billion with increased hospice use. Under realistic scenarios of expanded hospice use for Medicare beneficiaries with poor-prognosis cancer, the program could save \$1.79 billion annually.²⁴ While the study was limited to poor-prognosis cancer patients, they are the largest single group receiving hospice care. Based on current research and experience, Providence expects the project will contribute to overall lower end-of-life costs resulting in overall lower charges for health services.

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.

The proposed project will require \$32,646 in capital expenditures for movable equipment, but will not require any construction costs, as Providence Hospice Spokane will be occupying existing space leased by Providence. As noted above, start-up costs are estimated to be \$148,745. The capital expenditures and start-up costs will not be significant enough to result in an unreasonable impact on the costs and charges for health services in the planning area.

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.”

Please see Table 15, which provides the expected payer mix for the project. The payer mix is modeled to remain the same for the first three years of operation. The projected payer mix is based on recent historical experience for Providence’s three established Washington State agencies and supported by data related to the three hospice agencies currently serving the Spokane County market.

²³ *Survival and Cost-Effectiveness of Hospice Care for Metastatic Melanoma Patients*, The American Journal of Managed Care, Volume 20, Number 5, May 2014.

²⁴ *Cost Savings Associated with Expanded Hospice Use in Medicare*, Journal of Palliative Medicine, Volume 18, Number 5, April 2015.

Table 15. Providence Hospice Spokane Projected Payer Mix

Payer Mix	Projected	
	% of Gross Revenue	% by Patient
Medicare	84.7%	90.2%
Medicaid	8.5%	3.1%
Commercial	3.1%	3.3%
Other (includes government & Tricare)	3.0%	3.0%
Self-Pay	0.7%	0.4%
Total	100.0%	100.0%

Source: Providence

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.

Providence Hospice Spokane is a proposed new agency, and therefore no historical payer mix information has been provided.

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.

Please see Table 16 for a list of proposed equipment for this project. The total estimated cost for the equipment listed (including sales tax) corresponds with total expected capital expenditures shown in Table 13 in Section 4 above.

Table 16. Listing of Equipment Proposed for Providence Hospice Spokane

Equipment	Unit Cost ¹	Units	Total Cost
Laptop Computers	1,500	10	15,000
Docking Stations	220	5	1,100
Desktop Computer Bundle	970	5	4,850
Additional 24-inch Monitors	300	5	1,500
Color Copier/Printer/Scanner/Fax	6,750	1	6,750
Desk Phone	150	5	750
Sales Tax @ 9.0%			2,696
Total Equipment Cost			32,646

¹ Unit costs based on recent invoices for similar equipment sourced by Providence

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.

Please see Exhibit 17, which provides a letter of financial commitment from the Chief Financial Officer for Providence Home & Community Care, committing to pay the estimated capital costs and start-up costs for the project from cash reserves.

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.

This question is not applicable, as the project does not require any debt financing.

15. Provide the most recent audited financial statements for:

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

Please see Exhibit 18 for the most recent audited financial statements for Providence St. Joseph Health (2020), the parent entity. Providence Hospice Spokane will be a new hospice agency and, therefore, has no historical financial information. Additionally, separate audited financial statements are not available at the entity level. Thus, Providence Health & Services - Washington d/b/a Providence Hospice Spokane, the applicant, does not have audited financial statements.

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.**

Please see Table 17 below for the FTE forecast for the Spokane County hospice proposal for years 2022 - 2025.

Table 17. Providence Hospice Spokane FTE Forecast for Spokane County, 2022-2025

Full-Time Equivalents (FTEs) - Employed	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
RN	0.20	1.00	2.00	3.00
LPN	-	2.00	4.00	6.00
Hospice Aide	-	0.80	1.60	2.50
Medical Social Worker (MSW)	-	1.00	1.00	1.50
Chaplain/Clergy	-	0.25	0.50	0.75
Occupational Therapist (OT)	-	0.50	0.50	0.50
Medical Director/Physicians	-	0.50	0.50	1.00
Management/Supervisor	0.20	1.00	1.00	1.00
Administrative/Clerical	-	1.00	1.00	1.00
Other	-	0.50	1.00	1.00
Total FTEs - Employed	0.40	8.55	13.10	18.25

Below are the FTE categories, including definitions.

- **RN / LPN:** A Registered Nurse (RN) or Licensed Practical Nurse (LPN) providing nursing care.
- **Hospice Aide:** A care provider who assists patients performing activities required for daily life.
- **Medical Social Worker (MSW):** A care provider assisting with psychosocial functioning of patients and family.
- **Chaplain/Clergy:** A care provider focusing on patient spiritual care.
- **Occupational Therapist:** An occupational therapist (OT) who aids with everyday life activities, including physical, cognitive, and other aspects of engagement.
- **Medical Director/Physicians:** Medical Director who provides guidance and leadership to clinical staff. Physicians who provide direct care or support other clinical staff.
- **Management/Supervisor:** Leadership staff responsible for management and supervision of other staff, programs, and processes.

- **Administrative/Clerical:** Staff providing administrative and clerical support.
 - **Other:** Includes volunteer coordinators and bereavement counselors.
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.

Providence Hospice Spokane will be a new agency. This question is not applicable.

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

FTEs who provide regular care to patients are projected using a caseload per FTE assumption. Please see Table 18 for caseload (ADC) assumptions for staff categories providing regular care to patients.

Table 18. Providence Hospice Spokane FTE Budgeted Caseload (ADC) Per FTE

Full-Time Equivalents (FTEs)	ADC per FTE
RN	14.0
Hospice Aide	17.0
Medical Social Worker (MSW)	28.0
Chaplain/Clergy	56.0

LPNs are projected on the basis of 2 LPNs per RN, representing off-hour and on-call staffing.

All other FTE categories are assumed to be staffed to support the volume of patient days based on Providence’s extensive experience in operating hospice agencies across the organization.

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

With extensive years of experience, Providence has a long history of providing hospice services and staffing for hospice services in various counties in Washington State and other states. This experience enables Providence to accurately forecast and staff the appropriate mix of FTEs based on expected hospice patient days and patients served.

The staffing of the proposed Spokane County hospice agency is modeled on other Providence hospice agencies. We do not expect the staffing ratios to differ from our established experience.

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.

Our Medical Director will be Thomas Schaaf, MD, MHA. Dr. Schaaf is currently the Chief Medical Officer for Providence Home and Community Care. He will also serve as the medical director for Providence Hospice Spokane. Dr. Schaaf is board-certified in family medicine and as a Hospice medical director, holds a professional Physician and Surgeon license in Washington and Oregon, and practices in geriatrics and hospice. He is a former president of the Washington State Medical Association (WSMA). He has lived in Spokane since 1992. Please see Exhibit 19 for a copy of Dr. Schaaf's Washington Provider Credentials.

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

The Medical Director is employed by Providence and will serve Providence Hospice Spokane. Please see Exhibit 15 for the Medical Director job description.

7. Identify key staff by name and professional license number, if known. If not yet known, provide a timeline for staff recruitment and hiring (nurse manager, clinical director, etc.)

Key leadership staff at Providence Hospice Spokane include a Senior Executive Director of Hospice, Medical Director, Executive Director of Clinical Quality, Education, and Accreditation, and Chief of Hospice and Palliative Care.

- **Cheryl Cline**, LMFT, MHA, Senior Executive Director of Hospice for Washington, Oregon, and Alaska, is a Licensed Marriage and Family Therapist with 20 years of practice and almost 15 years of experience in hospice and palliative care. She holds a second master's degree in health administration from the University of Washington. Ms. Cline serves on the Board of Directors for American Red Cross for Northwest Washington. Cheryl Cline's credential number is LF00002585.
- **Thomas Schaaf**, MD, MHA is currently the Chief Medical Officer for Providence Home and Community Care. He will also serve as the medical director for Providence Hospice Spokane. Dr. Schaaf is board-certified in family medicine and as a Hospice medical director, holds a professional Physician and Surgeon license in Washington and Oregon, and practices in geriatrics and hospice. He is a former president of the Washington State Medical Association (WSMA). Dr. Thomas Schaaf's credential number is MD00029566.
- **Stephanie Crow**, BSN, RN, CPHQ, Executive Director of Clinical Quality, Education and Accreditation, earned her Bachelor's degree of science in nursing from Seattle University, is a licensed Registered Nurse, and is a Certified Professional in Healthcare Quality (CPHQ). She has 25 years of experience in nursing and 19 years in healthcare quality. Stephanie Crow's credential number is RN00123991
- **Terri Warren**, Chief of Hospice and Palliative Care, holds a Master of Social Work (MSW) from Boston College and has more than 25 years of professional experience in hospice and palliative care.

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

Providence Hospice Spokane is not an existing agency. This question is not applicable.

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.

Providence recognizes that the healthcare industry is facing unprecedented times. The impact of the pandemic has been devastating to front line healthcare workers as they face increasingly long hours and a constant crisis mode resulting in stress, burnout, and physical and mental challenges. Among other pressures, this has manifested itself in the form of workforce shortages in many health care settings. However, Providence also recognizes and embraces a unique opportunity during these times to attract diverse healthcare workers from non-traditional schools and community organizations, with lived experiences similar to the families we serve. Providence Home and Community Care in particular exemplifies our core values of excellence, integrity, compassion, justice and dignity when planning how to navigate recruitment and retention.

As with other challenges and crises Providence has faced in its long history, Providence took immediate steps to mitigate the worst impacts, and innovate and plan for the future. Based on current efforts and work that is still in process, Providence is well positioned to navigate the road ahead and can address any barriers related to recruiting staff and will ensure timely, high-quality patient care for residents in Spokane County seeking hospice services.

Leveraging Scale to Address Workforce Shortages

Providence is using our scale to offer an array of workforce programs and services to support our 120,000 dedicated caregivers, including tuition reimbursement and other training benefits, referral and retention bonuses, free behavioral health care, caregiver assistance, and online resources.

Seeing the value of our internal workforce as a source of recruitment, Providence launched the Caregiver Referral Program in 2021 allowing staff to obtain referral bonuses for referred hires who remain employed by Providence for 90 days. This process was made easy and streamlined through the Caregiver Referral website, which includes simple to follow how-to sheets. With nearly every open role being eligible for a referral bonus, Providence saw an increase of 35% in referral applications one month after launching the program.

In 2021 Providence's commitment to retain existing employees and secure internal referrals culminated in an investment of \$220 million toward hiring and retaining healthcare workers. This includes offering bonuses to existing staff and referral bonuses ranging from \$1,000 to \$7,500, depending on positions, with some more highly competitive positions such as nurses ranging higher. Please see Exhibit 20 for a news article detailing Providence's efforts.

Diversity, Equity, and Inclusion

Providence is rooted in recognizing the inherent dignity of every person. The Sisters of Providence and Sisters of St. Joseph of Orange have a lengthy, established history of advocating for the rights of those facing racism and discrimination, and this legacy empowers us today to work toward a more just and equal society for all people of color.

Providence has committed \$50 million over the next five years to improve health equity and reduce health disparities. A key component of our diversity, equity, and inclusion (“DEI”) efforts is our commitment to developing a diverse and inclusive staff that represents the communities that we serve. For example, our Home and Community Care department, which includes our hospice agencies, has a targeted initiative aimed at recruiting, hiring, and training Spanish-speaking hospice and palliative care givers. This commitment includes a \$310,320 investment for the 2021-2022 period. Providence believes it can scale these efforts to other populations, such as Black and Asian Pacific Island communities. For instance, recent efforts working on Afghan resettlement support in Spokane resulted in our first hire of an Afghan refugee into our home health service line.

In addition, Providence has invested \$432,890 over the 2021-2022 period to enable our PACE programs to better meet the distinct needs of a diverse and underserved patient demographics of those who use our PACE services. These efforts aim to increase awareness and build trust in the Asian and Hispanic communities through local partnerships and direct outreach. The impact will also include increasing bilingual staff focusing on the languages spoken in our communities. Providence believes these efforts will contribute to our ability to provide culturally competent care to underserved populations.

A Singular Focus on The Caregiver

Providence has long had a singular focus on our caregivers, knowing that they are the backbone of our ability to provide services to our community. Our newly formed Workforce Council is working to develop workforce plans for every region and line of business. The intention is to reduce burnout, improve highly sustainable engagement, and reduce first year turnover. In addition, as part of its DEI efforts Providence is working to ensure diverse candidate slates for all senior roles

As an example of Providence’s focus on caregivers, in early 2020 as the pandemic was unfolding Providence took immediate steps, recognizing the mental and physical toll on our caregivers during this difficult and disruptive time. Providence enacted our “No One Cares Alone” program to ensure those that provide care to our community are themselves well cared for. A dedicated caregiver behavioral health concierge program was established, allowing free access to behavioral health services.

Other efforts include our focus on Life-Work Experience under the following four pillars:

- *Fair & Equitable Pay:* We are committed to ensuring caregivers are offered competitive salary ranges and benefits that support achieving a meaningful life and work balance.
- *Culture of Inclusion & Belonging:* Rooted in our core values of compassion, integrity and justice, Providence Home and Community Care is dedicated to a culture of acceptance and respect, ensuring all caregivers feel welcomed and supported during each stage of

their Providence journey.

- *Growth, Development, & Recognition:* Providence Home and Community Care understands the importance of providing an environment where all caregivers can thrive and achieve their goals. We are committed to a culture that promotes from within, allows personal development, and has values-driven recognition programs.
- *Connection to Mission & Purpose:* We believe that our Mission is what sets us apart from others and gives our team members a strong sense of purpose and dedication to high quality healthcare.

Finally, Providence Home and Community Care, which administers Providence's home health services, hospice agencies, and other post-acute services, has an ambitious aim to be "*The best place to work in healthcare, from the 1st year and beyond!*"

Providence Has Well-established Human Resource Capabilities

Providence has an excellent reputation and history recruiting and retaining appropriate personnel. Providence offers a competitive wage scale, a generous benefit package, and a professionally rewarding work setting. Being a large and established provider of health care services, Providence has multiple resources available to assist with the identification and recruitment of appropriate and qualified personnel:

- Experienced system and local talent acquisition teams in Spokane to recruit qualified staff.
- Strong success in recruiting for critical-to-fill positions with recruiters that offer support on a national as well as local level.
- Leverage our external recruiting solutions entity, Provider Solutions & Development, where a team of recruiters work nationwide to support and serve providers in their recruiting efforts.
- Career listings on the Providence Web site and job listings on multiple search engines and listing sites (e.g. Indeed, Career Builders, Monster, NW Jobs).
- Educational programs with local colleges and universities, as well as the University of Providence Bachelor of Science Nursing Program (operated by Providence).

Providence is Successful at Recruiting and Retaining Hospice Employees

Providence has designed a multi-pronged approach to recruitment, including: local outreach with community colleges and organizations; online and safe in-person application efforts; sign-on bonuses; and a concierge recruitment team to appropriately match the diverse needs of clinical and non-clinical hospice workers interested in joining our team.

Providence Home and Community Care currently employs more than 2,600 caregivers (staff members) in Washington. We have been highly effective in retaining current staff by offering attractive pay and benefits, maintaining a robust orientation and training program, offering ongoing education and development opportunities, engaging staff in Providence's critical mission, and by focusing on retention as a key priority. With retention as a key priority, Providence invests heavily in recruiting and retaining the best employees to serve our

communities. We have an established Employee Training and Development program that includes, but is not limited to, the following: robust department orientation, clinical and safety training, initial and ongoing competencies assessments, and performance evaluations. Please see Exhibit 21 of the Application for a copy of the Employee Training and Development Policy. In addition, Providence has a Clinical Ladder Program. The Clinical Ladder Program is a system whereby a nurse can demonstrate and be rewarded for excellence in patient care. The Clinical Ladder Program encourages nurses to take the initiative for professional growth and development in their clinical field, thereby enhancing quality of care, patient outcomes, and nursing satisfaction. Please see Exhibit 22 for a copy of a Clinical Ladder Program handbook used in a Providence hospice agency. These programs not only help to improve retention, but also contribute to maintaining a high-quality and qualified workforce to serve hospice patients.

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

The intended hours of operation will be from 8:00 a.m. - 4:30 p.m. daily for regular office hours, with 24/7 access to nursing and other hospice services, including nursing visits.

During the hours of 4:30 p.m. – 8:00 a.m., patients and families who call the main number will speak with a Providence Hospice Spokane nurse who will triage the call, either helping the patient/family over the phone or sending a nurse to the patient/family based on their needs. Providence Hospice Spokane will contract with Total Triage for back-up service. If all our nurses are on calls or making visits, a Total Triage nurse will assist the patient or family over the phone and escalate the situation to our nursing staff if further assistance or a visit is needed. We also have social worker, chaplain, physician, and administrator on-call services during this time.

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

Providence Hospice Spokane will be a new agency and will establish a Quality Assessment and Performance Improvement (“QAPI”) program. Providence has an established QAPI program for its hospice agencies that employs a number of methods and processes in assessing customer satisfaction and quality improvement. For each hospice agency, Providence has a Clinical Quality Manager responsible for facilitating the QAPI program. The Clinical Quality Manager, along with the Hospice Director, Medical Director, Hospice Operation Managers, supervisors, and primary interdisciplinary team, are responsible for assuring that each Providence hospice agency monitors and evaluates the quality of service it provides and develops performance improvement projects. The Home Services Leadership Council, as delegated by the Governing Body, is responsible for the oversight of the QAPI program. Finally, Providence instills in its staff that every staff member of each agency has a responsibility in ensuring that we have a robust and effective QAPI program. Providence Hospice Spokane will leverage and operationalize the same QAPI used in other Providence hospice agencies. Please see Exhibit 23 for a copy of the QAPI program.

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

Providence Hospice Spokane is not an existing agency. This question is not applicable.

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

Providence Hospice Spokane is not an existing agency. This question is not applicable.

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

While Providence Hospice Spokane will be a new agency, it will leverage many of the same relationships that Providence has with existing ancillary and support services. In Spokane County, Providence provides a wide spectrum of health care services and has numerous owned and operated facilities and programs, with many of them related to hospice care, such as Providence VNA Home Health, Providence St. Joseph Care Center, Providence Infusion and Pharmacy Services, and Providence Emilie Court Assisted Living.

In addition, Providence Hospice Spokane will be able to utilize existing external relationships already in place and internal capabilities, where those services exist. For example, infusion services through Providence Infusion and Pharmacy Services and physical therapy through Providence VNA Home Health. Below we provide a list of planned ancillary and support services, which include, but are not limited to, the following:

- **Physical Therapy and Speech Therapy:** Providence Hospice Spokane intends to contract for these services with Providence VNA Home Health and other community providers.
- **Pharmacy:** Providence has relationships with various pharmacies and pharmacy benefit managers to provide appropriate pharmaceutical care, along with operating Providence Infusion and Pharmacy Services in Spokane.
- **Home Medical Equipment:** Providence Hospice Spokane will have agreements with local providers of home medical equipment.
- **Respite Care:** Providence Hospice Spokane will establish relationships with local health care facilities, including skilled nursing facilities, for respite care.
- **Dietary Services:** Providence Hospice Spokane will contract externally for these services.
- **Massage and Music Therapy:** Providence Hospice Spokane will contract with various massage and music therapists to provide services to Spokane County patients.
- **Bereavement Services:** Providence Hospice Spokane intends to develop this capability internally based on the experience and expertise in other Providence hospice agencies in Washington. In Section 10 of the Project Description section above, we discuss in detail Providence's long-established and highly-respected grief and bereavement programs.

In addition, support services, including finance, billing (revenue cycle), human resources, and compliance and risk, will be provided by internal shared services staff located in the Tukwila and Spokane offices. The existing support staff is sufficient to support additional

services in Spokane County.

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

Providence Hospice Spokane is not an existing agency. This question is not applicable.

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

Providence Hospice Spokane is not an existing agency. This question is not applicable.

17. For a new agency, provide the names of healthcare facilities with which the hospice agency anticipates it would establish working relationships.

As discussed in Section 14 above, Providence Hospice Spokane will leverage Providence's existing relationships, both inside and outside of Spokane County, and will build additional relationships as needed to ensure a full spectrum of care. As an established provider in the community, Providence works closely with local hospitals, physicians, and other providers to ensure continuity of care while avoiding fragmentation of care. In cases where Providence has an existing relationship in Spokane County or in surrounding counties, Providence Hospice Spokane will extend or amend those contracts or agreements to include Spokane County where applicable.

Important in this discussion is the fact that Providence employs a state-of-the-art Epic electronic health record system, having established Epic in most care settings, including bringing Providence Home Services onto the same Epic instance. This is a highly significant differentiator in the hospice care space. Any referring physician or provider who uses the Epic platform and is connected to the patient care can more easily access the patient record and therefore reduce wasted time spent tracking down patient records. Furthermore, our technicians and clinicians in the Providence Care Coordination hubs can quickly and easily support patients as they transition across different types and sites of care with a single patient record. This places Providence Hospice Spokane in a position to ensure continuity of care, avoid fragmentation of care and the unnecessary duplication of services, create opportunities to improve quality of care, and improve communication among providers and also between providers and patients.

Current and expected relationships include, but are not limited to, the following:

- **Hospitals:** Providence Hospice Spokane will establish strong working relationships with local hospitals, especially with respect to the provision of General Inpatient (GIP) care. Given the strong footprint of Providence in Spokane County, Providence Hospice Spokane will have relationships with Providence Sacred Heart Medical Center, Sacred Heart Children's Center, and Providence Holy Family Hospital. Outside of Spokane County we expect to develop relationships with Providence Mt. Carmel Hospital and Providence St. Joseph Hospital, who serve the more rural areas outside of Spokane County and are based in Stevens County.

Finally, Providence Hospice Spokane intends to contract with other health care facilities who are open to working with the new Providence hospice agency.

- **Physicians and Clinics:** Providence Hospice Spokane will establish relationships with the Providence Medical Group, representing 600+ physicians and advanced practitioners, with more than 60 clinic locations in Spokane County and Stevens County. The relationships will also include one with Providence Medical Park in Spokane Valley, which is a 127,000 foot multi-use ambulatory facility. Other existing Providence relationships that Providence Hospice Spokane may utilize include the following:
 - Spokane Spine Center
 - Spokane Urology
 - Cancer Care Northwest
 - Dermatology Specialists of Spokane
 - Pearson and Weary Pain Relief Clinic
 - Columbia Surgical Specialists, PS
 - Downtown Spokane Renal Center
 - Pioneer Human Services (Mental Health)
 - Spokane Regional Health District
 - Evergreen Prosthetics and Orthotics LLC
 - Family Foot Center
 - Inland Imaging

- **Skilled Nursing, Assisted Living, and Rehabilitation:** Providence Hospice Spokane intends to develop agreements with the following Skilled Nursing Facilities and rehabilitation centers:
 - St. Luke's Rehabilitation Institute (owned by Providence)
 - Providence St. Joseph Care Center
 - Regency at Northpointe
 - Royal Park Health & Rehabilitation
 - Maplewood Gardens Assisted Living LLC
 - Moran Vista Senior Living
 - Providence Emilie Court Assisted Living

Providence Hospice Spokane intends to contract with other skilled nursing, assisted living, and rehabilitation facilities who are open to working with the new Providence hospice agency.

- **Home Health Agencies, Hospice Agencies, & Adult Family Homes:** Providence has strong relationships with local home health agencies, hospice agencies, and adult family homes. Providence Hospice Spokane intends to utilize these relationships and, where appropriate, develop agreements with the following agencies:
 - Horizon Hospice & Palliative Care
 - Hospice of Spokane
 - Providence VNA Home Health
 - A Nurse's Touch AFH 3 LLC
 - A Rosy Place Adult Family Home

- Able Adult Family Home
 - Aegis Adult Family Living LLC
 - Allan's Place Extended Comfort Care LLC
 - Amazing Grace1 AFH LLC
 - Ambassador Adult Family Home LLC
 - Arcadia46, LLC
 - Blessed Hands AFH LLC
 - Country Cottage Adult Family Home, LLC
 - Dinah Family Care, LLC
 - Emerald Green Adult Family Home
 - Emmanuel's Haven Adult Family Home LLC
 - Janeluv AFH LLC
 - Jomani Adult Family Home LLC
 - Kings and Queens Adult Family Home LLC
 - Marger Care Adult Family Home LLC
 - Passionate Care AFH, LLC
 - Peris Extended Care LLC
 - Phoebe Throne House LLC
 - Splendid Adult Family Home, LLC
- **In-Home Care Agencies:** Providence has relationships with the following vendors in Spokane. Providence Hospice Spokane intends to develop relationships with the following entities as appropriate:
 - Addus HomeCare
 - Agape in Home Care LLC
 - All Ways Caring HomeCare
 - Alternative Nursing Services
 - Family Resource Home Care
 - Generations Home Care
 - Guardian Angel Home Care LLC
 - Interim HealthCare of Spokane, Inc.
 - Love In Home Senior Care
 - Greater Spokane County Meals on Wheels (Meal Services)
 - Special Mobility Services, Inc. (Transportation)
 - Spokane Transit Authority (Transportation)
- **Supportive & Temporary Housing:** Given Providence Hospice Spokane's intent to provide hospice services to those experiencing homelessness and housing insecurity, Providence Hospice Spokane will develop relationships with the following entities:
 - Catholic Charities of Eastern Washington
 - House of Charity & Providence Community Clinic (formerly House of Charity Clinic)
 - Spokane Homeless Coalition
 - Community Health Association of Spokane

- **Pediatric Care:** Providence Hospice Spokane will develop a strong relationship with Sacred Heart Children’s Center. While outside of Spokane County, Providence has strong existing relationships with Seattle Children’s Hospital and Mary Bridge Children’s Hospital in Tacoma, including the palliative care teams at both facilities.
- **Oncology and Cancer Centers:** Providence Hospice Spokane will develop relationships with Providence Cancer Institute, Providence Oncology and Hematology, Cancer Care Northwest, and other oncology providers in the Spokane area.
- **Pharmacy and Infusion Services:** Providence Hospice Spokane will make use of existing Providence relationships, such as those with Providence Infusion and Pharmacy Services and Credena Health Pharmacy Sacred Heart.
- **Home Medical Equipment:** Providence Hospice Spokane will extend Providence’s existing agreement with Bellevue Healthcare to provide Home Medical Equipment for Spokane County residents. It will also explore extending existing agreements with Providence’s PACE programs, such as the agreement with Northwest Home Medical, Inc. (Rotech).
- **Veterans Administration:** As discussed in detail above in Section 10 of the Project Description section, Providence has a robust and well-established relationship with the Veterans Administration in Spokane. Providence Hospice Spokane intends to extend that relationship to provide much needed hospice services to this specific population.

The relationships discussed above and in Section 14 demonstrate that Providence Hospice Spokane will have the capability to meet the service demands for the project. Once the project is approved, Providence Hospice Spokane will work to make any necessary adjustments or amendments to existing agreements in order to provide the full spectrum of hospice services in Spokane County. In cases where any gaps in ancillary and support services exist, Providence Hospice Spokane will develop new relationships to meet the needs of hospice patients in Spokane County.

- 18. 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.**
- 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.**

Providence has neither facilities nor practitioners associated with the application with a history of any of the actions listed above.

19. 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.

Avoiding fragmentation in care delivery is a key reason why Providence Hospice Spokane is requesting a certificate of need to provide hospice services to Spokane County residents. Providence has a long history of providing exceptional inpatient and specialty care in the Spokane County planning area and also has a long history of working with existing local providers. Linking hospice services provided by Providence Hospice Spokane to existing planning area health care facilities, providers, caregivers, and other community organizations will help promote continuity of care.

In addition, Providence employs a state-of-the-art Epic electronic health record system, having established Epic in most care settings, including bringing hospice agencies and other entities administered by Providence Home and Community Care onto the same Epic instance. This is a highly significant differentiator in the hospice care space. This places Providence Hospice Spokane in a position to ensure continuity of care, avoid fragmentation of care and the unnecessary duplication of services, create opportunities to improve quality of care, and improve communication among providers and also between providers and patients. Epic allows the use of one medical record to follow the patient through the entire continuum of care.

20. 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.

The proposed Providence Hospice Spokane project will ensure an appropriate relationship with the existing health care system in the following ways:

- The proposed project will not result in duplication of services or unwarranted fragmentation of care. The 2021-2022 Hospice Numeric Need Methodology shows need for 1.3 hospice agencies in Spokane County, representing an unmet ADC need of 45 in the target year 2023. The Providence Hospice Spokane project will reach an ADC of 42 by the third full year of operations in 2024. Therefore, by definition, the proposed project will not result in a duplication of services, as the project will not exceed the need in the planning area. In addition, as discussed above in Section 10 of the Project Description section, Providence Hospice Spokane's proposal includes providing hospice services to specific populations in Spokane County, including, but not limited to, pediatric patients, the homeless, and dual diagnosis individuals.
- As discussed in Section 9 above, the proposed project will be adequately staffed, and Providence is well positioned to address any barriers related to recruiting staff for the proposed agency. Providence has an excellent reputation and history of recruiting and retaining appropriate personnel. Providence offers a competitive wage scale, a generous benefit package, and a professionally rewarding work setting. Being a large and established provider of health care services, Providence has multiple resources available to assist with the identification and recruitment of appropriate and qualified personnel:

- Experienced system and local talent acquisition teams in Spokane to recruit qualified staff.
 - Strong success in recruiting for critical-to-fill positions with recruiters that offer support on a national as well as local level.
 - The ability to utilize our external recruiting solutions entity, Provider Solutions & Development, where a team of recruiters work nationwide to support and serve providers in their recruiting efforts.
 - Career listings on the Providence Web site and job listings on multiple search engines and listing sites (e.g. Indeed, Career Builders, Monster, NW Jobs).
 - Educational programs with local colleges and universities, as well as the University of Providence Bachelor of Science Nursing Program (operated by Providence).
- The proposed project will have an appropriate relationship with ancillary and support services and these services will be sufficient to support the proposed project. As discussed in Sections 14 and 17 above, Providence is a well-established provider in the community. Providence Hospice Spokane will be able to leverage Providence's existing relationships, both inside and outside of Spokane County, and will build additional relationships as needed to ensure a full spectrum of care.
 - The proposed project will conform with relevant state and federal licensing requirements and will be Medicare certified and Medicaid eligible. In addition, the proposed project will provide care in accordance with federal and state laws, including complying with the Medicare conditions of participation.

21. 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.

This question is not applicable, as Providence does not own or operate any facilities or agencies that "reflect a pattern of condition-level findings."

22. 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.

For the reason stated in our response in Section 21 above, this question is not applicable.

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.

Providence Hospice Spokane is requesting certificate of need approval to operate a Medicare certified and Medicaid eligible hospice agency in Spokane County. The hospice agency will be a new agency based out of existing offices leased by Providence in Spokane. Operating a new agency will help address the unmet need for hospice care in Spokane County.

As part of its due diligence, and in deciding to submit this application, Providence Hospice Spokane explored the following alternatives:

- Alternative 1: Status quo: do nothing or postpone action
- Alternative 2: The requested project: seek CN approval for a hospice agency
- Alternative 3: Acquire an existing hospice agency in Spokane County
- Alternative 4: Partner and create a joint venture and seek CN approval for a hospice agency

The four alternatives were evaluated using the following decision criteria: access to hospice services; quality of care; cost and operating efficiency; staffing impacts; legal restrictions; and capital costs. Each alternative identifies advantages (A), disadvantages (D), and neutrality (N) in the tables below. Based on the above decision criteria, it is clear that the requested project — seek approval to operate a Medicare certified and Medicaid eligible hospice agency to serve residents of Spokane County — is the best option.

Please see Tables 19 through 22 in Section 2 below for a thorough analysis of alternatives, including the alternative of project versus no project (do nothing).

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.

Table 19. Alternative 1: Do Nothing or Postpone Action

Decision Making Criteria	Analysis
Access to Health Care Services	<p>There is no advantage to maintaining the status quo in terms of improving access. (D)</p> <p>The principal disadvantage is that the status quo does nothing to address the quantitative need for an additional hospice agency in the Spokane County Planning Area. Consequently, it does not address access to care issues that currently exist. (D)</p>
Quality of Care	<p>There is no advantage from a quality of care perspective. (N)</p> <p>The principal disadvantage with maintaining the status quo is driven by shortages in access to hospice services. Over time, as access is constrained, there would be adverse impacts on quality of care if planning area physicians and their patients cannot find adequate access to hospice services. (D)</p>
Cost and Operating Efficiency	<p>With this option, there would be no impacts on costs. (N)</p> <p>The principal disadvantage is that by maintaining the status quo, there would be no improvements to cost efficiencies. (D)</p>
Staffing Impacts	<p>The principal advantage is the avoidance of hiring/employing additional staff. (A)</p> <p>There are no disadvantages from a staffing point of view. (N)</p>
Legal Restrictions	<p>There are no legal restrictions to continuing operations as presently. (A)</p>
Capital Costs	<p>There are no capital costs to continuing operations as is. (A)</p>
Final Assessment	<p>This alternative was not selected, as it does not improve access to health care services and may have a detrimental impact on quality of care.</p>

Table 20. Alternative 2: Requested Project (CN Approval to Operate a New Hospice Agency)

Decision Making Criteria	Analysis
Access to Health Care Services	<p>The requested project meets current and future access issues identified in the Spokane County Planning Area. It increases access to care. (A)</p> <p>From an improved access perspective, there are no disadvantages. (A)</p>
Quality of Care	<p>The requested project meets and promotes quality and continuity of care in the planning area. (A)</p> <p>From a quality of care perspective, there are no disadvantages. (N)</p>
Cost and Operating Efficiency	<p>This option allows Providence Hospice Spokane to better utilize and leverage fixed costs and assets in the planning area. (A)</p> <p>From a cost and operational efficiency perspective, the project may incur minimal operating expense losses in the early startup period before it reaches sufficient volume to cover fixed and variable costs. (D)</p>
Staffing Impacts	<p>This option creates new jobs, which benefits the Spokane County Planning Area and provides opportunities for the specialization of staff dedicated to efficient delivery of hospice services. (A)</p> <p>From a staffing impacts perspective, there are no disadvantages as Providence has a solid track record of being able to hire and retain high quality hospice and home services staff. (N)</p>
Legal Restrictions	<p>The principal disadvantage is that it requires CN approval, which requires time and expense. (D)</p>
Capital Costs	<p>There are minimal capital costs for the proposed project (N)</p>
Final Assessment	<p>This alternative (the proposed project) was chosen as it improves access to health care services, promotes quality and continuity of care, leverages existing fixed costs, has no negative impacts on staffing, can immediately be executed, and does not face any adverse or onerous legal or regulatory requirements.</p>

Table 21. Alternative 3: Acquisition of an Existing Hospice Agency in Spokane County

Decision Making Criteria	Analysis
Access to Health Care Services	<p>The principal disadvantage is that an acquisition would not necessarily add additional capacity for hospice services in the Spokane County Planning Area when compared to alternative 2 and 4 (D).</p> <p>Our understanding is that there are no existing hospice agencies in Spokane County that are open to acquisition. (D)</p>
Quality of Care	<p>This option meets and promotes quality and continuity of care in the planning area. (A)</p> <p>From a quality of care perspective, there are no disadvantages, assuming the existing hospice agency does not have any quality of care issues. (N)</p>
Cost and Operating Efficiency	<p>Acquisition of an existing hospice requires considerable upfront costs as part of the purchase and due diligence. (D)</p> <p>An acquisition will require significant work in regard to bringing the new entity into the Providence system. For example, ensuring consistent instances of EPIC are in place, and ensuring that staff training, and protocols are consistent between Providence and the new entity. (D)</p>
Staffing Impacts	<p>The only advantage from a staffing perspective is that the staff from the existing agency is already in place. (A)</p> <p>This option potentially creates no new jobs, which does not benefit the Planning Area. (D)</p>
Legal Restrictions	<p>There are no advantages from a legal restrictions perspective. (N)</p> <p>The principal disadvantage is that an acquisition takes considerable time and resources to conduct full due diligence assessment prior to the acquisition. (D)</p>
Capital Costs	<p>There are minimal capital costs for the proposed project. (N)</p>
Final Assessment	<p>This alternative was not selected as it does not improve access to health care services, may add additional costs and efforts related to acquiring an existing provider, and requires considerable time and resources related to legal and due diligence requirements. Finally, we are not aware of any existing hospice providers that are open to acquisition.</p>

Table 22. Alternative 4: Create a Joint Venture and Seek CN Approval for a Hospice Agency

Decision Making Criteria	Analysis
Access to Health Care Services	<p>Depending on the partnership, this alternative would have the potential to meet current and future access issues identified in the Spokane County Planning Area. (A)</p> <p>Partnering with another entity should not adversely impact access to services under the assumption that the project would remain similar to the proposed project. (N)</p>
Quality of Care	<p>Partnering with another entity will not likely adversely impact quality of care when compared to the proposed project, although it adds additional layers of operational complexity. (N)</p>
Cost and Operating Efficiency	<p>Partnering with another entity will likely decrease the overall start up operating losses that Providence Hospice Spokane may face. But if there are operating losses in the first year, there is no reason to believe they would be less under a joint venture. (N)</p> <p>A partnership would increase operating complexity and may add other partnership-related costs. In this scenario, costs may increase due to additional efforts required to establish the governance and ownership structure, establish a new staffing structure, and accommodate partner preferences on how to deliver care. (D)</p>
Staffing Impacts	<p>Partnering with another entity would create less staffing flexibility from the perspective of Providence Hospice Spokane. In this scenario, Providence Hospice Spokane would have to build and establish additional management processes and structures and may have to negotiate new compensation benefit packages for clinical staff. (D)</p>
Legal Restrictions	<p>Partnering with another entity introduces a high degree of operational complexity, as under this scenario a completely new governance structure would have to be established along with obtaining agreement on operational processes. (D)</p> <p>The principal disadvantage is that it requires CN approval, which requires time and expense. (D)</p>
Capital Costs	<p>There are minimal capital costs for the proposed project (N)</p>
Final Assessment	<p>This alternative was not selected as it adds increased operating costs, decreased staffing flexibility, and will likely contribute to increased operating complexity.</p>

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.

This question is not applicable as the proposed project 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.

Providence continually works to improve quality, cost containment, and cost effectiveness in the delivery of hospice services. Some of the key efforts pursued by other Providence hospice agencies are noted below. Where appropriate Providence Hospice Spokane will work to bring these capabilities, services, and programs to the new Spokane County hospice agency.

Support for the Financing of Health Care Services: While the majority of financing of health care services is paid through Medicare and Medicaid reimbursement, we believe the following endeavors have a positive impact on the delivery of hospice services in our current service areas.

- **Providence Hospice Foundations:** Our Providence Hospice of Seattle Foundation and Providence Hospice Home Care Foundation of Snohomish County are our philanthropic arms of our hospice agencies serving Snohomish, King, and Pierce Counties. Our hospice foundations help our ministries provide care and programs to terminally ill patients and their families. Programs include the following: children's bereavement (Safe Crossings and Camp Erin), pediatric hospice and palliative care (Steppingstone), adult palliative care, support of low-income patients and families (Patient Special Needs), and complementary therapies (e.g. music, massage).
- **Community Benefit:** In 2020, Providence provided \$675 million in community benefit. Through programs and donations, Providence's community benefit connects families with preventive care to keep them healthy, fills gaps in community services, and provides opportunities that bring hope in difficult times.
- **Partnership with a Community Dialysis Center:** Providence Hospice of Seattle partners with the Northwest Kidney Center to provide hospice services and dialysis concurrently to support patients in transitioning to end of life care, thus reducing overall healthcare costs per patient by preventing unnecessary hospitalizations and initiating goals of care conversations earlier in the disease trajectory. Providence Hospice would look to create similar partnerships in Spokane.
- **Expansion of Private Insurance Providers:** Providence currently has over 20 commercial contracts with private insurance providers in Washington that can be leveraged to serve patients in Spokane County.

Innovations in Delivery of Health Care Services: Providence constantly strives to improve the delivery of health care services. Notable efforts in delivery of hospice services are detailed below, including recent efforts in response to needs stemming from the COVID-19 pandemic.

- **Telehealth Visits to Assist in Symptom Management:** Providence Hospice has a provider team (MD/ARNP) who conduct telehealth visits in real time to assist patients and families with symptom management.
- **Developing the Workforce of the Future:** Providence supports the education and development of future healthcare professionals by partnering with and accepting nursing, social work, and occupational therapy students, as well as medical fellows from the University of Washington.
- **Specialized Grief Education:** Specialized grief education for those with disabilities, focusing on underserved populations.
- **Enhanced Grief Support in Response to COVID-19 Pandemic:** In response to unprecedented needs driven by the pandemic, Providence has pivoted to provide a diverse variety of modalities and formats in the provision of grief services, such as in-person, phone-based, and telehealth counseling. In addition, Providence has provided grief support to a wider community, focusing on loss specific groups, including partnering with other organizations to provide emotional and spiritual support.
- **Flexible Delivery of Care During COVID-19 Pandemic:** Providence has been able to be flexible in our delivery of care, allowing the entire interdisciplinary care team to continue to be involved in direct patient care in a safe way. When families were not able to see their loved ones in hospice, we pivoted to technology allowing us to bring extended family into crucial conversations. This included use of telehealth along with the provision of tablets to underserved families.
- **COVID Emergency Management Planning:** In response to the pandemic, Providence has provided education/trainings and shared training materials, protocols, and COVID emergency management planning to skilled nursing facilities, assisted living facilities, adult family homes, and family members to support the larger community.

Promoting Quality of Care and Quality Assurance: Providence pursues a number of efforts aimed at continually improving quality of hospice services.

- **Quality Assessment and Performance Improvement Program:** Providence hospice agencies have established QAPI programs. The QAPI programs focus on identifying areas of improvement in patient/family outcomes, process of care, hospice services, non-clinical operations, and patient safety. Hospice-wide improvement opportunities are identified and prioritized, including, but not limited to, safety, clinical excellence, and improved patient and employee satisfaction.
- **Education and Training Programs:** Providence hospice agencies employ a number of training programs aimed at ensuring our care providers are best positioned to provide high quality care. Efforts include, but are not limited to, the following:

Providence Home Services Clinical Ladder Program, Hospice Aide Education Program, Internal Education Program, HIPAA and Integrity Program, and other targeted programs, such as our annual nursing skills labs, which reviews a rotation of key skills requirements.

- Nurse Residency Programs: These programs provide in-depth education and support to new RN graduates who want to work in hospice care. Current partnerships include med/surg rotation with Swedish Health Services, certificate program in Palliative Care with the University of California, and monthly curriculum to support new graduates entering nursing with The Providence Nursing Institute.
- Clinical Ladder Program: This program takes the traditional model of development and expands Clinical Ladders to also incentivize patient outcomes and clinician engagement. The Clinical Ladder program synthesizes all the benefits of Providence's vast educational resources in a way that helps the RN Case Manager grow while providing better outcomes for patients.
- Opioid Safety Program: This program helps balance safety with good symptom management for our patients, while serving in a community experiencing dangerous levels of substance use disorder and overdoses. It utilizes an opioid risk tool, safety plans, proactive symptom management, and safe disposal policies.
- Caring Reliably Visit Model: This sets expectations for patient visits and communication for all staff so families can feel they are receiving reliable care. It includes caring reliable visit guides, joint visit expectations with managers, and use of technology to quickly provide feedback about visits to staff from managers.
- Complex Case Reviews: These programs provide a safe space for clinicians to debrief challenging situations and inform future care. Complex Case Reviews are completed when a need arises in patient care that can't be solved easily. This also allows patients and families to initiate a complex case review in situations where they feel their needs are not being met and will be included in the discussion.
- Fall Risk Program: Using the MACH10 tool to assess fall risk, this program leverages a large library of interdisciplinary goals and interventions to prevent and reduce harm from falls in home and facility settings.
- Anxiety, Depression and Suicide Protocol: The protocol is used to assess and treat (as needed) all patients for anxiety, depression and suicide using the PHQ4 (Patient Health Questionnaire-4) and C-SSRS (Columbia Suicide Severity Rating Scale).
- TIP Protocol: The Transitioning/Imminent Protocol tool is used to determine which patients may be within 7 days of end of life. This tool, developed in King County, has been shared nationwide and is a new standard for serving patients at the very end of their life.
- Veteran Assessment: The Veteran Assessment protocol is part of the We Honor Veterans program in collaboration with National Hospice and Palliative Care Organization, assessing all veteran patients upon admission to help develop individualized care plans.
- COVID-19 Pandemic Specific Responses: Care responses during the pandemic have included close coordination with medical examiners on testing patients near or

at time of death, helping medical examiners in timely testing and allowing for timely burials of patients; testing clinicians who go into SNFs weekly to support the Department of Health testing strategy; development of a robust COVID emergency plan and protocols and surge plan with increased need for end of life care; providing a wide array of emotional care/resiliency services available to employees.

Promoting Cost Containment and Cost Effectiveness: Providence continually strives to reduce costs and improve cost effectiveness. Some of the key efforts and strengths are noted below.

- **Low Start-Up Costs to Serve Spokane County:** While serving Spokane County represents creating a new agency, Providence has worked to minimize the start-up costs. Having a home health agency and other programs and services already based in Spokane will allow Providence Hospice Spokane to minimize initial costs to establish a new agency. The majority of Providence Hospice Spokane's start-up costs will be related to establishing the required IT infrastructure, in particular EPIC, allowing for a robust electronic medical record to help ensure high quality and coordinated care.
- **Established Supply Chain and Medical Distribution Infrastructure:** Being part of a larger integrated and sustainable health system, Providence Hospice Spokane will have access to well-established supply chain and medication distribution infrastructure that contributes to lower cost of care.
- **App-Based Call Routing System:** Providence has partnered with Total Triage/CareXM on an app-based call routing system to improve timeliness and quality of care for patients and family, including a nurse back-up system, so that the patient always speaks with a nurse instead of an answering service.
- **Implementation of EPIC Documentation System:** The documentation system that is used within our larger health system and makes review of records easy in order to quickly provide care to patients.
- **Partnering to Reduce Overall Cost of Care:** Established partnerships with community dialysis centers and cardiologists to support patients in transition to end of life care, thus reducing overall healthcare costs per patient.
- **Established IT, HR, and Accounts Payable Systems:** Being part of a large health care system, Providence Hospice Spokane will have access to robust shared services that do not need to be built from scratch.

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.

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.

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

Providence is not submitting any other hospice applications under any other concurrent review cycle.

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.

This question is not applicable, as Providence answered no to question #1 above.

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.

This question is not applicable, as Providence answered no to question #1 above.

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.**

This question is not applicable, as Providence answered no to question #1 above.