



STATE OF WASHINGTON
DEPARTMENT OF HEALTH
Olympia, Washington 98504

April 8, 2022

Jamie Brown, Vice President of Home Services
Eden Health and EmpRes Home Services
4601 NE 77th Avenue, #300
Vancouver, WA 98662

Sent via email: Jamie Brown jbrown3@eden-health.com

RE: Certificate of Need Application #21-28 – Decision Letter

Jamie Brown:

We have completed review of the Certificate of Need application submitted by EmpRes Healthcare Group, Inc. dba Eden Home Health of King County, LLC. The application proposes to expand its existing home health agency's service area to include Medicare and Medicaid-certified home health services for the residents of Pierce County, within Washington State. Attached is a written evaluation of the application.

For the reasons stated in the attached decision, the application is consistent with the applicable criteria of the Certificate of Need Program, provided EmpRes Healthcare Group, Inc. dba Eden Home Health of King County, LLC agrees to the following in its entirety.

Project Description:

This Certificate of Need approves EmpRes Healthcare Group, Inc. dba Eden Home Health of King County, LLC to expand its existing home health agency's service area to include Medicare and Medicaid-certified home health services for the residents of Pierce County, Washington from its office in Kirkland [98033]. Home Health services provided to Pierce County residents include skilled nursing care; physical, occupational, and speech therapies; medical social work; home health aide; medical director; and telemedicine. Services are to be provided directly or under contract.

Conditions:

1. Approval of the project description as stated above. EmpRes Healthcare Group, Inc. dba Eden Home Health of King County, LLC further agrees that any change to the project as described in the project description is a new project that requires a new Certificate of Need.

2. EmpRes Healthcare Group, Inc. dba Eden Home Health of King County, LLC shall finance the project using the financing as described in the application.
3. EmpRes Healthcare Group, Inc. dba Eden Home Health of King County, LLC will obtain and maintain Medicare and Medicaid certification for Pierce County home health services.
4. Prior to providing Medicare and Medicaid-certified home health services to Pierce County residents, EmpRes Healthcare Group, Inc. dba Eden Home Health of King County, LLC will provide the Certificate of Need Program with a complete listing of its credentialed staff for review. The listing shall include each staff person's name and professional license number.
5. The service area for this Medicare and Medicaid-certified home health agency is Pierce County. EmpRes Healthcare Group, Inc. dba Eden Home Health of King County, LLC must provide home health services to the entire county for which this Certificate of Need is granted.

Approved Costs:


The approved capital expenditure for this project is \$1,473, which includes movable office equipment and applicable sales tax.

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

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

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

Sincerely,



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

Attachment

CC: Bob McGuirk, rmconsulting1@qwestoffice.net

EVALUATION DATED APRIL 8, 2022 FOR CERTIFICATE OF NEED APPLICATIONS PROPOSING TO EXPAND EXISTING HOME HEALTH AGENCYS' SERVICE AREAS, TO INCLUDE MEDICARE AND MEDICAID-CERTIFIED HOME HEALTH SERVICES THE RESIDENTS OF PIERCE COUNTY. SUBMITTED BY:

- **EMPRES HEALTHCARE GROUP, INC. DBA EDEN HOME HEALTH OF KING COUNTY, LLC**
- **WELLSPRING HOME HEALTH CENTER, LLC**

APPLICANT DESCRIPTIONS

EmpRes Healthcare Group, Inc. dba Eden Home Health of King County, LLC

This applicant (Eden) is a for-profit Washington Limited Liability Company.¹ EmpRes Healthcare Group, Inc. dba Eden Home Health of King County, LLC is part of a group of companies owned by EmpRes Healthcare Group, Inc. This parent company was founded in 1997, is 100% employee owned, and operates 59 rehabilitation facilities. These facilities provide management and consulting services to rehabilitation and post-acute care centers, assisted and independent living communities, and home health, hospice, and home care agencies throughout Arizona, California, Idaho, Montana, Nevada, Oregon, South Dakota, Washington, and Wyoming. [sources: EmpRes' website and Application, p9 and Attachments B and C, and April 30, 2021, screening response, p1]

In 2014 EmpRes Healthcare Group, Inc. established its home health care division through the acquisition of Ammon, an Idaho home health agency called Amedisys Home Health. This division operates under the dba Eden Home Health. In 2014 the Eden Home Health division acquired Option Care Enterprises, a Medicare-certified home health agency formerly operated by Walgreen's Infusion Services in Whatcom, Skagit, Island, and Snohomish counties. Upon acquisition of Option Care Enterprises, Eden Home Health began instituting its management and clinical improvement protocols in Whatcom County where 70% of the acquired agency's patients at that time resided. Currently, Eden's home health subsidiaries provide skilled nursing, rehabilitation therapies, medical social services, and certified home health aide services to homebound patients throughout the Whatcom, Skagit, Snohomish, San Juan, Island, Spokane, Clark, and King counties.² Eden and its home health subsidiaries have approval to provide Medicare and Medicaid-certified home health services to the residents of Whatcom, Skagit, Snohomish, San Juan, Island, Spokane, Clark, and King counties.³ [sources: Application, p12, CN1857 progress report files, and certificate of need files]

For this application, EmpRes Healthcare Group, Inc. dba Eden Home Health of King County, LLC is the applicant and will be referenced in this evaluation as "*Eden.*"

Wellspring Home Health Center, LLC

This applicant (Wellspring) is a limited liability company.⁴ Wellspring is currently owned and operated by its members, Dr. Ernest Ibanga and Joyce Ibanga. Wellspring currently operates in-home services agencies in Alaska and is licensed⁵ and CN-approved⁶ to operate in Washington State. Its Washington

¹ Eden's Washington Secretary of State unified business identifier is 604 069 995

² Eden's Washington State Department of Health home health licenses include: IHS.FS.60491681, IHS.FS.60871865, IHS.FS.61014910, IHS.FS.61097918, and IHS.FS.61117985.

³ Eden's home health certificates of need #1122, #1739, #1832, and #1857.

⁴ Wellspring's Washington Secretary of State unified business identifier is 604 416 352

⁵ Wellspring's Washington State Department of Health license number is IHS.FS.61055973

⁶ Wellspring's King County CN #1905, issued September 13, 2021

State operations are located out of an office at 8815 South Tacoma Way, Suite 120, Lakewood [98498] within Pierce County. [source: Application, p4-5 and Certificate of Need Wellspring files]

Wellspring's stated fundamental philosophies are *"First, that each person has innate worth, regardless of their health, age, race, color, creed, gender, sexual orientation, or national origin. Second, that each person has entitled to maximize their potential and enjoy a great quality of life. That's why we treat all our patients like our own family."* [source: Wellspring's website, About]

For this application, Wellspring Home Health Center, LLC is the applicant and will be referenced in this evaluation as *"Wellspring."*

PROJECT DESCRIPTIONS

EmpRes Healthcare Group, Inc. dba Eden Home Health of King County, LLC

Eden is proposing to expand its existing home health agency's service area to include Medicare and Medicaid-certified home health services for the residents of Pierce County. This project proposes to operate its from Eden's existing offices located at 733 7th Avenue, Suite 110, Kirkland, Washington [98033] within King County. [source: Application, p9, p10, and p12]

Services to be provided to Pierce County residents include the full range of care defined by the Medicare home health conditions of participation, including: skilled nursing care; physical, occupational, and speech therapies; medical social work; home health aide; medical director; and telemedicine. [source: Application, p12-13]

With the expectation that Certificate of Need review would be completed in year 2022, if approved, Eden would begin providing Medicare and Medicaid-certified home health services for Pierce County residents within approximately four months of Certificate of Need review being completed,⁷ in January 2023. For this project, full calendar year one is 2023 and year three is 2025.

The estimated capital expenditure for the project is \$1,473. Since this project proposes to set up an office in an existing facility the costs are for moveable equipment and related sales tax. There is no remodeling or construction costs associated with this project. [source: Application, p51 and April 30, 2021, screening response, p5]

Wellspring Home Health Center, LLC

Wellspring Home Health Center, LLC is proposing to expand its current services to include Medicare and Medicaid-certified home health services to the residents of Pierce County. This project proposes to operate its Medicare and Medicaid-certified home health agency from its licensed agency located at 8815 South Tacoma Way, Suite 120, Lakewood, Washington [98498] within Pierce County. [source: December 23, 2021, screening response, Appendix 1]

Services to be provided directly or through contract to Pierce County residents include, skilled nursing; physical, occupational, speech, and respiratory therapies; medical social work; home health aide; medical director services; nutritional counseling; bereavement counseling; applied behavior analysis; IV services; and durable medical equipment. As well as specialty pediatric and veteran services. [source: Application, p6-7]

⁷ November 1, 2021 is the completion date specified by the applicant, however, when making this estimate the applicant was not able to foresee concurrent review delays.

With the expectation of a Certificate of Need review being completed in year 2022, if approved, Wellspring would begin providing Medicare and Medicaid-certified home health services for Pierce County residents within approximately four months of Certificate of Need review being completed. [source: Application, p7] For this project, full calendar year one is 2023 and year three is 2025.

The estimated capital expenditure for the project is \$4,000. Since this project proposes to set up an office in an existing facility the costs are for movable office equipment and applicable sales tax. There are no construction costs associated with this project. [source: October 21, 2021, screening response, p7]

APPLICABILITY OF CERTIFICATE OF NEED LAW

These applications are subject to Certificate of Need review as the construction, establishment, or other development of a health care facility under RCW 70.38.105(4)(a) and WAC 246-310-020(1)(a).

EVALUATION CRITERIA

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

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

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

TYPE OF REVIEW

Three applications were received proposing to provide Medicare and Medicaid-certified home health services to the residents of Pierce County. One was received on November 25, 2020 submitted by Eden. The second was received on May 13, 2021 submitted by Healthy Living at Home. The third was received on August 16, 2021 submitted by Wellspring. Since all three applicants proposed projects to serve the residents of Pierce County, they were reviewed concurrently under the regular timeline outlined in WAC 246-310-160. However, on October 6, 2021, prior to this review's beginning of review, Healthy Living at Home withdrew its application. Consequently, only the remaining two applicants' projects are reviewed in this evaluation.

APPLICATION CHRONOLOGY

Action	Eden	Healthy Living at Home	Wellspring
Letter of Intent Received	May 28, 2020	April 13, 2021	July 15, 2021
Application Received	November 25, 2020	May 13, 2021	August 16, 2021
Department's pre-review activities <ul style="list-style-type: none"> • DOH 1st Screening Letter Sent • Applicant's Responses Received • Supplemental Letter Sent 	December 18, 2020 April 30, 2021 ⁸ June 4, 2021	June 4, 2021 July 16, 2021 n/a	September 9, 2021 October 21, 2021 n/a
<ul style="list-style-type: none"> • DOH 2nd Screening Letter Sent • 2nd Supplemental Letter Sent • Applicant Withdraws • Applicant's Responses Received 	August 6, 2021 September 15, 2021 n/a December 20, 2021	August 6, 2021 September 15, 2021 October 6, 2021 n/a	November 12, 2021 n/a n/a December 23, 2021
Beginning of Review	January 3, 2022		
Public Hearing	None requested or conducted		
Public Comments Deadline	February 7, 2022		
Rebuttal Comments Deadline	February 23, 2022 ⁹		
Department's Anticipated Decision Date	April 8, 2022		
Department's Actual Decision Date	April 8, 2022		

AFFECTED PERSONS

“Affected persons” are defined under WAC 246-310-010(2). In order to qualify as an affected person, someone must first qualify as an “interested person,” defined under WAC 246-310-010(34). Under concurrent review, each applicant is an affected person for the other’s application. Throughout the review of these applications one entity requested interested person status, however, does not meet the requirements to be considered an affected person.

Angel Hoang, Health Facilities Planning & Development

Health Facilities Planning & Development (HFPD) is a consultant for multiple providers of healthcare services throughout the state and region. On August 19, 2021 HFPD submitted its request for interested person status. HFPD did not identify which of its clients could meet the interested person definition, nor did it testify at a public hearing or submit written evidence on either of these projects. Therefore, HFPD does not qualify as an interested or affected person.

Only the other applicants are considered affected persons for these projects.

SOURCE INFORMATION REVIEWED

- Eden’s Certificate of Need application received November 25, 2020
- Eden’s first screening response received April 30, 2021
- Eden’s second screening response received December 20, 2021
- Wellspring’s Certificate of Need application received August 16, 2021

⁸ On January 25, 2021 Eden requested an 88-day extension to respond to screening. One January 26, 2021 the department granted Eden’s extension request of 88 days.

⁹ Comments distributed one day late, department pushed out the rebuttal deadline one day, without changing the anticipated decision deadline.

- Wellspring's first screening response received October 21, 2021
- Wellspring's second screening response received December 23, 2021
- 1987 Washington State Health Plan
- Office of Financial Management Population Data 2017
- Department of Health Integrated Licensing and Regulatory System database [ILRS]
- Licensing and/or survey data provided by the Department of Health's Office of Health Systems Oversight
- Licensing data provided by the Medical Quality Assurance Commission, Nursing Quality Assurance Commission, and Health Systems Quality Assurance Office of Customer Service
- Eden's website: <https://www.empres.com/>
- Wellspring's website: <https://www.wellspringhomehealth.com/>
- CMS QCOR Compliance website: https://qcor.cms.gov/index_new.jsp
- Washington Secretary of State corporation data

CONCLUSIONS

EmpRes Healthcare Group, Inc. dba Eden Home Health of King County, LLC

For the reasons stated in this evaluation, the application submitted by EmpRes Healthcare Group, Inc. dba Eden Home Health of King County, LLC proposing to expand its existing home health agency's service area to include Medicare and Medicaid-certified home health services for the residents of Pierce County, is consistent with applicable criteria of the Certificate of Need Program, provided EmpRes Healthcare Group, Inc. dba Eden Home Health of King County, LLC agrees to the following in its entirety.

Project Description:

This Certificate of Need approves EmpRes Healthcare Group, Inc. dba Eden Home Health of King County, LLC to expand its existing home health agency's service area to include Medicare and Medicaid-certified home health services for the residents of Pierce County, Washington from its office in Kirkland [98033]. Home Health services provided to Pierce County residents include skilled nursing care; physical, occupational, and speech therapies; medical social work; home health aide; medical director; and telemedicine. Services are to be provided directly or under contract.

Conditions:

1. Approval of the project description as stated above. EmpRes Healthcare Group, Inc. dba Eden Home Health of King County, LLC further agrees that any change to the project as described in the project description is a new project that requires a new Certificate of Need.
2. EmpRes Healthcare Group, Inc. dba Eden Home Health of King County, LLC shall finance the project using the financing as described in the application.
3. EmpRes Healthcare Group, Inc. dba Eden Home Health of King County, LLC will obtain and maintain Medicare and Medicaid certification for Pierce County home health services.
4. Prior to providing Medicare and Medicaid-certified home health services to Pierce County residents, EmpRes Healthcare Group, Inc. dba Eden Home Health of King County, LLC will provide the Certificate of Need Program with a complete listing of its credentialed staff for review. The listing shall include each staff person's name and professional license number.
5. The service area for this Medicare and Medicaid-certified home health agency is Pierce County. EmpRes Healthcare Group, Inc. dba Eden Home Health of King County, LLC must provide home health services to the entire county for which this Certificate of Need is granted.

Approved Costs:

The approved capital expenditure for this project is \$1,473, which includes movable office equipment and applicable sales tax.

Wellspring Home Health Center, LLC

For the reasons stated in this evaluation, the application submitted by Wellspring Home Health Center, LLC proposing to expand its current services to include Medicare and Medicaid-certified home health services to the residents of Pierce County, is consistent with applicable criteria of the Certificate of Need Program, provided Wellspring agrees to the following in its entirety.

Project Description:

This Certificate of Need approves Wellspring Home Health Center, LLC to expand its existing home health agency's service area to include Medicare and Medicaid-certified home health services for the residents of Pierce County, Washington from its office in Lakewood [98498]. Home Health services provided to Pierce County residents include skilled nursing, physical, occupational, speech, and respiratory therapies, medical social work, home health aide, medical director services, nutritional counseling, bereavement counseling, applied behavior analysis, IV services, and durable medical equipment, as well as specialty pediatric and veteran services. Services may be provided directly or under contract.

Conditions:

1. Approval of the project description as stated above Wellspring Home Health Center, LLC further agrees that any change to the project as described in the project description is a new project that requires a new Certificate of Need.
2. Wellspring Home Health Center, LLC shall finance the project using the financing as described in the application.
3. Wellspring Home Health Center, LLC will obtain and maintain certification for Pierce County home health services.
4. Prior to providing Medicare and Medicaid-certified home health services to Pierce County residents, Wellspring Home Health Center, LLC will provide the Certificate of Need Program with a complete listing of its credentialed staff for review. The listing shall include each staff person's name and professional license number.
5. The service area for this Medicare and Medicaid-certified home health agency is Pierce County. Wellspring Home Health Center, LLC must provide home health services to the entire county for which this Certificate of Need is granted.

Approved Costs:

The approved capital expenditure for this project is \$4,000, which includes movable office equipment and applicable sales tax.

CRITERIA DETERMINATIONS

A. Need (WAC 246-310-210)

EmpRes Healthcare Group, Inc. dba Eden Home Health of King County, LLC

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

Wellspring Home Health Center, LLC

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

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

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

Home Health Numeric Methodology-1987 Washington State Health Plan (SHP)

The SHP methodology is a five-step process outlined below that projects the number of home health agencies that will be needed in a planning area. [source: SHP, pB-35]

Step one: Project the population of the planning area, broken down by age cohort

Age Cohort
0-64
65-79
80+

Step two: Project the number of home health patients

This is done by multiplying each projected population age cohort by its corresponding use rate identified in the SHP.

Age Cohort	Use Rate
0-64	0.005
65-79	0.044
80+	0.183

Step three: Project number of patient visits

This is done by multiplying each age cohorts' projected number of home health patients (calculated in the previous step) by its corresponding number of visits identified in the SHP.

Age Cohort	Use Rate	Visits
0-64	0.005	10
65-79	0.044	14
80+	0.183	21

Step four: Determine the projected home health agencies need

This is done by dividing the total projected number of visits by 10,000, which is the amount the SHP considers the “target minimum operating volume for a home health agency.” The resulting number represents the maximum projected number of agencies needed in a planning area. The SHP specifies that fractions are rounded down to the nearest whole number.

Step five: Subtract the existing number of home health agencies in a planning area

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

EmpRes Healthcare Group, Inc. dba Eden Home Health of King County, LLC

Eden provided a numeric methodology based on the five steps identified in the SHP. The applicant’s methodology is summarized in the following table. [source: Application, p26-30]

**Department’s Table 1
Eden’s Numeric Need Methodology for Year 2024**

Estimated home health agency gross need	24.95
Subtract # of home health agencies in the supply	(11)
Net need for Medicare and Medicaid home health agencies	13.95
Total net need	13

As shown in the table, Eden estimates a net need for 13 home health agencies by the end of year 2024. Eden further provided an analysis which detailed an alternative methodology which included projected visits by age group adjusted to incorporate need based on chronic illness volumes. Then using federal reporting data Eden did a deeper analysis of the existing supply of home health providers available to Pierce County residents.

Public and Rebuttal Comment

None

Department Evaluation

The department’s evaluation of both applicants’ numeric methodology is presented following the discussion of department’s numeric methodology.

Wellspring Home Health Center, LLC

Wellspring provided a numeric methodology based on the five steps identified in the SHP. The applicant’s methodology is summarized in the following table. [source: Application, p9-10]

**Department’s Table 2
Wellspring’s Numeric Need Methodology for Year 2024**

Estimated home health agency gross need	24.95
Subtract # of home health agencies in the supply	(18)
Net need for Medicare and Medicaid home health agencies	6.95
Total net need	6

As shown in the table, Wellspring estimates a net need for six home health agencies by the end of year 2024.

Public and Rebuttal Comment

None

Department Evaluation

The department’s evaluation of both applicants’ numeric methodology is presented following the discussion of department’s numeric methodology.

Department Evaluation of Numeric Need for the Pierce County Home Health Projects

This section outlines the steps detailed earlier in this section and applies them to Pierce County. [source: SHP, pB-35]

Step one: Project the population of the planning area, broken down by age cohort

Department’s Table 3
Numeric Need Methodology for Pierce County
Step One – Project Planning Area Population by Age Cohort

Age Cohort	2022	2023	2024
0-64	774,696	779,475	784,253
65-79	117,310	122,143	126,976
80+	31,419	32,894	34,368

[source: OFM “Projections of the Population by Age and Sex for Growth Management, 2017 GMA Projections - Medium Series”]

Step two: Project the number of home health patients

This is done by multiplying each projected population age cohort by its corresponding use rate identified in the SHP.

Department’s Table 4
Numeric Need Methodology for Pierce County
Step Two – Projected Number of Home Health Patients

Age Cohort	Use Rate	2022	2023	2024
0-64	0.005	3,873.5	3,897.4	3,921.3
65-79	0.044	5,161.6	5,374.3	5,586.9
80+	0.183	5,749.7	6,019.6	6,289.4

Step three: Project number of patient visits

This is done by multiplying each age cohorts’ projected number of home health patients (calculated in the previous step) by its corresponding number of visits identified in the SHP.

Department’s Table 5
Numeric Need Methodology for Pierce County
Step Three – Projected Number of Home Health Visits

Age Cohort	Use Rate	Visits	2022	2023	2024
0-64	0.005	10	38,734.8	38,973.7	39,212.7
65-79	0.044	14	72,263.0	75,240.1	78,217.2
80+	0.183	21	120,744.0	126,410.9	132,077.8
Totals			231,741.8	240,624.7	249,507.6

Step four: Determine the projected home health agencies needed

This is done by dividing the total projected number of visits by 10,000, which is the amount the SHP considers the “target minimum operating volume for a home health agency.” The resulting number represents the maximum projected number of agencies needed in a planning area. The SHP specifies that fractions are rounded down to the nearest whole number.

Department’s Table 6
Numeric Need Methodology for Pierce County
Step Four – Projected Number of Home Health Agencies Needed

Age Cohort	Use Rate	Visits	2022	2023	2024
0-64	0.005	10	38,734.8	38,973.7	39,212.7
65-79	0.044	14	72,263.0	75,240.1	78,217.2
80+	0.183	21	120,744.0	126,410.9	132,077.8
Totals			231,741.8	240,624.7	249,507.6
Target Minimum Operating Volume			10,000	10,000	10,000
Number of Agencies			23.17	24.06	24.95
Number of Agencies Needed			23	24	24

Step five: Subtract the existing number of home health agencies in a planning area

The fifth and final step in the numeric methodology is to subtract the existing number of home health agencies providing services to a planning area from the projected number of agencies needed. This results in the net number of agencies needed for the planning area. Following is a brief description of how the department determines what agencies should be included or excluded from the numeric need methodology’s supply.

It is important to note is that the department adheres to the definition in the 1987 Washington State Health Plan (SHP) for a home health agency which states, “Home health agency means an entity coordinating or providing the organized delivery of home health services. Home health services means the provision of nursing services along with at least one other therapeutic service or with a supervised home health aide service to ill or disabled persons in their residences on a part-time or intermittent basis, as approved by a physician.” [source: SHP, pB-34]

Several factors are used to determine whether an agency is appropriately considered part of the supply for any county. The first used by the department is its internal database.¹⁰ At initial licensure, renewal, or through a separate request, agencies are able to list or edit its service areas, number of home health full-time employees, and services provided. Each of these are used to help determine if an agency is available and accessible to the entirety of Pierce County residents.

The second factor is the Certificate of Need Program’s records on which agencies are Certificate of Need approved; Medicare and Medicaid-certified; and available and accessible to all residents of a county.

Another factor used includes an agencies’ response to the department’s home health utilization survey. In 2020 and 2021, the department sent utilization surveys to all licensed home health agencies. The survey requested historical admissions and visits for the preceding years, 2019 and 2020 respectively.

¹⁰ Integrated Licensing and Regulatory System (ILRS).

An additional factor used in this assessment is each agencies' public website. First, is there a site that is verifiably linked to the licensee. Second, are services listed in line with the SHP discussed earlier. Lastly, is Pierce County an area that the agency lists as available to serve.

The attached analysis in Appendix A (that lists which agencies are sufficiently available and accessible) was used to determine which agencies should be counted in the Pierce County home health supply.

The department started with a listing of licensed in-home services agencies, which had 1,117 licenses. Next, the department eliminated any licenses that had a status of closed, denied licensure, expired, revoked, or suspended. This left 534 in-home services licenses with a status of active or pending.

Then, agencies that did not list home health as an agency service category on their state license, or that were not serving Pierce County, were excluded. Next, the SHP definition of home health agency is applied. Based on these factors 60 home health agencies remained.

The department's findings on these 60 agencies are detailed as Appendix A attached to this evaluation, including the rationale outlining each agencies' inclusion or exclusion from the supply for the numeric methodology for Pierce County. A summary is in the following table.

**Department's Table 7
Summary of Determining the Existing Supply for Pierce County**

Applicants	Two agencies are excluded on this basis.
Medicare and Medicaid-certified agencies	11 agencies are <i>counted</i> .
Website research shows services are limited to a special population or to only parts of Pierce County	13 agencies are excluded on this basis, which includes one Medicare and Medicaid-certified agency, counted above.
Website research shows services exclude the agency from the SHP definition of a home health agency	21 agencies are excluded on this basis.
No website located and either, no recent surveys or no Pierce admits in submitted surveys.	Five agencies are excluded on this basis.

Exclusion of the 41 agencies listed in Appendix A results in 19 remaining agencies. The following table shows the remaining 19 licenses, all of which represent the existing supply of home health agencies serving the residents of Pierce County.

**Department's Table 8
The Existing Supply for Pierce County**

Agency Name	WA DOH License Number
Careage Home Health LLC	IHS.FS.60848148
CHC Services LLC	IHS.FS.00000184
CHI National Home Care	IHS.FS.60506466
Emerald Healthcare Inc	IHS.FS.60751653
Encore Home Health, LLC	IHS.FS.60922864
Envision Home Health of Washington LLC	IHS.FS.60521160
Gentiva Certified Healthcare Corp	IHS.FS.00000298
Infinity Home Health Solutions Inc.	IHS.FS.60955703
LHCG LXIII LLC	IHS.FS.60497952
MGA Home Healthcare WA Holdings, LLC	IHS.FS.61239698
Multicare Health System	IHS.FS.60081744
Prime Home Health, Inc	IHS.FS.00000382
Providence Health and Services - Washington	IHS.FS.00000420
Providence Health and Services - Washington	IHS.FS.61127868
Reliable Healthcare LLC	IHS.FS.60851874
Serengeti Care Partners LLC	IHS.FS.60660148
Symbol Healthcare Inc	IHS.FS.60332035
Wesley Homes at Home LLC	IHS.FS.60276500
Wesley Homes Community Health Services	IHS.FS.00000028

The next table includes a row with the number of existing agencies (19) that are counted as the supply.

**Department's Table 9
Numeric Need Methodology for Pierce County
Step Five – Subtract the Existing Supply**

Age Cohort	Use Rate	Visits	2022	2023	2024
0-64	0.005	10	38,734.8	38,973.7	39,212.7
65-79	0.044	14	72,263.0	75,240.1	78,217.2
80+	0.183	21	120,744.0	126,410.9	132,077.8
Totals			231,741.8	240,624.7	249,507.6
Target Minimum Operating Volume			10,000	10,000	10,000
Number of Agencies			23.17	24.06	24.95
Number of Gross Agencies Needed			23	24	24
Number of Existing Agencies			19	19	19
Net Agencies Needed			4	5	5

The following table is a summary of the factors used in the department's numeric home health methodology for Pierce County.

**Department's Table 10
Department's Numeric Methodology Assumptions and Data**

Assumption	Data Used
Planning Area	Pierce County
Population Estimates and Forecasts	Age Group: 0 – 85+ OFM Population Data released year 2017, medium series: Projected Year 2024
Utilization by Age Cohort	Age 0-64 = 0.005 Age 65 – 79 = 0.044 Age 80+ = 0.183
Number of Visits by Age Cohort	Age 0-64 = 10 visits Age 65 – 79 = 14 visits Age 80+ = 21 visits
Existing Number of Providers	19 providers based on the attached analysis

A summary of the department's numeric methodology is presented in the following table. The methodology and supporting data are provided as Appendix B attached to this evaluation.

**Department's Table 11
Summary of Department of Health
Pierce County Home Health Need Projection**

	2022	2023	2024
Total Number of Patient Visits	231,741.8	240,624.7	249,507.6
Divided by 10,000	23.17	24.06	24.95
Rounded Down	23	24	24
Existing Number of Agencies	19	19	19
Net Need	4	5	5

As shown in the preceding table, need for an additional five home health providers is projected in projection year 2024. Based solely on the numeric methodology, need for additional home health agencies is demonstrated.

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

EmpRes Healthcare Group, Inc. dba Eden Home Health of King County, LLC

Eden provided the following list related to this sub-criterion; and within its application, provided in-depth analysis of each of these following points.

“This project is directed toward providing additional resources, consistent with federal and state priorities and initiatives to improve health status, health care and managing increasing costs. This project is vitally needed to address six key service needs and problems facing patients referred now and in the future for home health services by their caregivers in Pierce County:

- 1) Need for additional providers to address the increasing demand for and growth in volumes in home health care.*
- 2) Need to improve rapid admission to home health via timely access to home health services in the face of burgeoning demand.*

- 3) Need to support recovered Covid-19 patients as they safely move to residential settings for patient safety and to maintain maximum hospital capacity.
- 4) Need for the additional providers to address growing health disparity that limits life span and increases the chronic disease burden of residents of Pierce County and adjacent counties.
- 5) Need for financially accessible home health services for Pierce County residents.
- 6) Need to provide the additional in-home services through expanded home health resources to continue to support Washington State initiatives such as the Medicare-Medicaid Financial Alignment Initiative, Medicare-Medicaid Managed Fee-for-Service (MFFS) demonstration now in its second extension through 2020; and the Department of Social and Health Services Long-Term Services and Supports (LTSS) Rebalancing that has yielded substantial, estimated Medicaid Savings of \$4.4 billion from all funding sources from SFY 2000 to SFY 2018.” [source: Application, p16-39]

Public Comments

The competing applicant provided comment related to this sub-criterion. Included here is an excerpt specific to Eden’s project.

Ernest Ibang, President, Wellspring Home Health Center, LLC

*“If the application by Eden Home Health satisfies the Department criteria of Need, Financial Feasibility, Structure and Process of Care, and Cost Containment, then **it is Wellspring’s position that both the Wellspring and Eden applications should be approved.** There currently exists significant need in Pierce County for additional home health services. Based on the State Health Plan forecast methodology, we estimate net need of approximately 70,000 home health visits by Pierce County residents by 2024. This translates to approximately 2,800 planning area residents in need of home health services in Pierce County by 2024. Such tremendous need in the planning area means that the Department can approve both applications and remain consistent with the expressed public policy goal of Revised Code of Washington 70.38 that the development and/or expansion of health care facilities be accomplished in a planned, orderly fashion and without unnecessary duplication.”*

Rebuttal Comments

None

Department Evaluation

Eden is proposing its agency would serve Pierce County residents from offices located in Kirkland, within adjacent King County. Eden listed several rationales for approval of its project under this sub-criterion. Each was supported with in-depth analysis, research, and sourced references. Based on the applicant’s analysis the department finds it reasonable that need is demonstrated. If its application is approved, Eden would be required to be available to all residents of Pierce County.

To further evaluate this sub-criterion the department takes into consideration the public comments received related to the addition of a new provider to Pierce County. Specific to this project, only the other applicant provided public comments in support of this project. It is noted that none of the existing home health agencies provided comments asserting that the addition of new home health agency should be considered a duplication of services for Pierce County.

The department concludes that the numeric methodology, comments, and the application information supports need for additional home health agencies to serve the residents of Pierce County. Based on

the information received, the department concludes that Eden demonstrated need for its proposed project and **meets this sub-criterion.**

Wellspring Home Health Center, LLC

Wellspring provided the following list related to this sub-criterion; and within its screening responses, provided in-depth analysis of each of these points.

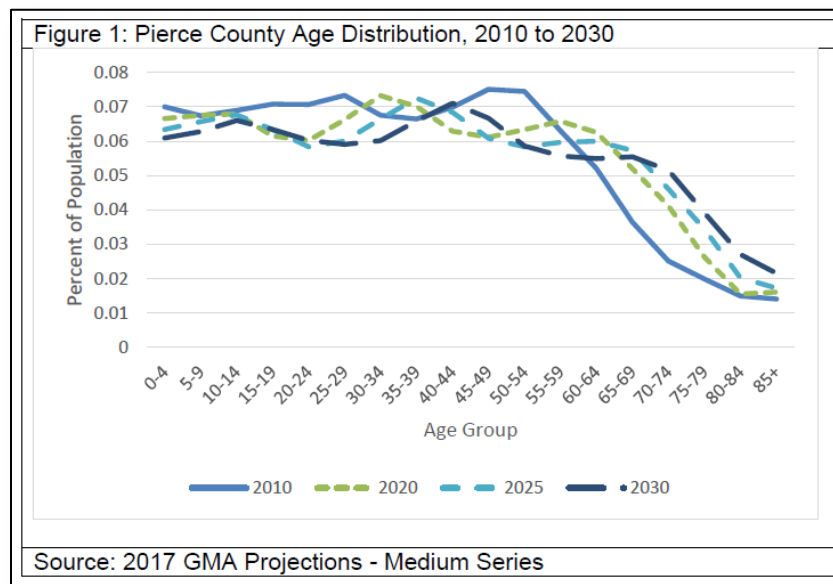
“An aging service area population

Estimates from the National Center for Health Statistics indicate that use of home health services increases in age. We present estimates of the age distribution of home health users in Table 1.

Age Group	% of Home Health Users	% of Population
Under 65	18.1%	85.0%
65 to 74	26.8%	8.7%
75 to 84	29.9%	4.4%
85+	25.2%	2.0%

Sources: Annual Estimates of the Resident Population for Selected Age Groups by Sex for the United States: April 1, 2010 to July 1, 2019 (NC-EST2019-AGESEX); NCHS, Long-Term Care Providers and Services Users in the United States, 2015 to 2016.

Across the United States, persons aged 65 represent only about 15% of the population, but account for over 80% of home health users. The likelihood of home health use is thus increasing in age, and changes to the service area population will lead to increased demand for home health services. We plot the age distribution of Pierce County residents over time in Figure 1.



As presented in Figure 1, the age distribution of Pierce County residents is expected to shift toward older ages over time. Since the use rate of hospice services increases in age, we anticipate additional demand for home health services which exceeds that estimated within the home health demand methodology presented in our application.

Service Area Pediatric Home Health Need

We believe there exists a need for pediatric home health service in Pierce County. Although there may exist current CN-approved home health agencies which provide Pediatric Home Health services, we were unable to find any reference to pediatric programs across the existing CN-approved home health care provided in Pierce County. Furthermore, compared to other populous counties in Washington State, Pierce County residents have one of the lowest rates of pediatric discharges to Home Health providers. We present inpatient discharges for children aged 0 to 4 to Home Health agencies in 2020 across the five Washington Counties with over 500,000 residents in Table 2.

County Name	Discharges to Home Health, Age 0 to 4	Population, 0 to 4	Use Rate (per 100k)
Clark	14	30,533	45.852
King	83	133,532	62.157
Pierce	22	60,015	36.658
Snohomish	41	52,081	78.724
Spokane	19	31,770	59.805

Sources: CHARS 2020; 2017 GMA Projections - Medium Series

Based on inpatient discharges, pediatric home health patients do not represent a large population, with a total of 280 children aged 0 to 4 discharged to home health agencies across Washington State. However, Pierce County residents nevertheless exhibit a low use rate relative to the other large counties in Washington State. Snohomish County, which has a similar pediatric population to Pierce County, had nearly twice as many discharges to home health providers in 2020. While there may be other health-related factors driving these differences, this suggests a need for a pediatric home health program in Pierce County. As described in our application, Wellspring’s proposed project would add such a program.

Service Area Veteran Home Health Need

Pierce County has the second largest veteran population in Washington State, and the largest proportion of veterans of any county Washington State with over 500,000 residents. We present veteran counts and rates by county in Table 3.

County Name	Population, 20+	Veterans	% Veterans
Clark	368,759	35,092	9.5%
King	1,722,495	108,138	6.3%
Pierce	663,803	92,149	13.9%
Snohomish	628,374	53,467	8.5%
Spokane	385,311	44,815	11.6%

Sources: 2017 GMA Projections - Medium Series; U.S. Department of Veterans Affairs, National Center for Veterans Analysis and Statistics (https://www.va.gov/vetdata/Veteran_Population.asp, Last Accessed October 19, 2021).

The U.S. Department of Veteran’s Affairs (VA) estimates that in 2020, over 92,000 veterans lived in Pierce County. This represented nearly 14% of the adult population over age 20, ranking Pierce County highest among Washington’s counties with over 500,000 residents. Furthermore, the VA estimates that in 2020, the number of Pierce County veterans aged 65 and older equaled 29,743

(32%). Given the higher home health use rates among older individuals, this represents a large veteran population in need of home health services.

Wellspring Home Health, with its existing relationships to the military community, is ideally positioned to expand home health access to the veteran populations in Pierce County. Many of the letters of support submitted on behalf of its King County application (CN21-35) identified the importance of Wellspring's military relationships in improving access to care to the veteran populations. As described in our application, Wellspring's offers services to veterans who need skilled services such as skilled nursing, case management, physical therapy, occupational therapy, speech therapy, wound care, or IV antibiotics. Skilled Home Health Care is used in combination with other home-based services." [source: October 21, 2021, screening response, p3-6]

Public Comments

The following entities provided comment specific to Wellspring's proposed project related to this sub-criterion.

Brian Osborn, Chaplain (MAJ), USA, JBLM Chaplain Family Life Center

"As the director of JBLM Chaplain Family Life Center, we specialize in Family, Marital, and Individual Counseling. We partner with local universities and professional counseling centers to develop the best counselors for JBLM and surrounding communities. I have had the good fortune of working with the President of Wellspring Home Health Center. Having served as a former director of Family Life Chaplain Training Center in the U.S. Army, and as a commissioned officer on Active-Duty for 23 years, and awarded the Bronze Star Medal for Combat and four (4) Meritorious Service Medals for superb service, and has received numerous outstanding ribbons, awards and accolades for protecting our freedom and liberty. Military and Veterans families in Pierce County are in desperate need of advanced skill sets to safely provide complex care. As a Military leader dedicated to serving the need of our Military families and Veterans community, I am writing today to advocate for the approval of Wellspring Home Health Center application to provide Veteran and Pediatric home health services in Pierce County because our Military and Veterans population is growing and the need for additional home health Services has increased exponentially. Wellspring Home Health Center has an excellent history of providing superb care to Military families. Their primary goal is to help Military families by providing services designed to help them retain their quality of life and stay in their home to live out their lives with dignity and respect. Veteran and Pediatric home health services provided by Wellspring Home Health Center would be an asset to our population.

By approving additional home health care services in Pierce County, the Washington State Department of Health will help ensure that our population have access to more and better continuity of care. I urge you to approve the Wellspring Home Health Center, LLC Certificate of Need Application to provide Medicare and Medicaid certified home health services in Pierce County.

The point of contact for this memorandum is the JBLM CFLC site Director at (253)967-1691, or email at roger.b.osborn2.mil@mail.mil."

Miguel DJ Padilla, President & Deborah Woodley, Secretary/Treasurer[r], In Touch "We Care" Support Group

"As the president of In Touch 'We Care' Support Group, we are a 501C3 Nonprofit Organization which partner with organizations in the community with programs that supports Homeless Veterans, Surviving Spouses & their children, and the Alex Calliste Scholarship Fund.

As a community leader dedicated to serving the need of our military Veterans, I am writing today to advocate for the approval of Wellspring Home Health Center application to provide home health services in Pierce County because our Veterans population is growing and the need for home health Services has increased exponentially. Wellspring Home Health Center has an excellent history of providing superb care to Veterans. Their primary goal is to help Veterans, Surviving Spouses, and their children by providing services designed to help them retain their quality of life and stay in their home to live out their lives with dignity and respect. Home health services provided by Wellspring Home Health Center would be an asset to our Veterans and military community. By approving additional home health care services in Pierce County, the Washington State Department of Health will help ensure that our Veterans communities have access to more and better continuity of care.

I urge you to approve Wellspring Home Health Center Certificate of Need Application to provide Medicare and Medicaid certified home health services in Pierce County.”

Dr. Janice Kalip, President, Mother’s Bread Charity Organization

“As the President of Mothers Bread, a charity organization dedicate to providing financial support and counseling to minority women in Tacoma. I have had the pleasure of working with the President of Wellspring Home Health Center on numerous occasions to serve our minority and military community. Wellspring Home Health Center has earned the highest reputation demonstrating their commitment to serving Military families and Veterans in the communities they serve.

Home health service is a very intimate form of healthcare provided in private homes and at life's weakest and most vulnerable moments. The President of Wellspring Home Health Center, having served in the U.S. Army as a commissioned officer on Active-Duty for 23 years, awarded the Bronze Star Medal for Combat and four (4) Meritorious Service Medals for superb service, and has received numerous outstanding ribbons, awards, and accolades for protecting our freedom and liberty, has trained all Wellspring staff and leaders to become sensitive and competent in discerning and serving the unique needs of Military families and Veterans.

There exist a need for additional pediatric services in Pierce County. Wellspring Home Health Center proposed pediatrics home health services will help parents and their children by providing both skilled and unskilled personal home health services designed to help them retain their quality of life and stay in their home. One of Wellspring's primary goal is to help all Military families and Veterans whose parents bravely protect our freedom and way of life, live with honor and dignity.

There exists current need for additional home health agencies in Pierce County. I strongly believe that Wellspring would be a welcome addition and answer to prayers to alleviate these needs. I urge you to approve Wellspring Home Health Center, LLC Certificate of Need Application to provide Medicare and Medicaid certified home health services in Pierce County.”

Clyde McDade, LMT, Certified Neuromuscular Therapist, Stress Relief Solutions, PLLC

“I am writing on behalf of the Stress Relief Solutions, PLLC asking for your approval of Wellspring Home Health Center, LLC application to provide Medicare and Medicaid Home Health services in Pierce County. As a community leader, it is vital to me to have expanded access to home health care services for Pierce County residents. There exists current need for additional home health agency in Pierce County due to an increasing population.

Home health care services provide a unique service to help our children, home bound patients with terminal illness, and minority populations. Wellspring Home Health Center has a history of providing superb care to Veterans, underserved, and vulnerable populations to live out their lives with dignity and respect. Wellspring is also financially and operationally prepared to develop and operate the proposed Medicare and Medicaid certified Home Health Agency to serve Pierce County residents.

By approving an expansion of new home health care services in Pierce County, these new agencies will help ensure that our communities have better and adequate continuity of home health care services in the comfort of their homes.

For these reasons, I urge you to approve Wellspring Home Health Center, LLC Certificate of Need Application to provide Medicare and Medicaid certified home health services in Pierce County.”

Jay Paulson, Medicare Broker

“I am writing as a Medicare Broker serving all of Washington asking for your approval of Wellspring Home Health Center, LLC application to provide Medicare and Medicaid Home Health services in Pierce County. As a community leader and president of my BNI chapter, it is vital to me to have expanded access to home health care services for Pierce County residents. There exists current need for additional home health agency in Pierce County due to an increasing population.”

Rebuttal Comment

The competing applicant provided rebuttal comment related to this sub-criterion. Included here is an excerpt specific to Wellspring’s project.

Jamie Brown, Vice President of Home Services, EmpRes Healthcare / Eden Home

“WellSpring Introduction Comments

Eden Home Health concurs with the WellSpring comments that both applications should be approved given the substantial need that has been shown. Like WellSpring, Eden would support the approval of the WellSpring Home Health CN#22-03 application if the Program determines that there is need for two agencies and the WellSpring application meets all certificate of need requirements.”

Department Evaluation

Wellspring is proposing to serve Pierce County residents from offices located in Lakewood, within Pierce County. Wellspring listed several reasons that support the approval of its project under this sub-criterion. Each was supported by in-depth analysis, research, and sourced references. Based on the applicant’s analysis the department finds it reasonable that need is demonstrated. If its application is approved, Wellspring would be required to be available to all residents of Pierce County.

To further evaluate this sub-criterion the department takes into consideration the comments received related to the addition of a new provider to Pierce County. Specific to this project, several entities provided public comments in support of this project. Comment was authored by a range of groups including potential referral sources, support group leaders, and medical/reimbursement professionals. They all shared the message that Pierce County residents are in need of home health services and Wellspring is an agency that they have confidence can provide such services.

It is noted that none of the existing home health agencies provided comments asserting that the addition of new home health agency should be considered a duplication of services for Pierce County.

The department concludes that the numeric methodology, comments, rebuttal, and the application information supports need for additional home health agencies to serve the residents of Pierce County. Based on the information received, the department concludes that Wellspring demonstrated need for its proposed project and **meets this sub-criterion.**

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

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

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

Medicare certification is a measure of an applicant’s willingness to serve the elderly. With limited exceptions, Medicare is coverage for individuals age 65 and over. Medicaid certification is a measure of an applicant’s willingness to serve low income persons and may include individuals with disabilities.

Charity care shows a willingness of a provider to provide services to individuals who do not have private insurance, do not qualify for Medicare, do not qualify for Medicaid, or are under insured. With the passage of the Affordable Care Act, the amount of charity care is expected to decrease but not disappear.

EmpRes Healthcare Group, Inc. dba Eden Home Health of King County, LLC

Eden provided copies of the following policies. [sources: Application, Attachment K and April 30, 2021, screening response, Attachment 4]

- Admissions Policy
- Intake Policy
- Charity Care Policy
- Transfer and Discharge Policy
- Discharge Collaboration for Unexpected or Unplanned Discharge Policy
- Discharge for Cause Policy
- Patient Concerns and Grievances Policy

Eden also provided the following statements related to this sub-criterion.

“Eden Home Health of King County, LLC will serve homebound Pierce County residents without regard to race, religion, national origin, sex, sexual orientation and handicap who require intermittent skilled nursing, rehabilitation therapy, medical social work, and/or certified home health aide services as a result of illness or injury ordered by their primary physician. Further, Eden Home Health of King County, LLC will have at its disposal appropriate resources and personnel available to serve deaf/hard-of-hearing and patients who have limited English speaking ability.”

[source: Application, p40]

“Eden Home Health of King County will admit/treat patients under the age of 18 based on our ability to meet the patient’s needs.” [source: April 30, 2021, screening response, p11]

“Eden is committed to serving the entire community. This includes serving patients regardless of their financial status. Eden has established a charity care policy to support this commitment. Beyond the policy, Eden in its application has committed to reducing disparity by collaborating with the State initiatives to reduce disparity in the Medicaid population and by extension in the low income, dual eligible Medicare-Medicaid population (see application PDF pages 17, 23, 49, 68, 71- 73 and Attachment S and Attachment T) that describe the overall problem, the Washington State Medicare and Medicaid demonstration initiative in the Long-Term Services and Supports (LTSS) approach and Eden’s commitment to work with LTSS and its contractors to reduce disparity in access.

Eden is also committed to serving the veteran community that is particularly large given the military presence of Joint Base Lewis–McChord, as well as Pediatric patients although Eden does not provide specialized Pediatric home health services.” [source: December 20, 2021, screening response, p14]

“These are all the same policies currently in place in our other Washington state agencies.” [source: April 30, 2021, screening response, p11]

Eden provided several versions¹¹ of payer mixes since its King County operations are fairly new and some of its historical numbers were adversely impacted by the pandemic. However, by reviewing the applicant’s pro forma income statements it appears as though the payer mix in the following table was assumed. [source: April 30, 2021, screening response, p5, p13, and Attachment 3]

**Department’s Table 12
Eden’s Projected Payer Mix**

Revenue Source	Percent of Gross Revenue	Percent of Patients
Medicare	36%	43%
Medicaid	1%	1%
Commercial	62%	55%
Charity Care	1%	1%
Total	100%	100%

“Assumptions on visits remain consistent over the 3-year forecast period. Revenue per visits also remain fixed” [source: April 30, 2021, screening response, p5]

Public Comments

The competing applicant provided comment related to this sub-criterion. Included here is an excerpt comparing information about Eden’s project to Wellspring’s.

¹¹ Some of these versions were labeled ‘samples’ and ‘not stabilized’

Ernest Ibanga, President, Wellspring Home Health Center, LLC

“Wellspring’s Payer Mix is Consistent with the Pierce County Population Demographics and Medicare Population

As documented in Table 1 of our October 2021 screening responses, persons aged 65 and over have historically represented about 82% of home health patients. Approximately 95% of all persons aged 65 and over have health insurance through Medicare; it is reasonable to expect most home health patients to be reimbursed through Medicare. Consistent with this expectation, Wellspring forecasts about 77% of its patients to be reimbursed through Medicare, 6% through Medicaid, and 17% through private insurance or other payers. This payer mix is consistent with other previously approved home health applications in Washington State, including Providence in Clark County (CN 20-24), Amicable in King County (CN 19-52), and Eden Home Health in Clark County (CN 20-05).

However, the payer mix forecast by Eden in its current application (CN21-28) forecasts Medicare patients to constitute less than half of its admissions (43%). This represents a much lower proportion of revenue from Medicare than should be expected given the age distribution of home health patients and prior applications, including those from itself.”

Rebuttal Comments

Jamie Brown, Vice President of Home Services, EmpRes Healthcare / Eden Home

“WAC 246-310-210: (2) Access to Underserved Groups Rebuttal Comments

Pediatric Patients

WellSpring re-stated its commitment to serving Pediatric patients. It noted that Pierce County has a low utilization level for Pediatric home health services. Eden in this rebuttal also re-states its position that it serve Pediatric patients. In response to the December 18, 2020 Screening Question 5, Eden indicated the following:

‘Eden will provide home health services to Pierce County patients under age 18 when referred consistent with the ability to provide the needed services.’

In the response, Eden provides further documentation on causes of lower utilization of Pediatric services in Pierce County.

Payer Mix

WellSpring asserts that only 47% of Eden home health admissions will be Medicare. This is incorrect. Medicare is comprised of Medicare Fee for Service and Medicare Advantage Plan members. In response to the December 18, 2020 Screening Question 41 (PDF page 13), Eden noted that the actual Medicare percentage for the Eden King County agency was 69% Medicare by Revenue and 67% Medicare by Visits.

Attachment 3 provided an estimated breakdown of Medicare Fee for Service and Medicare Advantage categories. The detailed assumption as described in Attachment 3 (PDF page 56) to the December 18, 2020 screening response after the agency stabilizes (post Covid-19) is 56% Medicare Fee for Service, 36% Medicare Advantage (routinely classified with other insurance plans), 1% Medicaid and 7% other commercial insurance. In regard to access by low income Pierce County patients, a significant portion of the Medicare patients will be dual-eligible (Medicare and Medicaid) but are classified as Medicare patients) who are low income. As noted in the application these low income dual-eligible patients make up a substantial portion of the 20% of referrals being generated by special outreach as described in the application (PDF Page 47 of the application and PDF Page 4 of the response to Question 11 in the first screening response).

Veterans Services

Eden acknowledges the exceptional military service record of the President of WellSpring. Eden has stated in its application its commitment to serve the Veterans population as well. As noted in the Eden application (PDF page 47), Veterans will make up a significant part of the 20% populations served through special outreach services (PDF Page 4 of the response to Question 11 in the first screening response)."

Department Evaluation

Eden has stated in its application that it is dedicated to providing access to healthcare services to all persons regardless of their race, religion, disability, sex, or income.

Eden provided a copy of its Admissions Policy, which describes the policy's purpose and procedure. The Admission Policy includes language to ensure all patients would be admitted for treatment without discrimination. The policy states: "*The admission policies apply to all patients admitted to the Agency without regard to race, color, creed, national origin, age, sex, religion, handicap, ancestry, marital, veteran status, sexual orientation and/or payment source.*" [source: Application, Attachment K]

Eden anticipates through its projection period its gross Medicare revenues will average 36% of total revenues, Medicaid 1% of total revenue, while commercial and other will average 63% of total revenues. Eden provided several explanations and analysis for the basis of these figures and how they could be applicable to serving Pierce County residents. Eden's pro forma financial statements also show each of these revenues are anticipated in projections.

As pointed out in public comment, these payer mix percentages are a divergence from Eden's previous applications; and show that Eden expects a majority of its patients and revenues will come from commercial payers. Eden then provided rebuttal stating that the comment was inaccurate. But based on the totality of its application materials it appears as though the majority commercial payer was a foundational assumption. In reviewing Eden's policies and incorporation of Medicare revenues and charity care deductions it seems likely that it will provide its services to all residents of Pierce County including marginalized or underserved populations.

Eden also provided a copy of its Charity Care Policy which states its purpose and procedures. The pro forma financial statements provided by Eden also include charity care as a deduction from revenue. After reviewing information provided by the applicant, the department concludes the Eden project **meets this sub-criterion.**

Wellspring Home Health Center, LLC

Wellspring provided copies of the following policies. [sources: Application, exhibits 4A, 4B, 5B, 5C, and 6, and October 21, 2021, screening response, revised exhibits 4C and 5A]

- Admission Criteria Policy
- Patient Referral Policy
- Case Management and Assignments Policy
- Financial Assistance Policy
- Client Bill of Rights/Responsibilities
- Patient Grievance Policy
- Reporting of Abuse, Neglect and Exploitation

Wellspring also provided the following statements related to this sub-criterion.
“Wellspring’s services will be available and accessible to all of Pierce County.

Wellspring is committing to taking care of the community irrespective of a patient’s race, color, creed, gender, sexual orientation, national origin, or financial status. This approach is rooted in our core value and principle of servant leadership and compassionate care and highlights the ability of the proposed project to meet the needs of underserved communities, including the poor and uninsured, a small but traditionally underserved population of home health users. Our financial assistance policy is included in Exhibit 6.

Wellspring is also well equipped to provide needed home health services to the veteran community in Pierce County. Wellspring’s President, Ernest Ibanga, served 23 years in the military and has developed Wellspring to help veterans and surviving spouses by providing home health services designed to help retain their quality of life and stay in their home. Wellspring’s goal is to help all veterans live with honor and dignity.” [source: Application, p14]

When asked which of the policies are currently in place in any other Wellspring agencies, Wellspring submitted the following response. [source: October 21, 2021, screening response, p15]

“Versions of these policies are in place at Wellspring’s Alaska facilities and are consistent with the rules and regulations in place there. The policies submitted as part of our application and screening responses for the proposed project reflect revisions of these Alaska policies such that they are consistent with the Washington State rules and regulations.”

Wellspring provided the following statements and assumptions associated with its projected payer mix.

“Because there have been no funded patients treated at our Washington location, no historical payer mix for Washington is available. The projections are based on Washington benchmarks based on public documents for other home health projects similar to Wellspring’s proposed project.” [source: October 21, 2021, screening response, p8]

“While preparing the financial model, it was determined that Wellspring’s Alaska operations are unlikely to be representative of the Washington State operations due to its demographic and economic differences. Unless otherwise noted, the assumptions are based on average of public documents for other home projects similar to Wellspring’s proposed project (‘Washington Benchmarks’). These included the approvals of Amicable Healthcare, Inc (CN #19-52) in King County, Providence Home Health (CN #20-24) in Clark County, and Eden Home Health (CN #19-67) in Spokane County. We decided it was most reasonable to apply financial assumptions which reflected an average across multiple applicants whose projects were approved in representative counties across Washington State. King County, Clark County, and Spokane County all reflect relatively urban and population dense counties, and all rank within the top five populous counties in Washington State.” [source: December 23, 2021, screening response, revised Exhibit 7B]

“The projections are not expected to change during the first full three years of operation.” [source: October 21, 2021, screening response, p8]

Wellspring also provided the following payer mix associated with this project. [source: October 21, 2021, screening response, p8]

**Department’s Table 13
Wellspring’s Projected Payer Mix**

Revenue Source	Percent of Gross Revenue	Percent of Net Revenue
Medicare	77%	84.1%
Medicaid	6%	3.3%
Other (primarily commercial, but also includes other government, L&I, etc.)	17%	12.6%
Total	100%	100%

Public Comments

The applicant provided comment about itself related to this sub-criterion. Included here is an excerpt specific to Wellspring’s own project.

Ernest Ibanga, President, Wellspring Home Health Center, LLC

“1. Letters of support for Wellspring.

Wellspring is committing to taking care of the community irrespective of a patient’s race, color, creed, gender, sexual orientation, national origin, or financial status. This approach is rooted in our core value and principle of servant leadership and compassionate care and highlights the ability of the proposed project to meet the needs of underserved communities, including the poor and uninsured, a small but traditionally underserved population of home health users.

Wellspring is also committed and equipped to provide needed home health services to the pediatric and veteran communities in Pierce County. Compared to other populous counties in Washington State, Pierce County residents have one of the lowest rates of pediatric discharges to Home Health providers. Pediatric home health patients do not represent a large population, but there is evidence of need for additional pediatric home health services in Pierce County. In addition to pediatrics, Pierce County has the second largest Veteran population in Washington State, and the largest proportion of Veterans of any county Washington State with over 500,000 residents. Wellspring’s President, Ernest Ibanga, has served 23 years in the military and has developed Wellspring to help veterans and surviving spouses by providing home health services designed to help retain their quality of life and stay in their home. Wellspring’s goal is to help all veterans live with honor and dignity. Please see attached Exhibit 1 for letters of support for Wellspring which document its connection to veteran communities in Pierce County and its willingness to provide pediatric home health services.

2. Access to Underserved Groups

The second sub-criterion under WAC 246-310-210) is ‘(2) All residents of the service area, including low-income persons, racial and ethnic minorities, women, handicapped persons, and other underserved groups and the elderly are likely to have adequate access to the proposed health service or services.’

Both applicants submitted (1) admissions policies committing to non-discriminatory practices, (2) payer mix tables showing their intent to accept and treat Medicare and Medicaid patients and (3) financial assistance policies for uninsured persons unable to pay for services.

Wellspring Commits to Providing Pediatric Home Health Services

As documented in its application and screening responses, Wellspring commits to providing home health services to pediatric patients. Although these patients do not represent a large population of home health users, they have traditionally existed as an underserved population. This appears to be especially the case in Pierce County, which has the lowest pediatric home health use rate across any of the five most populous counties in Washington State. Importantly, Wellspring will accept patients 'without discrimination on the basis of age, sexual orientation, gender, mental/physical handicap, race, religion, ancestry or national origin.'

Wellspring's Payer Mix is Consistent with the Pierce County Population Demographics and Medicare Population

As documented in Table 1 of our October 2021 screening responses, persons aged 65 and over have historically represented about 82% of home health patients. Approximately 95% of all persons aged 65 and over have health insurance through Medicare; it is reasonable to expect most home health patients to be reimbursed through Medicare. Consistent with this expectation, Wellspring forecasts about 77% of its patients to be reimbursed through Medicare, 6% through Medicaid, and 17% through private insurance or other payers. This payer mix is consistent with other previously approved home health applications in Washington State, including Providence in Clark County (CN 20-24), Amicable in King County (CN 19-52), and Eden Home Health in Clark County (CN 20-05).

However, the payer mix forecast by Eden in its current application (CN21-28) forecasts Medicare patients to constitute less than half of its admissions (43%). This represents a much lower proportion of revenue from Medicare than should be expected given the age distribution of home health patients and prior applications, including those from itself.

Wellspring Has Documented Ties to the Veteran Community in Pierce County

As noted above and in Wellspring's October 2021 screening responses, Pierce County has the second largest veteran population in Washington State, and the largest proportion of veterans of any county Washington State with over 500,000 residents. The U.S. Department of Veteran's Affairs (VA) estimates that in 2020, over 92,000 veterans lived in Pierce County. This represents nearly 14% of the adult population over age 20, ranking Pierce County highest among Washington's counties with over 500,000 residents. Furthermore, the VA estimates that in 2020, the number of Pierce County veterans aged 65 and older equaled 29,743 (32%). Given the higher home health use rates among older individuals, this represents a large veteran population in need of home health services.

Wellspring Home Health is ideally positioned to provide services to the veteran community and has a distinguished history of providing care to military families. The President of Wellspring Home Health Center, having served in the U.S. Army as a commissioned officer on Active-Duty for 23 years, awarded the Bronze Star Medal for Combat and four (4) Meritorious Service Medals for superb service, and having received numerous outstanding ribbons, awards, and accolades for protecting our freedom and liberty, has trained all Wellspring staff and leaders to become sensitive and competent in discerning and serving the unique needs of Military families and Veterans.

For all of the above reasons, Wellspring's proposed project offers the greatest access to the underserved groups of the publicly sponsored, pediatric, and veteran populations."

Rebuttal Comments

None

Department Evaluation

Wellspring has stated in its application and its public-facing website that it is dedicated to providing access to healthcare services to all persons regardless of their health, age, race, color, creed, gender, sexual orientation, national origin, or financial status.

Wellspring provided a copy of its Admission Policy, which describes the policy's eligibility and admission criteria, types of patients admitted, and process. The Admission Policy includes language to ensure all patients would be admitted for treatment without discrimination. The policy states: "*Patients are accepted for care without regard to age, race, color, creed, sex, national origin or handicap(s).*" [source: October 21, 2021, screening response, Revised Exhibit 5A]

Wellspring anticipates through its projection period its Medicare net revenues will average 84.1% of total net revenue, Medicaid 3.3% of total net revenue, while commercial and other will average 12.6% of total net revenue. Wellspring provided a sound rationale for the basis of these figures and how they could be applicable to an agency serving Pierce County. Wellspring's pro forma financial statements also show each of these revenues are anticipated in projections.

Wellspring also provided a copy of its Financial Assistance Policy which states its procedure, requirements, contact information, and its sliding scale of discount relative to income. Attached to the policy are some example forms. Additionally, Wellspring's pro forma financial statements include charity care as a deduction from revenue.

Wellspring's assertions that it serves all populations, are affirmed by public comment which supports the Wellspring project. After reviewing the information received from the applicant and the public, the department concludes that the Wellspring project **meets this sub-criterion.**

- (3) The applicant has substantiated any of the following special needs and circumstances the proposed project is to serve.
 - (a) *The special needs and circumstances of entities such as medical and other health professions schools, multidisciplinary clinics and specialty centers providing a substantial portion of their services or resources, or both, to individuals not residing in the health service areas in which the entities are located or in adjacent health service areas.*
 - (b) *The special needs and circumstances of biomedical and behavioral research projects designed to meet a national need and for which local conditions offer special advantages.*
 - (c) *The special needs and circumstances of osteopathic hospitals and non-allopathic services.*
- (4) The project will not have an adverse effect on health professional schools and training programs. The assessment of the conformance of a project with this criterion shall include consideration of:
 - (a) *The effect of the means proposed for the delivery of health services on the clinical needs of health professional training programs in the area in which the services are to be provided.*
 - (b) *If proposed health services are to be available in a limited number of facilities, the extent to which the health professions schools serving the area will have access to the services for training purposes.*
- (5) The project is needed to meet the special needs and circumstances of enrolled members or reasonably anticipated new members of a health maintenance organization or proposed health

maintenance organization and the services proposed are not available from nonhealth maintenance organization providers or other health maintenance organizations in a reasonable and cost-effective manner consistent with the basic method of operation of the health maintenance organization or proposed health maintenance organization.

Department Evaluation

The criteria under WAC 246-310-210(3), (4), and (5) do not apply to these applications.

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

EmpRes Healthcare Group, Inc. dba Eden Home Health of King County, LLC

Based on the source information reviewed and agreement to the conditions identified in the conclusion section of this evaluation, the department determines that the Eden project **meets** the applicable financial feasibility criteria in WAC 246-310-220.

Wellspring Home Health Center, LLC

Based on the source information reviewed and agreement to the conditions identified in the conclusion section of this evaluation, the department determines that the Wellspring project **meets** the applicable financial feasibility criteria in WAC 246-310-220.

(1) The immediate and long-range capital and operating costs of the project can be met.

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

EmpRes Healthcare Group, Inc. dba Eden Home Health of King County, LLC

Eden's project to offer Pierce County residents Medicare and Medicaid-certified home health services includes operating out of an existing office in Kirkland, within King County, northerly adjacent to Pierce County. Eden provided the following assumptions used to determine the projected number of patients and visits for the agency's expansion into Pierce County.

"Visits for the two partial years were calculated on an assumed 20.2 visits per unduplicated admission. Patients receiving each type of visit were calculated by taking the pro forma (historical experience of Eden) expected visits proportions and adjusting those proportions to take into account the experience of virtually no home health aid visits during the two partial years." [source: Application, p11]

<i>"Admissions/Episodes episodes are LUPA Treatments Visit Calculation RN PT OT ST MSW HHaide</i>	<i>Unduplicated Admissions multiplied by 1.3 to calculate episodes, 8% of Total episodes are multiplied by 17.1 visits per episode 36% of visits used in P & L 35% of visits used in P & L 18% of visits used in P & L 4% of visits used in P & L 1% of visits used in P & L 6% of visits used in P & L"</i>
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[source: December 20, 2021, screening response, Attachment 6-A]

“Taking only the Medicare-certified agencies as the relevant competitors, Eden Home Health of King County, LLC reviewed the potential market share impact of its 2022 volume estimate. Spreading Eden Home Health of King County, LLC’s Pierce County volume of 7,001 visits in 2022, the Pierce County market share of 2022 projected need (Table 10) will be 3%. If volume is adjusted to take into account the impact of health disparity, overall need would be at least 10 % higher which would result in an overall market share of less than 3%. In short, the project will no significant adverse impact on other existing home health provider.” [source: Application, p45]

In a table responding to a question from the department Eden clarified that projected visits are based on referral projections and current year experience. [source: April 30, 2021, screening response, p6]

In the following table Eden broke down it expected referral sources. [source: April 30, 2021, screening response, p4]

Applicant’s Table

Home Health Patient Source	2022	2023	2024
Skilled Nursing Facilities			
Eden owned facilities in Pierce and King	30	30	30
Other facilities in Pierce County	5	35	80
Subtotal: Skilled Nursing Facilities	35	65	110
Hospitals			
CHI - Dignity	50	95	150
MultiCare	50	95	150
Subtotal Hospitals	100	190	300
Physicians & Group Practoces			
Kaiser, SeaMar etc.	15	25	35
Physicians and Groups	15	35	65
Subtotal Physicians and Gropup Practitce	30	60	100
Total Patients	165	315	510

Based on these assumptions, Eden provided the following projections for Pierce County utilization of the home health agency. [source: December 20, 2021, screening response, Attachment 6-A]

Applicant’s Table

	2022	2023	2024	2025
Admissions	165	315	510	510

Eden provided the following assumptions used to determine the financial feasibility for the proposed Pierce County operations. [source: December 20, 2021, screening response, Attachment 6-A]

Applicant's Revenue Assumptions

REVENUE	
Medicare	Medicare Revenue at \$189 per visit; see Table 23 for % of Revenue
Medicaid	Medicaid Revenue at \$250 per visit; see Table 23 for % of Revenue
Commercial/Other	Commercial Revenue at \$250 per visit; see Table 23 for % of Revenue
Charity Care	2.5% of Medicare Revenue
Total Gross Revenue	
Deductions from Revenue	
Contractual Allowances	23% contractual allowance for Commercial and Medicaid
Bad Debt	2% of Gross Revenue
Adj. For Charity Care	2.5% of Medicare Revenue Adjustment

Applicant's Expense Assumptions

PATIENT CARE COSTS	
Salaries and Benefits:	
Director of Professional Services	70%, King, 30% Pierce, See Staffing Assumption for salary level, and FTE allocations
Clinical Manager	70%, King, 30% Pierce, See Staffing Assumption for salary level, and FTE allocations
RN	See Staffing assumptions for salaries: FTEs calculated by expected visits per Unadjusted & LUPA total episodes; productivity @4 visits pr shift
PT	See Staffing assumptions for salaries: FTEs calculated by expected visits per Unadjusted & LUPA total episodes; productivity @4 visits pr shift
OT	See Staffing assumptions for salaries: FTEs calculated by expected visits per Unadjusted & LUPA total episodes; productivity @4 visits pr shift
ST	See Staffing assumptions for salaries: FTEs calculated by expected visits per Unadjusted & LUPA total episodes; productivity @4 visits pr shift
MSW	See Staffing assumptions for salaries: FTEs calculated by expected visits per Unadjusted & LUPA total episodes; productivity @3 visits pr shift
HHaide	See Staffing assumptions for salaries: FTEs calculated by expected visits per Unadjusted & LUPA total episodes; productivity @4 visits pr shift
Benefits	25% of Salaries
Total Salaries and Benefits	
Contract Labor:	
Physician (Medical Director)	70%, King, 30% Pierce of Maximum Medical Director expense of 4 hours per month @\$200 per hour generally runs much less
PT	
OT	
Speech	
MSW	
HHA	
Other	
Total Contract Labor	
Medical Supplies	\$4 per visit
Mileage & Medical transportation	\$6 per visit

Applicant's Expense Assumptions continued

ADMINISTRATIVE COSTS	
Advertising	
Allocated Costs	5% of Revenue
B & O Taxes	1.9% of Revenue
Dues & Subscriptions	Represents 50% of Total .50 King County, .50 Pierce
Employee Benefits	25% of Administrative S & W non variable includes payroll taxes
Information Tech/Computers/R&M	Represents 50% of Total .50 King County, .50 Pierce
Insurance	Represents 50% of Total .50 King County, .50 Pierce
Legal & Professional	Generally part of allocated costs
Licenses & Fees	Represents 50% of Total .50 King County, .50 Pierce
Lease Agreement	50%, King, 50% Pierce, now includes operating expense assumption, adj. for hospice CoN
Administrative S & W non variable	70%, King, 30% Pierce
Supplies and Expended Equipment	Estimate based on experience
Mileage - admin/sales	50% of total
Misc. Operating Expenses	Non-recurring, non-budgeted -- reconciled by adjusting other budget categories if occurring

Depreciation	No new fixed equipment needed
Amortization	No new fixed equipment needed
EBIT	
Interest Expense	All the interest expense on the P&L for Eden Home Health of King County is interest that is associated with the AR collateralized working capital revolving line of credit that EmpRes Group maintains with MidCap Financial. We make daily draws on said Line of Credit to meet our working capital needs, and every month our GL group allocates the interest that is accrued on that Line of Credit out to our individual operating entities.

To clarify some of its assumptions Eden provided the following additional statements.
“It is important to note that the 2019 and 2020 periods r [sic] financial results are actual results generated through the budget system. 2021 represents actual financial performance for January through March 2021 and the remaining months are based on monthly expected results again based on the 2021 budget.”

Expense assumptions are drawn from EmpRes/Eden’s experience. An Eden Home Health budget is based on historical experience and expected changes in budget line items and is short-term with a one-year timeline. The EmpRes/Eden legacy forecasting methodology covers a 4 – 5-year period – tie time from project development and certificate of need approval through the first three full years of financial performance. In this regard, as previously noted COVID-19 created great variance from anticipated performance both in the annual budget setting and in the forecasting setting.” [source: April 30, 2021, screening response, p12]

“The COVID-19 period used partial year data and estimates that were highly variable and not reliable for forecasting. Eden waited to respond after having more information through the first quarter of 2021. The information available for the first quarter of 2021 shows that Eden Home Health of King County will achieve breakeven by year-end 2021 or by the end of the first quarter of 2022. We agree with the Program in our consultation that healthcare providers have been weathering unprecedented storms and our performance in 2021 shows that Eden Home Health of King County will achieve breakeven either in the second or third full year of operation which is the Program’s standard.” [source: April 30, 2021, screening response, p14]

“Regarding payroll taxes, they are part of benefits, which in the pro forma are budgeted at 25%. Payroll taxes, depending on what is included, represent approximately 35% - 40% of employee benefits and taxes. This includes the typical FICA, Federal and State Unemployment Insurance and small special Washington State taxes. The higher end would include workers compensation which is typically viewed as mandatory insurance rather than a tax.” [source: April 30, 2021, screening response, p14]

“With Covid-19 effects being totally unpredictable, population forecasts expected to change in 2022, and with likely rules changes for home health occurring before 2025, Eden determined that holding volume constant was the most valid and reliable approach. As to all other volume-based expense categories, Eden applied the volume to determine these costs. Eden did update the lease expense for 2025 and reviewed other categories of revenue and expense unrelated to volume but did not apply any inflation assumptions. This lease update included changes in lease cost allocations due to the approval of the Eden Snohomish County hospice that will also use the office facility.

Eden also reviewed other Administrative Cost elements and made minor modifications as described in the assumptions. It is important to note that the Eden Home Health of King County absent Pierce County financial data has already been approved as financially feasible so differences in revenue and expense between the King portion of a 2-county home health agency and King County as the currently approved free-standing home health agency do not affect the overall feasibility of the 2-county program.” [source: December 20, 2021, screening response, p6]

“The annual/monthly lease expenses increase for each 12-month period and change during each budget period. Under the new lease, operating expenses are addressed as a separate line item and the Owner has estimated the operating expense for the first 12-month period but not beyond. Eden/EmpRes applied the same annual increase in rental rate to the operating expense in order to provide an operating expense pro forma estimate for each year. Also of note is that the square footage in the lease changes during the lease period.

In regard to the question element (. . . ‘Tenant shall furnish all other utilities (including, but not limited to, telephone, Internet, and cable service if available) and other services which Tenant requires with respect to the Premises, and shall pay, at Tenant's sole expense, the cost of all utilities separately metered to the Premises, and of all other utilities and other services which Tenant requires with respect to the Premises . . . ‘; each of these line items, e.g., are identified as line items under Administrative Services under ‘Allocated Costs’ and ‘Information Tech/Computers/R&M.’” [source: April 30, 2021, screening response, p15]

Eden’s payer mix assumptions¹² and staffing assumptions¹³ are detailed elsewhere in this evaluation and will not be repeated here.

¹² Payer mix assumptions are detailed under the section reviewing WAC 246-310-210(2)

¹³ Staffing assumptions are detailed under the section reviewing WAC 246-310-230(1)

Based on these assumptions, Eden provided its projected revenue, expenses, and net income for the proposed service area expansion for current year 2022 and projection years 2023 through 2025, summarized in the following table. [source: December 20, 2021, screening response, Attachment 6-A]

Department’s Table 14
Eden’s Pierce County Revenues and Expenses Summary
Years 2022 through 2025

	CY 2022	CY 2023	CY 2024	CY 2025
Net Revenue	\$683,852	\$1,305,535	\$2,113,723	\$2,113,723
Total Expenses	\$761,986	\$1,227,760	\$1,828,761	\$1,829,815
Net Profit / (Loss)	(\$78,134)	\$77,775	\$284,962	\$283,908

Eden additionally submitted balance sheets for the proposed service area expansion for current year 2022 and projection years 2023 through 2025, summarized in the following table. [source: December 20, 2021, screening response, Attachment 6-A]

Department’s Table 15
Eden’s Pierce County Balance Sheets’ Summary
Years 2022 through 2025

ASSETS	CY 2022	CY 2023	CY 2024	CY 2025
Current Assets	\$108,762	\$163,861	\$222,339	\$323,170
Property & Equipment	\$982	\$491	\$0	\$0
Other Assets	\$0	\$0	\$0	\$0
Total Assets	\$109,744	\$164,352	\$222,339	\$323,170
LIABILITIES	CY 2022	CY 2023	CY 2024	CY 2025
Current Liabilities	\$43,025	\$65,857	\$95,088	\$94,659
Long Term Liabilities	\$0	\$0	\$0	\$0
Total Capital	\$66,719	\$98,494	\$127,251	\$228,511
Total Liabilities & Capital	\$109,744	\$164,351	\$222,339	\$323,170

Eden provided the department with additional income statements and balance sheets for its existing operations as well as statements of existing operations with the proposed new services. This allows the department to understand assumptions that are based on the applicant’s historical experience as well as potential impacts of the proposed project on Eden’s existing operations. Following are summaries of both Eden’s King County (existing) operations alone and Eden’s proposed project combined with King County services. [source: December 20, 2021, screening response, Attachment 6-C and 6-D]

Department's Table 16
Eden's King County Revenues and Expenses Summary
Years 2022 through 2025

	CY 2022	CY 2023	CY 2024	CY 2025
Net Revenue	\$3,058,681	\$3,655,497	\$4,252,313	\$4,252,313
Total Expenses	\$2,871,755	\$3,319,069	\$3,763,156	\$3,760,669
Net Profit / (Loss)	\$186,926	\$336,428	\$489,157	\$491,644

Department's Table 17
Eden's King County Balance Sheets' Summary
Years 2022 through 2025

ASSETS	CY 2022	CY 2023	CY 2024	CY 2025
Current Assets	\$673,540	\$703,334	\$735,857	\$792,485
Property & Equipment	\$18,365	\$11,981	\$5,597	\$2,754
Other Assets	\$0	\$0	\$0	\$0
Total Assets	\$691,905	\$715,315	\$741,454	\$795,239
LIABILITIES	CY 2022	CY 2023	CY 2024	CY 2025
Current Liabilities	\$84,977	\$106,487	\$127,997	\$124,665
Long Term Liabilities	\$0	\$0	\$0	\$0
Total Capital	\$606,928	\$608,828	\$613,457	\$670,574
Total Liabilities & Capital	\$691,905	\$715,315	\$741,454	\$795,239

Department's Table 18
Eden's King & Pierce County Revenues and Expenses Summary
Years 2022 through 2025

	CY 2022	CY 2023	CY 2024	CY 2025
Net Revenue	\$3,742,533	\$4,961,032	\$6,366,036	\$6,366,036
Total Expenses	\$3,633,740	\$4,546,829	\$5,591,916	\$5,589,992
Net Profit / (Loss)	\$108,793	\$414,203	\$774,120	\$776,044

Department's Table 19
Eden's King & Pierce County Balance Sheets' Summary
Years 2022 through 2025

ASSETS	CY 2022	CY 2023	CY 2024	CY 2025
Current Assets	\$782,301	\$867,194	\$958,196	\$1,002,897
Property & Equipment	\$17,874	\$10,999	\$4,124	\$1,281
Other Assets	\$0	\$0	\$0	\$0
Total Assets	\$800,175	\$878,193	\$962,320	\$1,004,178
LIABILITIES	CY 2022	CY 2023	CY 2024	CY 2025
Current Liabilities	\$124,422	\$168,319	\$219,146	\$349,748
Long Term Liabilities	\$0	\$0	\$0	\$0
Total Capital	\$675,754	\$709,875	\$743,174	\$654,429
Total Liabilities & Capital	\$800,176	\$878,194	\$962,320	\$1,004,177

In these tables *Net Revenue* includes gross revenue minus contractual allowances, bad debt, and charity care; and *Total Expenses* includes direct expenses as well as depreciation.

Public and Rebuttal Comment

None

Department Evaluation

Utilization Assumptions

An applicant's utilization assumptions are the foundation for the financial review under this sub-criterion. The department first reviewed the assumptions used by Eden to determine the projected number of patients and visits by discipline for the Pierce County agency. Eden determined admissions by assuming a modest 3% market share. Eden also specified the amount and source of expected referrals. Using its historical experience providing home health services to King County residents Eden assumed 20.2 visits per unduplicated admission. Based on these assumptions, calculations, explained rationale, and lack of objection in public comment, the department concludes that Eden's utilization assumptions are reasonable.

Pro Forma Financial Statements

The applicant provided pro forma financial statements, including revenue and expense statements and balance sheets, which allow the department to evaluate the financial viability of the proposal.

Eden used its operational King County home health experience and the assumptions referenced earlier as the basis for anticipated revenue, expenses, and payer mix. Eden expects a slow start up resulting in a net loss of \$78,134 for Pierce County operations for current year 2022. However, in subsequent full years 2023 through 2025 there is enough growth that Eden anticipates net profits of \$77,775 growing to \$283,908 in its third full year.

The home health agency plans to share already leased office space located at 733 7th Avenue, suites 108 and 110, in Kirkland [98033] within King County. Eden provided a copy of the signed lease, single-line drawings of the space, and accounted for all costs associated with the lease expense in its projected revenue and expense statements as line items *Lease Agreement*, *Allocated Costs*, and *Information Tech/Computers/R&M*. The amounts in the lease agreement, once divided between Eden's other services area out of the same office, match those anticipated in its projected expense statement. [sources: Application, p9 and 15, April 30, 2021, screening response, p15 and Attachment 2, and December 20, 2021, screening response, Attachment 5]

Eden provided an executed Directorship Independent Contractor Agreement for its Medical Director, Gilson R. Giroto, MD. The agreement identifies the roles and responsibilities of both the home health agency and its medical director. Eden also clarified in response to screening that the agreement's effective date is August 8, 2018, the date it was signed by EmpRes representative Michael Miller, is reviewed annually, and is automatically renewed annually in perpetuity. Eden additionally included all costs associated with this agreement in its the projected revenue and expense statements, identified as line item *Physician (Medical Director)*. [sources: December 20, 2021, screening response, Attachment 3 and 6, and April 30, 2021, screening response, p9]

The department also reviewed the projected balance sheets of Eden. The purpose of the balance sheet is to review the financial status of the home health agency at a specific point in time. The balance sheets show how much an applicant owns (assets) and how much it owes (liabilities), as well as the

amount invested in the business (capital). Tables 15, 17, and 19 each summarize the projected balance sheets provided by the applicant for its Pierce County operations alone, King County operations alone, and combination of existing operations with new proposed Pierce County services.

Based on the information submitted by the applicant and lack of public comment related to this applicant and this sub-criterion, the department concludes that the immediate and long-range operating costs of the Eden project can be met. **This sub-criterion is met.**

Wellspring Home Health Center, LLC

Wellspring’s project to offer Pierce County residents Medicare and Medicaid-certified home health services includes operating out of an office in Lakewood, within Pierce County. Wellspring provided the following assumptions used to determine the projected number of patients and visits for the proposed agency.

Applicant’s Table

Home Health Visits	Aug-Dec 2022	2023	2024	2025
Months of Operation	4	12	12	12
Total Visits	1,932	8,424	11,232	12,924
Total Unduplicated Patients	79	342	457	525
Visits by Occupational Category	Aug-Dec 2022	2023	2024	2025
Skilled Nursing	773	3,370	4,493	5,170
Physical Therapy	676	2,948	3,931	4,523
Occupational Therapy	232	1,011	1,348	1,551
Speech Pathology	39	168	225	258
Medical Social Services	19	84	112	129
Home Health Aid	193	842	1,123	1,292

Sources: Applicant; See Table 4 and Table 5.

[source: Application, p12]

“From Table 1, we project Pierce County residents in need of Home Health services to equal 231,742 in 2022, 240,625 in 2023, and 249,508 in 2024. Extending this forecast for an additional year, we estimate this number to equal 258,391 in 2025. These numbers correspond to 19,312, 20,052, 20,792, and 21,533 visits per month in 2022, 2023, 2024, and 2025. We assume that, on a monthly basis, Wellspring Home Health will provide services to 2.5% of these patients in 2022, 3.5% in 2023, 4.5% in 2024, and 5.0% in 2025. Furthermore, we assume that, based on 2019 CMS numbers, the number of visits per patient are equal to 24.6.3 These statistics and assumptions, along with the implied utilization, are summarized in Table 4.

Utilization Assumptions	Row	Aug - Dec 2022	2023	2024	2025
Pierce County Visit Projections	1	231,742	240,625	249,508	258,391
Visits per Month	2	19,312	20,052	20,792	21,533
Assumed Market Share	3	2.50%	3.50%	4.50%	5.00%
Wellspring HH Visits per Month ((1)*(2)*(3))	4	483	702	936	1,077
Months of Operation	5	4	12	12	12
Wellspring HH Visits ((4)*(5))	6	1,932	8,424	11,232	12,924
Visits per Patient	7	24.6	24.6	24.6	24.6
Unduplicated Patients ((6)/(7))	8	79	342	457	525

Applicant and Medicare Home Health Agency Utilization by State, Current Year 2019 (<https://www.cms.gov/files/document/cy-2019-medicare-home-health-utilization-state.pdf>, Last Accessed August 6, 2021)

The number of visits by occupational category are calculated based on Wellspring's historical service mix in its Alaska facilities, but adjusted for anticipated differences in home health needs in Washington State as observed in recent Certificate of Need decisions. We present these assumptions in Table 5.

Occupational Category	Proportion
Skilled Nursing	40.00%
Physical Therapy	35.00%
Occupational Therapy	12.00%
Speech Pathology	2.00%
Medical Social Services	1.00%
Home Health Aid	10.00%

Sources: Applicant

In support of the reasonableness of our utilization assumptions, we note that, based on the methodology above, there exists significant excess demand for home health services within Pierce County. Our utilization assumptions imply that in 2025 (Year 3), the projected Wellspring visits account for only 16.5% of this excess demand. [source: Application, p12-13]

“Upon review, it was discovered that the Pierce projections for partial year 2022 (August – December) was using the incorrect ‘# of Months’ at 4 months. This has been corrected to 5 months for the August-December 2022 period. Please note that this increases the visit utilization in the Aug-Dec 2022, as those calculations are based on number of months (see Application Tables 3 and 4 for the utilization methodology).

The same utilization methodology explained in the application continues to apply. The only difference is that the # of months for August – December 2022 is corrected to ‘5’ months from the previous value of ‘4’. This correction increases the previous visit count from 1,932 to 2,415. Using the same visit per patient ratio (24.6) shown in Application Table 4, then the forecasted number of unduplicated patients in the corrected Aug-Dec 2022 period is 98 (2,415 divided by 24.6 equals 98).” [source: December 23, 2021, screening response, p3]

Applicant's Table

THE PROJECT (PIERCE COUNTY SERVICES ONLY)				
Partial Year				
	(Aug - Dec) 2022	2023	2024	2025
# of Months	5	12	12	12
Total Visits	2,415	8,423	11,232	12,923

[source: December 23, 2021, screening response, Revised Exhibit 7B]

Based on these assumptions, Wellspring provided the following projections for utilization of the home health agency. [sources: Application, p12 and December 23, 2021, screening response, Revised Exhibit 7B]

Department's Table 20

Wellspring's Projected King and Pierce County Utilization

	FY 2022	FY 2023	FY 2024	FY 2025
Unduplicated Patients	440	756	946	1,015
Total Visits	10,826	18,587	23,268	24,959

Department's Table 21

Wellspring's Projected Pierce County Utilization

	2022 Aug-Dec	FY 2023	FY 2024	FY 2025
Unduplicated Patients	98	624	457	525
Total Visits	2,415	8,423	11,232	12,923
Market Share	2.5%	3.5%	4.5%	5.0%

If this project is approved, the home health agency would be operated under Wellspring Home Health Center, LLC. The applicant provided several financial statements to assist the department in verifying assumptions and potential impacts of proposed services on existing operations. The statements provided are listed here.

- Historical and projected Alaska and King County operations
- Projected Pierce County alone
- Projected King County alone
- Projected Pierce and King counties
- Projected balance sheets for Alaska, Pierce, and King counties

Wellspring provided the following assumptions used to determine the financial feasibility for the proposed Pierce County operations.

“While preparing the financial model, it was determined that Wellspring's Alaska operations are unlikely to be representative of the Washington State operations due to its demographic and economic differences. Unless otherwise noted, the assumptions are based on average of public documents for other home projects similar to Wellspring's proposed project (‘Washington Benchmarks’). These included the approvals of Amicable Healthcare, Inc (CN #19-52) in King County, Providence Home Health (CN #20-24) in Clark County, and Eden Home Health (CN #19-67) in Spokane County. We decided it was most reasonable to apply financial assumptions which reflected an average across multiple applicants whose projects were approved in representative counties across Washington State. King County, Clark County, and Spokane County all reflect relatively urban and population dense counties, and all rank within the top five populous counties in Washington State.” [source: December 23, 2021, screening response, Exhibit 7B]

Applicant's Table

		King (Without the Project) (CN21-35)	Pierce (The Project) (CN-22-03)
Gross Revenue Per Visit	Calculation Method	Estimate	Estimate
Skilled Nursing	Gross Revenue Per Visit	\$243	\$243
Physical Therapy	Gross Revenue Per Visit	\$207	\$207
Occupational Therapy	Gross Revenue Per Visit	\$213	\$213
Speech Pathology	Gross Revenue Per Visit	\$242	\$242
Medical Social Services	Gross Revenue Per Visit	\$228	\$228
Home Health Aid	Gross Revenue Per Visit	\$124	\$124
Gross Revenue Payer Mix	Calculation Method	Estimate	Estimate
Medicare	% of Gross Revenue	77%	77%
Medicaid	% of Gross Revenue	6%	6%
Commercial/Other	% of Gross Revenue	17%	17%
Deductions from patient service revenue	Calculation Method	Estimate	Estimate
Contractual Adjustments			
Medicare	% of [Payer] Gross Revenue	7%	7%
Medicaid	% of [Payer] Gross Revenue	53%	53%
Commercial/Other	% of [Payer] Gross Revenue	37%	37%
Bad Debt	% of Gross Revenue	1.3%	1.3%
Charity Care	% of Gross Revenue	1.6%	1.6%
Operating Expenses	Calculation Method	Estimate	Estimate
Salaries	See Staffing Worksheet	See Staffing Worksheet	See Staffing Worksheet
Benefits	% of Salaries	30.2%	30.2%
Medical Director*	MDA Section 4	\$20K annual maintenance fee. \$150/hr service fees assumed at 5 hours per month in 2022 and 10 hours per month assumed in 2023-2025	\$150/hr service fees assumed at 10 incremental hours per month throughout forecast period.
Supplies	Per Visit	3.7	3.7
Base Rent*	Lease Section 1.7 (Monthly)	1,500	No incremental expense.
Other Property Expenses*	Lease Section 1.7 (Monthly)	291	Already included in King.
Information Technology	Annual Amount Adj by # Months	22,700	22,700
Equipment	Annual Amount Adj by # Months	5,600	5,600
Maintenance	Annual Amount Adj by # Months	700	700
Purchased Services	Per Visit	9.3	9.3
Mileage & Travel	Per Visit	5.0	5.0
B & O Tax	% of Net Revenue	1.50%	1.50%
Other Expenses	Per Visit	1.1	1.1
Licensing Fee	WAC 246-335-990	New estimate created in December 2021 screening responses. Wellspring's license is currently set to expire (which it will renew) in 2022. Therefore, licensing fees set at renewal fees for home health agency in 2022 (14.7 Total FTEs) and 2024 (27.6 Total FTEs)	
Non-Operating Expenses	Calculation Method	Estimate	Estimate
Overhead Allocation	% of Net Revenue	4.5%	4.5%
Depreciation & Amortization*	See Depreciation Worksheets	See Depreciation Worksheets (King)	See Depreciation Worksheets (Pierce)

*Not based on Washington Benchmarks
King Source: see 2022-2024 Forecast in CN21-36 Screening Responses dated May 18, 2021. 2025 Without the Project (King) in current model is assumed to remain constant of 2024 forecast. This is a conservative assumption, Wellspring is likely to continue to grow which would only further improve its financial performance and project viability. Even under this conservative assumptions Wellspring's forecast Washington State operations (King and Pierce) is shown to be financially feasible.

[source: December 23, 2021, screening response, Exhibit 7B]

Applicant's Table

	Capital Expenditures	Useful Life (Years)	Monthly Depreciation	
Tenant Improvements (King)	\$9,500	7	\$113	
Equipment (King)	\$15,500	5	\$258	
Equipment (Pierce)	\$4,000	5	\$67	

	Partial Year 2022	2023	2024	2025
# of Months (King)	12	12	12	12
# of Months (Pierce)	5	12	12	12
Depreciation (TI - King)	\$1,357	\$1,357	\$1,357	\$1,357
Depreciation (Equipment - King)	\$3,100	\$3,100	\$3,100	\$3,100
Depreciation (Equipment - Pierce)	\$333	\$800	\$800	\$800
Total Depreciation	\$4,790	\$5,257	\$5,257	\$5,257

[source: December 23, 2021, screening response, Exhibit 7B]

Wellspring's payer mix assumptions¹⁴ and staffing assumptions¹⁵ are detailed elsewhere in this evaluation and will not be repeated here. Wellspring did provide some additional clarification on some of the additional costs associated with the lease agreement. [source: April 30, 2021, screening response, p19]

“These costs are included in the Other Property Expenses line-item. As mentioned on the assumptions worksheet, this projection is calculated at \$291 per month and is based on Lease Agreement section 1.7 included in Application Exhibit 9A. Utilities are expected to be minimal as this is a home agency program. Utilities and are included in Other Expenses.”

Based on these assumptions, Wellspring provided its projected revenue, expenses, and net income for the agency for partial year 2022 and projection years 2023 through 2025, which are summarized in the following table. [source: December 23, 2021, screening response, Exhibit 7B]

Department's Table 22
Wellspring's Pierce County Revenues and Expenses Summary
Partial Year 2022 and Years 2023 through 2025

	2022 Aug-Dec	CY 2023	CY 2024	CY 2025
Net Revenue	\$426,430	\$1,487,479	\$1,983,529	\$2,282,150
Total Expenses	\$350,625	\$1,167,823	\$1,552,751	\$1,795,386
Net Profit / (Loss)	\$75,805	\$319,656	\$430,778	\$486,764

Wellspring additionally submitted balance sheets for the proposed service area expansion for partial year 2022 and projection years 2023 through 2025, summarized in the following table. [source: Application, Exhibit 7B]

¹⁴ Payer mix assumptions are detailed under the section reviewing WAC 246-310-210(2)

¹⁵ Staffing assumptions are detailed under the section reviewing WAC 246-310-230(1)

Department's Table 23
Wellspring's Pierce County Balance Sheets' Summary
Partial Year 2022 and Years 2023 through 2025

ASSETS	2022 Aug-Dec	CY 2023	CY 2024	CY 2025
Current Assets	(\$428)	\$60,418	\$265,570	\$679,812
Property & Equipment	\$23,514	\$19,057	\$14,600	\$10,143
Other Assets	\$0	\$0	\$0	\$0
Total Assets	\$23,086	\$79,475	\$280,170	\$689,955
LIABILITIES	2022 Aug-Dec	CY 2023	CY 2024	CY 2025
Current Liabilities	\$31,057	\$122,477	\$150,053	\$169,153
Long Term Liabilities	\$0	\$0	\$0	\$0
Total Capital	(\$7,971)	(\$43,002)	\$130,117	\$520,803
Total Liabilities & Capital	\$23,086	\$79,475	\$280,170	\$689,956

Wellspring provided the department with additional income statements and balance sheets for its existing operations as well as combined with the proposed new services. This allows the department to understand assumptions that are based on the applicant's experience as well as potential impacts of the proposed project on Wellspring's existing operations. Following are summaries of both Wellspring's existing Washington operations alone and Wellspring's proposed project combined with existing Washington and Alaska services. [source: December 23, 2021, screening response, Exhibit 7B]

Department's Table 24
Wellspring's Washington State Revenues and Expenses Summary
Years 2022 through 2025

	CY 2022	CY 2023	CY 2024	CY 2025
Net Revenue	\$1,911,777	\$3,282,420	\$4,108,975	\$4,407,596
Total Expenses	\$1,894,837	\$2,927,747	\$3,582,454	\$3,819,833
Net Profit / (Loss)	\$16,940	\$354,673	\$526,521	\$587,763

Department's Table 25
Wellspring's Washington State Balance Sheets' Summary
Years 2022 through 2025

ASSETS	CY 2022	CY 2023	CY 2024	CY 2025
Current Assets	\$258,094	\$863,568	\$1,969,444	\$2,951,320
Property & Equipment	\$24,210	\$18,952	\$13,695	\$8,438
Other Assets	\$0	\$0	\$0	\$0
Total Assets	\$282,304	\$882,520	\$1,983,139	\$2,959,758
LIABILITIES	CY 2022	CY 2023	CY 2024	CY 2025
Current Liabilities	\$150,335	\$231,232	\$282,691	\$301,353
Long Term Liabilities	\$0	\$0	\$0	\$0
Total Capital	\$131,969	\$651,289	\$1,700,448	\$2,658,405
Total Liabilities & Capital	\$282,304	\$882,521	\$1,983,139	\$2,959,758

Department's Table 26
Wellspring's Washington & Alaska Balance Sheets' Summary
Years 2022 through 2025

ASSETS	CY 2022	CY 2023	CY 2024	CY 2025
Current Assets	\$1,073,331	\$1,678,805	\$2,784,680	\$3,766,556
Property & Equipment	\$176,026	\$170,769	\$165,512	\$160,255
Other Assets	\$28,525	\$28,525	\$28,525	\$28,525
Total Assets	\$1,277,882	\$1,878,099	\$2,978,717	\$3,955,336
LIABILITIES	CY 2022	CY 2023	CY 2024	CY 2025
Current Liabilities	\$927,532	\$1,008,429	\$1,059,889	\$1,078,550
Long Term Liabilities	\$0	\$0	\$0	\$0
Total Capital	\$350,350	\$869,670	\$1,918,829	\$2,876,787
Total Liabilities & Capital	\$1,277,882	\$1,878,099	\$2,978,718	\$3,955,337

In these tables *Net Revenue* includes gross revenue minus contractual allowances, bad debt, and charity care; and *Total Expenses* includes direct expenses, as well as administrative costs.

Additionally, Wellspring provided the projected cash flow pro forma statements for its Washington State operations. [source: December 23, 2021, screening response, Exhibit 7B]

Public and Rebuttal Comment

None

Department Evaluation

Utilization Assumptions

An applicant's utilization assumptions are the foundation for the financial review under this sub-criterion. The department first reviewed the assumptions used by Wellspring to determine the projected number of patients and visits by discipline for the proposed agency. Wellspring did so by first estimating the number of Pierce County residents in need of home health services by year, then estimating a conservative market share of these patients that grows with each projection year from 2.5% in partial year 2022 growing half a percent of the market each year to 5.0% in year 2025. Using an estimated 24.6 visits per patient Wellspring projected visits per month and then per year. Based on these assumptions, calculations, explained rationale, and lack of objection in public comment, the department concludes that Wellspring's utilization assumptions are reasonable.

Pro Forma Financial Statements

The applicant provided pro forma financial statements, including the revenue and expense statements, balance sheets, and cash flow statements, which allows the department to evaluate the financial viability of the proposal.

Wellspring based its anticipated revenue and expenses for its proposed agency on the earlier discussed average of public documents for other home health projects similar to Wellspring's proposal. Based on this and assumptions listed earlier in this section, Wellspring expects the Pierce County agency to have a slow start for partial year 2022 with a net profit of \$75,805. This grows to \$319,656 in projected profits for its first full year and continues to trend upward into year 2025, full year three, to \$486,764.

The home health agency plans to share already leased office space located at 8815 South Tacoma Way, Suite 120, Lakewood [98498] within Pierce County. Wellspring provided documentation that the office and land are owned by the entity in its lease agreement. Additionally, Wellspring provided a lease addendum adding a renewal term of five years to the lease and costs associated with use of the space. Wellspring also accounted for the lease expenses in its projected revenue and expense statements as a line item *Base Rent, Other Property Expenses, and Other Expenses*. The anticipated expenses in financial statements match those assumed by the applicant. [sources: Application, Exhibits 9A and 9B, October 21, 2021, screening response, p19 and New Exhibit 15, and December 23, 2021, screening response, Revised Exhibit 7B]

Wellspring provided an executed agreement for the Medical Director, Amar Kapur, MD. The agreement identifies the responsibilities of both the home health agency and its medical director. The projected revenue and expense statements identify that all costs associated with this agreement are included in the line item *Medical Director*. [sources: Application, Exhibit 8, and March 26, 2021, screening response, Revised Exhibit 2 and December 23, 2021, screening response, Revised Exhibit 7B]

The department also reviewed the projected balance sheets of Wellspring. The purpose of balance sheets is to review the financial status of the home health agency at a specific point in time. The balance sheet shows what the home health agency owns (assets) and how much it owes (liabilities), as well as the amount invested in the business (capital). Tables 23, 25, and 26 each summarize the projected balance sheets provided by the applicant for Pierce County operations alone, all of Washington State operations, and the project combined with all of Wellspring's operations (Alaska and Washington). Projected balance sheets provided in the review shows the agency is expecting to balance assets and liabilities through the projection period.

Based on the information submitted by the applicant and lack of public comment related to this applicant and this sub-criterion, the department concludes that the immediate and long-range operating costs of the Wellspring project can be met. **This sub-criterion is met.**

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

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

EmpRes Healthcare Group, Inc. dba Eden Home Health of King County, LLC

Eden anticipates an estimated capital expenditure of \$1,473 to expand its existing home health agency's service area to include the residents of Pierce County. Eden provided the following statements on these costs and lack of construction.

"The capital costs for the project are minimal and limited to equipment and minor remodeling. In terms of operating costs, home health is a cost-effective adjunct for implementing the Affordable Care Act (ACA). The ACA is focused on improving quality while lowering costs. To do this, there is increasing emphasis on providing services that 1) reduce hospital readmissions and emergency department use and 2) provide coordinated care delivery. The expansion of home health services in County is expected to support the ACA by reducing re-hospitalizations and coordinating care as well as providing additional patient choice in care providers.

CMS has Implemented the Home Health Quality Initiative in Home Health Services

Home health is a covered service under the Part a Medicare benefit. It consists of part-time, medically necessary skilled care (nursing, physical therapy, occupational therapy, and speech-language therapy) that is ordered by a physician. In 2010, there were over 10,800 Medicare certified home health agencies throughout the United States. In 2010, 3,446,057 beneficiaries were served, and 122,578,603 visits made.

Home Health Quality Goals

Quality health care for people with Medicare is a high priority for the Department of Health and Human Services, and the Centers for Medicare & Medicaid Services (CMS).

CMS has adopted the mission of The Institute of Medicine (IOM) which has defined quality as having the following properties or domains:

- ***Effectiveness*** *Relates to providing care processes and achieving outcomes as supported by scientific evidence.*
- ***Efficiency*** *Relates to maximizing the quality of a comparable unit of health care delivered or unit of health benefit achieved for a given unit of health care resources used.*
- ***Equity*** *Relates to providing health care of equal quality to those who may differ in personal characteristics other than their clinical condition or preferences for care.*
- ***Patient Centeredness*** *Relates to meeting patients' needs and preferences and providing education and support.*
- ***Safety*** *Relates to actual or potential bodily harm.*
- ***Timeliness*** *Relates to obtaining needed care while minimizing delays.*

CMS has now implemented a multi-phased innovation initiative, the Bundled Payments for Care Improvement (BCPI). BPCI affords the opportunity to devote resources to integrating our post-acute network to provide episodic value-based care to achieve triple-aim goals – better satisfaction, better outcomes. All Washington State home health agencies participate in this risk-based model that is designed to improve care relative to triple-aim goals (e.g., better satisfaction, better outcomes, lower cost). Eden Home Health, LLC will participate in this initiative.” [source: Application, p51-52]

To clarify the statement which included remodeling in the capital costs Eden provided the following explanation.

“No fixed equipment is planned, and capital expenditures are related to hand-held devices, at a cost of \$1,473” [source: April 30, 2021, screening response, p5]

Public and Rebuttal Comment

None

Department Evaluation

Given that only movable equipment is needed for this service area expansion, the low estimated capital expenditure is reasonable.

Eden provided a letter dated November 18, 2020, from the Chief Financial Officer of EmpRes Healthcare Management, LLC Michael J. Miller, demonstrating Eden’s financial commitment to this project, including the necessary working capital costs.

The department does not have an adopted standard on what constitutes an unreasonable impact on charges for health services. Medicare patients typically make up the largest percentage of patients served in home health care. For this project, the applicant projected that 44% of its patients would be eligible for Medicare or Medicaid, second only to commercial patients. Gross revenue from Medicare and Medicaid is projected to be 37% of total revenues. Consequently, standard reimbursement amounts and related discounts are not likely to increase with the approval of this project.

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

Wellspring Home Health Center, LLC

Wellspring anticipates an estimated capital expenditure of \$4,000 for expanding its current services to include Medicare and Medicaid-certified home health services to the residents of Pierce County. Since this project proposes to set up an office in an existing facility the costs are for movable office equipment and applicable sales tax. There are no construction costs required for this project. Wellspring provided the following statements on these costs and lack of construction.

“Given the proposed project now represents an expansion of existing operations, a majority of the capital expenditures reported in the Pierce application are no longer applicable, as those expenditures will occur in the development of the CN-approved King County services.” [source: October 21, 2021, screening response, p6]

“There are no construction costs associated with the proposed project,” [source: Application, p17]

“The capital expenditures are based on Wellspring’s experience developing and operating a home health agency.” In a footnote to this statement Wellspring lists its Alaska operational CMS certification number.

Wellspring provided the following statement related to this project’s lack of impact on costs and charges for health services.

“Wellspring’s rates are primarily based on fee schedules with CMS and principal payers. Thus, the proposed project will not impact costs or charges for health services.” [source: Application, p17]

Public and Rebuttal Comment

None

Department Evaluation

Given that the only movable equipment is needed for this service area expansion, the low estimated capital expenditure is reasonable.

Wellspring provided a letter dated August 16, 2021, from the Administrator of Wellspring Home Health Center, LLC Joyce Ibanga, demonstrating Wellspring’s financial commitment to this project, including the estimated capital expenditures and other costs of operation associated with this project.

The department does not have an adopted standard on what constitutes an unreasonable impact on charges for health services. Medicare patients typically make up the largest percentage of patients served in home health care. For this project, the applicant projected that 87.4% of its net revenue

would come from Medicare or Medicaid reimbursement. Gross revenue from Medicare and Medicaid is projected to be 83% of total revenues. Consequently, standard reimbursement amounts and related discounts are not likely to increase with the approval of this project.

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

(3) *The project can be appropriately financed.*

WAC 246-310-220(3) does not contain specific source of financing criteria as identified in WAC 246-310-200(2)(a)(i). There are also no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that directs how projects of this type and size should be financed. Therefore, using its experience and expertise the department compared each proposed project's source of financing to those previously considered by the department.

EmpRes Healthcare Group, Inc. dba Eden Home Health of King County, LLC

Eden provided the following statements related to this sub-criterion.

“The members of Eden Home Health of King County, LLC will continue to fund the working capital account of Eden Home Health of King County, LLC at a level sufficient to support the start-up cash flow requirements of the expansion into County. Please see Attachment M for a letter of commitment from the CFO.

The historical cash flow issues of new or expanding home health services agencies have been considerably resolved due to Medicare's policy of providing 60% of each patient episode charge at the beginning of service.” [source: Application, p54]

“Since financing involves unnecessary interest expense, Eden Home Health of King County, LLC has elected to fund the establishment of the agency with available cash.” [source: Application, p54]

“Eden Home Health is part of a larger regional healthcare system and has the resources to readily support the incremental addition of Pierce County to its established King County home health agency.” [source: December 20, 2021, screening response, p14]

Public and Rebuttal Comment

None

Department Evaluation

Eden provided a reasonable explanation of its modest estimated capital costs; and the project has no construction costs. All capital costs are attributed to movable equipment and applicable sales tax.

Eden intends to fund its project using existing cash reserves; and provided a letter of financial commitment signed by Chief Financial Officer of EmpRes Healthcare Management, LLC Michael J. Miller. The letter is dated November 18, 2020 and states in part *“The Members of Eden Home Health of King County, LLC have committed the necessary working capital to finance the expansion of the home health service to Pierce County.”* [source: Application, Attachment M]

After reviewing the estimated capital costs and the financial statements provided, the department concludes that a condition is necessary to ensure the project would be financed as described in the

application. The department concludes that the Eden project, with written agreement to the condition in the conclusion section of this evaluation **meets this sub-criterion.**

Wellspring Home Health Center, LLC

Wellspring provided the following statements related to this sub-criterion.

“Wellspring Home Health is the sole entity responsible for any estimated capital costs for the proposed project.” [source: Application, p17]

“The proposed project will not be debt financed.” [source: Application, p19]

“As a small business, Wellspring Home Health does not have any audited financial statements. Its accountants track its historical income, expenses, and cash flow, which is included in Exhibit 7, and which we present up to 2020 within Exhibit 7.

It is our understanding the Department requests audited financial statements to assess the ability of the applicant to fund the proposed project. With that in mind, we have attached a letter from Key Bank attesting to the availability of the \$25,000 necessary for the capital expenditures of the proposed project. In addition, although Wellspring does not anticipate its need, this letter identifies Wellspring’s revolving credit line of \$100,000 which would be available in the case of cash-flow need. Please see Exhibit 11 for a copy of this attestation letter from Key Bank.” [source: Application, p19]

“Given the proposed project now represents an expansion of existing operations, Wellspring does not anticipate any startup expenses. Staffing will be added incrementally consistent with the increases in utilization, and all incremental staff is reflected in the Income Statement over the forecast period.” [source: October 21, 2021, screening response, p7]

Public and Rebuttal Comment

None

Department Evaluation

Wellspring provided a reasonable explanation of its modest estimated capital costs and the project has no construction costs. All capital costs are attributed to movable equipment and applicable sales tax.

Wellspring intends to fund its project using existing cash reserves. Wellspring provided a letter of financial commitment signed by its Administrator, Joyce Ibanga. The letter is dated August 16, 2021 and states *“Wellspring Home Health Center, LLC's is pleased to commit to fund the estimated capital expenditures and other costs of operations associated with the project. Wellspring Home Health Center, LLC has sufficient cash reserves to fully fund the intended project.”* [source: Application, Exhibit 10]

Since Wellspring does not have audited financial statements it instead provided historical financial statements including its Alaska operations, for years 2017 through 2020. This includes its income statements and balance sheets. Additionally, Wellspring provided a letter signed by Sue Meyerdierk, Key Bank, Lakewood Branch Manager, dated September 28, 2021, attesting that Wellspring has capital funds to sufficiently cover the estimated capital cost of this project. [source: October 21, 2021, screening response, Exhibit 11]

After reviewing the estimated capital costs and the financial statements provided, the department concludes that a condition is necessary to ensure the project would be financed as described in the application. The department concludes that the Wellspring project, with written agreement to the condition in the conclusion section of this evaluation **meets this sub-criterion**.

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

EmpRes Healthcare Group, Inc. dba Eden Home Health of King County, LLC

Based on the source information reviewed and agreement to the conditions identified in the conclusion section of this evaluation, the department determines that the Eden project **meets** the applicable structure and process of care criteria in WAC 246-310-230.

Wellspring Home Health Center, LLC

Based on the source information reviewed and agreement to the conditions identified in the conclusion section of this evaluation, the department determines that Wellspring project **meets** the applicable structure and process of care criteria in WAC 246-310-230.

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

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

EmpRes Healthcare Group, Inc. dba Eden Home Health of King County, LLC

With this project Eden proposes to expand its existing services to include Pierce County residents. Eden provided a table showing its proposed staffing, summarized in the following table. [source: December 20, 2021, screening response Attachment 6-A]

**Department’s Table 27
Eden’s Proposed FTEs for Years 2022 through 2025**

Type of Staff	CY 2022	CY 2023	CY 2024	CY 2025
Director of Professional Services*	0.30	0.30	0.30	0.30
Clinical Supervisor*	0.30	0.30	0.30	0.30
Nursing	1.32	2.51	4.07	4.07
Physical Therapy	1.29	2.46	3.98	3.98
Occupational Therapy	0.67	1.28	2.08	2.08
Speech Therapy	0.13	0.25	0.41	0.41
Medical Social Worker	0.07	0.13	0.20	0.20
Home Health Aide	0.21	0.40	0.65	0.65
Administrator*	0.30	0.30	0.30	0.30
Office Manager*	0.30	0.30	0.30	0.30
Team Assistant*	0.30	0.30	0.30	0.30
Community Outreach*	0.30	0.30	0.30	0.30
Total	5.49	8.83	13.19	13.19

* FTE is shared with King County services

Eden's medical director will be under contract and is not included in the preceding table. [source: December 20, 2021, screening response Attachment 6-A]

Eden also provided the assumptions on which staffing projections was based.

“Eden Home Health of King County, LLC used its existing home health agency experience in Washington State and benchmarks its staffing ratios with other home health agencies on a regional and national basis using the Strategic Healthcare Partners, LLC analytics consulting firm.” [source: Application, p62]

“The proposed staffing plan is consistent with current operating experience for the current 2021 period.” [source: April 30, 2021, screening response, p6]

Eden provided the following additional statements related to its methods for staff recruitment and retention as well as the availability of sufficient qualified staff.

“As a large multi-state organization, EmpRes and Eden have employees and visibility and contacts across numerous job markets. Specific to Pierce County, EmpRes operates a skilled nursing homes in Pierce County as well as skilled nursing homes in King County that draw on patients from Pierce County. Even with all of this experience, Covid-19 represents unique recruitment challenges for all healthcare providers in terms of recruiting a core licensed staff as well as short term replacement staff for employees who become infected or exposed and require quarantine. Fortunately, Eden King has been able to retain its core administrative staff during this epidemic. Experienced management personnel are difficult to recruit at any time.

Eden has aligned the growth of its Eden King County home health agency with its ability to recruit patient care staff. As a result, growth has been less than initially projected as the labor pool was reduced due to Covid-19. Initially in King County, voluntary surgical procedures were eliminated by hospitals but are now taking place. This reduced home health agency demand on a short-term basis for certain patients as well as being an obstacle for recruitment. Elective hospital services have now returned and recruitment of qualified health personnel in the third quarter improved but we are now entering into a second wave that may generate new challenges in staff recruitment.

Regarding this application, the approval for Eden to provide home health services in Pierce County will reduce the recruitment challenges for Eden without adversely affecting other home health agencies. Table 26-A lists 6 positions involving special and general administrative services that will require no additional staffing over the first three years of operation. These positions will be allocated to the different counties on a Pierce, 30% level and King 70% level. In terms of immediate recruitment challenges for direct care staff, the approval of this project will be in 2021. A vaccine may begin to be available for essential workers. In any case, more will be known about Covid-19 and with decreased uncertainty, essential workers should re-enter the work force.

Eden elected to only moderately delay adding additional home health resources with this project until we became assured that this project will free up hospital beds and the staffing associated with those beds in both Pierce County and King County by reducing unscheduled outpatient admissions from home health to hospitals, readmissions to the hospital and days delay in the time when discharged hospital patients wait to receive home health services. Building a resource base will improve the resilience of our Puget Sound health care system

Staff mobility between markets supports recruitment and retention efforts.

- *As an employee-owned organization, EmpRes and Eden experience lower turnover rates than many other health care providers.*
- *The EmpRes commitment to Employees/Residents reflected in the company name is also reflected in management efforts to prioritize employees and residents as core to any success.”*

[source: Application, p62-63]

“Because Eden Health has a strong presence in the state of Washington, in the event that we are in a staffing crisis in Pierce County, we have the ability to relocate staff from other areas of the state to concentrate on this area so that patient care is not interrupted. We have 251 employees in the state of Washington providing care in Whatcom, Skagit, Snohomish, Island, King, Spokane, and Clark counties. We have had great success with hiring new staff and we have very low turnover compared to industry-averages because we are 100% employee-owned and we are a ‘Certified Great Place to Work’ which has been an attractive reason for more clinicians to apply for jobs with us.

We anticipate that we have seen the most disruptive period of the pandemic in Washington State and hopefully severe from an ongoing illness basis and have not had this issue. Our staff are shared are all Eden Health employees, not from other companies or regularly contracted agencies so the staff are all taking the same level of precautions, have access to ample amount of PPE and are expected to complete surveillance forms daily to identify any and all potential COVID-related symptoms. We have also begun administering COVID vaccinations in January 2021 to all employees who provide direct-care in coordination with each county’s health department.” [source: April 30, 2021, screening response, p8]

“As an existing agency, Eden can serve Pierce County with a minimal impact on scarce staff resources for senior management positions. Eden has demonstrated its capacity to continue to serve patients in this Covid-19 era in King County.” [source: December 20, 2021, screening response, p14]

Public and Rebuttal Comment

None

Department Evaluation

In year 2014 EmpRes Healthcare Group, Inc acquired Option Care Enterprises, a Medicare-certified home health agency formerly operated by Walgreen’s Infusion Services in several Washington State counties. Currently, Eden’s home health subsidiaries provide skilled nursing, rehabilitation therapies, medical social services, and certified home health aide services to homebound patients throughout the Whatcom, Skagit, Snohomish, San Juan, Island, Spokane, Clark, and King counties.¹⁶ Eden based its projected staff and staffing ratio for the agency’s Pierce County expansion on the experience of its subsidiaries’ home health experience in Washington State. Eden provided the number of anticipated FTEs to serve Pierce County residents, expecting to have a total of approximately 13 full-time employees by its third full year of operation.

Eden detailed its proven successful staffing strategies. These include relying on its expansive operations which allow for more flexibility in staffing, sharing some positions between various counties’ operations adds efficiency and makes best use of available staff, and low turnover rates attributable to it being employee-owned. Eden also identified a contracted medical director and

¹⁶ Eden’s Washington State Department of Health home health licenses include: IHS.FS.60491681, IHS.FS.60871865, IHS.FS.61014910, IHS.FS.61097918, and IHS.FS.61117985.

provided an executed medical director agreement. Additionally, the pro forma identifies all costs associated with this staffing plan.

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

Wellspring Home Health Center, LLC

Wellspring currently operates in-home services agencies in Alaska and Washington State. With this project Wellspring would provide Medicare and Medicaid-certified home health services in Pierce County from its offices in Lakewood, within Pierce County. Wellspring provided the following information showing its proposed staffing.

“We expect the office to share administrative services and staffing, but consistent with its geographic and patient population expansion, will hire its own clinical staff oriented towards patient care in Pierce County.” [source: December 23, 2021, screening response, Appendix 1]

**Department’s Table 28
Wellspring’s Proposed Pierce County FTEs
for Partial Year 2022 and Full Years 2023 through 2025**

Type of Staff	2022 Aug - Dec	CY 2023	CY 2024	CN 2025
Skilled Nursing	0.98	3.40	4.54	5.22
Physical Therapy	0.73	2.54	3.38	3.89
Occupational Therapy	0.24	0.83	1.11	1.27
Speech Pathology	0.04	0.14	0.19	0.22
Medical Social Worker	0.02	0.07	0.10	0.11
Home Health Aide	0.19	0.65	0.86	0.99
Business/Clerical	0.42	1.00	1.50	2.00
Total	2.61	8.63	11.67	13.71

[source: December 23, 2021, Revised Exhibit 7B]

Wellspring’s medical director is under contract and is not included in the preceding table. Wellspring’s Manager/Administrator and Director of Nursing and Clinical Services do not have any incremental FTE associated solely with Pierce County operations. [sources: Application, p21 and December 23, 2021, screening response, Revised Exhibit 7B]

Wellspring also provided a breakdown of anticipated ratios for clinical staffing positions as well as a basis for some of its projections.

Applicant’s Table

Clinical FTEs	FTEs Per 1,000 Visits
	Skilled Nursing
Physical Therapy	0.86
Occupational Therapy	0.82
Speech Pathology	0.84
Medical Social Services	0.86
Home Health Aid	0.77

[source: December 23, 2021, Revised Exhibit 7B]

“The staff to visit ratios were constructed based on Washington Benchmarks estimated from based on public documents for other home projects similar to the proposed project.” [source: Application, p21]

“While preparing the financial model, it was determined that Wellspring's Alaska operations are unlikely to be representative of the Washington State operations due to its demographic and economic differences. Unless otherwise noted, the assumptions are based on average of public documents for other home projects similar to Wellspring's proposed project (‘Washington Benchmarks’). These included the approvals of Amicable Healthcare, Inc (CN #19-52) in King County, Providence Home Health (CN #20-24) in Clark County, and Eden Home Health (CN #19-67) in Spokane County. We decided it was most reasonable to apply financial assumptions which reflected an average across multiple applicants whose projects were approved in representative counties across Washington State. King County, Clark County, and Spokane County all reflect relatively urban and population dense counties, and all rank within the top five populous counties in Washington State.” [source: December 23, 2021, screening response, Revised Exhibit 7B]

Wellspring provided the following additional statements related to this sub-criterion.

“Wellspring Home Health does not anticipate any barriers to recruiting staff, however if such barriers arise, Wellspring is prepared with its existing relationships with the medical staffing agencies Marvel Medical Staffing and Core Medical Group. Both organizations support Wellspring’s operations in Alaska and are prepared to provide the same support should the proposed project be approved.” [source: Application, p22]

“To be effective in staff recruitment and retention, Wellspring Home Health offers competitive wage and benefit packages. Wellspring Home Health operates a Medicare and Medicaid certified home health agency in Alaska and will use similar methods (Zip Recruiter, Glassdoor, workforce, etc.) to recruit and retain qualified staff for its proposed project. We note that Alaska is a state with significant challenges in recruitment and workforce development and believe Wellspring’s recruitment and retention strategies which enabled it to successfully staff its home health agency there will translate to its Pierce County operations as well.

Furthermore, we believe Wellspring’s location in Lakewood, WA is positioned well to recruit staff. Given its location near the King County border, Wellspring anticipates the ability to draw from the pools of healthcare workers in both the King County and Pierce County markets, two of the biggest healthcare markets in Washington State. Lakewood, WA, with its location in Pierce County, offers both a lower cost of living and lower sales tax rate relative to comparable areas in King County. As such, Wellspring’s location in Lakewood is well-situated recruit staff for the proposed project.” [source: October 21, 2021, screening response, p8]

Public and Rebuttal Comment

None

Department Evaluation

Wellspring currently operates in-home services agencies in Alaska and is licensed¹⁷ and CN-approved¹⁸ to operate in Washington State. As a current healthcare provider, Wellspring has a

¹⁷ Wellspring’s Washington State Department of Health license number is IHS.FS.61055973, for home health services to King, Thurston, and Pierce county residents.

¹⁸ Wellspring’s King County CN #1905, issued September 13, 2021

general understanding of the appropriate staffing necessary to expand its Medicare and Medicaid home health service area. Using both this general understanding and research of Medicare and Medicaid-certified Washington providers, Wellspring provided the number of anticipated FTEs to serve Pierce County, and expects to have a total staff of approximately 14 full-time employees by its third full year of operation.

Wellspring anticipates its location in Pierce County near to densely populated King County, will be advantageous to its recruitment efforts as it will be able to draw from both Pierce and King counties for its employees. Additionally, Wellspring will use employee recruitment and retention methods similar to those of its Alaska locations which are proven to be successful. These include competitive wage and benefit packages and online recruitment resources. In the case that Wellspring's proposed operations face barriers to recruitment it will use its existing relationships with medical staffing agencies to fill vacancies.

Wellspring also identified a projected staffing ratio that is based on its sourced research of Medicare and Medicaid-certified Washington providers. These ratios are reasonable and consistent with data provided in past home health applications reviewed by the program. The applicant identified a contracted medical director and provided an executed medical director agreement. Additionally, the pro forma identifies all costs associated with this staffing plan.

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

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

WAC 246-310-230(2) does not contain specific criteria as identified in WAC 246-310-200(2)(a)(i). There are known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that a facility must meet when it is to be Medicare certified and Medicaid eligible. Therefore, using its experience and expertise the department assessed each applicant's ability to establish and maintain appropriate relationships.

EmpRes Healthcare Group, Inc. dba Eden Home Health of King County, LLC

Eden provided the following statement related to this sub-criterion. [source: Application, p64]

“EmpRes operates a 164-bed skilled nursing home in Pierce County as well as four SNFs in King County with 3 serving Pierce County. Eden Home Health of King County, LLC will build upon these existing relationships to meet the demands for ancillary and support services for the new agency.”

Additionally, Eden provided the following information regarding patients' access to services. [source: Application, p63]

“Eden Home Health of County's office hours will be 8:30 a.m. to 5:00 p.m., Monday thru Friday (excluding major holidays).”

Eden Home Health of County's on-call service will take calls after hours. An on-call nurse will be available to respond to any calls after hours.”

Eden also provided the following statement and listing of its existing agency’s ancillary and support vendors.

“Attachment P provides a vendor list of ancillary and support services utilized by Eden Home Health of King County, LLC.” [source: Application, p64]

Applicant’s Table

Eden Home Health Vendor Listing	
1.	Medical Supplies – Medline
2.	Quality and Outcomes Vendor – Strategic Healthcare Partners (SHP)
3.	HHCAHPS – Strategic Healthcare Partners (SHP)
4.	Electronic Health Record – Homecare Homebase
5.	Clearing House – Zirmed
6.	Telephone/Internet Services – Verizon Wireless and Comcast
7.	Shredding – Iron Mountain
8.	Answering Service (after-hours) – TeleMed
9.	Virtual Care Technology/Telehealth – Healthcare Recovery Services (HRS)
10.	Coding – Coding Department
11.	Learning Management System – Relias
12.	Online Patient Education – Krames
13.	Shipping/Postage – FedEx
14.	Payroll and HR System – Kronos
15.	Hazardous Waste Disposal – Stericycle
16.	Interpretation – Language Line Services
17.	Recruiting – Indeed, Social Media Platforms (Facebook, LinkedIn, etc.)
18.	Applicant Tracking System – Newton
19.	Background Checks – Assure Hire
20.	OIG Searches – Certiphino Screening
21.	Office Supplies/Promotional Products – Office Depot

[source: Application, Appendix P]

Public and Rebuttal Comments

None

Department Evaluation

Eden subsidiaries have been providing Medicare and Medicaid-certified post-acute services across the western United States including Washington State for many years and proposes to serve Medicare and Medicaid patients residing in Pierce County from its office in Kirkland, within adjacent King County. Eden currently operates a skilled nursing home in Pierce County and plans to expand on its existing relationships to support its Pierce County operations.

Eden stated that its office will maintain typical business hours, but services will be available with an on-call staff person all hours and days.

Information provided in the application demonstrates that the applicant has the ability and expertise to expand existing relationships necessary for the Pierce County services. Based on the information reviewed, the department concludes Eden **meets this sub-criterion**.

Wellspring Home Health Center, LLC

Wellspring provided the following statements and tables related to this sub-criterion.

“Wellspring Home Health is currently developing its relationship with ancillary and support services in Washington State. It has experience developing similar relationships with medical supply companies, office supply companies, temporary staff agencies, accounting firms, legal firms, etc. for its Alaska operations. Wellspring anticipates leveraging its existing relationships with medical supply and other vendors to support the proposed Lakewood agency. These include Henry Schein, Medline, Hopkins Medical Products, and SO-LOW Environmental Equipment.” [source: Application, p22]

“Wellspring has been in contact with or targeted a series of organizations for sources of referrals and as ancillary or support vendors. These organizations are listed in Table 7 and Table 8 below.” [source: October 21, 2021, screening response, p9]

Applicant’s Table

Table 8: List of Anticipated Support/Ancillary Vendors	
Vendor	Description
Medline	Medical Supplies
Strategic Healthcare Partners (SHP)	Quality and Outcomes Vendor
Strategic Healthcare Partners (SHP)	HHCAHPS
Homecare Homebase	Electronic Health Record
Zirmed	Clearing House
Verizon Wireless and Comcast	Telephone/Internet Services
Iron Mountain	Shredding
TeleMed	Answering Service (after-hours)
Healthcare Recovery Services (HRS)	Virtual Care Technology/Telehealth
Coding Department	Coding
Relias	Learning Management System
Krames	Online Patient Education
FedEx	Shipping/Postage
Kronos	Payroll and HR System
Stericycle	Hazardous Waste Disposal
Language Line Services	Interpretation
Indeed, Social Media Platforms (Facebook, LinkedIn, etc.)	Recruiting
Newton	Applicant Tracking System
Assure Hire	Background Checks
Certiphino Screening	OIG Searches
Office Depot	Office Supplies/Promotional Products
Certiphino Screening	OIG Searches
Office Depot	Office Supplies/Promotional Products

Source: Applicant

[source: October 21, 2021, screening response, p9]

Additionally, Wellspring provided the following information regarding patients’ access to services. [source: Application, p22]

“The Wellspring Lakewood office will be open from 9:00am – 5:00pm, Monday through Friday. We will have staff on call 24 hours to assist with any patient needs.”

Public and Rebuttal Comments

None

Department Evaluation

Since 2017, Wellspring has been providing Medicare and Medicaid-certified in-home services in Alaska State. For this project, Wellspring proposes to serve Medicare and Medicaid patients residing in Pierce County from its facility in Lakewood, within Pierce County. Wellspring is currently developing relationships with potential ancillary and support vendors in Pierce County, a task successfully undertaken with its Alaska operations. Additionally, Wellspring will leverage any of its existing relationships which have availability in Washington State for Pierce County operations.

Wellspring also stated that although its offices will maintain typical business hours, services will be available with an on-call staff person all hours and days.

Information provided in the application demonstrates that the applicant has the ability and expertise to establish new and expand on existing relationships necessary for the Pierce County services. Based on the information reviewed, the department concludes Wellspring **meets this sub-criterion**.

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

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

As part of this review, the department must also conclude that the proposed services provided by an applicant would be provided in a manner that ensures safe and adequate care to the public.¹⁹ To accomplish this task, the department reviews the quality of care compliance history for all Washington State and out-of-state healthcare facilities owned, operated, or managed by an applicant, its parent company, or its subsidiaries.

For home health agencies, the department reviews two different areas when evaluating this sub-criterion. One is a review of the Centers for Medicare and Medicaid Services (CMS) *Terminated Provider Counts Report* covering years 2019 through current. The department uses this report to identify agencies that were involuntarily terminated from participation in Medicare reimbursement.

The department also reviews an applicant's conformance with Medicare and Medicaid standards, with a focus on Washington State facilities. The department uses the CMS *Survey Activity Report* to identify Washington State facilities with a history of condition level findings. For CMS surveys, there are two levels of deficiencies: standard and condition.²⁰

¹⁹ WAC 246-310-230(5).

²⁰ Definitions of standard and condition level surveys: <https://www.compass-clinical.com/deciphering-tjc-condition-level-findings/>

- Standard Level
A deficiency is at the Standard level when there is noncompliance with any single requirement (or several requirements) within a particular standard that is not of such character as to substantially limit a facility's capacity to furnish adequate care, or which would not jeopardize or adversely affect the health or safety of patients if the deficient practice recurred.
- Condition Level
Deficiency at the Condition level may be due to noncompliance with requirements in a single standard that, collectively, represent a severe or critical health or safety breach, or it may be the result of noncompliance with several standards within the condition. Even a seemingly small breach in critical actions, or at critical times, can kill or severely injure a patient, and such breaches would represent a serious or severe health or safety threat.

EmpRes Healthcare Group, Inc. dba Eden Home Health of King County, LLC

Eden provided the following information related to this sub-criterion. [source: Application, p10]

“The Medical Director for Eden Home Health of King County, LLC is Gilson R. Giroto, DO, license #OP00002078, NPI 1083690333.”

In response to a question asking about the criminal conviction, denial or revocation of licenses, and decertification histories of those affiliated with this project, Eden provided the following response.

“No” [source: Application, p65]

Eden further provided the following narrative about its background experience and qualifications. [source: Application, p65]

“The Eden Health family of agencies offers a combination of seven home health, hospice and personal care agencies in four states. Each Eden Health agency employs competent and qualified staff, paired with organized and responsive management. Additionally, senior level leadership is provided by the agency's management company, EmpRes Healthcare Management, LLC, located in Vancouver Washington.

Each Eden home health agency has developed an excellent reputation within their respective communities and has built strong relationships with their referral sources and healthcare partners. Eden Home Health of King County, LLC d/b/a Eden Home Health (“Eden Home Health”) will establish its agency office at its existing skilled nursing home facility location. Pierce County is home to a skilled nursing facility as has additional SNFs in King County. These entities are affiliates under common ownership with Eden Home Health and which are also managed by EmpRes Healthcare Management, LLC.

The Eden Health family of agencies expanded its provision of home health services into several new locations in the last three years: Idaho Falls, Idaho in 2014 and Elk Grove, California in 2016 and has established home health agencies in King County and Spokane County. Currently Eden is establishing a home health agency in Clark County and has been approved to establish a hospice agency in Whatcom County. Surveys for hospice and home health agencies operated by Eden are included in Attachment V.”

Public and Rebuttal Comments

None

Department Evaluation

As stated in the applicants’ description section of this evaluation, EmpRes Healthcare Group, Inc. dba Eden Home Health of King County, LLC is one of the applicants. As of the writing of this evaluation, this applicant operates in-home service agencies in six states, including Arizona, California, Idaho, Montana, Nevada, and Washington.

Conformance with Medicare and Medicaid Standards

Using the CMS Quality, Certification & Oversight Reports (QCOR) website, the department reviewed the historical survey information for Eden’s in-home services agencies.²¹ The following table shows the total number of agencies by state and the number of surveys reported on the QCOR website from year 2019 through current.²²

**Department’s Table 29
Eden and Eden Affiliates’ In-Home Services
Federal Survey Summary Record Year 2019 through Current**

Service Type	State	# of Agencies / Facilities	Standard Surveys	Complaint Surveys	Deficiency Information
Home Health	Arizona	2	2	0	No deficiencies
	California	2	2	1	6 standard deficiencies
	Idaho	2	0	0	No surveys in timeframe
	Montana	1	0	0	No surveys in timeframe
	Nevada	1	0	0	No surveys in timeframe
	Washington	5	4	0	1 standard deficiency
Hospice	Arizona	2	2	0	No deficiencies
	Idaho	1	1	0	No deficiencies
	Montana	1	0	0	No surveys in timeframe
	Nevada	1	1	0	No deficiencies
	Washington	1	1	0	No deficiencies
Totals			13	1	Total 7 standard

Since 2019, no surveys of Eden’s home health agencies resulted in condition level findings and all standard deficiencies were resolved through a plan of correction and/or follow-up survey. The two hospice agencies that were surveyed since 2019 had no deficiencies in either survey.

Eden owns and operates a large number of nursing homes. Nursing homes are surveyed using a unique scale, which rates deficiencies on severity and scope of harm. The difference in survey rating is in part because in-home services agencies function very differently than a nursing home. The department considers the in-home services’ survey findings for these applicants a far better metric to assess how the proposed Pierce expansion might perform if approved.

Terminated Provider Counts Report

Focusing on years 2019 through current, there is no evidence that any Eden-affiliated agencies were involuntarily terminated from participation in Medicare reimbursement. The department concludes that all Eden-affiliated agencies are substantially compliant with state licensure and Medicare conditions of participation. [source: CMS Quality, Certification, and Oversight Reports, as of March 27, 2022]

²¹ ‘In home service agencies’ are home care agencies, home health agencies, and hospice agencies.

²² ‘Current’ in this section, is through March 27, 2022.

Eden provided the name and professional license number for its current Medical Director, Gilson R. Giroto, D.O.²³ Using data from the Washington State Medical Quality Assurance Commission the department confirmed that Dr. Giroto has an active license with no enforcement action in Washington State. Another key staff member identified in this application is Administrator/Director of Patient Care Services, Lisa Belal, R.N.²⁴ who also has an active license with no enforcement action in Washington State.

Given the compliance history of the agencies affiliated with Eden, as well as that of the agency's proposed Medical Director and key staff, there is reasonable assurance the home health agency would be operated in conformance with applicable state and federal licensing and certification requirements. However, since only a portion of the agency's staff have been identified, a condition is necessary to ensure Eden's commitment to qualified, credentialed staff is met. The department concludes that the Eden project, with written agreement to the condition in the conclusion section of this evaluation, **meets this sub-criterion.**

Wellspring Home Health Center, LLC

Wellspring provided the following statements related to this sub-criterion.

"Wellspring Home Health Center has no history with respect to criminal convictions, denial or revocation of a license to practice a health profession, or decertification as a provider of services in the Medicare or Medicaid program." [source: Application, p24]

Wellspring also provided its Quality Improvement Program and Community Health Accreditation Partner full accreditation letter and certificate for its Alaska agencies. [sources: Application, Exhibits 13 and 14B]

Further, Wellspring provided owners' and key personnel credential and work histories. [source: Application, Exhibit 12]

Public and Rebuttal Comments

None

Department Evaluation

As stated in the applicants' description section of this evaluation, Wellspring Home Health Center, LLC is one of the applicants. As of the writing of this evaluation, this applicant operates in-home services agencies in Alaska and Washington states.

Conformance with Medicare and Medicaid Standards

Using the CMS Quality, Certification & Oversight Reports (QCOR) website, the department reviewed the historical survey information for Wellspring's in-home services agencies.²⁵ The following table shows the total number of agencies by state and the number of surveys reported on the QCOR website from year 2019 through current.²⁶

²³ OP00002078

²⁴ RN60815128

²⁵ 'In home service agencies' are home care agencies, home health agencies, and hospice agencies.

²⁶ 'Current' in this section, is through March 27, 2022.

Department's Table 30
Wellspring's In-Home Services Agencies
Federal Survey Summary Record Year 2019 through Current

State	# of Agencies	QCOR Surveys Home Health	Summary of Findings
Alaska	2	0	No surveys in timeframe
Washington	1	0	No surveys in timeframe
Totals	3	0	No surveys in timeframe

As shown in the preceding table, from year 2019 through current, CMS did not conduct any surveys for the applicant's in-home services agencies.

Terminated Provider Counts Report

Focusing on years 2019 through current, there is no evidence that any Wellspring-affiliated agencies were involuntarily terminated from participation in Medicare reimbursement. The department concludes that all Wellspring-affiliated agencies are substantially compliant with state licensure and Medicare conditions of participation. [source: CMS Quality, Certification, and Oversight Reports, as of March 27, 2022]

Wellspring provided the name and professional license number for its Medical Director, Amar Kapur, M.D.²⁷ Using data from the Washington State Medical Quality Assurance Commission the department confirmed that Dr. Kapur has an active license with no enforcement action in Washington State.

Wellspring also identified its key staff members including its Owner and Director of Operations, Joyce Ibanga;²⁸ the Director of Nursing and Clinical Services, Carol Schneer;²⁹ and an Occupational Therapist, Tara Sperry.³⁰ Carol Schneer has an active license with no enforcement. Joyce Ibanga has an active Texas license with no enforcement, and her role in the agency does not require a Washington State credential. Tara Sperry has an active license with conditions related to past enforcement³¹ related to inconsistencies in charted and billed therapy sessions. These allegations are not related to an agency's capacity to furnish quality care, nor are likely to jeopardize or adversely affect the health or safety of patients. Additionally, past billing practices of an agency's employee is out of the scope of this sub-criterion's review. Most importantly her license is currently active showing that the credentialing experts believe she can practice safely.

Although there is no recent survey history for Wellspring, lack of history does not equate to lack of or sufficient quality. To prove its commitment to quality services Wellspring provided evidence of CHAP full accreditation for three years beginning in year 2020.

Additionally, Wellspring provided the credential information for the agency's Medical Director and its current staff. Based on these facts, there is reasonable assurance the agency's service area expansion would be operated in conformance with applicable state and federal licensing and certification requirements.

²⁷ OP61134689

²⁸ RCP00075521

²⁹ RN61004740

³⁰ OT60096143

³¹ M2016-500 and M2016-1026

However, since only a portion of the agency’s staff have been identified, a condition is necessary to ensure Wellspring’s commitment to qualified, credentialed staff is met. The department concludes that the Wellspring project, with written agreement to the condition in the conclusion section of this evaluation **meets this sub-criterion.**

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

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

EmpRes Healthcare Group, Inc. dba Eden Home Health of King County, LLC

Eden provided the following statements related to this sub criterion.

“When entering a new market, Eden local team focuses on relationships with institutions that refer large numbers of their current patients to home health agencies. Especially with skilled nursing facilities under the same ownership, Eden staff is key to implementing the Transitions program that is an evidence-based, 30-day program offered to patients who meet certain criteria and is provided at no cost to the patient.

Participating patients are tracked for re-hospitalization for 60 days from the day of discharge. The goals of the Care Transitions program are to improve patient outcomes, reduce avoidable readmissions as well as reduce health care costs by training or ‘coaching’ as well as encouraging patients to be more involved in their health care.

Eden Home Health partners with LG technologies for its tele-health/virtual care technology platform. With this technology, Eden can obtain vitals for blood pressure, body weight and oxygen saturation are measured daily and monitored at the Eden Home Health office on working business days. Vitals that are outside physician specified parameters are reviewed by a nurse and a subsequent intervention such as a nursing visit and MD notification occurs. In other markets, Eden Home Health has been able to partner with local physicians for video visits to be completed in the patient’s home.” [source: Application, p64]

Public and Rebuttal Comments

None

Department Evaluation

Information provided in Eden’s application demonstrates that it has the experience and network to expand Medicare and Medicaid-certified home health services to Pierce County residents. Further it detailed its network of post-acute facilities has created processes and partnerships to make continuity of services as smooth as possible for the patient and as efficient for the system as possible.

For this sub-criterion, the department must also consider the outcome of the financial feasibility section of this review. If a project is denied under WAC 246-310-220(1), (2), or (3), then the project

must also be denied under this sub-criterion. This result is based on the department’s reasoning that if a project is not deemed financially feasible, the project has the potential to cause unwarranted fragmentation of services in the planning area if approved. Based on the information provided and conclusions in earlier parts of this evaluation, the Eden project **meets this sub-criterion**.

Wellspring Home Health Center, LLC

Wellspring provided the following statements and table related to this sub criterion.

“Wellspring is currently developing its relationship with healthcare facilities in Washington State. A list of these organizations and their addresses are provided in Table 11. Wellspring has experience developing similar working relationships for its Alaska operations.” [source: Application, p23]

Applicant’s Table

Table 7: List of Potential Referral Organizations	
Referral Source	Address
Madigan Army Medical Center*	9040 Jackson Ave, Tacoma, WA 98431
HCR Manor Care	4524 Intelco Lp SE, Lacey, WA 98503
Dr. In Kwon Park Clinic	8730 S. Tacoma Way, #104 Lakewood
Tacoma Nursing & Rehab	2102 S 96th Street, Tacoma WA 98444
MultiCare Clinic	400 15th Av. Puyallup, WA 98372
Puyallup Nursing & Rehab	516 23rd Ave SE, Puyallup, WA
American Lake VA Hospital	9600 Veteran Dr. SW Tacoma, WA
Capital Medical Center	3900 Capital Mall Dr. SW Olympia, WA
Swedish Hospital -First Hill East	747 Broadway, Seattle, WA
Carolyn Downs Family Ctr.	2101 E Yesler Way, Seattle, WA
Immediate Clinic	1560 NE 8th St A-4, Bellevue
Overlake Medical Center	1035 11th Ave., NE, Bellevue
Snoqualmie Valley Hospital	9801 Frontier Ave., SE, Snoqualmie
Virginia Mason Hospital	1100 9th Ave., Seattle, WA
U.S. Coast Guard Base Seattle	14 S. Massachusetts St. Seattle, WA
Burien Medical Center Seattle	1440 Ambaum Boulevard SW, Seattle
Swedish Medical Center	5300 Tallman Ave., NW, Seattle, WA
Brookdale Senior Living	2326 California Ave., SW, Seattle, WA 98116
Judson Park Senior Living	23600 Marine View Dr., S. Des Moines, WA
Quail Park Memory Care	4515 41st Ave., SW, Seattle
Seattle Children’s Hospital	4800 Sand Point Way, NE Seattle
Naval Hospital Bremerton	1 Boone Rd., Bremerton, WA
Alderwood Park Health & Rehabilitation	2726 Alderwood Ave, Bellingham, WA 98225
Americana Health & Rehabilitation Center	917 7th Ave., Longview, WA 98632
Canterbury House	502 29th Street, SE Auburn, WA 98002
North Cascade Health & Rehabilitation Center	4680 Cordata Parkway, Bellingham, WA 98226
Eden Home Health	230 S. 15th Street, Mount Vernon, WA 98274
Buenavista Healthcare	151 Buenavista Drive, Colville, WA 99114
Enumclaw Health & Rehabilitation Center	2323 Jensen Street, Enumclaw, WA 98022
Frontier Rehabilitation & Extended Care	1500 3rd Ave., Longview, WA 98632
Health & Rehabilitation of North Seattle	13333 Greenwood Avenue, North Seattle, WA 98133
Highland Health & Rehabilitation Center	2400 Samish Way, Bellingham, WA 98229
Park Royal Health & Rehabilitation Center	910 16th Avenue, Longview, WA 98632

Seattle Medical Post-Acute Care	555 16th Avenue, Seattle, WA 98122
Shelton Health & Rehabilitation Center	153 Johns Court, Shelton, WA 98584
Snohomish Health & Rehabilitation Center	800 10th Street, Snohomish, WA 98290
Royal Park Health & Rehabilitation	7411 North Nevada Street, Spokane, WA 99208
Royal Park Retirement Center	302 E. Wedgewood Avenue, Spokane, WA 99208
Alaska Garden Health & Rehabilitation Center	6220 South Alaska Street, Tacoma, WA 98508
Talbot Center for Rehabilitation & Healthcare	4430 Talbot Road South, Renton, WA 98055
Whitman Health & Rehabilitation Center	1150 W. Fairview Street, Colfax, WA 99111
Fort Vancouver Healthcare Fort Vancouver Post-Acute	8507 NE 8th Way, Vancouver, WA 98664
Fort Vancouver Assisted Living	8422 NE 8th Way, Vancouver, WA 98664
Eden Home Care	316 E. McLeod Rd., Suite 101, Floor 41 & 42, Seattle WA, 98104
Advanced Post-Acute	414 17th Street SE, Auburn, WA 98002
The Dalles Health & Rehabilitation Center	1023 West 25th Street, The Dalles, OR 97058
EmpRes Hillsboro Health & Rehabilitation Center	1778 NE Cornell Road, Hillsboro, OR 97124
Sage View Care Center	1325 Sage Street, Rock Spring, WY 82901
Granite Rehabilitation & Wellness	3128 Boxelder Drive, Cheyenne, WY 82001

Lakewood Rehabilitation Center	9125 Bridgeport Way SW, Suite 102, Lakewood, WA 98499
MultiCare Tacoma General Hospital	315 Martin Luther King Jr Way, Tacoma, WA 98405
Kaiser Permanente - Tacoma Medical Center	209 Martin Luther King Jr Way, Tacoma, WA 98405
St. Joseph Medical Center	1717 St Joseph Street, Tacoma, WA 98405
Mary Bridges Children Hospital	317 Martin Luther King Jr Way, Tacoma, WA 98405
MultiCare Allenmore Hospital	1901 S. Union Ave., Tacoma WA 98405
MultiCare Health System	820 A Street, Tacoma WA 98405
Olympic Medical Clinic	6342 Littlerock Road SW, Tumwater, Building #3, Tumwater, WA 98512
St. Francis Hospital	34515 9th Ave S, Federal Way, WA 98003
CHI Franciscan Rehabilitation Hospital	815 South Vassault Street, Tacoma, WA 98407
St. Clare Hospital	11315 Bridgeport Way SW, Lakewood, WA 98499
MultiCare Good Samaritan Hospital	401 15th Ave SE, Puyallup, WA 98372
St. Anthony Hospital	11567 Canterwood Blvd NW, Gig Harbor, WA 98332
MultiCare Auburn Medical Center	202 N Division Street, Auburn, WA 98001
St. Anne Hospital	16251 Sylvester Rd. SW, Burien, WA 98166
Valley Medical Center	400 S 43rd St, Renton, WA 98055
MultiCare Covington Medical Center	17700 SE 272nd St, Covington, WA 98042

Source: Applicant

[source: October 21, 2021, screening response, p9-11]

“There is significant unmet need for home health services currently in the Pierce County, as demonstrated by the Department’s numeric need methodology for home health services. Wellspring Home Health’s proposed project will help to address part of this net need and provided desperately needed capacity in the planning area to ensure Pierce County residents will have continued access to home health services. Thus, the proposed will not result in unwarranted fragmentation.” [source: Application, p24]

Public and Rebuttal Comments

None

Department Evaluation

Information provided in Wellspring’s application demonstrates that it has the experience and basic infrastructure in place to expand Medicare and Medicaid-certified home health services to Pierce County residents.

For this sub-criterion, the department must also consider the outcome of the financial feasibility section of this review. If a project is denied under WAC 246-310-220(1), (2), or (3), then the project must also be denied under this sub-criterion. This result is based on the department’s reasoning that if a project is not deemed financially feasible, the project has the potential to cause unwarranted fragmentation of services in the planning area if approved. Based on the information provided and conclusions in earlier parts of this evaluation, the Wellspring project **meets this sub-criterion**.

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

EmpRes Healthcare Group, Inc. dba Eden Home Health of King County, LLC

This sub-criterion is addressed in sub-section (3) above and **is met**.

Wellspring Home Health Center, LLC

This sub-criterion is addressed in sub-section (3) above and **is met**.

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

EmpRes Healthcare Group, Inc. dba Eden Home Health of King County, LLC

Based on the source information reviewed and agreement to the conditions identified in the conclusion section of this evaluation, the department determines that the Eden project **meets** the applicable cost containment criteria in WAC 246-310-240.

Wellspring Home Health Center, LLC

Based on the source information reviewed and agreement to the conditions identified in the conclusion section of this evaluation, the department determines that the Wellspring project **meets** the applicable cost containment criteria in WAC 246-310-240.

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

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

If either project has met the applicable criteria in WAC 246-310-210 through 230 criteria, the department then assesses the other options considered by the applicant. If the department determines the proposed project is better or equal to other options considered by the applicant and the department

has not identified any other better options this criterion is determined to be met unless there are multiple applications.

If there are multiple applications, the department's assessment is to apply any service or facility superiority criteria contained throughout Chapter 246-310 WAC and the 1987 State Health Plan related to the specific project type.

EmpRes Healthcare Group, Inc. dba Eden Home Health of King County, LLC

Step One

For this project, Eden met the applicable review criteria under WAC 246-310-210, 220, and 230. Therefore, the department moves to step two below.

Step Two

Before submitting this application, Eden considered the following three options. Following are the options and some excerpts summarizing Eden's rationale for rejecting two of the three options. [source: Application, p67-72]

"The alternatives to the proposed project that Eden Home Health of County considered include:

- 1. Postponing action*
- 2. Purchasing an existing Pierce County agency*
- 3. Establishing a new agency in a different county*

Eden Home Health of King County LLC's decision-making criteria for expanding into Pierce County:

- Response to community need including synergy with Transitions program.*
- Availability of Home Health Services on a Timely Basis*
- Quality of care*
- Impact on existing healthcare providers*
- Staffing impact*
- Capital costs*

Alternative 1. Postpone Service Development:

Need: ... *Postponing adding the Pierce County service area to Eden Home Health of King County would not address need.*

Availability: ... *Postponing the project would not improve availability wherein only 30% of Pierce County home health agency patients (7 reporting agencies) are admitted to home health within 2 days.*

Quality: ... *Postponing the Pierce project would not address the higher percentage of unscheduled hospital outpatient/ER visits when compared to the statewide and national home health metric for this variable.*

Impact on Existing Providers: ... *no significant impact on existing home health agency profitability or fund balance.*

Staffing Impact: ... *no significant impact on existing home health agency staff recruitment.*

Capital Cost Impact: ... *no significant impact on capital costs for health care services within Pierce County.*

Alternative 2: Purchasing an existing Pierce County agency:

Need: ... would not address the current need for additional home health agency capacity.

Availability: ... Therefore, time to admission to home health would not change.

Quality: ... Since the same number of agencies, would be providing services, changes in quality of care metrics would not change.

Impact on Existing Providers: ... Since the same number of agencies would be providing services there would be no impact on existing agencies.

Staffing Impact: ... Since the same number of agencies would be providing services, staffing would be reduced by only 3 or 4 direct care FTEs at most.

Capital Cost Impact: Acquiring an existing agency would have dramatically higher capital costs...

Alternative 3: Adding the Pierce County service area to the Eden Home Health of King County, LLC agency

Need: ... Postponing adding the Pierce County service area to Eden Home Health of King County would not address need.

Availability: ... Our analysis of home health agency time to admit after hospital discharge shows that Pierce County capacity needs to expand.

Quality: ... In short, adding additional agency capacity should improve performance and response times within Pierce County. Our home health agency solution is efficient in that capital costs and operating costs are minimized by being able to use a portion of our existing skilled nursing home as a separate home health agency office.

Impact on Existing Providers: ... Only 36% of home health agency patients are admitted to a home health agency in Pierce County within two days of hospital discharge, which reduces overall home health utilization.

Staffing Impact: ... Staffing impact on existing home health agencies should be minimal. Table 26-A shows that in the first full year of operation less than 4 patient care FTEs will be added and there will be no addition clinical or administrative management or management support staff positions added, while patient service capacity will increase.

Capital Cost Impact: ... Additional capital costs for supporting the Pierce County expansion are minimal, estimated at less than \$1,500 for minor equipment.”

Step Three

This step is applicable only when there are more approvable projects than available need. Since there are two applicants with approvable projects in this review and earlier in this evaluation³² there was determined to be, by year 2025 need for five home health agencies, this step does not apply to this review.

Public Comments

The competing applicant provided comment related to this sub-criterion. Included here is an excerpt specific to Eden’s project.

Ernest Ibanga, President, Wellspring Home Health Center, LLC

“If the application by Eden Home Health satisfies the Department criteria of Need, Financial Feasibility, Structure and Process of Care, and Cost Containment, then **it is Wellspring’s position that both the Wellspring and Eden applications should be approved.** There currently exists

³² Detailed under the section reviewing numeric need WAC 246-310-210(1)

significant need in Pierce County for additional home health services. Based on the State Health Plan forecast methodology, we estimate net need of approximately 70,000 home health visits by Pierce County residents by 2024. This translates to approximately 2,800 planning area residents in need of home health services in Pierce County by 2024. Such tremendous need in the planning area means that the Department can approve both applications and remain consistent with the expressed public policy goal of Revised Code of Washington 70.38 that the development and/or expansion of health care facilities be accomplished in a planned, orderly fashion and without unnecessary duplication.”

Rebuttal Comments

None

Department Evaluation

The department concluded in the need section of this evaluation that Pierce County could accommodate additional home health agencies. Eden provided a discussion of options considered, including postponing the application submission, purchasing an existing agency, and this project. Since the estimated capital costs to expand services to include Pierce County home health services are relatively small, the services can be provided with little financial impact to the applicant or the community. Eden’s rejection of options other than the one proposed by this application is appropriate. The department did not identify any alternative that was a superior alternative in terms of cost, efficiency, or effectiveness that is available or practicable. **This sub-criterion is met.**

Wellspring Home Health Center, LLC

Step One

For this project, Wellspring met the applicable review criteria under WAC 246-310-210, 220, and 230. Therefore, the department moves to step two below.

Step Two

Wellspring considered the several options outlined in the following statement and tables. [source: Application, p26-27]

“The following two options were evaluated in the alternatives analysis:

- *Option One: Develop a Medicare/Medicaid Project in Pierce County—The Project*
- *Option Two: Do Nothing*

Please see Table 12 through Table 16. These tables provide a summary of advantages and disadvantages of each of the options based on the following evaluative criteria: Promoting availability, or access to healthcare services; Promoting Quality of Care; Promoting Cost and Operating Efficiency; and Legal Restrictions.”

Applicant’s Tables

Table 12. Alternatives Analysis: Promoting Access to Healthcare Services.	
Option:	Advantages/Disadvantages:
Option One Develop a Medicare/Medicaid Project in Pierce County—The Project	<ul style="list-style-type: none"> • Unmet need for additional home health agency services based on the Department’s numeric need methodology (Advantage, “A”)
Option Two Do nothing	<ul style="list-style-type: none"> • Would do nothing to improve access (Disadvantage (“D”). • Without additional capacity, some patients may have to delay or not receive care altogether. (D)

Applicant's Tables continued

Option:	Advantages/Disadvantages:
Option One Develop a Medicare/Medicaid Project in Pierce County—The Project	<ul style="list-style-type: none"> Residents of the Planning Area would have increased home health capacity--this improves quality of care inasmuch as it improves continuity of care. (A)
Option Two Do nothing	<ul style="list-style-type: none"> Without sufficient access home health, this can also lead to preventable emergency room visits or hospitalizations. (D)

Option:	Advantages/Disadvantages:
Option One Develop a Medicare/Medicaid Project in Pierce County—The Project	<ul style="list-style-type: none"> Limited capital expenditures necessary. (A) Improved access prevents unnecessary emergency room and hospitalization visits. (A)
Option Two Do nothing	<ul style="list-style-type: none"> Least costly with respect to capital expenditures. However, lack of sufficient access to home health services leads to increased use of more expensive alternatives (emergency room utilization, hospitalization, etc.). (D)

Option:	Advantages/Disadvantages:
Option One Develop a Medicare/Medicaid Project in Pierce County—The Project	<ul style="list-style-type: none"> Large concentration of skilled health service professionals. (A) Competitive market in demand for skilled labor. (D)
Option Two Do nothing	<ul style="list-style-type: none"> No impact. (Neutral, "N")

Option:	Advantages/Disadvantages:
Option One Develop a Medicare/Medicaid Project in Pierce County—The Project	<ul style="list-style-type: none"> This option requires certificate-of-need approval. (Neutral, "N")
Option Two Do nothing	<ul style="list-style-type: none"> There are no legal implications with this option. (N)

[source: Application, p26-27]

Step Three

This step is applicable only when there are more approvable projects than available need. Since there are two applicants with approvable projects in this review and earlier in this evaluation³³ there was determined to be by year 2025 need for five home health agencies, this step does not apply to this review.

Public Comments

The applicant provided comment about itself related to this sub-criterion. Included here is an excerpt specific to Wellspring's own project.

³³ Detailed under the section reviewing numeric need WAC 246-310-210(1)

Ernest Ibanga, President, Wellspring Home Health Center, LLC

“Wellspring reiterates its comments provided in its October 2021 screening responses outlining its adherence to the superiority criteria for home health agencies established under the 1987 State Health Plan.”

Commenter’s Table

Table 1: Superiority Criteria		
	Criteria	Wellspring
(a)	The proposed agency will meet state certification requirements.	Confirmed. Wellspring will meet all Washington state certification requirements
(b)	The proposed agency will serve either directly or through formal agreements with other providers the entire planning area in which it operates.	Wellspring will continue to develop relationships and collaborate with other providers in the planning area.
(c)	The proposed agency has a written policy and budget to serve clients without regard to their source of payment.	Please see Application Exhibit 6 for Wellspring’s financial assistance policy demonstrating its commitment to serve the financially indigent.
(d)	The agency has a lower charge per visit compared to similarly-organized agencies providing comparable services in the home health planning area. "Organization" refers to whether the agency is freestanding or hospital-based.	Wellspring is a freestanding agency. The charges per visit projections for Washington State operations are based on Washington benchmarks based on public documents for other home health projects similar to Wellspring’s proposed project.
(e)	The agency assures continuity of care by having documented formal linkages to other levels of care.	Confirmed. Wellspring is committed to being a partner in care with the greater health system and collaborating with other organization to promote continuity of care.
(f)	The agency has arrangements to provide charity care to clients who are unable to pay for services.	Please see Application Exhibit 6 for Wellspring’s financial assistance policy demonstrating its commitment to serve the financially indigent.
(g)	The agency demonstrates a mechanism for measuring and responding to community concerns.	See Application Exhibit 13 for Wellspring’s Quality Improvement Program Policy.
Source: 1987 State Health Plan		

Rebuttal Comments

The competing applicant provided rebuttal comment related to this sub-criterion. Included here is an excerpt specific to Wellspring’s project.

Jamie Brown, Vice President of Home Services, EmpRes Healthcare / Eden Home

“WellSpring Introduction Comments

Eden Home Health concurs with the WellSpring comments that both applications should be approved given the substantial need that has been shown. Like WellSpring, Eden would support the approval of the WellSpring Home Health CN#22-03 application if the Program determines that there is need for two agencies and the WellSpring application meets all certificate of need requirements.

WellSpring Cost Containment / Superiority (WAC 246-310-240) Comments

Wellspring reiterated its comments provided in its October 2021 screening responses outlining its adherence to the superiority criteria for home health agencies established under the 1987 State Health Plan. It summarized these comments in Table 1. WellSpring has not demonstrated that it meets all of the listed criteria specifically the requirement that it demonstrates a mechanism for

measuring and responding to community concerns under subsection (g). The reference to Exhibit 13 in the certificate of need application or subsequently in response to screening questions¹ and in public comments does not provide any information that WellSpring will contract with an outside agency for assessing customer satisfaction. Eden has specified in its certificate of need application (PDF page 63) that it contracts with Pinnacle Quality Insights, a CMS approved vendor, to conduct customer satisfaction surveys.

Application requirements under Structure and Process (Quality) of Care (Question 11) requires applicants to address how it will assess customer satisfaction.

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

*At the time of the filing of the WellSpring application CN 22-03, WellSpring was not an existing agency. However, on October 21, 2021, WellSpring in response to screening questions indicated that the Pierce County application was to expand the service area of the WellSpring Home Health Center, LLC application that was approved for King County to also serve Pierce County. Eden is only raising this issue as it affects the (WAC 246-310-240) tie-breakers. In the unlikely event that tie-breakers are required to approve only a single agency, **the Eden demonstrates that it does contract with an outside agency for customer satisfaction and WellSpring did not demonstrate that it contemplates or has already met that requirement.***

Department Evaluation

The department concluded in the need section of this evaluation that Pierce County could accommodate additional home health agencies.

Rebuttal comment from Eden stated that WellSpring did not meet home health superiority criteria from the State Health Plan, Volume II: PERFORMANCE STANDARDS FOR HEALTH FACILITIES AND SERVICES, B. HEALTH FACILITY/SERVICE PERFORMANCE STANDARDS, 4. Long Term Care Services Performance Standards, d. Home Health Services/Agencies (5)(g) *The agency demonstrates a mechanism for measuring and responding to community concerns.* However, since there is need for more than one agency in Pierce County the point is moot.

WellSpring provided a discussion of options considered, including, expanding its Medicare and Medicaid-certified home health services to the residents of Pierce County, this proposal, and not seeking a new agency. Since this project's advantages outweighed disadvantages when compared with the alternative options, WellSpring's rejection of options other than the one proposed in this application is appropriate. The department did not identify any alternative that was a superior alternative in terms of cost, efficiency, or effectiveness that is available or practicable. **This sub-criterion is met.**

- (2) *In the case of a project involving construction:*
- (a) The costs, scope, and methods of construction and energy conservation are reasonable;*
 - (b) The project will not have an unreasonable impact on the costs and charges to the public of providing health services by other persons.*

Department Evaluation for EmpRes Healthcare Group, Inc. dba Eden Home Health of King County, LLC

This proposal does not involve construction; thus, this sub-criterion does not apply to this project.

Department Evaluation for Wellspring Home Health Center, LLC

This proposal does not involve construction; thus, this sub-criterion does not apply to this project.

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

EmpRes Healthcare Group, Inc. dba Eden Home Health of King County, LLC

Eden provided the following statement related to this sub criterion. [source: Application, p72-73]

“Support systems from corporate offices in Vancouver WA

Eden has developed strong central support systems for administrative and clinical functions. Among those are infrastructure and systems located in Vancouver that do not have to be recreated in each local agency office. Eden’s company-wide use of tele-health adds improved patient monitoring and tailoring of home health visits to each patient’s current clinical needs.

Supporting timely access to care

The proposed development of a Medicare-certified home health agency in Pierce County will increase the availability of Medicare home health services in the planning area. Home health services are a critical component of cost savings strategies for Pierce County’s acute and post-acute hospital and skilled nursing providers. When in-home services are not sufficiently available, inpatient providers have difficulty discharging patients on a timely basis. When a patient’s condition allows discharge, it is not only wasteful of money but also of staff time to maintain the patient in the inpatient setting. To address the health disparity issues leading to higher chronic illness burden in Pierce County and a 1.3-year reduced life span will require a significant increase in home health and other rehabilitation strategies to be successful.

Reducing re-hospitalization and ER visits

Furthermore, when a patient recovering from an illness or injury that requires acute care is discharged to the home setting, there is an increased risk of re-injury as the patient adjusts back to the home environment with compromised function. Sufficient in-home services and support can prevent this re-injury and reduce the risk of unnecessary re-admission to the acute setting and the resulting waste of medical care dollars. In addition, if a patient is discharged without adequate home health support in place, there is an increased risk of unnecessary emergency room visits and the additional morbidity and waste of financial resources that result.

Supporting the DSHS LTSS Aging Services Initiatives and the CMS – Washington State Medicare-Medicaid Financial Alignment Initiative Demonstration project

This application has documented a significant shortage of home health resources to support the 20-year effort of DSHS LTSS aging initiatives to improve the health of aging senior citizens while managing rising healthcare costs. More importantly, Pierce County represents a priority county for addressing the high-risk Medicare-Medicaid target population that is being served through the CMS – Washington State Medicare-Medicaid Financial Alignment Initiative.

Adding a home health agency to the EmpRes post-acute network to support the Pierce SNF and South King SNFs operated by EmpRes will give EmpRes and the community another strategy to improve on the triple aim goals. As a result, Eden Home Health, LLC fully expects that our project will promote continuity in care delivery, support independent living and support the needs of home health patients and their families who currently have difficulties in obtaining successful referrals for home health services. In addition, health care reform initiatives, adding home health to our services will help to ensure timely discharge to home health for hospital patients. This is likely to result in reduced hospital readmissions and hospital length of stay, a key focus of health care reform initiatives.”

Public and Rebuttal Comments

None

Department Evaluation

Eden provided sound and reasonable rationale for expanding its existing Medicare and Medicaid-certified home health services to Pierce County residents. If approved, this project has the potential to improve delivery of necessary in-home services to Pierce County residents. **This sub-criterion is met.**

Wellspring Home Health Center, LLC

Wellspring provided the following statement related to this sub criterion. [source: Application, p28]
“There is significant unmet need for home health services currently in the Pierce County, as demonstrated by the Department’s numeric need methodology for home health services. The proposed Wellspring Home Health project will help increase capacity in the planning area, providing Pierce County residents with timely access to home health services, which will result in enhanced quality, outcomes, and patient experience as patients won’t have to delay or forgo receiving the necessary skilled services due to lack of access. Further, without sufficient access home health, this can also lead to increased costs due to preventable emergency room visits or hospitalizations and patients having to receive care at more expensive care alternatives.”

Public and Rebuttal Comments

None

Department Evaluation

Wellspring provided sound and reasonable rationale for expanding its existing services to include Medicare and Medicaid-certified home health services to Pierce County residents. If approved, this project has the potential to improve delivery of necessary in-home services to Pierce County residents. **This sub-criterion is met.**

APPENDIX A

Home Health Supply for Snohomish County
Certificate of Need Applications 21-28 and 22-03
Updated April 2022

Agency	License Number	License Issuance Date	# of home health FTEs	# of counties served	CN HH Files Approvals	CN Survey Research	Internet Research	Conclusion
Eden Home Health of King County, LLC	IHS.FS.60871865	11/21/2018	13.97	2	State only	2020 data: No survey completed. 2019 data: No Pierce County admits.	Not needed	Applicant
Wellspring Home Health, LLC	IHS.FS.61055973	3/26/2020	0	3	State only	2020 data: No survey completed. 2019 data: No Pierce County admits.	Not needed	Applicant
Kaiser Foundation Health Plan of Washington	IHS.FS.00000305	predates ILRs	139.89	4	Pierce CN	2020 data: No survey completed. 2019 data: No survey completed.	Not needed	Excluded
Advanced Health Care Inc	IHS.FS.00000206	predates ILRs	80	7	State only	2020 data: No survey completed. 2019 data: No survey completed.	URL: https://advanced-healthcare.com/services/ Limitations (if any): Limitations in services, although nursing is specified, no mention of home health aides or therapies can be found.	Excluded Limited services do not meet the definition of home health agency according to the SHP.
Atlas Home Health LLC	IHS.FS.61117906	10/21/2021	4	4	State only	2020 data: No survey completed. 2019 data: No survey completed.	URL: https://www.atlashomecareandhospice.com/service-overview/ Limitations (if any): Services focus on specific injury types.	Excluded Limited services do not meet the definition of home health agency according to the SHP.
Avail Home Health Inc	IHS.FS.00000231	predates ILRs	112	28	State only	2020 data: No survey completed. 2019 data: No survey completed.	URL: https://www.availhome.com/services/ Limitations (if any): Private duty nursing services.	Excluded Limited services do not meet the definition of home health agency according to the SHP.
Banda Enterprises LLC	IHS.FS.60453361	4/7/2014	1	5	State only	2020 data: No survey completed. 2019 data: No Pierce County admits or visits.	URL: https://www.comfortkeepers.com/care-services/in-home-care Limitations (if any): Services appear to be broadly non-medical/home care.	Excluded Limited services do not meet the definition of home health agency according to the SHP.
Careforce, Inc	IHS.FS.00000243	predates ILRs	28	15	State only	2020 data: No survey completed. 2019 data: No survey completed.	URL: https://careforce.com/services/ Limitations (if any): Limitations in services, although nursing is specified, no mention of home health aides or therapies can be found.	Excluded Limited services do not meet the definition of home health agency according to the SHP.
Childress Nursing Services LLC	IHS.FS.60959298	2/25/2020	3	3	State only	2020 data: No Pierce County admits. 2019 data: No Pierce County admits.	URL: https://www.childressnursing.com/about Limitations (if any): Services focus on supporting women and their families from pre-conception to post-delivery.	Excluded Limited services do not meet the definition of home health agency according to the SHP.
Fedelta Home Care LLC	IHS.FS.61028960	12/13/2019	53	22	State only	2020 data: No survey completed. 2019 data: No survey completed.	URL: https://www.fedeltahomecare.com/service/home-care/home-care-nursing Limitations (if any): Services appear to be broadly non-medical/home care.	Excluded Limited services do not meet the definition of home health agency according to the SHP.

Home Health Supply for Snohomish County
Certificate of Need Applications 21-28 and 22-03
Updated April 2022

Agency	License Number	License Issuance Date	# of home health FTEs	# of counties served	CN HH Files Approvals	CN Survey Research	Internet Research	Conclusion
Geras LLC	IHS.FS.60857773	5/23/2018	50	22	State only	2020 data: No survey completed. 2019 data: No survey completed.	URL: https://www.familyresourcehomecare.com/home-care-services/ Limitations (if any): Services appear to be broadly non-medical/home care.	Excluded Limited services do not meet the definition of home health agency according to the SHP.
Husky Senior Care LLC	IHS.FS.60082962	4/1/2009	4	4	State only	2020 data: No survey completed. 2019 data: No survey completed.	URL: https://www.huskyseniorcare.com/services-fees Limitations (if any): Limitations to services, no therapies or home health aide.	Excluded Limited services do not meet the definition of home health agency according to the SHP.
Journey Nursing Services, LLC	IHS.FS.61114400	2/10/2021	6	5	State only	2020 data: No survey completed. 2019 data: No survey completed.	URL: https://www.journenursingservices.com/services Limitations (if any): Services appear to be broadly non-medical/home care.	Excluded Limited services do not meet the definition of home health agency according to the SHP.
Multicare Health System	IHS.FS.00000372	predates ILRs	15	2	State only	2020 data: No survey completed. 2019 data: No survey completed.	URL: Mary Bridge Infusion and Specialty Services Limitations (if any): Limitations in services, although nursing is specified, no mention of home health aides or therapies can be found.	Excluded Limited services do not meet the definition of home health agency according to the SHP.
Northwest Homecare and Staffing Services LLC	IHS.FS.00000096	1/1/2004	14	6	State only	2020 data: No survey completed. 2019 data: No survey completed.	URL: https://www.rightathome.net/seattle-eastside/services/nursing-care Limitations (if any): Services appear to be broadly non-medical/home care.	Excluded Limited services do not meet the definition of home health agency according to the SHP.
Ro Health Inc.	IHS.FS.60610351	1/21/2016	9	7	State only	2020 data: No survey completed. 2019 data: No survey completed.	URL: https://rohealth.com/ Limitations (if any): Limitations in services, focus on private duty services.	Excluded Limited services do not meet the definition of home health agency according to the SHP.
RWW Home and Community Rehab Services, Inc.	IHS.FS.60263077	1/10/2012	9	12	State only	2020 data: No survey completed. 2019 data: No survey completed.	URL: https://www.rehabwithoutwalls.com/settings/home-and-community-rehab/ Limitations (if any): Services focus on specific injury types.	Excluded Limited services do not meet the definition of home health agency according to the SHP.
Total Care Inc	IHS.FS.00000452	predates ILRs	93	27	State only	2020 data: No Pierce County admits or visits. 2019 data: No Pierce County admits or visits.	URL: https://www.aveanna.com/locations/300/yakima-washington-98902/ Limitations (if any): Private duty nursing services.	Excluded Limited services do not meet the definition of home health agency according to the SHP.

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Transitions Care Management, LLC	IHS.FS.61057211	5/29/2020	12	4	State only	2020 data: No survey completed. 2019 data: No survey completed.	URL: https://transitionscaresmanagement.com/services/ Limitations (if any): Services appear to be broadly non-medical/home care.	Excluded Limited services do not meet the definition of home health agency according to the SHP.
VillagePlan Care Options LLC	IHS.FS.60863143	6/1/2018	5	4	State only	2020 data: No survey completed. 2019 data: No survey completed.	URL: https://www.soundoptions.com/parents Limitations (if any): Limitations in services, although home health aide is specified, no mention of skilled nursing or therapies can be found.	Excluded Limited services do not meet the definition of home health agency according to the SHP.
Wilderness Shores Nursing LLC	IHS.FS.60055610	4/1/2009	4.5	2	State only	2020 data: No survey completed. 2019 data: No survey completed.	URL: https://wildernessshoresnursing.com/index.php/private-nursing-services Limitations (if any): Limitations in services, although nursing is specified, no mention of home health aide or therapies can be found.	Excluded Limited services do not meet the definition of home health agency according to the SHP.
The Ashley House	IHS.FS.00000227	predates ILRs	76	39	State only	2020 data: No survey completed. 2019 data: One Pierce County admit.	URL: https://ah-nw.org/ Limitations (if any): Services available only to children, teens and young adults.	Excluded Services not accessible to all residents of Pierce County, and limited/no admits in recent CN surveys.
Critical Nurse Staffing LLC	IHS.FS.60852239	4/24/2018	45	39	State only	2020 data: No survey completed. 2019 data: No survey completed.	URL: https://cnscares.com/home-care-services/ Limitations (if any): Services appear to only be available to specific types of workers.	Excluded Services not accessible to all residents of Pierce County, and no admits in recent CN surveys.
Act for Health Inc.	IHS.FS.60474800	7/21/2014	95.26	22	State only	2020 data: No survey completed. 2019 data: No survey completed.	URL: https://procasemanagement.com/ Limitations (if any): Services appear to only be available to specific types of workers, insurance, and injuries.	Excluded Services not accessible to all residents of Pierce County.
Catherine Dambrosio PHD RN and Associates LLC	IHS.FS.60318430	4/5/2013	18	8	State only	2020 data: No survey completed. 2019 data: No Pierce County admits or visits.	URL: https://www.nursingevolutions.com/what-we-do Limitations (if any): Services limited to medically fragile infants and toddlers.	Excluded Services not accessible to all residents of Pierce County.
KC Care, LLC	IHS.FS.61232505	10/14/2021	10	2	State only	2020 data: No survey completed. 2019 data: No survey completed.	URL: https://www.brightstarcare.com/puyallup?utm_source=gmb&utm_medium=organic&utm_campaign=Qiigo Limitations (if any): Does not serve all of Pierce County.	Excluded Services not accessible to all residents of Pierce County.

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Lucid Living LLC	IHS.FS.61100446	12/1/2020	4	1	State only	2020 data: No survey completed. 2019 data: No survey completed.	URL: https://www.transitionalcare.net/ Limitations (if any): Services limited to specific mental diagnosis.	Excluded Services not accessible to all residents of Pierce County.
Maxim Healthcare Services Inc	IHS.FS.00000375	6/26/2003	53.28	21	State only	2020 data: No survey completed. 2019 data: No survey completed.	URL: https://www.maximhealthcare.com/maxim-healthcare-locations/tacoma-wa/ Limitations (if any): Services do not qualify Maxim as a home health agency by SHP definition	Excluded Services not accessible to all residents of Pierce County.
Nuclear Care Partners LLC	IHS.FS.60670421	10/4/2016	16.39	39	State only	2020 data: No survey completed. 2019 data: No survey completed.	URL: https://www.nuclearcarepartners.com/care-services/in-home-care/ Limitations (if any): Services are only available to former Department of Energy, atomic, and Uranium workers.	Excluded Services not accessible to all residents of Pierce County.
PNW Pace Partners LLC	IHS.FS.61160759	9/16/2021	10	2	State only	2020 data: No survey completed. 2019 data: No survey completed.	URL: https://pnwpacepartners.org/ Limitations (if any): Does not serve all of Pierce County.	Excluded Services not accessible to all residents of Pierce County.
Popes Kids Place	IHS.FS.60083889	6/1/2009	25	42	State only	2020 data: No survey completed. 2019 data: No survey completed.	URL: https://popesplace.org/services/ Limitations (if any): Services only available to persons from birth to early adulthood.	Excluded Services not accessible to all residents of Pierce County.
S Forest Inc.	IHS.FS.60653551	7/11/2016	19	4	State only	2020 data: No survey completed. 2019 data: No survey completed.	URL: https://www.brightstarcare.com/puyallup?utm_source=gmb&utm_medium=organic&utm_campaign=Qiigo Limitations (if any): Does not serve all of Pierce County.	Excluded Services not accessible to all residents of Pierce County.
Seattle Childrens Hospital	IHS.FS.00000097	1/1/2004	59.21	39	State only	2020 data: No survey completed. 2019 data: No survey completed.	URL: https://www.seattlechildrens.org/clinics/home-care-services/ Limitations (if any): Services are only available to children.	Excluded Services not accessible to all residents of Pierce County.
Restoration Home Health Services LLC	IHS.FS.61090653	8/31/2020	5	4	State only	2020 data: No survey completed. 2019 data: No Pierce County admits.	URL: http://www.rhscare.com/home-health-care-services Limitations (if any): Staffing agency	Excluded Staffing agency and no Pierce admits or visits in recent CN surveys.
Aristo Healthcare Services LLC	IHS.FS.61100576	predates ILRs	5	2	State only	2020 data: No survey completed. 2019 data: No survey completed.	URL: https://aristohealthcareservices.com/ Limitations (if any): Staffing agency	Excluded Staffing agency and no recent CN surveys submitted.

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B and M Home Care Services LLC	IHS.FS.61191482	7/28/2021	24	11	State only	2020 data: No survey completed. 2019 data: No survey completed.	URL: https://chmstaffing.com/about-us/ Limitations (if any): Staffing agency	Excluded Staffing agency and no recent CN surveys submitted.
A and K Health Care Services LLC	IHS.FS.60844133	6/28/2018	1.83	2	State only	2020 data: No survey completed. 2019 data: No Pierce County admits.	URL: None found	Excluded Unable to verify what if any services are available to residents of Pierce, and no recent CN surveys.
Harbor Health Solutions LLC	IHS.FS.60892797	4/16/2019	18	18	State only	2020 data: No survey completed. 2019 data: No survey completed.	URL: None found	Excluded Unable to verify what if any services are available to residents of Pierce, and no recent CN surveys.
Kays Home Health Services LLC	IHS.FS.60210875	3/23/2011	1	1	State only	2020 data: No survey completed. 2019 data: No survey completed.	URL: None found.	Excluded Unable to verify what if any services are available to residents of Pierce, and no recent CN surveys.
Light Within Home Health Agency LLC	IHS.FS.61143217	5/21/2021	2	2	State only	2020 data: No survey completed. 2019 data: No survey completed.	URL: None found.	Excluded Unable to verify what if any services are available to residents of Pierce, and no recent CN surveys.
D.C.S, LLC	IHS.FS.60871359	7/31/2018	2.62	3	State only	2020 data: No survey completed. 2019 data: No Pierce County admits.	URL: None found.	Excluded Unable to verify what if any services are available to residents of Pierce, and no recent Pierce admits or visits in CN surveys.
Careage Home Health LLC	IHS.FS.60848148	6/26/2018	19	2	Pierce CN	2020 data: No survey completed. 2019 data: Pierce County admits & visits.	Not needed	Included
CHC Services LLC	IHS.FS.00000184	1/1/2007	7	10	State only	2020 data: No survey completed. 2019 data: No survey completed.	URL: https://www.everhomehealthcare.com/private-duty-nursing https://www.everhomehealthcare.com/physical-therapy-1 Limitations (if any): None.	Included
CHI National Home Care	IHS.FS.60506466	11/26/2014	48	3	Pierce CN	2020 data: No survey completed. 2019 data: No survey completed.	Not needed	Included
Emerald Healthcare Inc	IHS.FS.60751653	5/26/2017	14.08	2	State only	2020 data: No survey completed. 2019 data: No survey completed.	URL: http://pugetsoundhh.com/services/ Limitations (if any): None.	Included
Encore Home Health, LLC	IHS.FS.60922864	2/21/2019	4.47	4	State only	2020 data: No survey completed. 2019 data: No survey completed.	URL: https://encorecommunities.com/home-health Limitations (if any): None.	Included
Envision Home Health of Washington LLC	IHS.FS.60521160	12/22/2014	32.75	5	Pierce CN	2020 data: Pierce County admits & visits. 2019 data: Pierce County admits & visits.	Not needed	Included
Gentiva Certified Healthcare Corp	IHS.FS.00000298	predates ILRs	69	2	Pierce CN	2020 data: No survey completed. 2019 data: No Pierce County admits.	Not needed	Included

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Infinity Home Health Solutions Inc.	IHS.FS.60955703	7/10/2019	5	5	State only	2020 data: No survey completed. 2019 data: No survey completed.	URL: https://ihhsolutions.com/ Limitations (if any): None.	Included
LHCG LXIII LLC	IHS.FS.60497952	9/10/2014	23	3	Pierce CN	2020 data: Pierce County admits & visits. 2019 data: Pierce County admits & visits.	Not needed	Included
MGA Home Healthcare WA Holdings, LLC	IHS.FS.61239698	predates ILRs	8	6	State only	2020 data: No survey completed. 2019 data: No survey completed.	URL: https://mgahomecare.com/ Limitations (if any): None.	Included
Multicare Health System	IHS.FS.60081744	2/27/2008	89	2	Pierce CN	2020 data: Pierce County admits & visits. 2019 data: Pierce County admits & visits.	Not needed	Included
Prime Home Health, Inc	IHS.FS.00000382	predates ILRs	51.6	3	Pierce CN	2020 data: No survey completed. 2019 data: No survey completed.	Not needed	Included
Providence Health and Services - Washington	IHS.FS.00000420	predates ILRs	74	4	Pierce CN	2020 data: Pierce County admits & visits. 2019 data: Pierce County admits & visits.	Not needed	Included
Reliable Healthcare LLC	IHS.FS.60851874	5/16/2018	45.84	39	State only	2020 data: No survey completed. 2019 data: No Pierce County admits.	URL: https://reliable.health/home-health Limitations (if any): None	Included
Serengeti Care Partners LLC	IHS.FS.60660148	6/17/2016	2	8	State only	2020 data: No survey completed. 2019 data: No survey completed.	URL: https://serengeticare.com/services/home-health/ Limitations (if any): None	Included
Symbol Healthcare Inc	IHS.FS.60332035	5/20/2013	75.1	1	Pierce CN	2020 data: No survey completed. 2019 data: No survey completed.	Not needed	Included
Wesley Homes Community Health Services	IHS.FS.00000028	1/1/2003	2.3	2	State only	2020 data: No survey completed. 2019 data: No survey completed.	URL: https://wesleychoice.org/hh-lp/ Limitations (if any): None	Included
Providence Health and Services - Washington	IHS.FS.61127868	predates ILRs	7	7	State only	2020 data: No survey completed. 2019 data: No survey completed.	URL: https://www.providence.org/services/home-care-services Limitations (if any): None.	Included Appears to be operationally separate from its affiliated agency.
Wesley Homes at Home LLC	IHS.FS.60276500	3/14/2012	10.5	3	Pierce CN	2020 data: No survey completed. 2019 data: No survey completed.	Not needed	Included Appears to be operationally separate from its affiliated agency.

APPENDIX B

Home Health Methodology

Updated April 2022

1987 State Health Plan Methodology

County: Pierce
 Submission year: 2021
 Years: 2022 -2024

2022	Age Cohort *	County Population *	SHP Formula *	Number of Visits *	=	Projected Number of Visits
	0-64	774,696	0.005	10		38,735
	65-79	117,310	0.044	14		72,263
	80+	31,419	0.183	21		120,744
						TOTAL: 231,742
						<i>Number of Expected Visits per Agency</i> 10,000
						Projected Number of Needed Agencies 23.17

2023	Age Cohort *	County Population *	SHP Formula *	Number of Visits *	=	Projected Number of Visits
	0-64	779,475	0.005	10		38,974
	65-79	122,143	0.044	14		75,240
	80+	32,894	0.183	21		126,411
						TOTAL: 240,625
						<i>Number of Expected Visits per Agency</i> 10,000
						Projected Number of Needed Agencies 24.06

2024	Age Cohort *	County Population *	SHP Formula *	Number of Visits *	=	Projected Number of Visits
	0-64	784,253	0.005	10		39,213
	65-79	126,976	0.044	14		78,217
	80+	34,368	0.183	21		132,078
						TOTAL: 249,508
						<i>Number of Expected Visits per Agency</i> 10,000
						Projected Number of Needed Agencies 24.95

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County: Pierce

source: OFM "Projections of the Population by Age and Sex for Growth Management, 2017 GMA Projections - Medium Series"

Age	2010	2015	2020	2025	2030
Total	795,225	830,120	901,253	956,684	1,002,413
0-4	55,663	57,425	60,015	60,663	61,053
5-9	53,579	56,439	60,841	62,823	62,928
10-14	54,838	54,293	61,175	64,728	66,182
15-19	56,289	50,550	55,419	60,630	63,545
20-24	56,203	58,491	54,261	55,845	60,399
25-29	58,327	58,500	59,704	57,446	59,180
30-34	53,723	57,229	66,017	63,583	60,290
35-39	52,825	53,483	63,163	69,362	66,031
40-44	55,602	53,355	56,687	65,434	71,221
45-49	59,711	55,222	55,095	58,226	66,814
50-54	59,232	59,256	57,092	55,837	58,747
55-59	50,100	57,230	59,280	57,083	55,848
60-64	41,348	49,664	56,390	57,372	55,032
65-69	28,956	39,790	46,859	54,787	55,581
70-74	19,951	26,564	37,115	44,073	51,646
75-79	15,812	17,306	23,670	32,949	39,224
80-84	11,885	12,172	13,976	19,342	27,106
85+	11,181	13,152	14,494	16,501	21,586

Age	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
0-64	707,440	710,179	712,919	715,658	718,397	721,137	729,937	738,738	747,538	756,339	765,139	769,918	774,696	779,475	784,253	789,032
65-79	64,719	68,507	72,295	76,083	79,871	83,659	88,456	93,253	98,050	102,847	107,644	112,477	117,310	122,143	126,976	131,809
80+	23,066	23,518	23,969	24,421	24,873	25,324	25,953	26,582	27,212	27,841	28,470	29,945	31,419	32,894	34,368	35,843
Total	795,225	802,204	809,183	816,162	823,141	830,120	844,347	858,573	872,800	887,026	901,253	912,339	923,425	934,512	945,598	956,684