



STATE OF WASHINGTON
 DEPARTMENT OF HEALTH
 Olympia, Washington 98504

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CERTIFICATE OF NEED PROGRAM
 DEPARTMENT OF HEALTH


CN19-58

WASHINGTON STATE CERTIFICATE OF NEED PROGRAM
 RCW 70.38 AND WAC 246-310

APPLICATION FOR CERTIFICATE OF NEED
HOSPICE PROJECTS
 (excludes amendments)

Certificate of Need applications must be submitted with a fee in accordance with the instructions on page 2 of this form.

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

<p>Signature and Title of Responsible Officer:</p>  <p>Date: January 30, 2019</p>	<p>Person To Whom Questions Regarding This Application Should Be Directed:</p> <p>Samuel Stern</p> <p>Telephone Number: 510.499.9977</p>
<p>Legal Name of Applicant:</p> <p>Continuum Care of Snohomish LLC</p> <p>Address of Applicant:</p> <p>2300 Clayton Rd, Suite 1220 Concord, CA. 94520</p>	<p>Type of Project (check all that apply):</p> <p><input checked="" type="checkbox"/> New Agency</p> <p><input type="checkbox"/> Existing Medicare Certified/Medicaid Eligible Agency Expanding into Different County</p> <p><input type="checkbox"/> Existing Licensed-Only Hospice Agency to Become Medicare Certified/Medicaid Eligible</p>
<p>Project Summary:</p> <p>Establish a Medicare certified/Medicaid eligible hospice agency in Snohomish County.</p> <p>Estimated capital expenditure: \$ <u>102,200</u></p>	




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Legal Name of Applicant: Continuum Care of Snohomish LLC Address of Applicant: 2300 Clayton Rd, Suite 1220 Concord, CA. 94520	Type of Project (check all that apply): <input checked="" type="checkbox"/> New Agency <input type="checkbox"/> Existing Medicare Certified/Medicaid Eligible Agency Expanding into Different County <input type="checkbox"/> Existing Licensed-Only Hospice Agency to Become Medicare Certified/Medicaid Eligible
Project Summary: Establish a Medicare certified/Medicaid eligible hospice agency in Snohomish County. Estimated capital expenditure: \$ <u>102,200</u>	



CONTINUUM
CARE HOSPICE

January 24, 2019

Janis Sigman, Manager
Certificate of Need Program
Department of Health
P.O. Box 47852
Olympia, WA 98504-7852

Dear Ms. Sigman:

Enclosed please find Continuum Care of Snohomish LLC's certificate of need application proposing to establish a hospice agency in Snohomish County. Also enclosed is the appropriate review and processing fee of \$21,968.

If you have any questions, please do not hesitate to contact me at 510.499.9977 or at sstern@continuumhospice.com. Continuum looks forward to working with you and your staff over the next several months.

Sincerely,

Samuel Stern,
Managing Member and Chief Executive Officer

2300 Clayton Rd, Suite 1220. Concord, CA. 94520



Continuum Care of Snohomish LLC

Certificate of Need Application
To
Establish a Medicare/Medicaid
Certified Hospice Agency in Snohomish County

January 2019

SECTION 1 APPLICANT DESCRIPTION


A. Legal name(s) of applicant(s).

Note: The term “applicant” for this purpose is defined as any person or individual with a ten percent or greater financial interest in a partnership or corporation or other comparable legal entity that engage in any undertaking which is subject to review under provisions of RCW 70.38.

The legal name of the applicant is Continuum Care of Snohomish LLC. Throughout the application, Continuum Care of Snohomish LLC will be referred to as “Continuum”. The sole member and governor of Continuum Care of Snohomish, LLC is Samuel Stern.

B. For existing facilities, provide the name and address of the facility.

Note: The term “existing facility” for this purpose is defined as a hospice agency that is currently providing licensed only hospice care services OR a hospice agency that is seeking to expand its Medicare certified service area.

Continuum is not an existing facility in Washington State, and so this question is not applicable. Continuum’s sole member, Samuel Stern, is also a member of three other sister Medicare certified hospice agencies. Information on those other agencies is included in response to Question G below. 

C. Identify the type of ownership (public/private/corporation, etc.).

Continuum is a Washington State limited liability company. 

D. Provide the name and address of *owning* entity at completion of project (unless same as applicant).

The owning entity is the same as the applicant.

E. Provide the name and address of *operating* entity at completion of project (unless same as applicant).

The operating entity is the same as the applicant.

F. Identify the corporate structure and related parties. Attach a chart showing organizational relationship to related parties.

An organizational chart is included in Exhibit 1. As noted in the Exhibit, Continuum and three other hospice agencies share the same LLC members, and there is a sharing of overhead between the entities. The overhead allocation is summarized in a later section of this application.



G. Provide a general description and address of each facility owned and/or operated by applicant (include out-of-state facilities, if any).

The sole member of Continuum is also one of two members of three other affiliated hospice agencies as detailed below¹:

Continuum Care Hospice LLC: Continuum Care Hospice is licensed by the state of California Department of Public Health, certified by both Medicare and MediCal and accredited by Community Health Accreditation Program, Inc. (CHAP). Additional detail on the agency is found below:

Continuum Care Hospice
2300 Clayton Rd, Suite 1220
Concord, CA 94520
Medicare Provider Number: 75-1626
MediCal (CA Medicaid) Number: 1467859900
License #: 550003034



Continuum Care North Bay, LLC: Continuum Care North Bay is licensed by the state of California Department of Public Health, certified by both Medicare and MediCal and accredited by Community Health Accreditation Program, Inc. (CHAP). Additional detail on the agency is found below:

Continuum Care North Bay, LLC
5401 Old Redwood Highway Suite 110
Petaluma, CA 94954
Medicare Provider Number: 92-1776
MediCal (CA Medicaid) Number: Pending
License #: 550004242

¹ As the CN Program is aware, entities with common ownership with Continuum have also proposed new hospice agencies in King and Clark counties.

Continuum Care of Rhode Island, LLC: This agency is licensed by the state of Rhode Island Department of Health and certified by both Medicare and Medicaid. Additional agency information is below:

Continuum Care of Rhode Island, LLC
1350 Division Rd. Suite 205
West Warwick, RI 02893
Medicare Provider Number: 41-1512
Medicaid Provider Number: 1164948220
License #: HSP01633

H. For existing facilities, identify the geographic primary service area.

This question is not applicable.

I. Identify the facility licensure/accreditation status.

Continuum will seek State of Washington licensure, Medicare and Medicaid certification and accreditation by the Community Health Accreditation Program, Inc. (CHAP).

J. Is applicant reimbursed for services under Titles V, XVIII, and XIX of Social Security Act?

Continuum will seek Medicare and Medicaid certification once Certificate of Need approval is secured. The sole member of Continuum is also one of two members of three other hospice agencies. All three are currently Medicare certified, and two out of three have MediCal/Medicaid certification. The third, Continuum Care North Bay LLC, is pending a MediCal number.

K. Identify the medical director and provide his/her professional license number, and specialty represented.

Continuum's Medical Director will be Alexandre De Moraes, MD. Dr. Moraes' professional license number is MD60183294.



L. Please identify whether the medical director is employed directly by or has contracted with the applicant. If services are contracted, please provide a copy of the contract.

Medical Director Services will be contracted. A copy of the agreement is included as Exhibit 2.



M. For existing facilities, please provide the following information for each county currently serving.

- 1. total number of unduplicated hospice patients served per year for last three years;**
- 2. average length of stay (days) per patient for the last three years;**
- 3. median length of stay;**
- 4. average daily census per year for the last three years.**

Continuum does not currently own or operate a licensed or certified Hospice agency in Washington State.

SECTION 2 PROJECT DESCRIPTION

A. Provide the name and address of the proposed facility.

The name and address of the proposed facility is:

Continuum Care of Snohomish LLC
1000 SE Everett Mall Way
Suite 402
Everett, WA 98208



B. Describe the project for which Certificate of Need approval is sought.

Continuum is proposing to provide Medicare and Medicaid certified hospice services as well as palliative care services to Snohomish County residents and their families. Continuum was founded on a belief that no level of service can be sufficient if those in need do not have access to it. With this belief, and with data documenting the underserved nature of certain population groups, Continuum operates with robust outreach programs to underserved populations. In Snohomish County, Continuum will, while serving all, emphasize serving minority communities and other underserved populations. Continuum will serve persons with terminal illnesses and manage pain and distress and help the patient maintain dignity through end-of-life. Continuum empowers patients to make informed decisions that best meet their medical, psychological, and spiritual needs. The services that Continuum provides will facilitate these choices.



Continuum employs a multidisciplinary team-based approach to hospice care. Each patient care team is comprised of the specific staff and expertise necessary to meet each patient's needs. Patient needs are determined in each case through an initial, comprehensive case assessment and continued monitoring. Patient teams include a variety of disciplines such as palliative and other medical services, skilled nursing and nursing aide care, homemaker services, medication management, bereavement counseling, physical, speech, occupational therapy, music therapy and nutrition management.

Each team works in coordination with a patient's physicians and other caregivers in order to achieve specific, concrete goals in areas including:

- Pain and symptom management,
- Social, psychosocial and spiritual needs,
- Use of necessary medications, medical supplies, and equipment,
- Advice and support for family caregivers,
- Specialized service needs such as speech and physical therapy,
- Use of short-term inpatient care when necessary,
- Respite for family caregivers,
- Bereavement support for family and friends.

Continuum will serve patients regardless of where that patient resides, i.e. whether in his or her own residence, a long-term care facility or in a temporary location such as an acute care hospital, or even temporary housing.

C. List new services or changes in services represented by the project. Please indicate which services would be provided directly by the agency and which services would be contracted.

Continuum's mission is to engender hope in the lives of its patients and their family members, and as such is available to patients and families 24 hours every day. Table 1 summarizes the services that will be offered by Continuum. Please note that other than the Medical Director, Continuum has not yet entered into any agreements.

Table 1
Service Listing and Indication of Direct Provision or Contract

Service	Brief Description	Direct or Contract
Nursing	Regular visits by registered hospice nurses with specialized training and expertise in pain and symptom management.	Direct
Spiritual Support	As requested, for patients and families	Direct
Medical Management	Coordination of medical equipment, supplies, and medicine for comfort and symptom management	Direct coordination, but outside vendors for delivery of meds, DME, etc.
Home Health Aides	Visits by hospice home health aides to provide additional personal care, time, and attention	Direct
Volunteers	Trained volunteers who provide companionship, assistance, and support	Direct
Bereavement Counseling	Counseling and support for family members and significant others throughout the patient's illness and for a minimum of 12 months following death	Direct
Psychosocial Support	Psychosocial support for patients and families, as well as for the long-term staff and care givers	Direct
Emergency Care	Consultation and emergency care 24 hours a day, every day of the year	Direct triage and 24x7 on call
Special Therapies	Physical, occupational, speech, music, and other therapies as indicated in the plan of care.	All contract, expect for music therapy which is direct

Source: Applicant



D. General description of types of patients to be served by the project.

Continuum will serve all patients in need of hospice desiring to be cared for by our Agency. Continuum will provide a full range of hospice services designed to meet the physiological, psychological, social, and spiritual needs of people and their families facing the end of life and bereavement in Snohomish County.

Continuum will have a special emphasis on serving traditionally underserved populations.

E. List the equipment proposed for the project:

- 1. description of equipment proposed; and**
- 2. description of equipment to be replaced, including cost of the equipment, disposal, or use of the equipment to be replaced.**

Equipment needs are minimal and include office furnishings and minor medical equipment and communication equipment and computers for staff. Detail on the specific equipment is included in Table 2.

**Table 2
Equipment List**

Item	Quantity	Per Unit Cost	Total Cost
Desktop Computer	4	\$700	\$2,800
Laptop Computer	7	\$800	\$5,600
Conference Table	1	\$2,050	\$2,050
Conference Table Chairs	5	\$200	\$1,000
Desks	5	\$500	\$2,500
Desk Chairs	5	\$200	\$1,000
Cell phones	7	\$375	\$2,625
Tablets	7	\$375	\$2,625
Total Equipment Costs			\$20,200

Source: Applicant

F. Provide drawings of the proposed project:

- 1. single line drawings, approximately to scale, of current locations which identify current departments and services; and**
- 2. single line drawings, approximately to scale, of proposed locations which identify current departments and services; and**
- 3. Total net and gross square feet of project.**

A floor plan of Continuum’s proposed office location is included within the lease agreement in Exhibit 3.



G. Identify the anticipated dates of both commencement and completion of the project.

Continuum intends to be licensed, certified and accredited by June 2020, and to begin serving patients on July 1, 2020.

H. Describe the relationship of this project to the applicant’s long-range business plan and long-range financial plan (if any).

Continuum operates with a mission to provide the terminally ill patient and their loved ones with the support and care they require to live their lives comfortably. We also believe that hospice should be available to any and all persons with an illness for which there is no cure or for persons who elect not to attempt a cure, resulting in a limited life expectancy. Our interest, expertise and success in reaching traditionally underserved groups obliges that we identify markets where our skill and services would be beneficial. Several large, populated areas of Western Washington have been identified by our organization. The opportunity to submit a CN to serve Snohomish County is consistent with our business planning.



I. Provide documentation that the applicant has sufficient interest in the site or facility proposed. “Sufficient interest” shall mean any of the following:

- 1. clear legal title to the proposed site; or**
- 2. a lease for at least one year with options to renew for not less than a total of three years; or**
- 3. A legally enforceable agreement (i.e., draft detailed sales or lease agreement, executed sales or lease agreement with contingencies clause), to give such title or such lease in the event that a Certificate of Need is issued for the proposed project.**

A copy of the lease agreement is included in Exhibit 3. Information from the Snohomish County Assessor’s website indicating that the landlord has site control is included in Exhibit 4.



**SECTION 3
PROJECT RATIONALE
NEED**

- 1. Identify and analyze the unmet hospice service needs and/or other problems toward which this project is directed.**
 - a. identify the unmet hospice needs of the patient population in the proposed service area(s). The unmet patient need should not include physical plant deficiencies and/or increase facility operation deficiencies; and**
 - b. identify the negative impact and consequences of unmet hospice needs and deficiencies.**

Hospice care focuses on improving the quality of life for persons faced with life-limiting illnesses and their families. The primary goals of hospice care are to provide comfort, relieve physical, emotional, and spiritual suffering, and promote the dignity of terminally ill persons. Hospice, by definition, is palliative (comfort); not curative. Hospice care is a philosophy and approach rather than a place. Care may be provided in a person's home, an assisted living facility, a skilled nursing facility, hospital, temporary housing or independent facility devoted to end-of-life care. Hospice needs to be available and accessible when patients and families need it.

In Washington State, the need for additional hospice services is determined by a methodology contained in WAC 246-310-290 (7). In a nutshell, the methodology deems that at a projected unmet census of 35 ADC, a new agency is needed. Applied to Snohomish County, the methodology identifies a need for almost four additional providers, which "rounds down" to three additional providers. Continuum is ready, willing, and prepared to help address this unmet need.

The negative impact of unmet hospice need weighs heavily on patients and families and is costly to the health care system. The inability to manage pain and symptoms in the home and concern about their family member's symptoms and responsiveness in the days immediately before death is one of the top reasons that families call 911 or otherwise transport a terminally ill patient to the hospital. When hospice staff is not available to enroll a patient or to provide in-home or telephone consult that resolves an issue in a timeframe that is seen as reasonable to the family, hospice has failed.

In addition, and as outlined in more detail in responses to later questions, Continuum proposes to focus on reducing ethnic and racial disparities in hospice care delivery. CMS data demonstrates that disparities in hospice utilization result in higher percentages of certain ethnical or racial groups dying in hospitals and experiencing periods of often futile, life sustaining treatment, insufficient pain management, poor communication with health care providers and increased health expenditures. For example, CMS data shows that 32.5% of African American Medicare beneficiaries were admitted to an ICU compared to only 27% of whites, and in the final six months of life, healthcare spending was 32% higher for African Americans compared to white patients². When a terminally ill patient is sent to the emergency room, or admitted to the hospital, their end of life wishes are more difficult to respect. Not only does this add costs to the system; it also makes it more challenging for families to remain close, in a home-like environment.

Continuum believes that no level of service can be sufficient if those in need do not have access. With this belief, and with data documenting the underserved nature of certain population groups, Continuum reaches out to historically underserved ethnic and racial groups to increase their awareness of, and to build trust in hospice care. These activities by Continuum’s sister agencies in Northern California have resulted in documented, steady increases in utilization among traditionally underserved groups. Continuum’s new agency will help mitigate the consequences of these unmet needs in Snohomish County.

As depicted in Table 3, 2015 CMS data shows that in Washington State, and in Snohomish County (and while Snohomish County overall is better than the State) African American and American Indian residents use hospice at significantly lower rates than the total population (less than half the County rate for African American and 30% for American Indian).



Table 3
Deaths by Race, Occurring in Hospice

State	Total Hospice Utilization	Race White Hospice Utilization	Race Black Hospice Utilization	Race Asian Hospice Utilization	Race Hispanic Hospice Utilization	Race North American Native Hospice Utilization
Washington	42.5%	43.4%	30.8%	35.2%	40.4%	29.6%
Snohomish	44.8%	45.8%	20.8%	33.3%	37.5%	31.4%
National	46.2%	48.3%	34.8%	32.5%	38.9%	33.0%
Difference between Snohomish Race Hospice Utilization and total Snohomish Utilization	NA	+2%	-54%	-26%	-16%	-30%

Source: Medicare Hospice Provider Report, including newly released Medicare 2015 Hospice Patient Information, customized for Continuum Care Hospice by Hospice Analytics, Inc., developed from Medicare Files, 2017

² Journal of Health Care Law and Policy. The Role of Race in End of Life Care, 2012.

- 2. Define the types of patients that are expected to be served by the project. The types of patients expected to be served can be defined according to the specific needs and circumstances of patients (i.e., culturally diverse, limited English speaking, etc.) or by the number of persons who prefer to receive the services of a particular recognized school or theory of medical care.**

In order to be eligible for hospice, patients must have a life expectancy of six months or less, and must elect the hospice benefit. Continuum will meet the needs of all Snohomish County residents, regardless of geography, race or ethnicity, but will operate with a special emphasis on serving traditionally underserved populations. We will outreach to these historically underserved ethnic and racial group to increase their awareness of, and build trust in hospice care. Today of Snohomish County's nearly 775,000 residents, approximately 3% are African American (22,500) and another 1.6% are American Indian (12,400). While small in volume, these residents deserve access to culturally appropriate hospice services designed to meet their physiological, psychological, social, and spiritual needs.



CMS data included in Table 3, has been released showing great disparities compared to total Snohomish and State hospice penetration.

- 3. For existing facilities, include a patient origin analysis for at least the most recent three-month period, if such data is maintained, or provide patient origin data from the last statewide patient origin study. Patient origin is to be indicated by zip code. Zip codes are to be grouped by city and county, and include a zip code map illustrating the service area.**

Continuum is not an existing agency. This question is not applicable.

- 4. Please provide the utilization forecasts for the following, for each county proposing to serve:**
 - a. total unduplicated hospice patients served per year for the first three years;**
 - b. average length of stay (days) per patient per year for the first three years;**
 - c. median length of stay; and**
 - d. average daily census per year for the first three years.**

Table 4 details the admissions, patient days, ALOS and ADC that Continuum projects in Snohomish County during the 2020 through 2022 timeframe.

**Table 4
Projected Patient Census for Snohomish County**

	2020	Year 1-2021	Year 2-2022	Year 3-2023
Admissions	100	216	288	390
Patient Days	6,086	13,146	17,528	23,735
ALOS	60.86	60.86	60.86	60.86
Median LOS	20	20	20	20
ADC	8	36	48	65

Source: Applicant

Continuum’s assumptions are as follows:

- ALOS: The 60.86-day ALOS was based on the Washington State average contained in the published hospice methodology
- Median LOS: the 20-day median LOS was based upon Continuum’s actual experience.
- ADC: the initial 36 ADC in the first full year of operation is based upon the hospice methodology’s estimated unmet need in Snohomish County. According to the methodology, the total unmet ADC is 127, signifying a need for three additional agencies in Snohomish County. A 36 ADC assumes that Continuum will be one of three agencies approved, and that together these agencies will meet approximately 85% of the unmet need that first year. The growth in Years 2 and 3 is actually quite conservative based on Continuum’s experience in other communities and also recognizes that Continuum will be serving populations currently underserved in Snohomish County.
- Admissions: Total patient days divided by ALOS.



5. Please provide a forecasted breakdown of patient diagnoses.

Table 5 identifies Continuum’s estimated Year 1 breakdown of diagnoses:

Table 5
Estimated Hospice Patients by Diagnosis and Percent

Diagnosis	# of Admissions	Percent of Total %
Cancer	78	36.00%
Cardiac/Heart	37	17.00%
Alzheimer's/Dementia	30	14.00%
Lung Diseases	22	10.00%
Other ³	50	23.00%
Total	216	100.00%

Source: Applicant


In terms of patient diagnoses, the data came from a combination of Continuum's experience with its existing operations, the federal Medicare Hospice files and a review of recent CN approved hospice applications in Washington State. Table 6 compares Continuum to other recently approved hospice CNs in Washington.

Table 6
Comparison of Diagnosis by Hospice Provider

	Continuum	Inspiring Hospice-Klickitat	Wesley	Kline Galland	Franciscan Kitsap	Envision (Thurston)
Cancer	36%	33%	35%	25%	37%	28%
Cardiac/Heart	17%	22%	18%	17%	16%	19%
Alzheimer's/Dementia	14%	17%	12%	21%	10%	16%
Lung Diseases	10%	22%	8%	8%	9%	11%
Other ^[1]	23%	6%	27%	29%	28%	26%
Total	100%	100%	100%	100%	100%	100%

Source: Applicant and Certificate of Need Program CN files

6. Provide the complete step-by-step quantitative methodology used to construct each utilization forecast. All assumptions related to use rate, market share, intensity of service, and others must be provided.

Annually, the Program surveys all existing hospice providers in the State. The Program then applies the survey data to the hospice need methodology in WAC 246-310-290. A copy of the methodology for Snohomish County is included in Exhibit 5. The Department's forecast is for an unmet ADC of 127 in 2020. 

³ Other includes, but is not limited to: HIV, end stage Multiple Sclerosis or Parkinson's, Abdominal or Thoracic Aortic Aneurism, Failure to Thrive, and Cirrhosis of the Liver.

^[1] Other includes, but is not limited to: HIV, end stage Multiple Sclerosis or Parkinson's, Abdominal or Thoracic Aortic Aneurism, Failure to Thrive, and Cirrhosis of the Liver. For Envision's Thurston application, other also includes Stroke/Coma.

7. Provide detailed information on the availability and accessibility of similar existing services to the defined population expected to be served. This section should concentrate on other facilities and services which “compete” with the applicant.
 - a. Identify all existing providers of services (licensed only and certified) similar to those proposed and provide utilization experience of those providers that demonstrates that existing services are not available to meet all or some portion of the forecasted utilization.
 - b. If existing services are available, demonstrate that such services are not accessible. Unusual time and distance factors, among other things, are to be analyzed in this section.
 - c. If existing services are available and accessible, justify why the proposed project does not constitute an unnecessary duplication of services.

There are five Medicare certified hospice agencies operating in Snohomish County; only one provider operates predominantly in Snohomish County. These providers and their 2017 statistics are detailed in Table 7.


Table 7
CN Approved, Medicare Certified Hospice Agencies Serving Snohomish County
2017 Patient Volumes


Provider	CN Approved to Serve	2017 Total Patients	2017 Patients Resident in Snohomish County	% of Patients from Snohomish County
Evergreen Health Home Care Services	Island, King, Snohomish	3,232	560	17.3%
Group Health Home Health and Hospice/(Kaiser)	King, Kitsap, Pierce, Snohomish	925	70	7.6%
Hospice of the Northwest (Skagit Hospice Service)	Island, San Juan, Skagit, Snohomish	928	90	9.7%
Providence Hospice and Home Care of Snohomish	Island, King, Snohomish	1,733	1,676	96.7%
Providence Hospice of Seattle	King, Snohomish	2,300	25	1.1%
Total		9,118	2,421	26.6%

Source: Department of Health Survey Results, 2017

Using data from Snohomish County hospice providers, the Program’s WAC-based need methodology shows a need for three additional providers in Snohomish County. A review of previous hospice CN applications and CN Program decisions demonstrates that consistently, a finding of numeric need, by default, means that a new provider does not constitute unnecessary duplication.

8. Document the manner in which low-income persons, racial and ethnic minorities, women, people with disabilities, and other under-served groups will have access to the services proposed.

The need for an additional provider is demonstrated via WAC. Historically, to evaluate this requirement, the department has evaluated an applicant's admission policies, willingness to serve Medicare and Medicaid patients, and to serve patients that cannot afford to pay for services. Continuum will seek both Medicare and Medicaid certification, and has included a charity care allowance in its pro forma. 

While serving all, Continuum will also prioritize the reduction of disparities in access to and use of hospice among certain historically underserved ethnicities in Snohomish County. We will do so by outreach, building trust, developing culturally appropriate services and by assuring our staff is trained and respectful of culture, values and beliefs. 

The data on disparities is both compelling and documented. For example, within the African American Community:

- African Americans are significantly less likely to utilize hospice than Whites.
- African Americans suffer from inequitable rates of three of the most common Hospice diagnoses: cancer, heart disease, stroke – one would expect them to be overrepresented rather than underrepresented among the hospice population (US Department of Health and Human Services 2010).
- The number of African Americans utilizing hospice is shrinking.
- African Americans in Washington State and in Snohomish County are significantly less likely to utilize Hospice than African Americans nationally.

A Department of Health & Human Services, Centers for Medicare & Medicaid Services: Literature Review entitled *Hospice in Indian Country*, published in December of 2014 found both significant barriers for American Indians, and very low hospice use nationwide. The causes of the inequities have been identified in a number of Journal articles and are summarized in Table 8.

**Table 8
Causes of Disparities and Data Citations**

Cause	Data and Citations
Trust Issues	<ul style="list-style-type: none"> ▪ Deeply rooted lack of trust in the medical system. (Journal of Health Care Law and Policy 2012 – The Role of Race in End of Life Care). ▪ Perceived and real discrimination, legacy of racial discrimination in medicine and medical research. ▪ Evidence suggests that this distrust is justified – African Americans are less likely to receive surgery for early stage Lung Cancer, Cardiac Catheterization than whites even when all other factors were equal. (New England Journal of Medicine 1999). ▪ When faced with life threatening illness African Americans reject or turn to hospice later in the course of a terminal illness in part out of fear that ceasing therapeutic treatment would be premature despite the medical advice they are receiving (Journal of Health Care Law and Policy 2012 – The Role of Race in End of Life Care).
Communication Awareness and Policy	<ul style="list-style-type: none"> ▪ Limited knowledge of hospice services (University of South Florida 2013 – African Americans and Hospice: A Culture Centered Exploration of Disparities in End of Life Care). ▪ The absence of communication about hospice care between African American patients and health care providers. (University of South Florida 2013 – African Americans and Hospice: A Culture Centered Exploration of Disparities in End of Life Care). ▪ African Americans are unaware that Hospice is paid for by Medicare. ▪ Cultural factors i.e. higher rate of religious belief - electing hospice means acknowledging impending death (University of South Florida 2013 – African Americans and Hospice: A Culture Centered Exploration of Disparities in End of Life Care). ▪ African Americans believe that Hospice = Denial of Care (American Psychological Association – Culturally Diverse Communities and End of Life Care). ▪ Barriers to hospice services in tribal communities include regulation, reimbursement policy, and internal management (CMS, Hospice In Indian Country, 2014) ▪ Cultural perspectives about death and dying in AI/AN communities are noted as a common barrier to seeking hospice care. (CMS, Hospice In Indian Country, 2014)

Sources: Cited in table

Continuum prioritizes the reduction of disparities in access to hospice among certain historically underserved ethnicities. Since Continuum's sister agency established hospice services in the city of Oakland, California in 2016, the percentage of African American admissions in its Agency is nearly twice that of other hospice providers in the region. Most of its success stems from certain outreach efforts developed and employed, referred to as the "Oakland Program". Specifically, through its Oakland Program, Continuum has cultivated a set of tools and practices to address the cultural, health systems, and other impediments to hospice care that confront underserved populations. These mechanisms deal with specific concrete obstacles long identified by health policy makers and researchers but frequently not well addressed. Examples of common barriers to accessibility include an insensitivity to cultural variations in attitudes towards death and dying, the difficulties clinicians face when communicating about end-of-life issues, and the lack of culturally appropriate sources of information and resources within communities. While we are aware that these mechanisms will need to be modified to best support Snohomish County, Continuum intends to introduce these same learned proficiencies in Snohomish County. In doing so, we will focus on building trust in African American population centers and partner with existing community resources that service the African American community i.e. Local chapter NAACP, Churches and Community Centers. For the American Indian community, we will focus on gaining the trust and support of tribal leadership and program staff, and embedding tribal consultation into our programs. Cultural sensitivity training will also be a key focus for our staff.

The specific need for a hospice agency to serve Snohomish County, and in particular, for Continuum's unique programs to meet the needs of the underserved, has been documented by the community. Just a few excerpts from letters in support of Continuum serving Snohomish County's traditionally underserved populations are included below:

It is well-documented that Hospice services are underutilized by the AI {American Indian} population and among other ethnic and racial populations. I was pleased to hear about Continuum's successful experience developing Hospice programs designed specifically for underserved populations. In conversations with them, it is clear that they understand there are no shortcuts. Their practices recognize that it takes time to learn the unique customs, religious beliefs, and practices of the people and populations they are trying to serve. This provides them with key information with which to determine how patients and families receive information, make decisions and face end-of-life situations that aid them in designing culturally relevant practices.

Jennifer Paddock, MA, CDP

In my role, members come to me to seek out everything from spiritual guidance, to relationship counsel, to adult vocational education programs to health care services. I take great pride in supporting our congregation and ensuring and working actively throughout the community to ensure that our members have access to culturally competent services.

The African American population is significantly underserved when it comes to utilization of hospice services – in my congregation, in Snohomish County, in Washington State and across the nation. It is so critical for agencies, providers and others to understand that many African Americans are deeply distrustful of the government and the healthcare system, a distrust that is rooted in both historical and present-day experiences. Because of this, health disparities, and other cultural and religious values, there have been specific instances that have arisen within my own congregation where my members and their families went without much needed hospice services. This is heartbreaking as a Pastor to not be able to ensure that my members and their families are well cared for at the end of life.

Reverend Dr. Leslie D. Braxton, Doctor of Ministry, Senior Pastor, New Beginnings Christian Fellowship

In my position, I support the volunteers that go into the homes of home bound elderly, and particularly the rural home bound. Every day we identify and support patients without primary care, with limited family support and with exceptionally limited financial resources. While these patients need and deserve the same level of palliative care and hospice support as others, the reality is that their home circumstance are often a barrier to access, and too many of our patients end up being admitted to and dying in a hospital; not the setting of their choice.

Chaplain Andrew Yee, Director of Spiritual Care, Josephine Caring Community

9. Please provide copies (draft is acceptable) of the following documents:

- a. Admissions policy**
- b. Charity care policy; and**
- c. Patient referral policy, if not addressed in admissions policy.**

Continuum's charity care policy is included as Exhibit 6, and our admissions policy is included as Exhibit 7.



10. As applicable, substantiate the following special needs and circumstances that the proposed project is to serve.

- a. The special needs and circumstances of entities such as medical and other health professions' schools, multi-disciplinary clinics and specialty centers that provide a substantial portion of their services, resources, or both, to individuals not residing in the health services 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 which are 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 with which the proposed facility/service would be affiliated.**

This project is not designed to serve any of the special needs referenced above. As such, this question is not applicable.

**SECTION 4
PROJECT RATIONALE
FINANCIAL FEASIBILITY**

1. If applicable, provide the proposed capital expenditure for the project.

The estimated capital expenditures are as follows in Table 9:

**Table 9
Proposed Capital Expenditure**

Line Item	Cost
Office Equipment and Computers/Communication Devices for Clinical Staff	\$20,200
Software	\$18,000
Leasehold Improvements	\$18,000
Legal/ Consulting	\$46,000
Total	\$102,200

Source: Applicant

2. Explain in detail the methods and sources used for estimated capital expenditures.

Slightly more than 75% of the capital expenditure is for software, legal, office furnishings and computers and communication devices for clinical staff in the field. These costs are based on current pricing/fees for these categories. The remaining category, leasehold improvements, is for modification to the leased space. It is based on Continuum’s recent experience and discussions with the landlord specific to the suite identified in this application.



3. Documentation of project impact on (a) capital costs, and (b) operating costs and charges for health services.

The capital costs for the project are relatively small. In terms of operating costs and charges, the establishment of a new hospice agency that will meet a large, unmet need as well as target disparities is consistent with both national health care reform (the Affordable Care Act) and Washington’s Medicaid transformation efforts (Healthier Washington). Studies demonstrate that hospice patients, in particular those with cancer, were less likely to be hospitalized, to be admitted to intensive care or undergo invasive procedures. All of these factors reduce the overall costs to the larger healthcare system while improving patient and family satisfaction⁴.

⁴ Hospice linked to higher family satisfaction, #health News, Reuters, January 4, 2017.

- 4. Provide the total estimated operating revenue and expenses for the first three years of operation (please show each year separately) for the items on the following page, as applicable. Include all formulas and calculations used to arrive at the totals on a separate page.**

Exhibit 8 contains the proforma revenue and expense statements for the first three years of operation including the underlying assumptions.

- 5. Identify the source(s) of financing (*loan, grant, gifts, etc.*) for the proposed project. Provide all financing costs, including reserve account, interest expense, and other financing costs. If acquisition of the asset is to be by lease, copies of any lease agreements, and/or maintenance repair contracts should be provided. The proposed lease should be capitalized with interest expense and principal separated. For debt amortization, provide a repayment schedule showing interest and principal amount for each year over which the debt will be amortized.**

Continuum will use reserves from the Member's Continuum Care Hospice agency to fund this project

- 6. Provide documentation that the funding is, or will be, available and the level of commitment for this project.**

Included in Exhibit 9 is a letter from First Republic Bank indicating that Continuum Care Hospice has sufficient reserves to fund this project. A letter from the CFO of Continuum Care Hospice is also included in this Exhibit.

If needed for CN purposes, Continuum is prepared to set aside funds in a separate account for Continuum and provide that documentation to the CN Program.



- 7. Provide a cost comparison analysis of the following alternative methods: purchase, lease, board-designated reserves, and interfund loan or bank loan. Provide the rationale for choosing the financing method selected.**

For a project of this relatively minor magnitude, the use of reserves (which does not carry any financing costs) is preferred.

- 8. Provide a pro forma balance sheet and expense and revenue statements for the first three years of operation.**

Expense and revenue statements for the first three years of operation are included as Exhibit 8.



9. Provide a capital expenditure budget through project completion and for three years following completion of the project.

No capital, beyond that identified in the CN capital expenditure budget, is anticipated during the first three full years.

10. Identify the expected sources of revenues for the applicant’s total operations (e.g., Medicaid, Medicare Managed Care, Healthy Options, Labor and Industries, etc.) for the first three years of operation, with anticipated percentage of revenue for each payer source.

Anticipated sources of revenue by payer for the hospice program are as follows:

Medicare	87.0%
Medicaid	11.4%
Other	<u>1.6%</u>
Total:	100.0%



11. If applicant is an existing provider of health care services, provide expense and revenue statements for the last three full years.

No historical financial statements exist for Continuum. For the Program’s use, we are providing in Exhibit 10 copies of historical financial statements since opening (2016 and 2017) for our other hospice (Continuum Care Hospice) that has been operating for a period long enough to have historical financials.

12. If applicant is an existing provider of health care services, provide cash flow statements for the last three full years.

No historical financial statements exist for Continuum. Available historical data was provided for Continuum Care Hospice in Exhibit 10.

13. If applicant is an existing provider of health care services, provide balance sheets detailing the assets, liabilities, and net worth of facility for the last three full fiscal years.

Continuum is not an existing provider. However, for the Program’s use, we provided copies of historical financial statements since opening, (2016 and 2017) for Continuum Care Hospice in Exhibit 10.



14. For existing providers, provide actual costs and charges per visit broken down by discipline (i.e., RN/LPN, OT, PT, social worker, etc.) and by payer source for each county proposing to serve.

This question is not applicable to hospice providers. Continuum, consistent with Medicare hospice reimbursement requirements, will not charge, and will not be paid by visit. Continuum Snohomish will be paid a daily rate.

15. Provide anticipated costs and charges per visit broken down by discipline (i.e., RN/LPN, OT, PT, social worker, etc.) Provide actual costs and charges per visit broken down by discipline (i.e., RN/LPN, OT, PT, social worker, etc.) and by payer source for each county proposing to serve.

This question is not applicable to hospice providers. Continuum, consistent with Medicare hospice reimbursement requirements, will not charge, and will not be paid by visit. Continuum Snohomish will be paid a daily rate.



16. Indicate the addition or reduction of FTEs with the salaries, wages, employee benefits for each FTE affected, for the first three years of operation. Please list each discipline separately.

Table 10 details the projected FTEs for the first three years of operation.

Table 10
Projected FTEs

Staff	2020	2021	2022	2023	Salary/FTE
Administrator	1.00	1.00	1.00	1.00	\$150,000
Clinical Director	1.00	1.00	1.00	1.00	\$125,000
Clinical Manager	0.00	0.00	0.00	1.00	\$115,000
Registered Nurse	0.8	3.60	4.80	6.50	\$100,438
Home Health Aide	0.8	3.60	4.80	6.50	\$41,360
MSW	0.32	1.44	1.92	2.60	\$59,078
Chaplain	0.32	1.44	1.92	2.60	\$59,078
Music Therapist	0.16	0.72	0.96	1.30	\$62,496
Intake	1.00	1.00	1.00	1.00	\$50,000
Office Manager	0.00	1.00	1.00	1.00	\$70,000
Team Coordinator	0.00	0.00	1.00	1.00	\$50,000
Marketing	0.50	1.00	1.00	1.00	\$100,000
Volunteer Coordinator	1.00	1.00	1.00	1.00	\$80,000
Bereavement Coordinator ⁵	0.00	0.00	0.50	1.00	\$75,000
PT/OT/SP		Contracted	Contracted	Contracted	
Dietitian		Contracted	Contracted	Contracted	
Total	6.9	16.8	21.9	28.5	

Source: Applicant

In addition to these direct FTEs, the pro forma financial includes an allocation of overhead for services including billing and other key staff assistance (including Clinical Compliance, Human Resources, Triage and Financial Assistance).

Continuum also has an agreement in place for Medical Directorship.

17. Please describe how the project will cover the costs of operation until Medicare reimbursement is received. Provide documentation of sufficient reserves.

As documented by the banking letter contained in Exhibit 9, sufficient reserves exist to cover both the capital expenditure as well as the start-up period.



⁵ In Years 1 and 2, Chaplain will serve as bereavement coordinator.

SECTION 5
PROJECT RATIONALE
STRUCTURE AND PROCESS (QUALITY) OF CARE

- 1. Please provide the current and projected number of employees for the proposed project, using the following table.**

Continuum does not currently operate in Washington and so we have no current employees. Proposed FTEs were included in Table 10, under financial feasibility. The team will include the following positions, with the following responsibilities:

Medical Director

- Co-certifies the terminal diagnosis with the attending physician
- Leads the interdisciplinary team in the development of a plan of care
- Provides consultation to other physicians regarding hospice care

Attending Physician

- Certifies the terminal diagnosis
- Assesses patient needs, manages symptoms, prescribes treatment
- Directs and approves the plan of care
- Coordinates care with the interdisciplinary team

Hospice Nurse

- Assesses patient and family needs
- Develops a plan of care to meet identified needs
- Coordinates team visits and ensures implementation of approved plan of care
- Coordinates care with attending physician, primary care giver, and/or care center staff
- Ensures symptom control and pain management
- Provides patient/family teaching as needed

Home Health Aide

- Provides direct personal care to patient
- Provides comfort measures, reports identified needs to RN case manager
- Provides emotional support to patient and family

Social Worker

- Assesses patient and family emotional, social, spiritual, and financial needs
- Develops a plan of care to meet identified needs
- Provides direct counseling or refers patients and families to appropriate community agencies

Chaplain

- Assesses patient and family spiritual needs
- Develops a plan of care to meet identified needs
- Provides direct counseling
- Assists with memorial preparations
- Provides consultations and referrals to community clergy

Bereavement

- Provides emotional support by direct contact or by telephone
- Provides ongoing contact in the form of supportive letters and newsletters
- Provides regularly scheduled memorial services to celebrate the lives and memories of loved ones

Volunteer

- Provides companionship and support to patient and family
- Provides needed non-medical services such as letter writing, time for care givers and family
- Provides support at time of death and during bereavement

Extended Services

- Extended Services will also be provided when identified by the Care Service Team as needed. These include the services of the:
 - Dietitian
 - Physical Therapist
 - Psychologist / Psychiatrist
 - Respiratory Therapist
 - Occupational Therapist
 - Speech Language Pathologist
 - Pharmacist
 - Financial Services Representative
 - Music or Art Therapist
 - Funeral Director

This team will work closely with the patient, family and patient’s physician to offer skilled, compassionate care that meets the physical, emotional, social, and spiritual needs of patients and families.

2. Please provide your staff to patient ratio.

Table 11 depicts the projected staff to patient ratio for Continuum. This staff ratio represents the ratio across the three-year projection period. In its October 10, 2018 *Evaluation of the Three Certificate of Need Application Proposing to Establish a Medicare and Medicaid Certified Agency in Snohomish County*, the Department found Continuum’s staffing to be reasonable and in conformance with applicable CN requirements.

**Table 11
Proposed Staff to Patient ADC Ratio**

Type of Staff	Staff / Patient Ratio
Skilled Nursing (RN)	1:10
Medical Social Worker	1:25
Hospice Aide	1:10
Chaplain	1:25
Volunteer Coordinator	1:100

Source: Applicant

3. Explain how this ratio compares with other national or state standards of care and existing providers in the proposed service area.

Continuum is committed to being accessible and available to care for our patients, 24-hours per day, 7 days per week, and to meeting the comprehensive and unique needs of each patient and their family. The staffing ratios identified in Table 11 ensure that our care is both high quality and responsive. The staffing is based on Continuum’s actual experience in California and Rhode Island, and a comparison of the proposed staffing of other CN approved hospice applications in Washington. (see Table 12).

**Table 12
Comparison of Staffing Ratios by Hospice Provider**

	Continuum	Inspiring (Klickitat)	Wesley	Kline Galland	Franciscan Kitsap	Whidbey	Envision (Thurston)
Skilled Nursing	1:10	1:8	1:9	1:10	1:12	1:12	1:10
Medical Social Worker	1:25	1:30	1:23	1:28	1:25	1:25	Contracted
Hospice Aide	1:10	1:8	1:12	1:14	1:15	1:12	1:10
Chaplain	1:25	1:30	1:30	1:28	1:30		Combined position with Volunteer Coordinator at start up
Volunteer Coordinator	1:100		1:32	1:30	1:30		Combined position with Bereavement at start up

Source: Applicant and Certificate of Need Program CN files

4. Identify and document the availability of sufficient numbers of qualified health manpower and management personnel. If staff availability is a problem, describe the manner in which the problem will be addressed.

Continuum is confident that we will be able to attract a sufficient number of qualified applicants to staff our hospice operations. We will recruit, employ, develop and retain a diverse staff of clinicians and caregivers with skill levels appropriate to the functions they will perform⁶. And, we will utilize various forms of recruitment techniques including the standard mechanisms of print and internet advertising and will post open positions on the Internet on various job boards (e.g. indeed.com). We will additionally use agencies and contacts with professional schools to communicate about our agency and open positions. If there are any positions that we are challenged to fill, we will use the services of a professional recruiter.

All staff is extensively vetted as to character and competence using the DiSC Profile, a leading personal assessment tool used to improve work productivity, teamwork and communication. The DiSC model provides a common language that people can use to better understand themselves and adapt their behaviors with others. The DiSC tool not only helps ensure we are hiring a high quality, efficient and competent workforce of character, it also helps with staff satisfaction and retention by increasing staff and providers' self-knowledge, improving working relationship, facilitating better teamwork and teaching productive conflict.

New staff are provided with training and orientation and work under direct supervision during their initial period of employment. The length of direct supervision is related to their existing level of experience and the judgment of their supervisors.

Continuum's employee retention is excellent. We offer very competitive compensation packages (including 401K plans with generous matches), Paid Time Off, a wide selection of Health Insurance options, dental insurance, vision insurance, life insurance, and excellent work/life balance. Continuum also offers excellent in-service training and professional development opportunities with the main objective to enable and incentivize staff to work together to execute Continuum's mission and objectives.

5. Please identify the number of providers and specialties represented on the interdisciplinary team.

Continuum's interdisciplinary team will include at a minimum: nurses, medical social workers, home health aides, spiritual and grief support counselors, music therapists, occupational and physical therapists (as needed), a medical director, and volunteers – all specially trained in end-of-life care and pain and disease management.

⁶ A study published in the American Journal of Hospice and Palliative Medicine found that 77% of African American participants in a study would be more willing to use hospice if it were more racially diverse.

6. Please identify and provide copies of (if applicable) the in service training plan for staff. (Components of the training plan should include continuing education, hospice aide training to meet Medicare criteria, etc.)

Continuum's in-service training policies and procedures are included as Exhibit 11.

7. Describe your methods for assessing customer satisfaction and quality improvement.

Continuum's Quality Assessment and Performance Improvement (QAPI) Committee will oversee patient/family/caregiver satisfaction and quality improvement. It will be responsible for identifying and addressing quality issues and implementing corrective action plans as necessary. The Administrator will be the chairperson for the Committee and responsible for creating the QAPI culture, environment for change and facilitating quality assessment and performance improvement process. Committee members include the following required members:

- Administrator serves as chairperson
- Clinical Director
- Medical Director
- 3-5 members of the agency staff

Ad hoc teams may be appointed by the QAPI Committee to participate in quality projects. Team members will be selected depending on the Performance Improvement Project (PIP) problem or issue identified.

The QAPI Committee has the overall responsibility and authority to conduct a confidential review of information for the identification of concerns and trends for negative findings. The completion of tasks may be accomplished through designated individuals or quality project teams. Specific responsibilities include:

- Identify trends in clinical outcomes
- Evaluation of data related to systems and services offered to patients
- Monitor new systems and services
- Monitor customer and patient satisfaction

Through QAPI activities, Continuum provides a mechanism for identification and prioritization of opportunities for problem identification and improvement in care and operations. Routine Measurement of Indicators for review are summarized in Table 13.

**Table 13
Quality Indicators**

Indicator/Outcome	Sources of Data	Frequency of Measurement	Sample Size	Accountability
Patient & Family Centered Care				
Family willingness to refer	DEYTA ⁷	Quarterly	100%	Administrator
Overall Quality of Care	DEYTA	Quarterly	100%	Administrator
Response after hours/weekend	DEYTA	Quarterly	100%	Administrator
Bereavement POC meets family needs	Bereavement Records	Quarterly	10%	Administrator
Ethical Behavior and Consumer Rights				
Employees oriented to Ethics Policy	Employee Files	On-hire	100%	Office Manager
Patient Eligibility	Admission and Recert documentation	Quarterly	10%	Clinical Director
Clinical Excellence & Safety				
Pain assessment/management	Chart Audit	Quarterly	10%	Clinical Director
Appropriate use of GIP	Chart Audit	Twice yearly	100%	Clinical Director
Respite available for caregiver Need	Chart Audit	Twice Yearly	100%	Clinical Director
Continuous Care utilization	Chart Audit	Twice Yearly	100%	Clinical Director
Evaluation of contracted services	Contract Reviews	Annually	100%	Administrator
Evaluation of adverse events	Incident Log	Each Event	100%	Administrator
Organizational Excellence				
Governing Body achieves functions of	Governing Body Minutes	Annually	100%	Administrator
Workforce Excellence				
Staff competency evaluated	Personnel Files	Annually	100%	Office Manager
Required in-services	Personnel Files	Annually	100%	Office Manager
All employees complete on-hire orientation	Personnel Files	Annually	100%	Office Manager
Compliance with Laws & Regulations				
Survey Readiness/ mock survey	Chart Audits/ administrative	Annually	10%	Administrator / Clinical Director
CMS mandatory quality reporting: NQF measure	Chart Audits	Monthly	10%	Clinical Director
CMS mandatory quality reporting: Structural measure	QAPI plan approved by governing body	Annually		Administrator
Stewardship & Accountability				
Met budget and financial goals set by Governing Body	Financials	Annually	100%	Administrator
Performance Measurement				
Staff In-services provided on	Service log	Annually	100%	Administrator
QAPI planned carried out by Governing Body	QAPI minutes	Annually	100%	Administrator

Source: Applicant

⁷ Deyta is a leader of healthcare satisfaction management and clinical quality improvement program services.

8. Identify your intended hours of operation. In addition, please explain how patients will have access to services outside the intended hours of operation.

Continuum's business hours will be Monday through Friday from 8:30 a.m. to 5:00 p.m. However, a Hospice nurse will be available 24 hours a day/7 days per week. Patients and families can rest assured that no matter what time of the day or night, a Hospice RN, familiar with their needs, will assist them with any concerns and help manage their symptoms and facilitate any needed additional care. Families will be able to access the hospice nurse after hours by calling the 24/7/365 triage phone line. Response time is programmed to be 30 minutes or less.

9. Identify and document the relationship of ancillary and support services to proposed services and the capability of ancillary and support services to meet the service demands of the proposed project.

Continuum will directly provide the majority of ancillary and support services needed. Continuum will solicit the following ancillary and support services and will finalize vendor selection after CN approval.

- Inpatient Care
- PT/OT/ST
- X-Ray
- Pharmacy
- Durable Medical Equipment
- Medical Supplies
- Laboratory
- Dietary/Nutritionist
- Ambulance
- Biowaste removal
- Specialty therapies

10. Explain the specific means by which the proposed project will promote continuity in the provision of health care to the defined population and avoid unwarranted fragmentation of services. This section should include the identification of existing and proposed formal working relationships with hospitals, nursing homes and other health service resources serving your primary service area. This description should include recent, current and pending cooperative planning activities, shared service agreements, and transfer agreements. Copies of relevant agreements and other documents should be included.

Continuum proposes to work closely with local physicians, hospitals and other providers to ensure patients' comprehensive medical, social, and spiritual needs are met. In addition to these direct care providers/referring agencies, and while no agreements are in place at this time, specific providers that Continuum intends to develop working relationships with include:

- Snohomish County Area Agency on Aging.
- Home Care Association of Washington and the National Association for Home Care
- DSHS, Aging and Disability Services
- Home Health and home care agencies
- Nursing Homes
- HMOs and other payers
- Washington State and Snohomish County Veteran's Programs.
- Federally Qualified Health Centers and Community Health Centers
- Primary care and specialty providers



In addition, because we will have a specific focus on building trust with and providing care to the underserved populations in the County, we will seek to partner with existing community resources serving these populations including but not limited to a variety of social, community organizations and places of worship, such as:

- For African American community, the local Chapter of the NAACP, Churches and Community Centers.
- For the American Indian community, Tribal leadership and tribal health care.
- For the Asian community, Asian Pacific Islander Coalition (APIC), Asian Counseling and Referral Services and churches.

Continuum will develop transfer agreements with local hospitals and nursing homes. Informal cooperative agreements-but not formal written agreements, are also planned with ambulance, the Fire Department and the Coroner's office.



11. Fully describe any history of the applicant entity and principles in Washington with respect to criminal convictions, denial or revocation of license to operate a health care facility, revocation of license to practice a health profession, or decertification as a provider of services in the Medicare or Medicaid program. If there is such history, provide clear, relevant, and convincing evidence that the proposed project will be operated in a manner that ensures safe and adequate care to the public to be served and in conformance with applicable federal and state requirements.

- a. Have any of the applicants (see definition of applicants on page 4 of this application) been adjudged insolvent or bankrupt in any state or federal court?**
- b. Have any of the applicants been involved in a court proceeding to make judgment of insolvency or bankruptcy with respect to the applicants.**

Neither Continuum, its Member nor its leadership team have any history with respect to the actions noted in the above questions.

12. List the licenses and/or credentials held by the applicant(s) and principals in Washington, as well as other states, if applicable. Include any applicable license numbers.

Neither Continuum nor its Member currently hold any licenses or credentials in Washington. Continuum's affiliated agencies hold licenses in California and Rhode Island and are Medicare certified and CHAP accredited in both states.

13. Provide the background experience and qualifications of the applicant(s).

The applicant's Member and leadership team have extensive experience operating hospice and palliative care programs. For example, Continuum's principal and CEO has started and operated successful Hospices in California and Rhode Island. Continuum's COO and Chief Clinical Officer possess years of relevant experience – having operated Hospice programs for Kindred Hospice, Heartland/ HCR Manorcare, Amedisys, and other nationally recognized Hospice and Palliative care programs



14. For existing agencies, provide copies of the last three licensure surveys as appropriate evidence that services will be provided (a) in a manner that ensures safe and adequate care, and (b) in accordance with applicable federal and state laws, rules and regulations.

Continuum is not an existing agency and has no past survey history. Continuum Care Hospice has been operational in California since 2014 and has had two surveys for its Concord agency and one survey for the Petaluma agency (the two most recent surveys were in July 2018). The agency in Rhode Island was also surveyed in December 2017. Should the Program wish to see the surveys from other states, Continuum would be pleased to submit them during screening.



SECTION 6 PROJECT RATIONALE COST CONTAINMENT

1. Identify the exploration of alternatives to the project you have chosen to pursue, including postponing action, shared service arrangements, joint venture, merger, contract services, and different methods of service provision, including spatial configurations you have evaluated and rejected. Each alternative should be analyzed by application of the following:

- **Decision making criteria (cost limits, availability, quality of care, legal restrictions, etc.);** 
- **Advantages and disadvantages, and whether the sum of either the advantages or the disadvantages outweigh each other by application of the decision-making criteria;**
- **Capital costs;** 
- **Staffing impact.**

Continuum had been evaluating hospice need and access issues in Washington State for at least 18 months when, in October of 2017, we elected to submit a CN application requesting the establishment of a new agency in Snohomish County. Prior to deciding to apply, Continuum's senior leadership had attended the hospice rulemaking meetings and provided input and data. When Continuum filed in October of 2017 (CN #18-06), we were one of three applicants proposing to meet the WAC defined need for one additional agency in Snohomish County. On October 10, 2018, and despite surging unmet need, the Department denied all three applicants. The application of Continuum was denied because the Program incorrectly concluded that we modified data in rebuttal.

After denial, Continuum identified three options, including:

- 1) Request reconsideration of the October 2018 decision,
- 2) Appeal the October 2018 decision, and
- 3) Resubmit an application.

Continuum has elected to pursue all three options to ensure that the identified need can be addressed as quickly as possible. A hearing on reconsideration is scheduled for January 31, 2019, with a decision expected in March 2019. An adjudicative hearing on the appeal is currently scheduled for September 9 through 11, 2019, and is expected to be voluntarily dismissed if reconsideration results in an approved project.

In terms of resubmittal, the 2018 hospice concurrent review cycle began on September 3, 2018 under the then-effective version of WAC 246-310-290(3). Under that rule, Letters of Intent (LOIs) were due by the “last working day of September,” and applications due by the end of October. The rule instructed applicants that their LOI and application “must be submitted and reviewed” according to that schedule, and that the Department “shall review hospice applications” under that schedule. Under that timeline, Continuum submitted an LOI and application to establish a hospice agency in Snohomish County under the then applicable rules. The CN Program returned that application stating that the rules (and specifically the previous concurrent review cycle) were no longer in effect.

Subsequently, the Department amended WAC 246-310-290. WSR 18-19-051 (effective Oct. 15, 2018). The newly amended rule creates a new application schedule, with two concurrent review cycles divided by county. Under the amended rule, Snohomish County is in Cycle 2, meaning the newly amended CN criteria and application cycle apply to projects for which the provider files a letter of intent by the last working day of December 2018. On December 31, 2018, Continuum filed an LOI under the new application schedule. This application is submitted under the December 2018 LOI.

While Snohomish providers have done a good job, by virtue of the rapidly growing and aging population there is quickly escalating unmet need, and there is confirmed underservice of African American and American Indian populations. In addition, Continuum Care Hospice has the infrastructure to provide significant administrative support in areas including Human Resources, Compliance, billing, etc., which allow a lower ADC agency (like we will be in the first few years) to achieve some efficiencies. For these reasons, Continuum has elected to pursue this CN application.

2. Describe how the proposal will comply with Medicare conditions of participation, without exceeding the cost caps.

The current cap amount for the cap year ending 2019 is \$29,205.44. We estimate average net reimbursement per admission of \$10,645 by Year 3; which is more than 60% below the cap. This provides assurance that Continuum will not exceed the Medicare cost caps.

3. Describe the specific ways in which the project will promote staff or system efficiency or productivity.

Hospice care is the embodiment of efficiency. Patients that choose to enroll in hospice largely forego curative treatment and opt for comfort care and symptom management, which are significantly lower cost options. A study published in the March 2013 *Health Affairs* found that hospice enrollment saves money for Medicare and improves care quality for Medicare beneficiaries. Led by researchers at the Department of Geriatrics and Palliative Medicine at the Icahn School of Medicine at Mt. Sinai, the study looked at the most common hospice enrollment periods: 1 to 7 days, 8 to 14 days, 15 to 30 days, and 53 to 105 days. Within all enrollment periods studied, hospice patients had significantly lower rates of hospital and intensive care use, hospital readmissions, and in-hospital death when compared to the matched non-hospice patients. The study found savings to Medicare for both cancer patients and non-cancer patients. It also found that savings grow as the period of hospice enrollment lengthens

In terms of staffing, hospice fosters efficiency by allocating scarce RN and other resources to those most in need. For example, instead of a patient requiring a 1:1 ratio in the ICU, the patient is at home with nursing resources to provide comfort care.

4. If applicable, in the case of construction, renovation or expansion, capital cost reductions achieved by architectural planning and engineering methods and methods of building design and construction. Include an inventory of net and gross square feet for each service and estimated capital cost for each proposed service. Reference appropriate recognized space planning guidelines you have employed in your space allocation activities.

This question is not applicable.

5. If applicable, in the case of construction, renovation or expansion, an analysis of the capital and operating costs of alternative methods of energy consumption, including the rationale for choosing any method other than the least costly. For energy-related projects, document any efforts to obtain a grant under the National Energy Conservation Act.

This question is not applicable.

Exhibit 1: Organizational Chart

ORGANIZATIONAL CHART

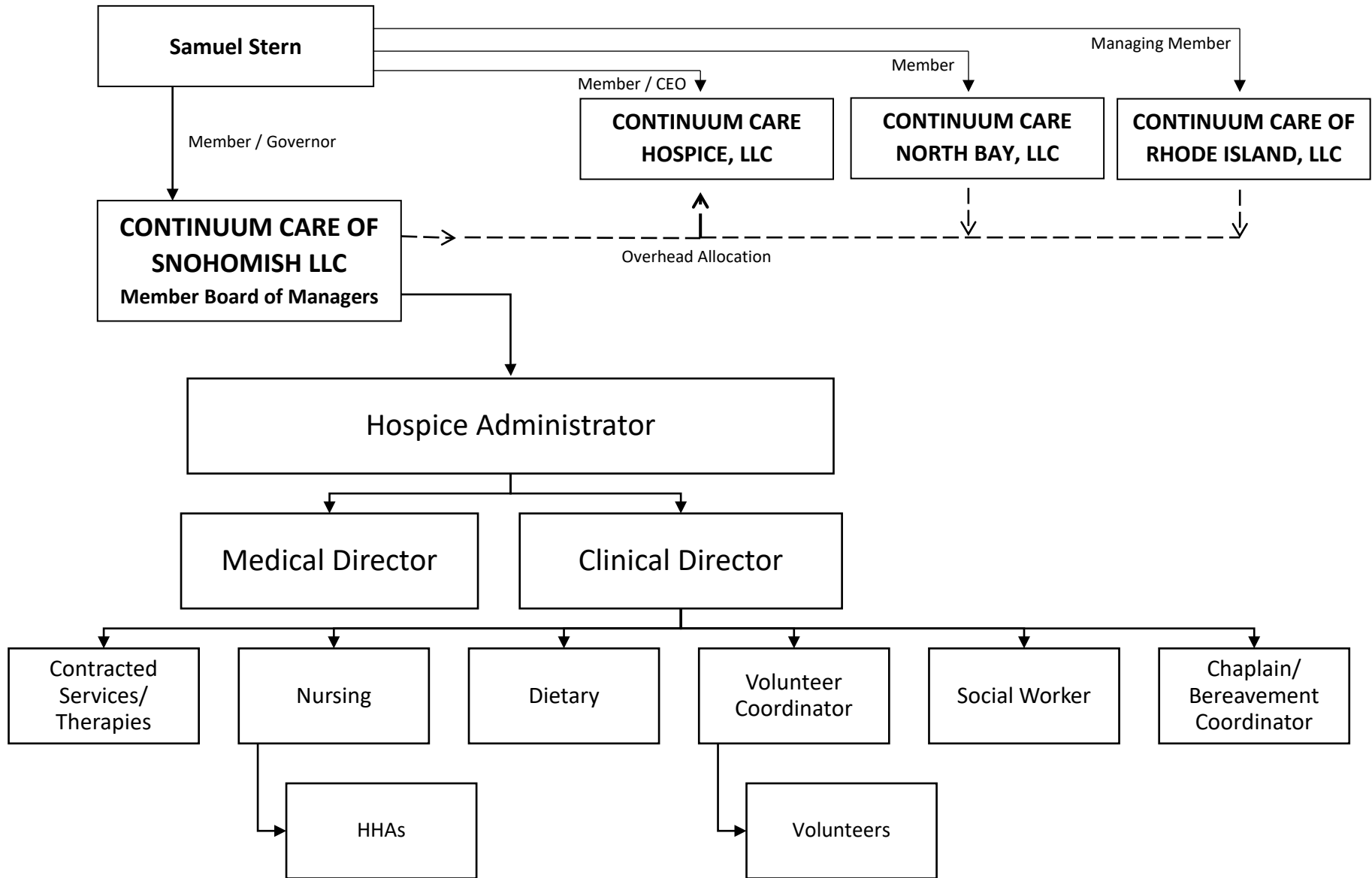


Exhibit 2: Medical Director Agreement

PROFESSIONAL SERVICES AGREEMENT MEDICAL DIRECTOR

This Agreement is made this 29th day of January 2019, by and between CONTINUUM CARE OF SNOHOMISH LLC (“ORGANIZATION”) and Dr. Alexandre De Moraes M.D. a physician (“MEDICAL DIRECTOR”).

1. PURPOSE

CONTINUUM CARE OF SNOHOMISH LLC desires to engage a qualified physician to act as Medical Director for their hospice care program. MEDICAL DIRECTOR is a physician qualified by virtue of training and experience in the practice of medicine or osteopathy, is licensed as a doctor of medicine or osteopathy in the State of Washington, meets the requirements for membership on the medical staff of CONTINUUM CARE OF SNOHOMISH LLC and is Board Certified in a related specialty.

2. OBLIGATIONS OF MEDICAL DIRECTOR

2.1 Status and Membership.

MEDICAL DIRECTOR will remain in full compliance with all of the following conditions continuously during the entire term of this Agreement. Failure of MEDICAL DIRECTOR to satisfy any or all of the following conditions will constitute grounds for automatic termination of this Agreement as set forth in Section 5.

- (a) MEDICAL DIRECTOR will be licensed as a doctor of medicine or osteopathy in the State of State's Name without restriction or subject to any disciplinary or corrective action and is Board Certified in a related specialty;
- (b) MEDICAL DIRECTOR shall have experience in hospice or palliative care or meet the minimum applicable training requirements in end of life care as determined by hospice policies and/or position description.
- (c) MEDICAL DIRECTOR will be a member in good standing of the active category of the Medical Staff of Washington Medical Board without restriction or subject to any disciplinary or corrective action; and
- (d) MEDICAL DIRECTOR will abide by the Bylaws and Rules and Regulations of Continuum Care of Snohomish LLC and the medical staff; by the policies and procedures of CONTINUUM CARE OF SNOHOMISH LLC; and in direct compliance with all state, federal, local and CHAP rules, regulations, and standards.

2.2. Duties and Responsibilities of MEDICAL DIRECTOR.

- (a) MEDICAL DIRECTOR is responsible for the submission to CONTINUUM CARE OF SNOHOMISH LLC of documentation of services provided as appropriate.
- (b) MEDICAL DIRECTOR will be a participating member of the hospice interdisciplinary group of the ORGANIZATION and participate in the annual evaluation.
- (c) MEDICAL DIRECTOR will advise and/or assist in the resolution of concerns/conflicts involving physicians utilizing the services of CONTINUUM CARE OF SNOHOMISH LLC.

- (d) MEDICAL DIRECTOR will perform face-to-face encounters as necessary.
- (e) MEDICAL DIRECTOR will review and sign initial hospice certifications of terminal illness, and recertification as indicated.
- (f) MEDICAL DIRECTOR will review necessary data from the referral source in order to validate the diagnosis and life-limiting prognosis established by the attending physician.
- (g) MEDICAL DIRECTOR will review the clinical records and/or performing a medical examination to confirm the appropriateness of services.
- (h) MEDICAL DIRECTOR will assist in the development and implementation of the plan of care that is coordinated with the attending physician.
- (i) MEDICAL DIRECTOR will insure the availability of physician services and provide a substitute in the absence of the attending physician.

2.3. Responsibilities of CONTINUUM CARE OF SNOHOMISH LLC. To provide skilled services to patients admitted by CONTINUUM CARE OF SNOHOMISH LLC according to its policies on acceptance of patients for service, state rules and regulations, local laws, Federal Conditions of Participation and CHAP standards.

The Administrator of hospice will provide MEDICAL DIRECTOR with an orientation to the hospice program. Additional informational materials will be provided, as needed, throughout the term of the agreement. Verbal reports on the status of Continuum Care of King will be provided at least biannually at the Professional Advisory Committee meetings. The Administrator of hospice will be accessible to the MEDICAL DIRECTOR and will facilitate coordination and continuity of services to patients.

CONTINUUM CARE OF SNOHOMISH LLC retains all responsibility and authority for the patient admission process; patient assessment; the development, review and revision of the plan of care; the coordination, supervision and evaluation of the patient care provided; the scheduling of visits or hours; and discharge planning.

CONTINUUM CARE OF SNOHOMISH LLC will ensure the quality and utilization of services in accordance with its quality management program. The Administrator of hospice is responsible for the monitoring and control of services provided.

CONTINUUM CARE OF SNOHOMISH LLC will provide MEDICAL DIRECTOR with any changes to these rules, regulations and standards and allow MEDICAL DIRECTOR at least 30 days to meet these changes.

Compliance with Standards. MEDICAL DIRECTOR will perform all services and duties under this Agreement in strict accordance with all laws, rules, regulations, ordinances, and judicial and administrative interpretations thereof, of the United States, the State of Washington

- 2.4. The state of Washington, the County of King, and all political subdivisions, agencies, and instrumentalities of any of them, as well as with the bylaws, rules, regulations, guidelines, policies, and procedures of CONTINUUM CARE OF SNOHOMISH LLC, as all of the foregoing may from time to time be in effect. Particularly, and not by way of limitation, MEDICAL DIRECTOR will comply with the Washington's Medical Practice Act or Osteopathic Practice Act and all rules and regulations of the Washington State Board of Medical Examiners or State Board of Osteopathic Physicians and will do everything necessary to maintain in effect his license as a doctor of medicine or osteopathy within the State of Washington
- 2.5. Insurance. The MEDICAL DIRECTOR and all physicians who may provide services hereunder for MEDICAL DIRECTOR will at all times throughout the term of this Agreement maintain professional liability insurance in an amount no less than the greater of (i) the amount required by the Medical Staff Bylaws or (ii) \$1,000,000 per occurrence and \$3,000,000 in the aggregate.

Moreover, in the event that MEDICAL DIRECTOR (or any physician providing services hereunder for MEDICAL DIRECTOR) ceases to provide services hereunder, and upon the termination or expiration of this Agreement, the MEDICAL DIRECTOR (and each physician) whose insurance is "claims made" insurance rather than "occurrence" insurance will either (i) purchase "tail" coverage to continue the liability insurance coverage for the period during which the Physician rendered services hereunder or (ii) continue in full force and effect the same level of liability insurance coverage on a claims made basis until the longest statute of limitations for minors is tolled until they reach the age of majority). The MEDICAL DIRECTOR and each physician will deliver to CONTINUUM CARE OF SNOHOMISH LLC at least annually in advance a certificate of insurance evidencing the required coverage, both during the term of this Agreement and thereafter.

Said insurance will cover all of the MEDICAL DIRECTOR 's professional services provided to patients of CONTINUUM CARE OF SNOHOMISH LLC and his private medical practice, as well as his activities and responsibilities as a member of the Medical Staff, including but not be limited to peer review and credentialing activities. On or before the effective date of this Agreement, MEDICAL DIRECTOR will have delivered to the Administrator/Executive Director of CONTINUUM CARE OF SNOHOMISH LLC a certificate or certificates of insurance evidencing such coverage.

- 2.6. Time. MEDICAL DIRECTOR will devote such time and attention as is necessary to fulfill his or her duties and responsibilities. MEDICAL DIRECTOR will be available for on-call consultation, assistance and decisions regarding patient care. MEDICAL DIRECTOR will be responsible for arranging for coverage when he is unavailable; however, prior approval of any physician providing coverage for MEDICAL DIRECTOR must be obtained from the Administrator/Executive Director of CONTINUUM CARE OF SNOHOMISH LLC

- 2.7. Disclosure of Information. MEDICAL DIRECTOR recognizes and acknowledges that he will have access to certain confidential information of the ORGANIZATION and that such information constitutes valuable, special and unique property of the ORGANIZATION. MEDICAL DIRECTOR will not, during or after the term of this Agreement, without the consent of the ORGANIZATION disclose any such confidential information to any other person, firm, corporation, association, or other entity for any reason or purpose whatsoever except as may be ordered by a court or governmental agency or as may otherwise be required by law. In the event of a breach or a threatened breach by MEDICAL DIRECTOR

of the provisions of this paragraph, the ORGANIZATION will be entitled to an injunction restraining MEDICAL DIRECTOR from disclosing in whole or in part any confidential information. Nothing herein will be construed as prohibiting the ORGANIZATION from pursuing any other remedies available to it for such breach or threatened breach, including the recovery of damages from MEDICAL DIRECTOR.

- 2.7. Financial Obligation. MEDICAL DIRECTOR will incur no financial obligation on behalf of the ORGANIZATION or for which the ORGANIZATION will be responsible without prior approval of the Administrator.
- 2.9 Billing. The MEDICAL DIRECTOR will not charge patients for services rendered as MEDICAL DIRECTOR of the ORGANIZATION. The professional fees charged to patients will be for professional services rendered to individual patients only. Such fees will be separate from ORGANIZATION fees to the patient for ORGANIZATION services, including services performed by any physician as MEDICAL DIRECTOR.
- 2.10 Services. MEDICAL DIRECTOR will perform all obligations of MEDICAL DIRECTOR under this Agreement at the ORGANIZATION's principle place of business, CONTINUUM CARE OF SNOHOMISH LLC 's 2300 Clayton Rd, Suite 1220 Concord, CA 94520. All communications to ORGANIZATION will be directed to the Administrator at such address and the ORGANIZATION's Administrator will have full authority to communicate to MEDICAL DIRECTOR on behalf of ORGANIZATION.

1. OBLIGATIONS OF ORGANIZATION

- 3.1. Compensation. For all services provided by MEDICAL DIRECTOR pursuant to this Agreement, ORGANIZATION will pay MEDICAL DIRECTOR as follows:

\$4000 Monthly Stipend

2. INDEPENDENT CONTRACTOR

In the performance of all services pursuant to this Agreement, MEDICAL DIRECTOR is at all times acting as an independent contractor engaged in the profession and practice of medicine or osteopathy. MEDICAL DIRECTOR will employ his own means and methods and exercise his own professional judgment in the performance of such services, and Continuum Care of King will have no right of control or direction with respect to such means, methods or judgments, or with respect to the details of such services. The only concern of Continuum Care of King under this Agreement or otherwise is that, irrespective of the means selected, such services will be provided in a competent, efficient and satisfactory manner. It is expressly agreed that MEDICAL DIRECTOR will not for any purpose be deemed to be an employee, agent, partner, joint venture, ostensible or apparent agent, servant, or borrowed servant of Continuum Care of King. MEDICAL DIRECTOR, and all physicians and other individuals providing services pursuant to this Agreement, will not have any claim against Continuum Care of King for vacation pay, sick leave, retirement benefits, social security, workers' compensation, disability or unemployment insurance benefits, or employee benefits of any kind.

5. DURATION AND TERMINATION

- 5.1. Term. This Agreement will continue in effect for a term of one (1) calendar year from the effective date and thereafter from year to year thereafter unless terminated sooner as hereinafter set forth.
- 5.2. Termination. Either party at any time may terminate the Agreement, with or without cause, by giving written notice of such termination to the other party at least 30 days prior to the date on which the termination is to be effective, such date to be specified in the notice. Notwithstanding the above, if MEDICAL DIRECTOR fails to comply with any or all of the requirements set forth in Section 2, of this Agreement at any time during this Agreement, ORGANIZATION will be entitled to terminate this Agreement effective immediately.
- 5.3. Modification or Renewal. The payment provisions of this Agreement may not be altered or modified during any 12-month term. Moreover, following termination without cause, the parties will not enter into the same or a similar contract with each other unless the new contract does not have the effect of altering or modifying the previous Agreement's payment provisions within a 12-month period. The intent of this provision is to prohibit the parties from terminating this Agreement without cause and then entering into a new contract in order to alter or modify the payment provisions within a period of less than one (1) year.

6. MISCELLANEOUS

- 6.1. Governing Law. This Agreement will be subject to and governed by the laws of the State of Washington.
- 6.2. Remedies. All rights, powers and remedies granted to either party by any particular term of this Agreement are in addition to, and not in limitation of, any rights, powers or remedies which it has under any other term of this Agreement, at common law, in equity, by statute, or otherwise. All such rights, powers and remedies may be exercised separately or concurrently, in such order and as often as may be deemed expedient by either party. No delay or omission by either party to exercise any right, power or remedy will impair such right, power or remedy or be construed to be a waiver of or an acquiescence to any breach or default. A waiver by either party of any breach or default hereunder will not constitute a waiver of any subsequent breach or default.
- 6.3. Amendment. No amendment or variation of the terms of this Agreement will be valid unless in writing and signed by both parties in the manner provided in Section 6.11 of this Agreement.
- 6.4. Assignment. Neither this Agreement nor any rights, powers or duties hereunder may be assigned by either party without the express written consent of the other party, and any such unauthorized assignment will be void. If any such unauthorized assignment is attempted by either party, the other party will have the power, at its election, to terminate this Agreement effective immediately. Further, MEDICAL DIRECTOR may not subcontract or otherwise arrange for another individual or entity to perform his

duties under this Agreement, with the exception of the limited coverage provisions set out in Section 2.5, of this Agreement.

- 6.5. Captions. The captions for each Paragraph of this Agreement are included for convenience of reference only and are not to be considered a part hereof, and will not be deemed to modify, restrict or enlarge any of the terms of provisions of this Agreement.
- 6.6. Notice. Any notice required or permitted to be given under this Agreement will be sufficient if in writing and hand delivered or sent by certified or registered mail, return receipt requested, addressed as follows:

CONTINUUM CARE OF SNOHOMISH LLC
Attn: Cristi Keith
1000 SE Everett Mall Way Suite 402
Everett, WA 98208

or to any other address as may be given by either party to the other by notice in writing pursuant to the provisions of this Section.

- 6.7. Severability. In the event that any provision of the Agreement is held to be unenforceable for any reason, the unenforceability of that provision will not affect the remainder of this Agreement, which will remain in full force and effect in accordance with its terms.
- 6.8. Fraud and Abuse. The parties enter into this Agreement with the intent of conducting their relationship in full compliance with applicable state, local, and federal law including the Medicare/Medicaid Anti-fraud and Abuse Amendments. Notwithstanding any unanticipated effect of any of the provisions herein, neither party will intentionally conduct itself under the terms of this Agreement in a manner to constitute a violation of the Medicare and Medicaid fraud and abuse provisions. Further, if legislation is passed, the effect of which would be to hinder ORGANIZATION's ability to obtain reimbursement from Medicare/Medicaid due to the existence of this Agreement, or if this Agreement becomes illegal under any subsequent law or regulation, then this Agreement will terminate immediately.
- 6.9. Access to Books and Records of Subcontractor. Upon the written request of the Secretary of Health and Human Services or the Comptroller General or any of their duly authorized representatives, the MEDICAL DIRECTOR will make available those contracts, books, documents, and records necessary to verify the nature and extent of the costs of providing services under this Agreement. Such inspection will be available up to four (4) years after the rendering of such services. If the MEDICAL DIRECTOR carries out any of the duties of this Agreement through a subcontract with a value of \$10,000 or more over a 12-month period with a related individual or ORGANIZATION, the MEDICAL DIRECTOR agrees to include this requirement in any such subcontract. This section is included pursuant to and is governed by the requirements of Public Law 96-+99, Sec. 952 (Sec. 1861(v)(1) of the Social Security Act) and the regulations promulgated thereunder. No attorney-client, accountant-client or other legal privilege

will be deemed to have been waived by the ORGANIZATION or the MEDICAL DIRECTOR by virtue of this Agreement.

- 6.10. Policy. *Nothing contained in this Agreement will require MEDICAL DIRECTOR or any physician to admit or refer any patients to CONTINUUM CARE OF SNOHOMISH LLC as a precondition to receiving the benefits set forth herein except insofar as the CONTINUUM CARE OF SNOHOMISH LLC's bylaws may now or in the future establish minimum requirements for eligibility for active staff privileges.*
- 6.11. Entire Agreement. This Agreement constitutes the entire Agreement between the parties with respect to the subject matter hereof, and supersedes any and all other agreements, understandings, negotiations, or representations, oral or written, between them.
- 6.12. Execution in Counterparts. This Agreement and any amendments hereto will be executed in multiple counterparts by MEDICAL DIRECTOR and by the Administrator/Executive Director of CONTINUUM CARE OF SNOHOMISH LLC for and on behalf of ORGANIZATION. Each counterpart will be deemed an original but all counterparts together will constitute one and the same instrument.
- 6.13. Authorization for Agreement. The execution and performance of this Agreement by ORGANIZATION and MEDICAL DIRECTOR have been duly authorized by all necessary laws, resolutions, and corporate action, and this Agreement constitutes the valid and enforceable obligations of MEDICAL DIRECTOR and ORGANIZATION in accordance with its terms.

In WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

By: _____  _____ Date: 1/30/19 _____

Dr. Alexandre De Moraes , MD

By: _____ Date: _____

Samuel Stern



Exhibit 3: Lease Agreement

LEASE AGREEMENT
(Multi-Tenant Triple Net (NNN) Lease)

THIS LEASE AGREEMENT (the "Lease") is entered into and effective as of **January 16, 2019** between **Pflueger – Everett Holdings, LLC, a Washington State Limited Liability Company** ("Landlord"), and **Continuum Care of Snohomish, LLC, a Washington State Limited Liability Company** ("Tenant"). Landlord and Tenant agree as follows:

1. LEASE SUMMARY.

- a. **Leased Premises.** The leased commercial real estate consists of an agreed area of **1,075** rentable square feet and is outlined on the floor plan attached as Exhibit A (the "Premises"); ii) is located on the land legally described on attached Exhibit B; and iii) is commonly known as **1000 SE Everett Mall Way, Suite 402, Everett, WA 98208** (suite number and address). The Premises do not include, and Landlord reserves, the exterior walls and roof of the building in which the Premises are located (the "Building"), the land beneath the Building, the pipes and ducts, conduits, wires, fixtures, and equipment above the suspended ceiling; and the structural elements of the Building. The Building, the land upon which it is situated, all other improvements located on such land, and all common areas appurtenant to the Building are referred to as the "Property." The Building and all other buildings on the Property as of the date of this Lease consist of an agreed area of **69,484** rentable square feet.
- b. **Lease Commencement Date.** The term of this Lease shall be for a period of **sixty-three (63)** months and shall commence **February 1, 2019** by Landlord and Tenant or such earlier or later date as provided in Section 3 (the "Commencement Date").
- c. **Lease Termination Date.** The term of this Lease shall terminate at midnight **June 30, 2024**, or such earlier or later date as provided in Section 3 (the "Termination Date"). Tenant shall have no right or option to extend this Lease, unless otherwise set forth in a rider attached to this Lease (e.g., Option to Extend Rider, CBA Form OR).
- d. **Base Rent.** The base monthly rent shall be (check one): **\$NA**, or according to the Rent Rider attached hereto ("Base Rent"). Rent shall be payable at Landlord's address shown in Section 1(h) below, or such other place designated in writing by Landlord.
- e. **Prepaid Rent.** Upon mutual execution and delivery of this Lease by Landlord and Tenant, Tenant shall deliver to Landlord the sum of **\$2,164.33**, to be applied as prepaid Base Rent for the fourth (4th) month of the Lease and Operating Costs for the first (1st) month of the Lease.
- f. **Tenant Improvements.** Attached Exhibit C sets forth all Landlord's Work, if any, and all tenant improvements to be completed by Tenant (the "Tenant's Work"), if any, that will be performed on the Premises. Responsibility for design, payment and performance of all such work shall be as set forth on attached Exhibit C. If Tenant fails to notify Landlord of any defects in the Landlord's Work within thirty (30) days of delivery of possession to Tenant, Tenant shall be deemed to have accepted the Premises in their then condition. If Tenant discovers any major defects in the Landlord's Work during this 30-day period that would prevent Tenant from using the Premises for the Permitted Use, Tenant shall notify Landlord and the Commencement Date shall be delayed until after Landlord has notified Tenant that Landlord has corrected the major defects and Tenant has had five (5) days to inspect and approve the Premises. The Commencement Date shall not be delayed if Tenant's inspection reveals minor defects in the Landlord's Work that will not prevent Tenant from using the Premises for the Permitted Use. Tenant shall prepare a punch list of all

LEASE AGREEMENT
(Multi-Tenant Triple Net (NNN) Lease)
(Continued)

minor defects in Landlord's Work and provide the punch list to Landlord, which Landlord shall promptly correct

- g. **Security Deposit.** Upon execution of this Lease, Tenant shall deliver to Landlord the sum of **\$2,433.08**, to be held as a security deposit pursuant to Section 5 below. The security deposit shall be in the form of (check one): cash, or letter of credit according to the Letter of Credit Rider (CBA Form LCR) attached hereto.
- h. **Permitted Use.** The Premises shall be used only for **general office and administrative use** and for no other purpose without the prior written consent of Landlord (the "Permitted Use").
- i. **Notice and Payment Addresses.**

Landlord Notice: **Pflueger – Everett Holdings, LLC**
c/o Colliers International Real Estate Management Services (WA), LLC
601 Union Street, Suite 5300
Seattle, WA 98101
John.Bausch@colliers.com

Payment Address: **Pflueger – Everett Holdings, LLC - Everett Mall II – Unit 402**
C/O Colliers International
P.O. Box 4857, Portland OR 97208-4857

Tenant: It is expressly understood between the parties hereto that Lessee's employees stationed at the Premises are not empowered to give instruction regarding the leasehold and furthermore that all notices to be served by the Lessor upon the Lessee shall be in writing addressed to

Continuum Care of Snohomish County, LLC
Attn: Ariel Joudai
1000 SE Everett Mall Way, Suite 402,
Everett, WA 98208
Email:
Telephone:
Cell:

- j. **Tenant's Pro Rata Share.** Landlord and Tenant agree that Tenant's Pro Rata Share is **1.55%**, based on the ratio of the agreed rentable area of the Premises to the agreed rentable area of the Building and all other buildings on the Property as of the date of this Lease. Any adjustment to the Premises' or Building's rentable floor area measurements will be reflected in an adjustment to Tenant's Base Rent or Pro Rata Share.

2. PREMISES.

- a. **Lease of Premises.** Landlord leases to Tenant, and Tenant leases from Landlord, the Premises upon the terms specified in this Lease.
- b. **Acceptance of Premises.** Except as specified elsewhere in this Lease, Landlord warrants the structural condition of the Premises and condition of the mechanical, electrical and other systems serving the Premises are in good working order as of the Lease Commencement Date. Except for any tenant improvements to be completed by Landlord as described on attached Exhibit C (the "Landlord's Work"), Tenant shall be responsible for performing any work necessary to bring the Premises into a condition satisfactory to Tenant. By signing this Lease, Tenant acknowledges that

LEASE AGREEMENT
(Multi-Tenant Triple Net (NNN) Lease)
(Continued)

it has had an adequate opportunity to investigate the Premises; acknowledges responsibility for making any corrections, alterations and repairs to the Premises (other than the Landlord's Work); and acknowledges that the time needed to complete any such items shall not delay the Commencement Date.

- c. **Tenant Improvements.** Attached Exhibit C sets forth procedures for all tenant improvements to be completed by Tenant (the "Tenant's Work"), if any, that will be performed on the Premises. Tenant shall be responsible for design, payment and performance of all such work

3. TERM. The term of this Lease shall commence on the earlier of (i) the Commencement Date specified in Section 1 (i.e., February 1, 2019), or (ii) on the date of a certificate of occupancy denoting that the Premises are ready for occupancy.

- a. **Early Possession.** If Landlord permits Tenant to possess and occupy the Premises prior to the Commencement Date specified in Section 1, then such early occupancy shall not advance the Commencement Date or the Termination Date set forth in Section 1, but otherwise all terms and conditions of this Lease shall nevertheless apply during the period of early occupancy before the Commencement Date.

- b. **Delayed Possession.** Landlord shall act diligently to make the Premises available to Tenant; provided, however, neither Landlord nor any agent or employee of Landlord shall be liable for any damage or loss due to Landlord's inability or failure to deliver possession of the Premises to Tenant as provided in this Lease. If possession is delayed, the Commencement Date set forth in Section 1 shall also be delayed. In addition, the Termination Date set forth in Section 1 shall be modified so that the length of the Lease term remains the same. If Landlord does not deliver possession of the Premises to Tenant within ___ days (sixty (60) days if not filled in) after the Commencement Date specified in Section 1, Tenant may elect to cancel this Lease by giving written notice to Landlord within ten (10) days after such time period ends. If Tenant gives such notice of cancellation, the Lease shall be cancelled, all prepaid rent and security deposits shall be refunded to Tenant, and neither Landlord nor Tenant shall have any further obligations to the other. The first "Lease year" shall commence on the Commencement Date and shall end on the date which is twelve (12) months from the end of the month in which the Commencement Date occurs. Each successive Lease year during the initial term and any extension terms shall be twelve (12) months, commencing on the first day following the end of the preceding Lease year. To the extent that the tenant improvements are not completed in time for the Tenant to occupy or take possession of the Premises on the Commencement Date due to the failure of Tenant to fulfill any of its obligations under this Lease, the Lease shall nevertheless commence on the Commencement Date set forth in Section 1.

- c. **Early Termination.** Tenant shall be permitted to terminate this Lease without cause, effective at any time after the sixth (6th) Lease month upon providing notice of termination to the Landlord together with a true and correct copy of a denial letter for the Premises from the State of Washington Department of Health (the "County"), provided however, that Tenant's right to terminate this Lease hereunder shall lapse upon the issuance of a Certificate of Need for the Premises by the County.

4. RENT.

- a. **Payment of Rent.** Tenant shall pay Landlord without notice, demand, deduction or offset, in lawful money of the United States, the monthly Base Rent stated in Section 1 in advance on or before the first day of each month during the Lease term beginning on (check one): the Commencement

LEASE AGREEMENT
(Multi-Tenant Triple Net (NNN) Lease)
(Continued)

Date, or _____ (if no date specified, then on the Commencement Date), and shall also pay any other additional payments due to Landlord ("Additional Rent"), including Operating Costs (collectively the "Rent") when required under this Lease. Payments for any partial month at the beginning or end of the Lease shall be prorated. All payments due to Landlord under this Lease, including late fees and interest, shall also constitute Additional Rent, and upon failure of Tenant to pay any such costs, charges or expenses, Landlord shall have the same rights and remedies as otherwise provided in this Lease for the failure of Tenant to pay rent.

- b. **Triple Net Lease.** This Lease is what is commonly called a "Net, Net, Net" or "triple-net" Lease, which means that, except as otherwise expressly provided herein, Landlord shall receive all Base Rent free and clear of any and all other impositions, taxes, liens, charges or expenses of any nature whatsoever in connection with the ownership and operation of the Premises. In addition to Base Rent, Tenant shall pay to the parties respectively entitled thereto, or satisfy directly, all Additional Rent and other impositions, insurance premiums, repair and maintenance charges, and any other charges, costs, obligations, liabilities, requirements, and expenses, including without limitation the Operating Costs described in Section 8, which arise with regard to the Premises or may be contemplated under any other provision of the Lease during its term, except for costs and expenses expressly made the obligation of Landlord in this Lease. The 2019 estimated NNN expenses are \$9.66 per rentable square foot per year.
- c. **Late Charges; Default Interest.** If any sums payable by Tenant to Landlord under this Lease are not received within five (5) business days after their due date, Tenant shall pay Landlord an amount equal to the greater of \$100 or five percent (5%) of the delinquent amount for the cost of collecting and handling such late payment in addition to the amount due and as Additional Rent. All delinquent sums payable by Tenant to Landlord and not paid within five (5) business days after their due date shall, at Landlord's option, bear interest at the rate of ten percent (10%) per annum, or the highest rate of interest allowable by law, whichever is less (the "Default Rate"). Interest on all delinquent amounts shall be calculated from the original due date to the date of payment.
- d. **Less Than Full Payment.** Landlord's acceptance of less than the full amount of any payment due from Tenant shall not be deemed an accord and satisfaction or compromise of such payment unless Landlord specifically consents in writing to payment of such lesser sum as an accord and satisfaction or compromise of the amount which Landlord claims. Any portion that remains to be paid by Tenant shall be subject to the late charges and default interest provisions of this Section 4.

5. SECURITY DEPOSIT. Upon execution of this Lease, Tenant shall deliver to Landlord the security deposit specified in Section 1 above. Landlord's obligations with respect to the security deposit are those of a trustee and not of a debtor, and Landlord may commingle the security deposit with its other funds. If Tenant breaches any covenant or condition of this Lease, including but not limited to the payment of Rent, Landlord may apply all or any part of the security deposit to the payment of any sum in default and any damage suffered by Landlord as a result of Tenant's breach. Tenant acknowledges, however, that the security deposit shall not be considered as a measure of Tenant's damages in case of default by Tenant, and any payment to Landlord from the security deposit shall not be construed as a payment of liquidated damages for Tenant's default. If Landlord applies the security deposit as contemplated by this Section, Tenant shall, within five (5) days after written demand therefore by Landlord, deposit with Landlord the amount so applied. If Tenant complies with all of the covenants and conditions of this Lease throughout the Lease term, the security deposit shall be repaid to Tenant with interest within thirty (30) days after the surrender of the Premises by Tenant in the condition required hereunder by Section 13 of this Lease.

6. USES. The Premises shall be used only for the Permitted Use specified in Section 1 above, and for no other business or purpose without the prior written consent of Landlord. No act shall be done on or around

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the Premises that is unlawful or that will increase the existing rate of insurance on the Premises, the Building, or the Property, or cause the cancellation of any insurance on the Premises, the Building, or the Property. Tenant shall not commit or allow to be committed any waste upon the Premises, or any public or private nuisance. Tenant shall not do or permit anything to be done on the Premises, the Building, or the Property which will obstruct or interfere with the rights of other tenants or occupants of the Property, or their employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees or to injure or annoy such persons.

7. COMPLIANCE WITH LAWS. Tenant shall not cause or permit the Premises to be used in any way which violates any law, ordinance, or governmental regulation or order. Landlord represents to Tenant that, as of the Commencement Date, to Landlord's knowledge, but without duty of investigation, and with the exception of any Tenant's Work, the Premises comply with all applicable laws, rules, regulations, or orders, including without limitation, the Americans With Disabilities Act, if applicable, and Landlord shall be responsible to promptly cure at its sole cost any noncompliance which existed on the Commencement Date. Tenant shall be responsible for complying with all laws applicable to the Premises as a result of the Permitted Use, and Tenant shall be responsible for making any changes or alterations as may be required by law, rule, regulation, or order for Tenant's Permitted Use at its sole cost and expense. Otherwise, if changes or alterations are required by law, rule, regulation, or order unrelated to the Permitted Use, Landlord shall make changes and alterations at its expense.

8. OPERATING COSTS.

- a. **Definition.** As used herein, "Operating Costs" shall mean all costs of operating, maintaining and repairing the Premises, the Building, and the Property, determined in accordance with generally accepted accounting principles, and including without limitation the following: all taxes and assessments (including, but not limited to, real and personal property taxes and assessments, local improvement district assessments and other special purpose assessments, and taxes on rent or gross receipts); insurance premiums paid by Landlord and (to the extent used) deductibles for insurance applicable to the Property; water, sewer and all other utility charges (other than utilities separately metered and paid directly by Tenant or other tenants); janitorial and all other cleaning services; refuse and trash removal; supplies, materials, tools, and equipment used in the operation, repair, and maintenance of the Property; refurbishing and repainting; carpet replacement; to the extent serving areas other than just the Premises, heating, ventilation and air conditioning ("HVAC") service and repair and replacement of HVAC when necessary; elevator service and repair and replacement of elevators when necessary; pest control; lighting systems, fire detection and security services; landscape maintenance; management (fees and/or personnel costs); parking lot, road, sidewalk and driveway patching, resurfacing and maintenance; snow and ice removal; repair, maintenance, and, where reasonably required, replacement of signage; amortization of capital improvements as Landlord may in the future install to comply with governmental regulations and rules or undertaken in good faith with a reasonable expectation of reducing operating costs (the useful life of which shall be a reasonable period of time as determined by Landlord); costs of legal services (except those incurred directly relating to a particular occupant of the Building); and accounting services, labor, supplies, materials and tools. Landlord and Tenant agree that if the Building is not ninety-five percent (95%) occupied during any calendar year (including the Base Year, if applicable), on a monthly average, then those portions of the Operating Costs that are driven by occupancy rates, as reasonably determined by Landlord, shall be increased to reflect the Operating Costs of the Building as though it were ninety-five percent (95%) occupied and Tenant's Pro Rata Share of Operating Costs shall be based upon Operating Costs as so adjusted. Operating Costs shall not include: Landlord's income tax or general corporate overhead; depreciation on the Building or equipment therein; loan payments; real estate broker's commissions; capital improvements to or major repairs of the Building shell (i.e., the Building structure, exterior walls, roof, and structural floors and foundations), except as described above; or any costs regarding the

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operation, maintenance and repair of the Premises, the Building, or the Property paid directly by Tenant or other tenants in the Building, or otherwise reimbursed to Landlord. If Tenant is renting a pad separate from any other structures on the Property for which Landlord separately furnishes the services described in this paragraph, then the term "Operating Costs" shall not include those costs of operating, repairing, and maintaining the enclosed mall which can be separately allocated to the tenants of the other structures. Operating Costs which cannot be separately allocated to the tenants of other structures may include but are not limited to: insurance premiums; taxes and assessments; management (fees and/or personnel costs); exterior lighting; parking lot, road, sidewalk and driveway patching, resurfacing and maintenance; snow and ice removal; and costs of legal services and accounting services.

- b. **Type of Payment.** Options one and two below address the manner in which Operating Costs are paid under this Lease. To select the pure triple net option, check option 1. To select the base year option, check option 2.

OPTION ONE: TRIPLE NET. As additional Rent, Tenant shall pay to Landlord on the first of each month with payment of Tenant's base Rent one-twelfth of Tenant's Pro Rata Share of Operating Costs.

OPTION TWO: BASE YEAR. The Base Rent paid by Tenant under this Lease includes Tenant's Pro Rata Share of Operating Costs for the calendar year in which the Commencement Date occurs (the "Base Year"). As additional Rent, Tenant shall pay to Landlord on the first day of each month commencing on the first day of the first year after the Commencement Date, with Tenant's payment of Base Rent, one-twelfth of the amount, if any, by which Tenant's Pro Rata Share of Operating Costs exceeds Tenant's annualized Pro Rata Share of Operating Costs for the Base Year.

- c. **Method of Payment.** Tenant shall pay to Landlord Operating Costs pursuant to the following procedure:

- (i) Landlord shall provide to Tenant, at or before the Commencement Date, a good faith estimate of annual Operating Costs for the calendar year in which the Commencement Date occurs. Landlord shall also provide to Tenant, as soon as possible following the first day of each succeeding calendar year, a good faith estimate of Tenant's annual Pro Rata Share of Operating Costs for the then-current year.
- (ii) Each estimate of Tenant's annual Pro Rata Share of Operating Costs determined by Landlord, as described above, shall be divided into twelve (12) equal monthly installments. If Tenant pays Operating Costs under Option One, Tenant shall pay to Landlord such monthly installment of Operating Costs with each monthly payment of Base Rent. If Tenant pays Operating Costs under Option Two, Tenant shall pay to Landlord with each monthly payment of Base Rent the amount, if any, by which such monthly installments of Operating Costs exceed one twelfth of Tenant's annualized Pro Rate Share of Operating Costs for the Base Year. In the event the estimated amount of Tenant's Pro Rata Share of Operating Costs has not yet been determined for any calendar year, Tenant shall pay the monthly installment in the estimated amount determined for the preceding calendar year until the estimate for the current calendar year has been provided to Tenant. When the estimate for the current calendar year is received, Tenant shall then pay any shortfall or receive a credit for any surplus for the preceding months of the current calendar year and shall, thereafter, make the monthly installment payments in accordance with the current estimate.

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- (iii) As soon as reasonably possible following the end of each calendar year of the Lease term, Landlord shall determine and provide to Tenant a statement (the "Operating Costs Statement") setting forth the amount of Operating Costs actually incurred and the amount of Tenant's Pro Rata Share of Operating Costs actually payable by Tenant with respect to such calendar year. In the event the amount of Tenant's Pro Rata Share of Operating Costs exceeds the sum of the monthly installments actually paid by Tenant for such calendar year, Tenant shall pay to Landlord the difference within thirty (30) days following receipt of the Operating Costs Statement. In the event the sum of the monthly installments actually paid by Tenant for such calendar year exceeds the amount of Tenant's Pro Rata Share of Operating Costs actually due and owing, the difference shall be applied as a credit to Tenant's future Pro Rata Share of Operating Costs payable by Tenant pursuant to this Section, or if the term has expired, the excess shall be refunded to Tenant within thirty (30) days after delivery of such Operating Costs Statement.
- (iv) Should Tenant dispute any amount shown on the Operating Costs Statement, Tenant may audit Landlord's books and records for the calendar year covered by such Operating Costs Statement upon written notice to Landlord given within ninety (90) days after Tenant's receipt of such Operating Costs Statement. If Tenant fails to provide notice of dispute within such ninety (90) day period, the Operating Costs Statement shall be final and conclusive. Any audit conducted by Tenant shall be completed within sixty (60) days after Tenant's request therefor. In the event the amount of Tenant's Pro Rata Share of Operating Costs exceeds the sum of the monthly installments actually paid by Tenant for such calendar year, Tenant shall pay to Landlord the difference within thirty (30) days following completion of the audit. In the event the sum of the monthly installments actually paid by Tenant for such calendar year exceeds the amount of Tenant's Pro Rata Share of Operating Costs actually due and owing, the difference shall be applied as a credit to Tenant's future Pro Rata Share of Operating Costs payable by Tenant pursuant to this Section, or if the term has expired, the excess shall be refunded to Tenant within thirty (30) days after completion of the audit. Landlord and Tenant shall cooperate as may be reasonably necessary in order to facilitate the timely completion of any audit. Nothing in this section shall in any manner modify Tenant's obligations to make payments as and when provided under this Lease.

9. UTILITIES AND SERVICES. Landlord shall provide the Premises the following services, the cost of which shall be included in the Operating Costs, to the extent not separately metered to the Premises: water, electricity, and HVAC from 7:00 a.m. to 6:00 p.m. Monday to Friday; and 8:00 a.m. to 1:00 p.m. on Saturday. Landlord shall provide janitorial service to the Premises and Building five (5) nights each week, exclusive of holidays, the cost of which shall also be included in Operating Costs. HVAC services will also be provided by Landlord to the Premises during additional hours on reasonable notice to Landlord, at Tenant's sole cost and expense, at an hourly rate reasonably established by Landlord from time to time and payable by Tenant, as and when billed, as Additional Rent. Notwithstanding the foregoing, if Tenant's use of the Premises incurs utility service charges which are above those usual and customary for the Permitted Use, Landlord reserves the right to require Tenant to pay a reasonable additional charge for such usage. Landlord shall not be liable for any loss, injury or damage to person or property caused by or resulting from any variation, interruption, or failure of utilities due to any cause whatsoever, and Rent shall not abate as a result thereof. 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, except those to be provided by Landlord and included in Operating Costs as described above.

10. TAXES. Tenant shall pay all taxes, assessments, liens and license fees ("Taxes") levied, assessed or imposed by any authority having the direct or indirect power to tax or assess any such liens, related to or required by Tenant's use of the Premises as well as all Taxes on Tenant's personal property located on the

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Premises. Landlord shall pay all taxes and assessments with respect to the Property, including any taxes resulting from a reassessment of the Building or the Property due to a change of ownership or otherwise, all of which shall be included in Operating Costs and subject to partial reimbursement by Tenant as set forth in Section 8.

11. COMMON AREAS.

- a. **Definition.** The term "Common Areas" means all areas, facilities and building systems that are provided and designated from time to time by Landlord for the general non-exclusive use and convenience of Tenant with other tenants and which are not leased or held for the exclusive use of a particular tenant. To the extent that such areas and facilities exist within the Property, Common Areas include hallways, entryways, stairs, elevators, driveways, walkways, terraces, docks, loading areas, restrooms, trash facilities, parking areas and garages, roadways, pedestrian sidewalks, landscaped areas, security areas, lobby or mall areas, common heating, ventilating and air conditioning systems, common electrical service, equipment and facilities, and common mechanical systems, equipment and facilities. Tenant shall comply with reasonable rules and regulations concerning the use of the Common Areas adopted by Landlord from time to time. Without advance notice to Tenant and without any liability to Tenant, Landlord may change the size, use, or nature of any Common Areas, erect improvements on the Common Areas or convert any portion of the Common Areas to the exclusive use of Landlord or selected tenants, so long as Tenant is not thereby deprived of the substantial benefit of the Premises. Landlord reserves the use of exterior walls and the roof, and the right to install, maintain, use, repair and replace pipes, ducts, conduits, and wires leading through the Premises in areas which will not materially interfere with Tenant's use thereof.
- b. **Use of the Common Areas.** Tenant shall have the non-exclusive right, in common with such other tenants to whom Landlord has granted or may grant such rights, to use the Common Areas. Tenant shall abide by rules and regulations adopted by Landlord from time to time and shall use its best efforts to cause its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees to comply with those rules and regulations, and not interfere with the use of Common Areas by others.
- c. **Maintenance of Common Areas.** Landlord shall maintain the Common Areas in good order, condition and repair. This maintenance cost shall be an Operating Cost chargeable to Tenant pursuant to Section 8. In performing such maintenance, Landlord shall use reasonable efforts to minimize interference with Tenant's use and enjoyment of the Premises.

12. ALTERATIONS. Tenant may make alterations, additions or improvements to the Premises, including any Tenant Work identified on attached Exhibit C (the "Alterations"), only with the prior written consent of Landlord, which, with respect to Alterations not affecting the structural components of the Premises or utility systems therein, shall not be unreasonably withheld, conditioned, or delayed. Landlord shall have thirty (30) days in which to respond to Tenant's request for any Alterations so long as such request includes the name of Tenant's contractors and reasonably detailed plans and specifications therefor. The term "Alterations" shall not include the installation of shelves, movable partitions, Tenant's equipment, and trade fixtures that may be performed without damaging existing improvements or the structural integrity of the Premises, the Building, or the Property, and Landlord's consent shall not be required for Tenant's installation or removal of those items. Tenant shall perform all work at Tenant's expense and in compliance with all applicable laws and shall complete all Alterations in accordance with plans and specifications approved by Landlord, using contractors approved by Landlord, and in a manner so as not to unreasonably interfere with other tenants. Tenant shall pay, when due, or furnish a bond for payment (as set forth in Section 20) all claims for labor or materials furnished to or for Tenant at or for use in the Premises, which

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claims are or may be secured by any mechanics' or materialmen's liens against the Premises or the Property or any interest therein. Tenant shall remove all Alterations at the end of the Lease term unless Landlord conditioned its consent upon Tenant leaving a specified Alteration at the Premises, in which case Tenant shall not remove such Alteration, and it shall become Landlord's property. Tenant shall immediately repair any damage to the Premises caused by removal of Alterations.

13. REPAIRS AND MAINTENANCE; SURRENDER. Tenant shall, at its sole expense, maintain the entire Premises in good condition and promptly make all non-structural repairs and replacements necessary to keep the Premises safe and in good condition. Landlord shall maintain and repair the Building structure, foundation, subfloor, exterior walls, roof structure and surface, and HVAC components and other utilities and systems serving more than just the Premises, and the Common Areas, the costs of which shall be included as an Operating Cost. Tenant shall not damage any demising wall or disturb the structural integrity of the Premises, the Building, or the Property and shall promptly repair any damage or injury done to any such demising walls or structural elements caused by Tenant or its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees. Notwithstanding anything in this Section to the contrary, Tenant shall not be responsible for any repairs to the Premises made necessary by the negligence or willful misconduct of Landlord or its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees therein. If the Tenant notifies the Landlord of a repair or maintenance need for the Building structure, foundation, subfloor, exterior walls, roof structure and surface, and HVAC components and other utilities and systems serving more than just the Premises, and the Common Areas, the Landlord will acknowledge receipt of such notification and provide an anticipated repair schedule within five (5) business days. Repairs shall be accomplished within thirty (30) days of receipt of Tenant's notice, unless (i) an alternative repair completion date has been reasonably agreed upon by both parties in writing, or (ii) in the event the repair or maintenance is not reasonably able to be completed within thirty (30) days, Landlord has ordered or commenced the repair or maintenance within that time. If Tenant fails to perform Tenant's obligations under this Section, Landlord may at Landlord's option enter upon the Premises after ten (10) days' prior notice to Tenant and put the same in good order, condition and repair and the cost thereof together with interest thereon at the default rate set forth in Section 4 shall be due and payable as additional rent to Landlord together with Tenant's next installment of Base Rent. If Landlord fails to perform its obligations under this Section, the Tenant will have the right to withhold its next installment of Base Rent until such repairs are completed without being found in default or subject to the late fees in Section 4. Upon expiration of the Lease term, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises, together with all keys, to Landlord in as good condition as when received by Tenant from Landlord or as thereafter improved, reasonable wear and tear and insured casualty excepted.

14. ACCESS AND RIGHT OF ENTRY. After twenty-four (24) hours' notice from Landlord (except in cases of emergency, when no notice shall be required), Tenant shall permit Landlord and its agents, employees and contractors to enter the Premises at all reasonable times to make repairs, inspections, alterations or improvements, provided that Landlord shall use reasonable efforts to minimize interference with Tenant's use and enjoyment of the Premises. This Section shall not impose any repair or other obligation upon Landlord not expressly stated elsewhere in this Lease. After reasonable notice to Tenant, Landlord shall have the right to enter the Premises for the purpose of (a) showing the Premises to prospective purchasers or lenders at any time, and to prospective tenants within one hundred eighty (180) days prior to the expiration or sooner termination of the Lease term; and (b) posting "for lease" signs within one hundred eighty (180) days prior to the expiration or sooner termination of the Lease term.

15. SIGNAGE. Tenant shall obtain Landlord's written consent as to size, location, materials, method of attachment, and appearance, before installing any signs upon the Premises. Tenant shall install any approved signage at Tenant's sole expense and in compliance with all applicable laws. Tenant shall not damage or deface the Premises in installing or removing signage and shall repair any injury or damage to

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the Premises caused by such installation or removal. Landlord will provide building standard lobby and suite signage at Landlord's sole cost.

16. DESTRUCTION OR CONDEMNATION.

- a. **Damage and Repair.** If the Premises or the portion of the Building or the Property necessary for Tenant's occupancy are partially damaged but not rendered untenable, by fire or other insured casualty, then Landlord shall diligently restore the Premises and the portion of the Property necessary for Tenant's occupancy to the extent required below and this Lease shall not terminate. Tenant may, however, terminate the Lease if Landlord is unable to restore the Premises within six (6) months of the casualty event by giving twenty (20) days written notice of termination.

The Premises or the portion of the Building or the Property necessary for Tenant's occupancy shall not be deemed untenable if twenty-five percent (25%) or less of each of those areas are damaged. If insurance proceeds are not available or are not sufficient to pay the entire cost of restoring the Premises, or if Landlord's lender does not permit all or any part of the insurance proceeds to be applied toward restoration, then Landlord may elect to terminate this Lease and keep the insurance proceeds, by notifying Tenant within sixty (60) days of the date of such casualty.

If the Premises, the portion of the Building or the Property necessary for Tenant's occupancy, or fifty percent (50%) or more of the rentable area of the Property are entirely destroyed, or partially damaged and rendered untenable, by fire or other casualty, Landlord may, at its option: (a) terminate this Lease as provided herein, or (b) restore the Premises and the portion of the Property necessary for Tenant's occupancy to their previous condition to the extent required below; provided, however, if such casualty event occurs during the last six (6) months of the Lease term (after considering any option to extend the term timely exercised by Tenant) then either Tenant or Landlord may elect to terminate the Lease. If, within sixty (60) days after receipt by Landlord from Tenant of written notice that Tenant deems the Premises or the portion of the Property necessary for Tenant's occupancy untenable, Landlord fails to notify Tenant of its election to restore those areas, or if Landlord is unable to restore those areas within six (6) months of the date of the casualty event, then Tenant may elect to terminate the Lease upon twenty (20) days' notice to Landlord unless Landlord, within such twenty (20) day period, notifies Tenant that it will in fact restore the Premises or actually completes such restoration work to the extent required below, as applicable.

If Landlord restores the Premises or the Property under this Section, Landlord shall proceed with reasonable diligence to complete the work, and the Rent shall be abated in the same proportion as the untenable portion of the Premises bears to the whole Premises, provided that there shall be a Rent abatement only if the damage or destruction of the Premises or the Property did not result from, or was not contributed to directly or indirectly by the act, fault or neglect of Tenant, or Tenant's employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees. No damages, compensation or claim shall be payable by Landlord for inconvenience, loss of business or annoyance directly, incidentally or consequentially arising from any repair or restoration of any portion of the Premises or the Property. Landlord shall have no obligation to carry insurance of any kind for the protection of Tenant; any alterations or improvements paid for by Tenant; any Tenant's Work identified in Exhibit C (regardless of who may have completed them); Tenant's furniture; or on any fixtures, equipment, improvements or appurtenances of Tenant under this Lease, and Landlord's restoration obligations hereunder shall not include any obligation to repair any damage thereto or replace the same.

- b. **Condemnation.** If the Premises, the portion of the Building or the Property necessary for Tenant's occupancy, or 50% or more of the rentable area of the Property are made untenable by eminent domain, or conveyed under a threat of condemnation, this Lease shall terminate at the option of

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either Landlord or Tenant as of the earlier of the date title vests in the condemning authority or the condemning authority first has possession of the Premises or the portion of the Property taken by the condemning authority. All Rents and other payments shall be paid to that date. If the condemning authority takes a portion of the Premises or of the Building or the Property necessary for Tenant's occupancy that does not render them untenable, then this Lease shall continue in full force and effect and the Rent shall be equitably reduced based on the proportion by which the floor area of any structures is reduced. The reduction in Rent shall be effective on the earlier of the date the condemning authority first has possession of such portion or title vests in the condemning authority. The Premises or the portion of the Building or the Property necessary for Tenant's occupancy shall not be deemed untenable if twenty-five percent (25%) or less of each of those areas are condemned. Landlord shall be entitled to the entire award from the condemning authority attributable to the value of the Premises or the Building or the Property and Tenant shall make no claim for the value of its leasehold. Tenant shall be permitted to make a separate claim against the condemning authority for moving expenses if Tenant may terminate the Lease under this Section, provided that in no event shall Tenant's claim reduce Landlord's award.

17. INSURANCE.

- a. **Tenant's Liability Insurance.** During the Lease term, Tenant shall pay for and maintain commercial general liability insurance. This policy shall name Landlord, its property manager (if any), and other parties designated by Landlord as additional insureds, and shall insure Tenant's activities and those of Tenant's employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees with respect to the Premises against loss, damage or liability for personal injury or bodily injury (including death) or loss or damage to property with a combined single limit of not less than \$2,000,000. Tenant's insurance will be primary and noncontributory with any liability insurance carried by Landlord. Landlord may also require Tenant to obtain and maintain business income coverage for at least six (6) months, business auto liability coverage, and, if applicable to Tenant's Permitted Use, liquor liability insurance and/or warehouseman's coverage.
- b. **Tenant's Property Insurance.** During the Lease term, Tenant shall pay for and maintain property insurance (with coverage for earthquake if required by Landlord's lender and, if the Premises are situated in a flood plain, flood damage) for all of Tenant's personal property, fixtures and equipment in the amount of their full replacement value.
- c. **Miscellaneous.** Tenant's insurance required under this Section shall be with companies rated A-/VII or better in Best's Insurance Guide, and which are admitted in the State in which the Premises are located. No insurance policy shall be cancelled or reduced in coverage. Tenant shall deliver to Landlord upon commencement of the Lease and from time to time thereafter, certificates of insurance. In no event shall the limits of such policies be considered as limiting the liability of Tenant under this Lease. If Tenant fails to acquire or maintain any insurance or provide any policy or evidence of insurance required by this Section, and such failure continues for three (3) days after notice from Landlord, Landlord may, but shall not be required to, obtain such insurance for Landlord's benefit and Tenant shall reimburse Landlord for the costs of such insurance upon demand. Such amounts shall be Additional Rent payable by Tenant hereunder and in the event of non-payment thereof, Landlord shall have the same rights and remedies with respect to such non-payment as it has with respect to any other non-payment of Rent hereunder.
- d. **Landlord's Insurance.** Landlord shall carry special form clauses of loss coverage property insurance of the Building shell and core in the amount of their full replacement value, liability insurance with respect to the Common Areas, and such other insurance of such types and amounts as Landlord, in its discretion, shall deem reasonably appropriate. The cost of any such insurance

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shall be included in the Operating Costs, and if such insurance is provided by a "blanket policy" insuring other parties or locations in addition to the Building, then only the portion of the premiums allocable to the Building and Property shall be included in the Operating Costs.

- e. **Waiver of Subrogation.** Landlord and Tenant hereby release each other and any other tenant, their agents or employees, from responsibility for, and waive their entire claim of recovery for any loss or damage arising from any cause covered by property insurance required to be carried or otherwise carried by each of them. Each party shall provide notice to the property insurance carrier or carriers of this mutual waiver of subrogation, and shall cause its respective property insurance carriers to waive all rights of subrogation against the other. This waiver shall not apply to the extent of the deductible amounts to any such property policies or to the extent of liabilities exceeding the limits of such policies.

18. INDEMNIFICATION.

- a. **Indemnification by Tenant.** Tenant shall defend, indemnify, and hold Landlord and its property manager (if any) harmless against all liabilities, damages, costs, and expenses, including attorneys' fees, for personal injury, bodily injury (including death) or property damage arising from any negligent or wrongful act or omission of Tenant or Tenant's employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees on or around the Premises or the Property, or arising from any breach of this Lease by Tenant. Tenant shall use legal counsel reasonably acceptable to Landlord in defense of any action within Tenant's defense obligation.
- b. **Indemnification by Landlord.** Landlord shall defend, indemnify and hold Tenant harmless against all liabilities, damages, costs, and expenses, including attorneys' fees, for personal injury, bodily injury (including death) or property damage arising from any negligent or wrongful act or omission of Landlord or Landlord's employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees on or around the Premises or the Property, or arising from any breach of this Lease by Landlord. Landlord shall use legal counsel reasonably acceptable to Tenant in defense of any action within Landlord's defense obligation.
- c. **Waiver of Immunity.** Landlord and Tenant each specifically and expressly waive any immunity that each may be granted under the Washington State Industrial Insurance Act, Title 51 RCW. Neither party's indemnity obligations under this Lease shall be limited by any limitation on the amount or type of damages, compensation, or benefits payable to or for any third party under the Worker Compensation Acts, Disability Benefit Acts or other employee benefit acts.
- d. **Exemption of Landlord from Liability.** Except to the extent of claims arising out of Landlord's gross negligence or intentional misconduct, Landlord shall not be liable for injury to Tenant's business or assets or any loss of income therefrom or for damage to any property of Tenant or of its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, or any other person in or about the Premises or the Property.
- e. **Survival.** The provisions of this Section 18 shall survive expiration or termination of this Lease.

19. ASSIGNMENT AND SUBLETTING. Tenant shall not assign, sublet, mortgage, encumber or otherwise transfer any interest in this Lease (collectively referred to as a "Transfer") or any part of the Premises, without first obtaining Landlord's written consent, which shall not be unreasonably withheld, conditioned, or delayed. No Transfer shall relieve Tenant of any liability under this Lease notwithstanding Landlord's consent to such Transfer. Consent to any Transfer shall not operate as a waiver of the necessity for

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Landlord's consent to any subsequent Transfer. In connection with each request for consent to a Transfer, Tenant shall pay the reasonable cost of processing same, including attorneys' fees, upon demand of Landlord, in an amount not to exceed \$5,000.

If Tenant is a partnership, limited liability company, corporation, or other entity, any transfer of this Lease by merger, consolidation, redemption or liquidation, or any change in the ownership of, or power to vote, which singularly or collectively represents a majority of the beneficial interest in Tenant, shall constitute a Transfer under this Section.

As a condition to Landlord's approval, if given, any potential assignee or sublessee otherwise approved by Landlord shall assume all obligations of Tenant under this Lease and shall be jointly and severally liable with Tenant and any guarantor, if required, for the payment of Rent and performance of all terms of this Lease. In connection with any Transfer, Tenant shall provide Landlord with copies of all assignments, subleases and assumption agreement or documents.

20. LIENS. Tenant shall not subject the Landlord's assets to any liens or claims of lien. Tenant shall keep the Premises free from any liens created by or through Tenant. Tenant shall indemnify and hold Landlord harmless from liability for any such liens including, without limitation, liens arising from any Alterations. If a lien is filed against the Premises by any person claiming by, through or under Tenant, Tenant shall, within ten (10) days after Landlord's demand, at Tenant's expense, either remove the lien or furnish to Landlord a bond in form and amount and issued by a surety satisfactory to Landlord, indemnifying Landlord and the Premises against all liabilities, costs and expenses, including attorneys' fees, which Landlord could reasonably incur as a result of such lien.

21. DEFAULT. The following occurrences shall each constitute a default by Tenant (an "Event of Default"):

- a. **Failure To Pay.** Failure by Tenant to pay any sum, including Rent, due under this Lease following five (5) days' notice from Landlord of the failure to pay.
- b. **Insolvency.** Tenant's insolvency or bankruptcy (whether voluntary or involuntary); or appointment of a receiver, assignee or other liquidating officer for Tenant's business; provided, however, that in the event of any involuntary bankruptcy or other insolvency proceeding, the existence of such proceeding shall constitute an Event of Default only if such proceeding is not dismissed or vacated within sixty (60) days after its institution or commencement.
- c. **Levy or Execution.** The taking of Tenant's interest in this Lease or the Premises, or any part thereof, by execution or other process of law directed against Tenant, or attachment of Tenant's interest in this Lease by any creditor of Tenant, if such attachment is not discharged within fifteen (15) days after being levied.
- d. **Other Non-Monetary Defaults.** The breach by Tenant of any agreement, term or covenant of this Lease other than one requiring the payment of money and not otherwise enumerated in this Section or elsewhere in this Lease, which breach continues for a period of thirty (30) days after notice by Landlord to Tenant of the breach.
- e. **Failure to Take Possession.** Failure by Tenant to take possession of the Premises on the Commencement Date or failure by Tenant to commence any Tenant Improvement in a timely fashion. Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event less than thirty (30) days after notice by Tenant to Landlord. If Landlord fails to cure any such default within the allotted time, Tenant's sole

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remedy shall be to seek actual money damages (but not consequential or punitive damages) for loss arising from Landlord's failure to discharge its obligations under this Lease. Nothing herein contained shall relieve Landlord from its duty to perform of any of its obligations to the standard prescribed in this Lease. Any notice periods granted herein shall be deemed to run concurrently with and not in addition to any default notice periods required by law.

- f. **Vacation/Abandonment.** Vacation by Tenant of the Premises (defined as an absence for at least fifteen (15) consecutive days without prior notice to Landlord), or abandonment by Tenant of the Premises (defined as an absence of five (5) days or more while Tenant is in breach of some other term of this Lease). Tenant's vacation or abandonment of the Premises shall not be subject to any notice or right to cure.

22. REMEDIES. Landlord shall have the following remedies upon an Event of Default. Landlord's rights and remedies under this Lease shall be cumulative, and none shall exclude any other right or remedy allowed by law.

- a. **Termination of Lease.** Landlord may terminate Tenant's interest under the Lease, but no act by Landlord other than notice of termination from Landlord to Tenant shall terminate this Lease. The Lease shall terminate on the date specified in the notice of termination. Upon termination of this Lease, Tenant will remain liable to Landlord for damages in an amount equal to the Rent and other sums that would have been owing by Tenant under this Lease for the balance of the Lease term, less the net proceeds, if any, of any reletting of the Premises by Landlord subsequent to the termination, after deducting all of Landlord's Reletting Expenses (as defined below). Landlord shall be entitled to either collect damages from Tenant monthly on the days on which rent or other amounts would have been payable under the Lease, or alternatively, Landlord may accelerate Tenant's obligations under the Lease and recover from Tenant: (i) unpaid rent which had been earned at the time of termination; (ii) the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of rent loss that Tenant proves could reasonably have been avoided; (iii) the amount by which the unpaid rent for the balance of the term of the Lease after the time of award exceeds the amount of rent loss that Tenant proves could reasonably be avoided (discounting such amount by the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus 1%); and (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under the Lease, or which in the ordinary course would be likely to result from the Event of Default, including without limitation Reletting Expenses described below.
- b. **Re-Entry and Reletting.** Landlord may continue this Lease in full force and effect, and without demand or notice, re-enter and take possession of the Premises or any part thereof, expel the Tenant from the Premises and anyone claiming through or under the Tenant, and remove the personal property of either. Landlord may relet the Premises, or any part of them, in Landlord's or Tenant's name for the account of Tenant, for such period of time and at such other terms and conditions as Landlord, in its discretion, may determine. Landlord may collect and receive the rents for the Premises. To the fullest extent permitted by law, the proceeds of any reletting shall be applied: first, to pay Landlord all Reletting Expenses (defined below); second, to pay any indebtedness of Tenant to Landlord other than rent; third, to the rent due and unpaid hereunder; and fourth, the residue, if any, shall be held by Landlord and applied in payment of other or future obligations of Tenant to Landlord as the same may become due and payable, and Tenant shall not be entitled to receive any portion of such revenue. Re-entry or taking possession of the Premises

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by Landlord under this Section shall not be construed as an election on Landlord's part to terminate this Lease, unless a notice of termination is given to Tenant. Landlord reserves the right following any re-entry or reletting, or both, under this Section to exercise its right to terminate the Lease. Tenant will pay Landlord the Rent and other sums which would be payable under this Lease if repossession had not occurred, less the net proceeds, if any, after reletting the Premises and after deducting Landlord's Reletting Expenses. "Reletting Expenses" is defined to include all expenses incurred by Landlord in connection with reletting the Premises, including without limitation, all repossession costs, brokerage commissions and costs for securing new tenants, attorneys' fees, remodeling and repair costs, costs for removing persons or property, costs for storing Tenant's property and equipment, and costs of tenant improvements and rent concessions granted by Landlord to any new Tenant, prorated over the life of the new lease.

- c. **Waiver of Redemption Rights.** Tenant, for itself, and on behalf of any and all persons claiming through or under Tenant, including creditors of all kinds, hereby waives and surrenders all rights and privileges which they may have under any present or future law, to redeem the Premises or to have a continuance of this Lease for the Lease term, or any extension thereof.
- d. **Nonpayment of Additional Rent.** All costs which Tenant is obligated to pay to Landlord pursuant to this Lease shall in the event of nonpayment be treated as if they were payments of Rent, and Landlord shall have the same rights it has with respect to nonpayment of Rent.
- e. **Failure to Remove Property.** If Tenant fails to remove any of its property from the Premises at Landlord's request following an uncured Event of Default, Landlord may, at its option, remove and store the property at Tenant's expense and risk. If Tenant does not pay the storage cost within five (5) days of Landlord's request, Landlord may, at its option, have any or all of such property sold at public or private sale (and Landlord may become a purchaser at such sale), in such manner as Landlord deems proper, without notice to Tenant. Landlord shall apply the proceeds of such sale: (i) to the expense of such sale, including reasonable attorneys' fees actually incurred; (ii) to the payment of the costs or charges for storing such property; (iii) to the payment of any other sums of money which may then be or thereafter become due Landlord from Tenant under any of the terms hereof; and (iv) the balance, if any, to Tenant. Nothing in this Section shall limit Landlord's right to sell Tenant's personal property as permitted by law or to foreclose Landlord's lien for unpaid rent.

23. MORTGAGE SUBORDINATION AND ATTORNMENT. This Lease shall automatically be subordinate to any mortgage or deed of trust created by Landlord which is now existing or hereafter placed upon the Premises including any advances, interest, modifications, renewals, replacements or extensions ("Landlord's Mortgage"). Tenant shall attorn to the holder of any Landlord's Mortgage or any party acquiring the Premises at any sale or other proceeding under any Landlord's Mortgage provided the acquiring party assumes the obligations of Landlord under this Lease. Tenant shall promptly and in no event later than fifteen (15) days after request execute, acknowledge and deliver documents which the holder of any Landlord's Mortgage may reasonably require as further evidence of this subordination and attornment. Notwithstanding the foregoing, Tenant's obligations under this Section to subordinate in the future are conditioned on the holder of each Landlord's Mortgage and each party acquiring the Premises at any sale or other proceeding under any such Landlord's Mortgage not disturbing Tenant's occupancy and other rights under this Lease, so long as no uncured Event of Default by Tenant exists.

24. NON-WAIVER. Landlord's waiver of any breach of any provision contained in this Lease shall not be deemed to be a waiver of the same provision for subsequent acts of Tenant. The acceptance by Landlord of Rent or other amounts due by Tenant hereunder shall not be deemed to be a waiver of any previous breach by Tenant.

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25. HOLDOVER. If Tenant shall, without the written consent of Landlord, remain in possession of the Premises and fail to return them to Landlord after the expiration or termination of this Lease, the tenancy shall be a holdover tenancy and shall be on a month-to-month basis, which may be terminated according to Washington law. During such tenancy, Tenant agrees to pay to Landlord 200% of the rate of rental last payable under this Lease, unless a different rate is agreed upon by Landlord. All other terms of the Lease shall remain in effect. Tenant acknowledges and agrees that this Section does not grant any right to Tenant to holdover, and that Tenant may also be liable to Landlord for any and all damages or expenses which Landlord may have to incur as a result of Tenant's holdover.

26. NOTICES. All notices under this Lease shall be in writing and effective (i) when delivered in person or via overnight courier to the other party, (ii) three (3) days after being sent by registered or certified mail to the other party at the address set forth in Section 1; or (iii) upon confirmed transmission by facsimile to the other party at the facsimile numbers set forth in Section 1. The addresses for notices and payment of rent set forth in Section 1 may be modified by either party only by written notice delivered in conformance with this Section.

27. COSTS AND ATTORNEYS' FEES. If Tenant or Landlord engage the services of an attorney to collect monies due or to bring any action for any relief against the other, declaratory or otherwise, arising out of this Lease, including any suit by Landlord for the recovery of Rent or other payments, or possession of the Premises, the losing party shall pay the prevailing party a reasonable sum for attorneys' fees in such action, whether in mediation or arbitration, at trial, on appeal, or in any bankruptcy proceeding.

28. ESTOPPEL CERTIFICATES. Tenant shall, from time to time, upon written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement specifying the following, subject to any modifications necessary to make such statements true and complete: (i) the total rentable square footage of the Premises; (ii) the date the Lease term commenced and the date it expires; (iii) the amount of minimum monthly Rent and the date to which such Rent has been paid; (iv) that this Lease is in full force and effect and has not been assigned, modified, supplemented or amended in any way; (v) that this Lease represents the entire agreement between the parties; (vi) that all obligations under this Lease to be performed by either party have been satisfied; (vii) that there are no existing claims, defenses or offsets which the Tenant has against the enforcement of this Lease by Landlord; (viii) the amount of Rent, if any, that Tenant paid in advance; (ix) the amount of security that Tenant deposited with Landlord; (x) if Tenant has sublet all or a portion of the Premises or assigned its interest in the Lease and to whom; (xi) if Tenant has any option to extend the Lease or option to purchase the Premises; and (xii) such other factual matters concerning the Lease or the Premises as Landlord may reasonably request. Tenant acknowledges and agrees that any statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest or assignee of any mortgage or new mortgagee of Landlord's interest in the Premises. If Tenant shall fail to respond within ten (10) days to Landlord's request for the statement required by this Section, Landlord may provide the statement and Tenant shall be deemed to have admitted the accuracy of the information provided by Landlord.

29. TRANSFER OF LANDLORD'S INTEREST. This Lease shall be assignable by Landlord without the consent of Tenant. In the event of any transfer or transfers of Landlord's interest in the Premises, other than a transfer for collateral purposes only, upon the assumption of this Lease by the transferee, Landlord shall be automatically relieved of obligations and liabilities accruing from and after the date of such transfer, including any liability for any retained security deposit or prepaid rent, for which the transferee shall be liable, and Tenant shall attorn to the transferee.

30. LANDLORD'S LIABILITY. Anything in this Lease to the contrary notwithstanding, covenants, undertakings and agreements herein made on the part of Landlord are made and intended not as personal covenants, undertakings and agreements for the purpose of binding Landlord personally or the assets of Landlord but are made and intended for the purpose of binding only the Landlord's interest in the Premises,

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as the same may from time to time be encumbered. In no event shall Landlord or its partners, shareholders, or members, as the case may be, ever be personally liable hereunder.

31. RIGHT TO PERFORM. If Tenant shall fail to timely pay any sum or perform any other act on its part to be performed hereunder, Landlord may make any such payment or perform any such other act on Tenant's behalf. Tenant shall, within ten (10) days of demand, reimburse Landlord for its expenses incurred in making such payment or performance. Landlord shall (in addition to any other right or remedy of Landlord provided by law) have the same rights and remedies in the event of the nonpayment of sums due under this Section as in the case of default by Tenant in the payment of Rent.

32. HAZARDOUS MATERIAL. As used herein, the term "Hazardous Material" means any hazardous, dangerous, toxic or harmful substance, material or waste including biomedical waste which is or becomes regulated by any local governmental authority, the State of Washington or the United States Government, due to its potential harm to the health, safety or welfare of humans or the environment. Landlord represents and warrants to Tenant that, to Landlord's knowledge without duty of investigation, there is no Hazardous Material on, in, or under the Premises as of the Commencement Date except as may otherwise have been disclosed to Tenant in writing before the execution of this Lease. If there is any Hazardous Material on, in, or under the Premises as of the Commencement Date which has been or thereafter becomes unlawfully released through no fault of Tenant, then Landlord shall indemnify, defend and hold Tenant harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses including without limitation sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees, incurred or suffered by Tenant either during or after the Lease term as the result of such contamination.

Tenant shall not cause or permit any Hazardous Material to be brought upon, kept, or used in or about, or disposed of on the Premises or the Property by Tenant, its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, except with Landlord's prior consent and then only upon strict compliance with all applicable federal, state and local laws, regulations, codes and ordinances. If Tenant breaches the obligations stated in the preceding sentence, then Tenant shall indemnify, defend and hold Landlord harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses including, without limitation, diminution in the value of the Premises or the Property; damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises or the Property, or elsewhere; damages arising from any adverse impact on marketing of space at the Premises or the Property; and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees incurred or suffered by Landlord either during or after the Lease term. These indemnifications by Landlord and Tenant include, without limitation, costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work, whether or not required by any federal, state or local governmental agency or political subdivision, because of Hazardous Material present in the Premises, or in soil or ground water on or under the Premises. Tenant shall immediately notify Landlord of any inquiry, investigation or notice that Tenant may receive from any third party regarding the actual or suspected presence of Hazardous Material on the Premises.

Without limiting the foregoing, if the presence of any Hazardous Material brought upon, kept or used in or about the Premises or the Property by Tenant, its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, results in any unlawful release of any Hazardous Materials on the Premises or the Property, Tenant shall promptly take all actions, at its sole expense, as are necessary to return the Premises or the Property to the condition existing prior to the release of any such Hazardous Material; provided that Landlord's approval of such actions shall first be obtained, which approval may be withheld at Landlord's sole discretion. The provisions of this Section 32 shall survive expiration or termination of this Lease.

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33. QUIET ENJOYMENT. So long as Tenant pays the Rent and performs all of its obligations in this Lease, Tenant's possession of the Premises will not be disturbed by Landlord or anyone claiming by, through or under Landlord.

34. MERGER. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger and shall, at the option of Landlord, terminate all or any existing subtenancies or may, at the option of Landlord, operate as an assignment to Landlord of any or all of such subtenancies.

35. GENERAL.

- a. **Heirs and Assigns.** This Lease shall apply to and be binding upon Landlord and Tenant and their respective heirs, executors, administrators, successors and assigns.
- b. **Brokers' Fees.** Tenant represents and warrants to Landlord that except for Tenant's Broker, if any, described and disclosed in Section 39 of this Lease, it has not engaged any broker, finder or other person who would be entitled to any commission or fees for the negotiation, execution or delivery of this Lease and shall indemnify and hold harmless Landlord against any loss, cost, liability or expense incurred by Landlord as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made by or on behalf of Tenant. Landlord represents and warrants to Tenant that except for Landlord's Broker, if any, described and disclosed in Section 37 of this Lease, it has not engaged any broker, finder or other person who would be entitled to any commission or fees for the negotiation, execution or delivery of this Lease and shall indemnify and hold harmless Tenant against any loss, cost, liability or expense incurred by Tenant as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made by or on behalf of Landlord.
- c. **Entire Agreement.** This Lease contains all of the covenants and agreements between Landlord and Tenant relating to the Premises. No prior or contemporaneous agreements or understandings pertaining to the Lease shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or amended except in writing, signed by Landlord and Tenant.
- d. **Severability.** Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision of this Lease.
- e. **Force Majeure.** Time periods for either party's performance under any provisions of this Lease (excluding payment of Rent) shall be extended for periods of time during which the party's performance is prevented due to circumstances beyond such party's control, including without limitation, fires, floods, earthquakes, lockouts, strikes, embargoes, governmental regulations, acts of God, public enemy, war or other strife.
- f. **Governing Law.** This Lease shall be governed by and construed in accordance with the laws of the State of Washington.
- g. **Memorandum of Lease.** Neither this Lease nor any memorandum or "short form" thereof shall be recorded without Landlord's prior consent.
- h. **Submission of Lease Form Not an Offer.** One party's submission of this Lease to the other for review shall not constitute an offer to lease the Premises. This Lease shall not become effective and binding upon Landlord and Tenant until it has been fully signed by both of them.

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- i. **No Light, Air or View Easement.** Tenant has not been granted an easement or other right for light, air or view to or from the Premises. Any diminution or shutting off of light, air or view by any structure which may be erected on or adjacent to the Building shall in no way effect this Lease or the obligations of Tenant hereunder or impose any liability on Landlord.
- j. **Authority of Parties.** Each party signing this Lease represents and warrants to the other that it has the authority to enter into this Lease, that the execution and delivery of this Lease has been duly authorized, and that upon such execution and delivery, this Lease shall be binding upon and enforceable against the party on signing.
- k. **Time.** "Day" as used herein means a calendar day and "business day" means any day on which commercial banks are generally open for business in the state where the Premises are situated. Any period of time which would otherwise end on a non-business day shall be extended to the next following business day. Time is of the essence of this Lease
- l. **Counterpart Execution.** This Lease may be executed in any number of separate identical counterparts (each of which may contain fewer than all required signatures) with the same effect as if all parties had signed the same document. Thereafter, signature pages may be detached from one counterpart and added to another counterpart so that any set of identical counterparts containing original signatures for each of the parties, or any counterpart containing original signatures for all of the parties, shall constitute an original Lease for all purposes.

36. EXHIBITS AND RIDERS. The following exhibits and riders are made a part of this Lease, and the terms thereof shall control over any inconsistent provision in the sections of this Lease:

- Exhibit A Floor Plan/Outline of the Premises
- Exhibit B Legal Description of the Property
- Exhibit C Landlord Improvements
- Exhibit D Rules and Regulations

CHECK THE BOX FOR ANY OF THE FOLLOWING THAT WILL APPLY. CAPITALIZED TERMS USED IN THE RIDERS SHALL HAVE THE MEANING GIVEN TO THEM IN THE LEASE.

- Rent Rider
- Arbitration Rider
- Letter of Credit Rider
- Guaranty of Tenant's Lease Obligations Rider
- Parking Rider
- Option to Extend Rider
- Right of First Offer
- Termination Right Rider

37. AGENCY DISCLOSURE. At the signing of this Lease, both Landlord and Tenant recognize and acknowledge that David Gunther, Derek Heed and Gregg Riva of Colliers International are the Landlord's broker (the "Landlord's Broker"), and that the tenant is not utilizing a broker with respect to the negotiation and execution of this Lease (the "Tenant's Broker"). This Agency Disclosure creates an agency relationship between Landlord, Landlord's Broker (if any such person is disclosed), and any managing brokers who supervise Landlord's Broker's performance (collectively the "Supervising Brokers"). In addition, this Agency Disclosure creates an agency relationship between Tenant, Tenant's Broker (if any such person is disclosed), and any managing brokers who supervise Tenant's Broker's performance (also collectively the "Supervising Brokers"). If Tenant's Broker and Landlord's Broker are different real estate licensees

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affiliated with the same Firm, then both Tenant and Landlord confirm their consent to that Firm and both Tenant's and Landlord's Supervising Brokers acting as dual agents. If Tenant's Broker and Landlord's Broker are the same real estate licensee who represents both parties, then both Landlord and Tenant acknowledge that the Broker, his or her Supervising Brokers, and his or her Firm are acting as dual agents and hereby consent to such dual agency. If Tenant's Broker, Landlord's Broker, their Supervising Brokers, or their Firm are dual agents, Landlord and Tenant consent to Tenant's Broker, Landlord's Broker and their Firm being compensated based on a percentage of the rent or as otherwise disclosed on the attached addendum. Neither Tenant's Broker, Landlord's Broker nor either of their Firms are receiving compensation from more than one party to this transaction unless otherwise disclosed on an attached addendum, in which case Landlord and Tenant consent to such compensation. Landlord and Tenant confirm receipt of the pamphlet entitled "The Law of Real Estate Agency."

38. COMMISSION AGREEMENT. If Landlord has not entered into a listing agreement (or other compensation agreement with Landlord's Broker), Landlord agrees to pay a commission to Landlord's Broker (as identified in the Agency Disclosure paragraph above) as follows:

\$ _____

- d. **5%** (5% to Landlord's Broker and 0% to Tenant's Broker) for the first 60 months of the lease transaction, and 2.5% (2.5% to Landlord's Broker and 0% to Tenant's Broker) for months 61 to 66 of the net rent payable pursuant to the Lease. Commissions for the first 6 months of the Lease shall be payable upon Lease execution; commissions for Lease months following the first 6 months, until such time as the Tenant has received a Certificate of Need for the Premises from the Snohomish County Department of Health (the "**County**") or Tenant's application for a Certificate of Need for the Premises from the County has been denied shall be payable quarterly, in arrears; and commissions for all Lease months following the issuance of a Certificate of Need for the Premises by the County shall be payable upon receipt of notice of such by the Landlord from the Tenant, as provided in Section 3. c. hereof.

\$ _____ per square foot of the Premises

Landlord's Broker shall shall not (shall not if not filled in) be entitled to a commission upon the extension by Tenant of the Lease term pursuant to any right reserved to Tenant under the Lease calculated as provided above or as follows _____ (if no box is checked, as provided above). Landlord's Broker shall shall not (shall not if not filled in) be entitled to a commission upon any expansion of the Premises pursuant to any right reserved to Tenant under the Lease, if the expansion occurs prior to the original Lease Term expiring, calculated as follows: **5% of the net rent** (if no box is checked, as provided above).

Any commission shall be earned upon execution of this Lease, and paid one-hundred percent upon execution of the Lease. Landlord's Broker shall pay to Tenant's Broker (as identified in the Agency Disclosure paragraph above) the amount stated in a separate agreement between them or, if there is no agreement, \$ _____ or **66.6%** (complete only one) of any commission paid to Landlord's Broker, within five (5) days after receipt by Landlord's Broker.

If any other lease or sale is entered into between Landlord and Tenant pursuant to a right reserved to Tenant under the Lease, Landlord shall shall not (shall not if not filled in) pay an additional commission according to any commission agreement or, in the absence of one, according to the commission schedule of Landlord's Broker in effect as of the execution of this Lease. Landlord's successor shall be obligated to pay any unpaid commissions upon any transfer of this Lease and any such transfer shall not release the transferor from liability to pay such commissions.

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(Multi-Tenant Triple Net (NNN) Lease)
(Continued)

39. BROKER PROVISIONS. LANDLORD'S BROKER, TENANT'S BROKER AND THEIR FIRMS HAVE MADE NO REPRESENTATIONS OR WARRANTIES CONCERNING THE PREMISES; THE MEANING OF THE TERMS AND CONDITIONS OF THIS LEASE; LANDLORD'S OR TENANT'S FINANCIAL STANDING; ZONING OR COMPLIANCE OF THE PREMISES WITH APPLICABLE LAWS; SERVICE OR CAPACITY OF UTILITIES; OPERATING COSTS; OR HAZARDOUS MATERIALS. LANDLORD AND TENANT ARE EACH ADVISED TO SEEK INDEPENDENT LEGAL ADVICE ON THESE AND OTHER MATTERS ARISING UNDER THIS LEASE.

38. RELOCATION OPTION. Provided that Tenant is not in default of any of the terms, conditions or covenants of this Lease, Tenant (but not any assignee or subtenant of Tenant) may during the Term of the Lease exercise an option to relocate to any larger, available vacant space, that is mutually agreeable to Tenant and Landlord, and is located in either 906 or 1000 SE Everett Mall Way, Everett, WA 98208 upon providing notice to Landlord as provided in Sections 1, i., and 26. hereof. Any and all tenant improvements and relocation costs incident to such relocation shall be at Tenant's sole cost and expense.

IN WITNESS WHEREOF, this Lease has been executed the date and year first above written.

Pflueger – Everett Holdings, LLC
LANDLORD

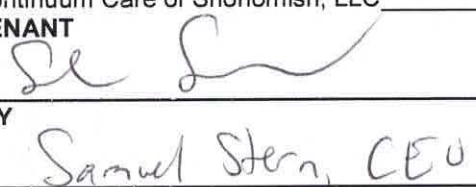
BY

ITS

Continuum Care of Snohomish, LLC
TENANT

BY

ITS



Samuel Stern, CEO

LEASE AGREEMENT
(Multi-Tenant Triple Net (NNN) Lease)
(Continued)

LIMITED LIABILITY CORPORATION/L.L.C.
State of California

County of Los Angeles

On this _____ day of _____, 2019 before me personally appeared before me John Feldsted, to me known to be the Manager of Pflueger – Everett Holdings, LLC, the L.L.C. that executed the within and foregoing instrument and acknowledged that he signed the same as his free and voluntary act and deed for the uses and purposes therein mentioned and on oath stating that he is authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed by official seal the day and year first written above.

Signature: _____
Print Name: _____
Notary Public in and for the
State of _____
Residing in _____
My appointment expires _____

CORPORATION
State of _____

County of _____

On this _____ day of _____, 2019 before me personally appeared before me _____, to me known to be the _____ of Continuum Care of Snohomish, LLC, a Washington State Limited Liability Company that executed the within and foregoing instrument and acknowledged that _____ signed the same as _____ free and voluntary act and deed for the uses and purposes therein mentioned and on oath stating that _____ is authorized to execute said instrument.

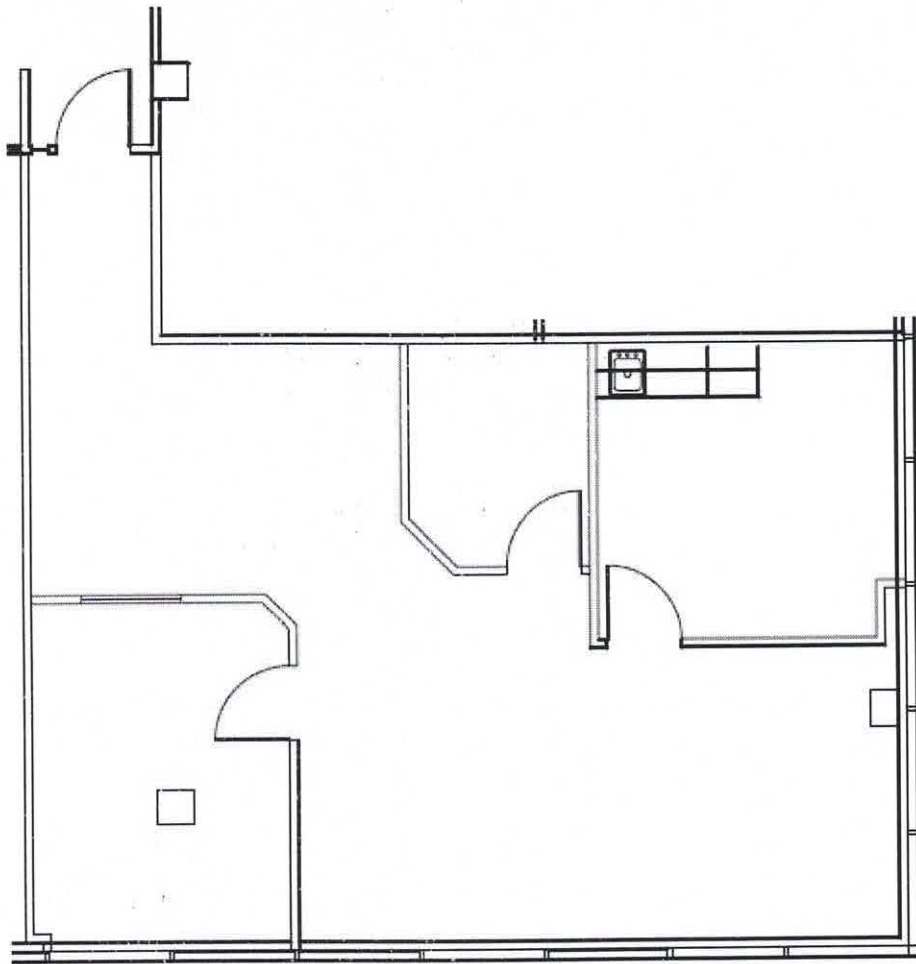
IN WITNESS WHEREOF, I have hereunto set my hand and affixed by official seal the day and year first written above.

Signature: _____
Print Name: _____
Notary Public in and for the
State of _____
Residing in _____
My appointment expires _____

LEASE AGREEMENT
(Multi-Tenant Triple Net (NNN) Lease)
(Continued)

LEASE AGREEMENT
(Multi-Tenant Triple Net (NNN) Lease)
(Continued)

EXHIBIT A
[Outline of the Premises]
1000 S.E. Everett Mall Way, Suite 402
Everett, WA 98208



LEASE AGREEMENT
(Multi-Tenant Triple Net (NNN) Lease)
(Continued)

EXHIBIT B
[Legal Description of the Property]

Section 18 Township 28 Range 05 Quarter SW ~ SEG FOR TAX PURPOSES ONLY ~ DOR EX 1428 SQ FT OF LAND TGW 9123 SQ FT OF BLDG PER ST OF WA DET-DOR REG #06212-010 (STE 101 FOR CITY UNIVERSITY -BELLEVUE) ON FDP - BAAP ON W LN SEC 265.43FT FR SW COR SD SEC TH NELY ALG SLY MGN S/HWY 2179.60FT TPB TH S 727.48FT TH S89*23 47E 240.58FT TH N 767.74FT TH ALG SLY MGN S/HWY N20*45 40W 50FT TH S69*1420W 238.32FT TPB LESS FDT - BEG S1/4 COR SD SEC TH N89*29 01W 674.50FT ALG S LN THOF TH N00*05 08W 329.16FT TH S89*23 47E 149.92FT TO TPB TH DUE N 122FT TH S27*19 19E 87.14FT TH DUE S 45FT TH N89*2347W 40FT TO TPB REFER TO ACCT 28051800305401 FOR TAXABLE REMAINDER (EXEMPT PER ST OF WA REG #06212-010)

LEASE AGREEMENT
(Multi-Tenant Triple Net (NNN) Lease)
(Continued)

EXHIBIT C*
Landlord Improvements

Tenant accepts the Premises in an "as is" condition.

LEASE AGREEMENT
(Multi-Tenant Triple Net (NNN) Lease)
(Continued)

EXHIBIT D
[Rules and Regulations]

1. No sign, placard, picture, advertisement, name or notice shall be installed or displayed on any part of the outside or inside of the Building without the prior written consent of the Landlord. Landlord shall have the right to remove at Tenant's expense and without notice any sign installed or displayed in violation of this rule. All approved signs or lettering on doors and walls shall be printed, painted, affixed or inscribed at the expense of Tenant by a person approved by Landlord.
2. If Landlord objects in writing to any curtains, blinds, shades, screens or hanging plants or other similar objects attached to or used in connection with any window or door of the Premises, Tenant shall immediately discontinue such use. No awning shall be permitted on any part of the Premises without Landlord's specific approval in writing. Tenant shall not place anything against or near glass partitions of doors or windows which may appear unsightly from outside the Premises.
3. Tenant shall not obstruct any sidewalk, halls, passages, exits, entrances, elevators, escalators, or stairways of the Building. The halls, passages, exits, entrances, shopping malls, escalators and stairways are not open to the general public. Landlord shall in all cases retain the right to control and prevent access thereto all persons whose presence in the judgment of Landlord would be prejudicial to the safety, character, reputation and interest of the Building and its tenants; provided that nothing herein contained shall be construed to prevent such access to persons with whom any tenant normally deals in the ordinary course of its business, unless such persons are engaged in illegal activities. No tenant and no employees or invitee of any Tenant shall go upon the roof of the Building.
4. The directory of the Building will be provided exclusively for the display of the name and location of tenants only, and Landlord reserves the right to exclude any other names therefrom.
5. All cleaning and janitorial services for the Building and the Premises shall be provided exclusively through Landlord, and except with the written consent of Landlord, which shall not be unreasonably withheld, no person or persons other than those approved by Landlord shall be employed by Tenant or permitted to enter the Building for the purpose of cleaning the same. Tenant shall not cause any unnecessary labor by carelessness or indifference to the good order and cleanliness of the Premises. Landlord shall not in any way be responsible to any Tenant for any loss of Premises, however occurring, or for any damage to any of Tenant's property by the janitor or any other employees or any other persons.
6. Landlord will furnish Tenant, free of charge, five (5) keys to the Building and two keys to each door lock in the Premises. Landlord may make additional keys. Cost of additional keys will be Tenant's. Landlord shall not make or have made additional keys, and Tenant shall not alter any lock or install a new additional lock or bolt on any door of its Premises. Tenant, upon the termination of its tenancy, shall deliver to Landlord the keys of all doors which have been furnished to Tenant, and in the event of loss of any keys so furnished, shall pay Landlord therefore.
7. If Tenant requires telegraphic, telephonic, burglar alarm or similar services, it shall first obtain, and comply with, Landlord's instructions in their installation.
8. Any elevator shall be available for use by all tenants in the Building, subject to such reasonable scheduling as Landlord in its discretion shall deem appropriate. Except for standard business deliveries, no equipment, materials, furniture, packages, supplies merchandise or other property will be received in the Building or carried in the elevators except between 10:00 p.m. and 4:00 a.m. and in such elevators as may be designated by Landlord.
9. Tenant shall not place a load upon any floor of the premises which exceeds the load per square foot which such floor was designated to carry and which is allowed by law. Landlord shall have the right to

LEASE AGREEMENT
(Multi-Tenant Triple Net (NNN) Lease)
(Continued)

prescribe the weight, size and position of all equipment, materials, furniture or other property brought in to the building. Heavy objects shall, if considered necessary by Landlord, stand on such platforms as determined by Landlord to be necessary to properly distribute the weight. Business machines and mechanical equipment belonging to Tenant, which cause noise or vibration that may be transmitted to the structure of the Building or to any space therein to any tenants in the Building, shall be placed and maintained by Tenant, at Tenant's expenses, on vibration eliminators or other devices sufficient to eliminate noise or vibration. Tenant agrees to place plywood covering over any lobby, hallway, elevator and office dooring and carpeting during any time where it is constructing in the Premises or moving furniture into or out of the Building. Pads shall be used in such a manner to protect walls and ceilings in said lobbies, hallways, elevators and offices during said construction or moving periods. Landlord will not be responsible for loss of, or damage to, any such equipment or other property from any cause and all damage done to the Building including common areas, hallways, elevators and doors by maintaining or moving such equipment or other property shall be repaired at the expense of Tenant.

10. Tenant shall not use or keep in the premises any kerosene, gasoline or inflammable or combustible fluid or material other than those limited quantities necessary for the operation or maintenance of office equipment. Tenant shall not use or permit to be used in the Premises any foul or noxious gas or substance, or permit or allow the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Building by reason of noise, odors or vibrations, nor shall Tenant bring into or keep in or about the Premises any birds, dogs, cats or animals or any kind.

11. Tenant shall not use any method of heating or air-conditioning other than that supplied by Landlord.

12. Tenant shall not waste electricity, water or air-conditioning and agrees to cooperate fully with Landlord to assure the most effective operation of the Building's heating and air-conditioning and to comply with any governmental energy-savings rules, laws or regulations of which Tenant has actual notice, and shall refrain from attempting to adjust controls. At the end of each business day, Tenant shall keep corridor doors closed and shall close window coverings.

13. Landlord reserves the right to exclude from the Building between the hours of 6:00 p.m. and 7:00 a.m. the following day, or such other hours as may be established from time to time by Landlord and on Sundays and legal holidays any person unless that person is known to the person or employee in charge of the Building. Landlord reserves the right to prevent access to the Building in case of invasion, mob, riot, public excitement or the commotion by closing the doors or by other appropriate action.

14. Tenant shall close and lock the doors of its Premises and entirely shut off all water faucets or other water apparatus, and electricity, gas or air outlets before Tenant and its employees leave the Premises. Tenant shall be responsible for any damages or injuries sustained by other tenants or occupants of the Building or by Landlord for noncompliance with this rule.

15. Tenant shall not obtain for use on the premises ice, drinking water, food, beverage, towel or other similar services or accept barbering or bootblackening service upon the Premises, except at such hours and under such regulations as may be fixed by Landlord except during normal business hours so long as it does not interfere with normal building or Tenant operations.

16. The toilet rooms, toilets, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they are constructed and no foreign substance of any kind whatsoever shall be thrown therein. The expenses of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the tenant who, or whose employees or invitees shall have caused it.

17. Tenant shall not sell, or permit any sales of newspapers, magazines, periodical, theater tickers to any other goods or merchandise to the general public in or on the Premises or the common area. Tenant shall not make any room-to-room solicitation of business from other tenants in the Building nor shall Tenant

LEASE AGREEMENT
(Multi-Tenant Triple Net (NNN) Lease)
(Continued)

solicit in any part of the common areas. Tenant shall not use the Premises for any business or activity other than the specifically provided for in Tenant's lease.

18. Tenant shall not install any radio or television antenna, loudspeaker or other device on the roof or exterior walls of the Building. Tenant shall not interfere with radio or television broadcasting or reception from or in the Building or elsewhere.

19. Tenant shall not mark, drive nails, screws or drill in to the partitions, woodwork or plaster or in any way deface the Premises or any part thereof. Landlord reserves the right to direct electricians as to where and how telephone and telegraph wires are to be introduced to the Premises. Tenant shall not cut or bore holes for wires. Tenant shall not affix any floor covering to the floor of the Premises in any manner except as approved by Landlord. Tenant shall repair any damage resulting from noncompliance with this rule. Tenant shall pay for any and all damages to the Building, walls, doors, glass, carpeting or otherwise which may be caused by Tenant's use of the Building, moving equipment, supplies or furniture into or out of the Building whether caused by Tenant or its employees agents, contractors or invitees to the Premises. Tenant is allowed to hang pictures on Premises walls.

20. Canvassing, soliciting and distribution of handbills or any other written material, and peddling in the Building or in the common areas and parking lot are prohibited, and each tenant shall cooperate to prevent the same.

21. Landlord reserves the right to exclude or expel from the Building any person who, in Landlord's judgment, is intoxicated in or under the influence of liquor or drugs or who is in violation of any of the Rules and Regulations of the Building.

22. Tenant shall store all its trash and garbage within its Premises. Tenant shall not place any trash box or receptacle any material which cannot be disposed of in the ordinary and customary manner of trash and garbage, disposal. All garbage and refuse disposal shall be made in accordance with directions issued from time to time by Landlord.

23. The Premises shall not be used for the storage of merchandise held for sale to the general public, or for lodging or for manufacturing of any kind, nor shall the Premises be used for any improper, immoral or objectionable purpose. No cooking shall be done or permitted by any tenant on the Premises except that use by Tenant of Underwriter's Laboratory approved equipment for brewing coffee, tea, hot chocolate and similar beverages, for heating or re-heating food items (e.g. microwave) and for toasting of food items (e.g. toaster and toaster oven) shall be permitted, provided that such equipment and use is in accordance with all applicable federal, state, country and city laws, codes, ordinances, rules and regulations.

24. Tenant shall not use in any space or in the public halls of the Building any hand truck except those equipped with rubber tires and side guards or such other material handling equipment as Landlord may approve. Tenant shall not bring any other vehicles or any kind into the Building.

25. Without the written consent of Landlord, Tenant shall not use the name of the Building in connection with or in promoting or advertising the business of Tenant except as Tenant's address.

26. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.

27. Tenant assumes any and all responsibility for protecting its Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premises closed. Tenant agrees that the cost to repair any damage to the Building and Premises, as a result of theft, robbery and pilferage, shall be borne by Tenant as a part of Tenant's portion of Operating Costs.

LEASE AGREEMENT
(Multi-Tenant Triple Net (NNN) Lease)
(Continued)

28. The requirements of Tenant will be attended to only upon appropriate application to the office of the Building by an authorized individual. Employees of Landlord shall not perform any work or do anything outside of their regulated duties unless under special instructions from Landlord and no employee of Landlord will admit any persons (Tenant or otherwise) to any office without specific instruction from Tenant.

29. Tenant shall not park its vehicles in any parking areas designated by Landlord as areas for parking by visitors or other tenants to the Building. Tenant shall not leave vehicles in the Building parking areas other than automobiles, motorcycles, motor drive or non-motor drive bicycles or four wheeled trucks. Said vehicles improperly parked shall be subject to a fine of \$20.00 per day per violation vehicle or upon 24 hours notice, shall be subject to towing at the vehicle owner's expense except within Tenant's designated parking area.

30. Landlord may waive any one or more of these Rules and Regulations for the benefit of Tenant or any other tenant, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of Tenant or any other tenant nor prevent Landlord from thereafter enforcing any such Rules and Regulations against any or all of the tenants of the Building.

31. These Rules and Regulations are in addition to, and shall not be construed to in any way modify or amend, in whole or in part, the terms, covenants, agreements and conditions of any lease of premises in the Building.

32. Landlord reserves the right to make such other and reasonable Rules and Regulations as, in its judgment, may from time to time be needed for safety and security, for care and cleanliness of the Building and for the preservation of good order therein. Tenant agrees to abide by all such Rules and Regulations hereinabove stated and any additional rules and regulations which are adopted. In the event the Rules and Regulations differ from provisions favoring Tenant as noted in the Lease, Tenant's rights under the Lease shall govern.

33. Tenant shall be responsible for the observance of all of the foregoing rules by Tenant's employees, agents, clients, customers, invitees and guests.

RENT RIDER

This Rent Rider ("Rider") is made part of the Lease Agreement dated January 16, 2019 (the "Lease") between Pflueger – Everett Holdings, LLC, a Washington State Limited Liability Company ("Landlord") and Continuum Care of Snohomish, LLC, A Washington State Limited Liability Company ("Tenant") concerning the space commonly known as Suite 402 (the "Premises"), located at the property commonly known as 1000 SE Everett Mall Way, Everett, WA 98208 (the "Property").

1. BASE MONTHLY RENT SCHEDULE. Tenant shall pay Landlord base monthly rent during the Lease Term according to the following schedule:

Lease Year (Stated in Years or Months)	Base Monthly Rent Amount
<u>Months 1-3</u>	<u>\$0.00 per month, plus Operating Costs</u>
<u>Months 4-12</u>	<u>\$1,298.96 per month, plus Operating Costs</u>
<u>Months 13-24</u>	<u>\$1,342.75 per month, plus Operating Costs</u>
<u>Months 25-36</u>	<u>\$1,388.54 per month, plus Operating Costs</u>
<u>Months 37-48</u>	<u>\$1,433.33 per month, plus Operating Costs</u>
<u>Months 49-60</u>	<u>\$ 1,478.13 per month, plus Operating Costs</u>
<u>Months 61-72</u>	<u>\$ 1,522.92 per month, plus Operating Costs</u>
<u>Months 73-76</u>	<u>\$ 1,567.71 per month, plus Operating Costs</u>

2. CONSUMER PRICE INDEX ADJUSTMENT ON BASE MONTHLY RENT. ~~The base monthly rent shall be increased on the first day of the second year of the Lease and on the first day of each year of the Lease thereafter (each, an "Adjustment Date") during the term of this Lease (but not during any extension term(s) unless specifically set forth elsewhere in the Lease or another Rider attached thereto). The increase shall be determined in accordance with the increase in the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers (all items for the geographical statistical area in which the Premises is located on the basis of 1982-1984 equals 100) (the "Index"). The base monthly rent payable immediately prior to the applicable adjustment date shall be increased by the percentage that the Index published for the date nearest preceding the applicable Adjustment Date has increased over the Index published for the date nearest preceding the first day of the Lease Year from which the adjustment is being measured. Upon the calculation of each increase, Landlord shall notify Tenant of the new base monthly rent payable hereunder. Within twenty (20) days of the date of Landlord's notice, Tenant shall pay to Landlord the amount of any deficiency in Rent paid by Tenant for the period following the subject Adjustment Date, and shall thereafter pay the increased Rent until receiving the next notice of increase from Landlord. If the components of the Index are materially changed after the Commencement Date, or if the Index is discontinued during the Lease term, Landlord shall notify Tenant of a substitute published index which, in Landlord's reasonable discretion, approximates the Index, and shall use the substitute index to make subsequent adjustments in base monthly rent. In no event shall base monthly rent be decreased pursuant to this Rider.~~



PARKING RIDER

This Parking Rider (the "Rider") is made part of the Lease Agreement dated January 16, 2019, (the "Lease") between Pflueger – Everett Holdings, LLC ("Landlord") and Continuum Care of Snohomish, LLC, A Washington Limited Liability Company ("Tenant") concerning the space commonly known as Suite 402 (the "Premises"), located at the property commonly known as 1000 SE Everett Mall Way, Suite 402, Everett, WA 98208 (the "Property").

1. Tenant's Parking Rights. Tenant's right to park on the Property shall be as follows (check one):

- Tenant shall be entitled to use parking stalls on the Property or other designated parking area on a (check one) reserved unreserved (unreserved, if neither box checked) basis at the prevailing monthly rate established by Landlord from time to time. Tenant shall comply with the reasonable rules and regulations which Landlord or its parking operator may adopt from time to time for the safe and orderly operation of the parking areas.
- Free Parking.** Tenant shall be entitled to four (4) unreserved stalls for every 1,000 rentable square feet leased in the designated parking areas at no charge. Tenant shall be responsible for ensuring compliance with the terms of the Lease, this Rider, and any reasonable rules and regulations adopted by Landlord from time to time for the safe and orderly sharing of parking. Overnight parking of any vehicles belonging to the company, employees, clients, or vendors of the company is strictly prohibited.
- No Parking.** The Lease does not include parking on the Property, and Tenant shall park off the Property at Tenant's own expense.

2. Tenant. For purpose of this Rider only, the term "Tenant" shall include Tenant and Tenant's employees, officers, contractors, licensees, agents, and invitees, except as follows:

Exhibit 4: Information from Snohomish County Assessor's Website

Property Account Summary

1/30/2019

Parcel Number	28051800305400	Property Address	1000 SE EVERETT MALL WAY, EVERETT, WA 98208-2814
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General Information

Property Description	Section 18 Township 28 Range 05 Quarter SW - SEG FOR TAX PURPOSES ONLY - DOR EX 1883 SQ FT OF LAND TGW 9578 SQ FT OF BLDG PER ST OF WA DET-DOR REG #06212-010 (STE 101 FOR CITY UNIVERSITY -BELLEVUE) ON FDP - BAAP ON W LN SEC 265.43FT FR SW COR SD SEC TH NELY ALG SLY MGN S/HWY 2179.60FT TPB TH S 727.48FT TH S89*23 47E 240.58FT TH N 767.74FT TH ALG SLY MGN S/HWY N20*45 40W 50FT TH S69*1420W 238.32FT TPB LESS FDT - BEG S1/4 COR SD SEC TH N89*29 01W 674.50FT ALG S LN THOF TH N00*05 08W 329.16FT TH S89*23 47E 149.92FT TO TPB TH DUE N 122FT TH S27*19 19E 87.14FT TH DUE S 45FT TH N89*2347W 40FT TO TPB REFER TO ACCT 28051800305401 FOR TAXABLE REMAINDER (EXEMPT PER ST OF WA REG #06212-010)
Property Category	Land and Improvements
Status	Active, Host Other Property, Locally Assessed
Tax Code Area	00010

Property Characteristics

Use Code	659 Other Professional Services NEC
Unit of Measure	Acre(s)
Size (gross)	0.04

Related Properties

2923286 is Located On this property
2897193 is Located On this property
2869924 is Located On this property
2756414 is Located On this property
2756458 is Located On this property
2665899 is Located On this property
2667224 is Located On this property
0176610 is Located On this property

Parties

Role	Percent	Name	Address
Taxpayer	100	PFLUEGER EVERETT HOLDINGS LLC	601 UNION ST #5300, SEATTLE, WA 98101
Owner	100	PFLUEGER-EVERETT HOLDINGS LLC	601 UNION ST #5300, SEATTLE, WA 98101
DOR Exemption Applicant	0	CITY UNIVERSITY - BELLEVUE	11900 NE 1ST ST, BELLEVUE, WA 98005-3030

Exhibit 5: Need Methodology

Department of Health-Updated
2018-2019 Hospice Numeric Need Methodology
Effective 10/15/2018



WAC246-310-290(8)(a) Step 1:

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

WAC 246-310-290(8)(a)(i) The percentage of patients age sixty-five and over who will use hospice services. This percentage is calculated by dividing the average number of unduplicated admissions over the last three years for patients sixty five and over by the average number of past three years statewide total deaths age sixty-five and over.

WAC246-310-290(8)(a)(ii) The percentage of patients under sixty-five who will use hospice services. This percentage is calculated by dividing the average number of unduplicated admissions over the last three years for patients under sixty-five by the average number of past three years statewide total of deaths under sixty-five.

Hospice admissions ages 0-64	
Year	Admissions
2015	4,455
2016	3,768
2017	3,757
average: 3,993	

Deaths ages 0-64	
Year	Deaths
2015	14,365
2016	13,557
2017	14,113
average: 14,012	

Use Rates	
0-64	28.50%
65+	60.91%

Hospice admissions ages 65+	
Year	Admissions
2015	24,527
2016	24,738
2017	26,365
average: 25,210	

Deaths ages 65+	
Year	Deaths
2015	40,149
2016	41,104
2017	42,918
average: 41,390	

Department of Health-Updated
2018-2019 Hospice Numeric Need Methodology
Effective 10/15/2018



WAC246-310-290(8)(b) Step 2:

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

0-64				
County	2015	2016	2017	2015-2017 Average Deaths
Adams	35	34	38	36
Asotin	62	50	49	54
Benton	372	352	385	370
Chelan	152	123	124	133
Clallam	203	172	180	185
Clark	881	781	883	848
Columbia	14	12	19	15
Cowlitz	280	290	351	307
Douglas	82	56	71	70
Ferry	23	20	30	24
Franklin	111	115	133	120
Garfield	4	4	6	5
Grant	197	191	203	197
Grays Harbor	238	233	238	236
Island	165	134	166	155
Jefferson	67	69	69	68
King	3,397	3,204	3,256	3,286
Kitsap	537	518	485	513
Kittitas	82	59	91	77
Klickitat	33	50	63	49
Lewis	236	194	210	213
Lincoln	20	26	20	22
Mason	184	164	169	172
Okanogan	128	110	119	119
Pacific	71	59	88	73
Pend Oreille	41	35	34	37
Pierce	1,892	1,883	1,936	1,904
San Juan	32	36	18	29
Skagit	279	248	271	266
Skamania	34	39	16	30
Snohomish	1,478	1,440	1,483	1,467
Spokane	1,230	1,168	1,147	1,182
Stevens	127	103	96	109
Thurston	581	485	530	532
Wahkiakum	5	10	3	6
Walla Walla	122	123	123	123
Whatcom	371	365	367	368
Whitman	74	42	57	58
Yakima	525	560	586	557

65+				
County	2015	2016	2017	2015-2017 Average Deaths
Adams	102	92	78	91
Asotin	212	192	190	198
Benton	1,103	1,075	1,081	1,086
Chelan	543	535	556	545
Clallam	754	762	842	786
Clark	2,553	2,589	2,579	2,574
Columbia	48	48	116	71
Cowlitz	864	863	917	881
Douglas	230	227	232	230
Ferry	54	64	60	59
Franklin	257	242	284	261
Garfield	28	20	17	22
Grant	488	479	509	492
Grays Harbor	555	606	622	594
Island	597	565	630	597
Jefferson	313	293	308	305
King	9,308	9,766	10,039	9,704
Kitsap	1,610	1,704	1,780	1,698
Kittitas	223	243	237	234
Klickitat	119	145	151	138
Lewis	667	676	721	688
Lincoln	78	102	105	95
Mason	499	494	550	514
Okanogan	340	303	350	331
Pacific	258	222	262	247
Pend Oreille	101	120	133	118
Pierce	4,550	4,751	5,019	4,773
San Juan	118	126	115	120
Skagit	909	979	1,007	965
Skamania	53	64	65	61
Snohomish	3,833	3,857	4,118	3,936
Spokane	3,361	3,356	3,527	3,415
Stevens	359	336	376	357
Thurston	1,651	1,661	1,768	1,693
Wahkiakum	39	39	37	38
Walla Walla	468	485	501	485
Whatcom	1,262	1,353	1,329	1,315
Whitman	223	212	236	224
Yakima	1,419	1,458	1,471	1,449

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WAC246-310-290(8)(c) Step 3.

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

0-64		
County	2015-2017 Average Deaths	Projected Patients - 28.50% of Deaths
Adams	36	10
Asotin	54	15
Benton	370	105
Chelan	133	38
Clallam	185	53
Clark	848	242
Columbia	15	4
Cowlitz	307	87
Douglas	70	20
Ferry	24	7
Franklin	120	34
Garfield	5	1
Grant	197	56
Grays Harbor	236	67
Island	155	44
Jefferson	68	19
King	3,286	936
Kitsap	513	146
Kittitas	77	22
Klickitat	49	14
Lewis	213	61
Lincoln	22	6
Mason	172	49
Okanogan	119	34
Pacific	73	21
Pend Oreille	37	10
Pierce	1,904	543
San Juan	29	8
Skagit	266	76
Skamania	30	8
Snohomish	1,467	418
Spokane	1,182	337
Stevens	109	31
Thurston	532	152
Wahkiakum	6	2
Walla Walla	123	35
Whatcom	368	105
Whitman	58	16
Yakima	557	159

65+		
County	2015-2017 Average Deaths	Projected Patients - 60.91% of Deaths
Adams	91	55
Asotin	198	121
Benton	1,086	662
Chelan	545	332
Clallam	786	479
Clark	2,574	1,568
Columbia	71	43
Cowlitz	881	537
Douglas	230	140
Ferry	59	36
Franklin	261	159
Garfield	22	13
Grant	492	300
Grays Harbor	594	362
Island	597	364
Jefferson	305	186
King	9,704	5,911
Kitsap	1,698	1,034
Kittitas	234	143
Klickitat	138	84
Lewis	688	419
Lincoln	95	58
Mason	514	313
Okanogan	331	202
Pacific	247	151
Pend Oreille	118	72
Pierce	4,773	2,907
San Juan	120	73
Skagit	965	588
Skamania	61	37
Snohomish	3,936	2,397
Spokane	3,415	2,080
Stevens	357	217
Thurston	1,693	1,031
Wahkiakum	38	23
Walla Walla	485	295
Whatcom	1,315	801
Whitman	224	136
Yakima	1,449	883

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WAC246-310-290(8)(d) Step 4:

Using the projected patients calculated in Step 3, calculate a use rate by dividing projected patients by the three-year historical average population by county. Use this rate to determine the potential volume of hospice use by the projected population by age cohort using Office of Financial Management (OFM) data.

0-64								
County	Projected Patients	2015-2017 Average Population	2018 projected population	2019 projected population	2020 projected population	2018 potential volume	2019 potential volume	2020 potential volume
Adams	10	17,768	18,029	18,160	18,291	10	10	10
Asotin	15	16,906	16,779	16,715	16,652	15	15	15
Benton	105	163,693	166,554	167,984	169,415	107	108	109
Chelan	38	61,520	61,991	62,227	62,463	38	38	38
Clallam	53	52,661	52,550	52,494	52,439	53	53	53
Clark	242	393,291	405,282	411,278	417,273	249	253	257
Columbia	4	2,947	2,863	2,822	2,780	4	4	4
Cowlitz	87	85,517	85,717	85,817	85,917	88	88	88
Douglas	20	33,938	34,732	35,130	35,527	20	21	21
Ferry	7	5,782	5,680	5,628	5,577	7	7	7
Franklin	34	81,742	85,922	88,012	90,102	36	37	38
Garfield	1	1,644	1,602	1,581	1,560	1	1	1
Grant	56	82,660	84,909	86,033	87,158	58	58	59
Grays Harbor	67	58,675	57,817	57,387	56,958	66	66	65
Island	44	62,664	62,964	63,114	63,264	44	44	45
Jefferson	19	20,653	20,688	20,705	20,722	20	20	20
King	936	1,820,215	1,863,482	1,885,115	1,906,749	959	970	981
Kitsap	146	214,045	217,040	218,538	220,035	148	149	150
Kittitas	22	36,768	37,892	38,453	39,015	23	23	23
Klickitat	14	16,082	15,828	15,702	15,575	14	14	13
Lewis	61	61,796	62,398	62,700	63,001	61	62	62
Lincoln	6	8,042	7,923	7,864	7,805	6	6	6
Mason	49	49,162	50,142	50,632	51,122	50	51	51
Okanogan	34	32,906	32,545	32,364	32,183	34	33	33
Pacific	21	14,972	14,688	14,545	14,403	20	20	20
Pend Oreille	10	9,998	9,905	9,859	9,812	10	10	10
Pierce	543	729,937	747,538	756,339	765,139	556	562	569
San Juan	8	11,194	10,974	10,863	10,753	8	8	8
Skagit	76	98,616	100,076	100,807	101,537	77	77	78
Skamania	8	9,266	9,254	9,248	9,242	8	8	8
Snohomish	418	672,806	694,793	705,787	716,781	432	439	445
Spokane	337	416,684	421,066	423,256	425,447	340	342	344
Stevens	31	34,459	34,226	34,109	33,992	31	31	31
Thurston	152	228,261	234,880	238,190	241,500	156	158	160
Wahkiakum	2	2,669	2,555	2,498	2,441	2	2	2
Walla Walla	35	50,111	50,546	50,763	50,981	35	35	36
Whatcom	105	178,234	183,023	185,418	187,812	108	109	110
Whitman	16	42,965	43,137	43,222	43,308	17	17	17
Yakima	159	217,605	221,051	222,774	224,497	161	163	164

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WAC246-310-290(8)(d) Step 4:

Using the projected patients calculated in Step 3, calculate a use rate by dividing projected patients by the three-year historical average population by county. Use this rate to determine the potential volume of hospice use by the projected population by age cohort using Office of Financial Management (OFM) data.

65+								
County	Projected Patients	2015-2017 Average Population	2018 projected population	2019 projected population	2020 projected population	2018 potential volume	2019 potential volume	2020 potential volume
Adams	55	1,887	2,114	2,227	2,341	62	65	69
Asotin	121	5,233	5,619	5,812	6,005	129	134	138
Benton	662	27,492	29,821	30,986	32,150	718	746	774
Chelan	332	14,279	15,343	15,876	16,408	356	369	381
Clallam	479	20,401	21,334	21,800	22,267	501	512	523
Clark	1568	68,044	75,085	78,605	82,125	1,730	1,811	1,892
Columbia	43	1,135	1,202	1,236	1,269	46	47	48
Cowlitz	537	19,684	21,326	22,148	22,969	582	604	626
Douglas	140	6,831	7,595	7,976	8,358	156	163	171
Ferry	36	1,949	2,095	2,168	2,241	39	40	42
Franklin	159	7,921	8,765	9,188	9,610	176	184	193
Garfield	13	607	633	645	658	14	14	14
Grant	300	13,011	14,244	14,861	15,477	328	342	356
Grays Harbor	362	14,535	15,594	16,123	16,653	388	402	415
Island	364	18,625	19,701	20,239	20,777	385	395	406
Jefferson	186	10,580	11,252	11,588	11,924	197	203	209
King	5911	268,307	296,484	310,572	324,660	6,531	6,842	7,152
Kitsap	1034	47,697	51,788	53,833	55,878	1,123	1,167	1,212
Kittitas	143	6,760	7,351	7,647	7,943	155	161	168
Klickitat	84	5,051	5,570	5,829	6,088	93	97	102
Lewis	419	15,576	16,398	16,808	17,219	441	452	463
Lincoln	58	2,687	2,823	2,891	2,959	61	62	64
Mason	313	14,123	15,311	15,905	16,499	340	353	366
Okanogan	202	9,198	10,050	10,475	10,901	220	230	239
Pacific	151	6,258	6,584	6,747	6,910	158	162	166
Pend Oreille	72	3,378	3,742	3,925	4,107	80	84	87
Pierce	2907	114,409	125,262	130,688	136,114	3,183	3,321	3,459
San Juan	73	5,099	5,545	5,768	5,991	79	82	86
Skagit	588	24,021	26,595	27,881	29,168	651	682	714
Skamania	37	2,286	2,542	2,670	2,798	41	43	45
Snohomish	2397	101,674	113,447	119,333	125,219	2,675	2,814	2,952
Spokane	2080	77,325	84,343	87,852	91,361	2,269	2,363	2,457
Stevens	217	9,930	10,884	11,360	11,837	238	249	259
Thurston	1031	44,534	48,683	50,757	52,832	1,127	1,176	1,224
Wahkiakum	23	1,316	1,441	1,503	1,565	26	27	28
Walla Walla	295	10,819	10,944	11,006	11,068	299	300	302
Whatcom	801	35,688	39,164	40,902	42,640	879	918	957
Whitman	136	4,659	5,237	5,526	5,815	153	162	170
Yakima	883	34,949	36,670	37,530	38,391	926	948	970

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WAC246-310-290(8)(e) Step 5:

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

County	2018 potential volume	2019 potential volume	2020 potential volume	Current Capacity	2018 Admits (Unmet)	2019 Admits (Unmet)	2020 Admits (Unmet)
Adams	72	76	79	33.67	39	42	45
Asotin	145	149	153	73.33	71	76	80
Benton	825	854	883	902.67	(78)	(49)	(20)
Chelan	395	407	420	371.67	23	36	48
Clallam	553	564	575	129.67	424	434	445
Clark	1,979	2,064	2,148	1,881.00	98	183	267
Columbia	50	51	52	19.33	30	32	33
Cowlitz	669	692	714	774.67	(105)	(83)	(60)
Douglas	176	184	192	144.33	32	40	48
Ferry	46	47	48	27.33	18	20	21
Franklin	212	221	230	148.67	63	72	82
Garfield	15	15	16	4.00	11	11	12
Grant	386	401	416	225.00	161	176	191
Grays Harbor	455	467	480	280.33	174	187	200
Island	429	440	450	307.33	122	133	143
Jefferson	217	223	229	168.00	49	55	61
King	7,490	7,812	8,133	7,847.23	(357)	(36)	286
Kitsap	1,271	1,317	1,362	1,152.67	119	164	209
Kittitas	178	185	191	135.00	43	50	56
Klickitat	107	111	115	156.63	(50)	(46)	(42)
Lewis	503	514	525	438.33	64	76	87
Lincoln	67	68	70	19.00	48	49	51
Mason	390	403	417	241.67	148	162	175
Okanogan	254	263	272	190.33	63	73	82
Pacific	179	183	186	97.00	82	86	89
Pend Oreille	90	94	98	58.00	32	36	40
Pierce	3,739	3,883	4,028	3,895.33	(157)	(12)	132
San Juan	87	90	93	75.33	12	15	18
Skagit	728	760	792	628.67	99	131	163
Skamania	50	52	54	39.00	11	13	15
Snohomish	3,107	3,252	3,398	2,635.33	471	617	763
Spokane	2,609	2,705	2,801	2,664.00	(55)	41	137
Stevens	269	279	290	138.33	131	141	151
Thurston	1,283	1,334	1,384	1,104.30	179	229	280
Wahkiakum	27	28	29	6.33	21	22	23
Walla Walla	334	336	338	317.00	17	19	21
Whatcom	986	1,027	1,067	858.67	128	168	208
Whitman	170	178	187	227.33	(58)	(49)	(41)
Yakima	1,087	1,110	1,133	1,123.67	(36)	(13)	10

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WAC246-310-290(8)(f) Step 6:

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

County	2018 Admits (Unmet)	2019 Admits (Unmet)	2020 Admits (Unmet)	Step 6 (Admits * ALOS) = Unmet Patient Days			
				Statewide ALOS	2018 Patient Days (unmet)	2019 Patient Days (unmet)	2020 Patient Days (unmet)
Adams	39	42	45	60.86	2,344	2,551	2,758
Asotin	71	76	80	60.86	4,341	4,608	4,875
Benton	(78)	(49)	(20)	60.86	(4,732)	(2,971)	(1,209)
Chelan	23	36	48	60.86	1,400	2,162	2,924
Clallam	424	434	445	60.86	25,779	26,442	27,105
Clark	98	183	267	60.86	5,959	11,119	16,278
Columbia	30	32	33	60.86	1,850	1,924	1,997
Cowlitz	(105)	(83)	(60)	60.86	(6,413)	(5,044)	(3,674)
Douglas	32	40	48	60.86	1,917	2,407	2,897
Ferry	18	20	21	60.86	1,115	1,194	1,272
Franklin	63	72	82	60.86	3,840	4,409	4,978
Garfield	11	11	12	60.86	672	688	703
Grant	161	176	191	60.86	9,782	10,693	11,604
Grays Harbor	174	187	200	60.86	10,615	11,387	12,160
Island	122	133	143	60.86	7,419	8,065	8,711
Jefferson	49	55	61	60.86	2,974	3,333	3,693
King	(357)	(36)	286	60.86	(21,735)	(2,169)	17,397
Kitsap	119	164	209	60.86	7,217	9,978	12,739
Kittitas	43	50	56	60.86	2,613	3,014	3,414
Klickitat	(50)	(46)	(42)	60.86	(3,048)	(2,791)	(2,535)
Lewis	64	76	87	60.86	3,907	4,598	5,288
Lincoln	48	49	51	60.86	2,919	3,005	3,092
Mason	148	162	175	60.86	9,011	9,842	10,674
Okanogan	63	73	82	60.86	3,863	4,419	4,976
Pacific	82	86	89	60.86	4,979	5,205	5,432
Pend Oreille	32	36	40	60.86	1,947	2,180	2,413
Pierce	(157)	(12)	132	60.86	(9,530)	(740)	8,050
San Juan	12	15	18	60.86	727	916	1,105
Skagit	99	131	163	60.86	6,025	7,975	9,925
Skamania	11	13	15	60.86	641	766	892
Snohomish	471	617	763	60.86	28,686	37,548	46,411
Spokane	(55)	41	137	60.86	(3,355)	2,497	8,348
Stevens	131	141	151	60.86	7,957	8,586	9,215
Thurston	179	229	280	60.86	10,905	13,963	17,021
Wahkiakum	21	22	23	60.86	1,269	1,334	1,399
Walla Walla	17	19	21	60.86	1,026	1,139	1,251
Whatcom	128	168	208	60.86	7,769	10,228	12,687
Whitman	(58)	(49)	(41)	60.86	(3,512)	(2,996)	(2,480)
Yakima	(36)	(13)	10	60.86	(2,201)	(802)	598

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WAC246-310-290(8)(g) Step 7:

Divide the unmet patient days from Step 6 by 365 to determine the unmet need ADC.

County				Step 7 (Patient Days / 365) = Unmet ADC		
	2018 Patient Days (unmet)	2019 Patient Days (unmet)	2020 Patient Days (unmet)	2018 ADC (unmet)	2019 ADC (unmet)	2020 ADC (unmet)
Adams	2,344	2,551	2,758	6	7	8
Asotin	4,341	4,608	4,875	12	13	13
Benton	(4,732)	(2,971)	(1,209)	(13)	(8)	(3)
Chelan	1,400	2,162	2,924	4	6	8
Clallam	25,779	26,442	27,105	71	72	74
Clark	5,959	11,119	16,278	16	30	45
Columbia	1,850	1,924	1,997	5	5	5
Cowlitz	(6,413)	(5,044)	(3,674)	(18)	(14)	(10)
Douglas	1,917	2,407	2,897	5	7	8
Ferry	1,115	1,194	1,272	3	3	3
Franklin	3,840	4,409	4,978	11	12	14
Garfield	672	688	703	2	2	2
Grant	9,782	10,693	11,604	27	29	32
Grays Harbor	10,615	11,387	12,160	29	31	33
Island	7,419	8,065	8,711	20	22	24
Jefferson	2,974	3,333	3,693	8	9	10
King	(21,735)	(2,169)	17,397	(60)	(6)	48
Kitsap	7,217	9,978	12,739	20	27	35
Kittitas	2,613	3,014	3,414	7	8	9
Klickitat	(3,048)	(2,791)	(2,535)	(8)	(8)	(7)
Lewis	3,907	4,598	5,288	11	13	14
Lincoln	2,919	3,005	3,092	8	8	8
Mason	9,011	9,842	10,674	25	27	29
Okanogan	3,863	4,419	4,976	11	12	14
Pacific	4,979	5,205	5,432	14	14	15
Pend Oreille	1,947	2,180	2,413	5	6	7
Pierce	(9,530)	(740)	8,050	(26)	(2)	22
San Juan	727	916	1,105	2	3	3
Skagit	6,025	7,975	9,925	17	22	27
Skamania	641	766	892	2	2	2
Snohomish	28,686	37,548	46,411	79	103	127
Spokane	(3,355)	2,497	8,348	(9)	7	23
Stevens	7,957	8,586	9,215	22	24	25
Thurston	10,905	13,963	17,021	30	38	47
Wahkiakum	1,269	1,334	1,399	3	4	4
Walla Walla	1,026	1,139	1,251	3	3	3
Whatcom	7,769	10,228	12,687	21	28	35
Whitman	(3,512)	(2,996)	(2,480)	(10)	(8)	(7)
Yakima	(2,201)	(802)	598	(6)	(2)	2

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WAC246-310-290(8)(h) Step 8:

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

Application Year

County	Step 7 (Patient Days / 365) = Unmet ADC			Step 8 - Numeric Need	
	2018 ADC (unmet)	2019 ADC (unmet)	2020 ADC (unmet)	Numeric Need?	Agencies Needed?
Adams	6	7	8	FALSE	FALSE
Asotin	12	13	13	FALSE	FALSE
Benton	(13)	(8)	(3)	FALSE	FALSE
Chelan	4	6	8	FALSE	FALSE
Clallam	71	72	74	TRUE	2.12
Clark	16	30	45	TRUE	1.27
Columbia	5	5	5	FALSE	FALSE
Cowlitz	(18)	(14)	(10)	FALSE	FALSE
Douglas	5	7	8	FALSE	FALSE
Ferry	3	3	3	FALSE	FALSE
Franklin	11	12	14	FALSE	FALSE
Garfield	2	2	2	FALSE	FALSE
Grant	27	29	32	FALSE	FALSE
Grays Harbor	29	31	33	FALSE	FALSE
Island	20	22	24	FALSE	FALSE
Jefferson	8	9	10	FALSE	FALSE
King	(60)	(6)	48	TRUE	1.36
Kitsap	20	27	35	FALSE	FALSE
Kittitas	7	8	9	FALSE	FALSE
Klickitat	(8)	(8)	(7)	FALSE	FALSE
Lewis	11	13	14	FALSE	FALSE
Lincoln	8	8	8	FALSE	FALSE
Mason	25	27	29	FALSE	FALSE
Okanogan	11	12	14	FALSE	FALSE
Pacific	14	14	15	FALSE	FALSE
Pend Oreille	5	6	7	FALSE	FALSE
Pierce	(26)	(2)	22	FALSE	FALSE
San Juan	2	3	3	FALSE	FALSE
Skagit	17	22	27	FALSE	FALSE
Skamania	2	2	2	FALSE	FALSE
Snohomish	79	103	127	TRUE	3.63
Spokane	(9)	7	23	FALSE	FALSE
Stevens	22	24	25	FALSE	FALSE
Thurston	30	38	47	TRUE	1.33
Wahkiakum	3	4	4	FALSE	FALSE
Walla Walla	3	3	3	FALSE	FALSE
Whatcom	21	28	35	FALSE	FALSE
Whitman	(10)	(8)	(7)	FALSE	FALSE
Yakima	(6)	(2)	2	FALSE	FALSE

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County	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Adams	17,637	17,768	17,899	18,029	18,160	18,291	18,456	18,622	18,787	18,953	19,118
Asotin	16,969	16,906	16,842	16,779	16,715	16,652	16,596	16,540	16,485	16,429	16,373
Benton	162,262	163,693	165,123	166,554	167,984	169,415	171,026	172,638	174,249	175,861	177,472
Chelan	61,284	61,520	61,755	61,991	62,227	62,463	62,512	62,562	62,611	62,661	62,710
Clallam	52,716	52,661	52,605	52,550	52,494	52,439	52,233	52,027	51,821	51,615	51,409
Clark	387,296	393,291	399,287	405,282	411,278	417,273	421,901	426,529	431,158	435,786	440,414
Columbia	2,988	2,947	2,905	2,863	2,822	2,780	2,745	2,710	2,675	2,640	2,605
Cowlitz	85,417	85,517	85,617	85,717	85,817	85,917	85,843	85,769	85,695	85,621	85,547
Douglas	33,540	33,938	34,335	34,732	35,130	35,527	35,803	36,080	36,356	36,633	36,909
Ferry	5,834	5,782	5,731	5,680	5,628	5,577	5,541	5,506	5,470	5,435	5,399
Franklin	79,651	81,742	83,832	85,922	88,012	90,102	92,443	94,784	97,124	99,465	101,806
Garfield	1,665	1,644	1,623	1,602	1,581	1,560	1,541	1,522	1,502	1,483	1,464
Grant	81,535	82,660	83,784	84,909	86,033	87,158	88,240	89,322	90,403	91,485	92,567
Grays Harbor	59,105	58,675	58,246	57,817	57,387	56,958	56,679	56,401	56,122	55,844	55,565
Island	62,514	62,664	62,814	62,964	63,114	63,264	63,280	63,296	63,312	63,328	63,344
Jefferson	20,636	20,653	20,670	20,688	20,705	20,722	20,636	20,550	20,463	20,377	20,291
King	1,798,581	1,820,215	1,841,848	1,863,482	1,885,115	1,906,749	1,918,470	1,930,192	1,941,913	1,953,635	1,965,356
Kitsap	212,548	214,045	215,543	217,040	218,538	220,035	220,614	221,192	221,771	222,349	222,928
Kittitas	36,206	36,768	37,330	37,892	38,453	39,015	39,286	39,556	39,827	40,097	40,368
Klickitat	16,208	16,082	15,955	15,828	15,702	15,575	15,439	15,304	15,168	15,033	14,897
Lewis	61,494	61,796	62,097	62,398	62,700	63,001	63,164	63,327	63,491	63,654	63,817
Lincoln	8,101	8,042	7,982	7,923	7,864	7,805	7,751	7,698	7,644	7,591	7,537
Mason	48,672	49,162	49,652	50,142	50,632	51,122	51,397	51,672	51,946	52,221	52,496
Okanogan	33,087	32,906	32,726	32,545	32,364	32,183	32,087	31,991	31,896	31,800	31,704
Pacific	15,115	14,972	14,830	14,688	14,545	14,403	14,322	14,242	14,161	14,081	14,000
Pend Oreille	10,045	9,998	9,952	9,905	9,859	9,812	9,769	9,727	9,684	9,642	9,599
Pierce	721,137	729,937	738,738	747,538	756,339	765,139	769,918	774,696	779,475	784,253	789,032
San Juan	11,305	11,194	11,084	10,974	10,863	10,753	10,730	10,707	10,684	10,661	10,638
Skagit	97,885	98,616	99,346	100,076	100,807	101,537	101,887	102,236	102,586	102,935	103,285
Skamania	9,272	9,266	9,260	9,254	9,248	9,242	9,223	9,205	9,186	9,168	9,149
Snohomish	661,812	672,806	683,800	694,793	705,787	716,781	721,527	726,273	731,019	735,765	740,511
Spokane	414,493	416,684	418,875	421,066	423,256	425,447	426,740	428,033	429,326	430,619	431,912
Stevens	34,576	34,459	34,343	34,226	34,109	33,992	33,917	33,841	33,766	33,690	33,615
Thurston	224,951	228,261	231,571	234,880	238,190	241,500	243,867	246,235	248,602	250,970	253,337
Wahkiakum	2,726	2,669	2,612	2,555	2,498	2,441	2,405	2,368	2,332	2,295	2,259
Walla Walla	49,893	50,111	50,328	50,546	50,763	50,981	51,028	51,075	51,121	51,168	51,215
Whatcom	175,840	178,234	180,629	183,023	185,418	187,812	189,267	190,722	192,178	193,633	195,088
Whitman	42,880	42,965	43,051	43,137	43,222	43,308	43,315	43,322	43,330	43,337	43,344
Yakima	215,882	217,605	219,328	221,051	222,774	224,497	225,822	227,147	228,473	229,798	231,123

2015-2017 Average Population
17,768
16,906
163,693
61,520
52,661
393,291
2,947
85,517
33,938
5,782
81,742
1,644
82,660
58,675
62,664
20,653
1,820,215
214,045
36,768
16,082
61,796
8,042
49,162
32,906
14,972
9,998
729,937
11,194
98,616
9,266
672,806
416,684
34,459
228,261
2,669
50,111
178,234
42,965
217,605

**Department of Health-Updated
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County	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Adams	1,773	1,887	2,000	2,114	2,227	2,341	2,383	2,424	2,466	2,507	2,549
Asotin	5,041	5,233	5,426	5,619	5,812	6,005	6,175	6,344	6,514	6,683	6,853
Benton	26,328	27,492	28,657	29,821	30,986	32,150	33,373	34,597	35,820	37,044	38,267
Chelan	13,746	14,279	14,811	15,343	15,876	16,408	17,052	17,695	18,339	18,982	19,626
Clallam	19,934	20,401	20,867	21,334	21,800	22,267	22,901	23,535	24,168	24,802	25,436
Clark	64,524	68,044	71,564	75,085	78,605	82,125	85,686	89,247	92,807	96,368	99,929
Columbia	1,102	1,135	1,169	1,202	1,236	1,269	1,287	1,304	1,322	1,339	1,357
Cowlitz	18,863	19,684	20,505	21,326	22,148	22,969	23,719	24,470	25,220	25,971	26,721
Douglas	6,450	6,831	7,213	7,595	7,976	8,358	8,666	8,974	9,283	9,591	9,899
Ferry	1,876	1,949	2,022	2,095	2,168	2,241	2,289	2,337	2,386	2,434	2,482
Franklin	7,499	7,921	8,343	8,765	9,188	9,610	10,083	10,557	11,030	11,504	11,977
Garfield	595	607	620	633	645	658	669	680	692	703	714
Grant	12,395	13,011	13,628	14,244	14,861	15,477	16,071	16,665	17,258	17,852	18,446
Grays Harbor	14,005	14,535	15,064	15,594	16,123	16,653	17,133	17,612	18,092	18,571	19,051
Island	18,086	18,625	19,163	19,701	20,239	20,777	21,412	22,047	22,682	23,317	23,952
Jefferson	10,244	10,580	10,916	11,252	11,588	11,924	12,323	12,722	13,121	13,520	13,919
King	254,219	268,307	282,395	296,484	310,572	324,660	337,771	350,881	363,992	377,102	390,213
Kitsap	45,652	47,697	49,743	51,788	53,833	55,878	58,185	60,492	62,800	65,107	67,414
Kittitas	6,464	6,760	7,055	7,351	7,647	7,943	8,266	8,589	8,911	9,234	9,557
Klickitat	4,792	5,051	5,310	5,570	5,829	6,088	6,268	6,448	6,627	6,807	6,987
Lewis	15,166	15,576	15,987	16,398	16,808	17,219	17,697	18,175	18,652	19,130	19,608
Lincoln	2,619	2,687	2,755	2,823	2,891	2,959	3,039	3,119	3,200	3,280	3,360
Mason	13,528	14,123	14,717	15,311	15,905	16,499	17,167	17,836	18,504	19,173	19,841
Okanogan	8,773	9,198	9,624	10,050	10,475	10,901	11,210	11,519	11,827	12,136	12,445
Pacific	6,095	6,258	6,421	6,584	6,747	6,910	7,035	7,159	7,284	7,408	7,533
Pend Oreille	3,195	3,378	3,560	3,742	3,925	4,107	4,239	4,371	4,504	4,636	4,768
Pierce	108,983	114,409	119,836	125,262	130,688	136,114	142,422	148,729	155,037	161,344	167,652
San Juan	4,876	5,099	5,322	5,545	5,768	5,991	6,174	6,357	6,541	6,724	6,907
Skagit	22,735	24,021	25,308	26,595	27,881	29,168	30,314	31,460	32,607	33,753	34,899
Skamania	2,158	2,286	2,414	2,542	2,670	2,798	2,923	3,048	3,172	3,297	3,422
Snohomish	95,788	101,674	107,560	113,447	119,333	125,219	131,978	138,737	145,495	152,254	159,013
Spokane	73,817	77,325	80,834	84,343	87,852	91,361	94,670	97,979	101,288	104,597	107,906
Stevens	9,454	9,930	10,407	10,884	11,360	11,837	12,214	12,591	12,969	13,346	13,723
Thurston	42,459	44,534	46,608	48,683	50,757	52,832	54,900	56,967	59,035	61,102	63,170
Wahkiakum	1,254	1,316	1,379	1,441	1,503	1,565	1,580	1,595	1,611	1,626	1,641
Walla Walla	10,757	10,819	10,881	10,944	11,006	11,068	11,350	11,632	11,915	12,197	12,479
Whatcom	33,950	35,688	37,426	39,164	40,902	42,640	44,217	45,794	47,372	48,949	50,526
Whitman	4,370	4,659	4,948	5,237	5,526	5,815	6,008	6,201	6,395	6,588	6,781
Yakima	34,088	34,949	35,809	36,670	37,530	38,391	39,475	40,559	41,643	42,727	43,811

**2015-2017
Average
Population**

1,887
5,233
27,492
14,279
20,401
68,044
1,135
19,684
6,831
1,949
7,921
607
13,011
14,535
18,625
10,580
268,307
47,697
6,760
5,051
15,576
2,687
14,123
9,198
6,258
3,378
114,409
5,099
24,021
2,286
101,674
77,325
9,930
44,534
1,316
10,819
35,688
4,659
34,949

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County	0-64			65+		
	2015	2016	2017	2015	2016	2017
ADAMS	35	34	38	102	92	78
ASOTIN	62	50	49	212	192	190
BENTON	372	352	385	1,103	1,075	1,081
CHELAN	152	123	124	543	535	556
CLALLAM	203	172	180	754	762	842
CLARK	881	781	883	2,553	2,589	2,579
COLUMBIA	14	12	19	48	48	116
COWLITZ	280	290	351	864	863	917
DOUGLAS	82	56	71	230	227	232
FERRY	23	20	30	54	64	60
FRANKLIN	111	115	133	257	242	284
GARFIELD	4	4	6	28	20	17
GRANT	197	191	203	488	479	509
GRAYS HARBOR	238	233	238	555	606	622
ISLAND	165	134	166	597	565	630
JEFFERSON	67	69	69	313	293	308
KING	3,397	3,204	3,256	9,308	9,766	10,039
KITSAP	537	518	485	1,610	1,704	1,780
KITTITAS	82	59	91	223	243	237
KLUCKITAT	33	50	63	119	145	151
LEWIS	236	194	210	667	676	721
LINCOLN	20	26	20	78	102	105
MASON	184	164	169	499	494	550
OKANOGAN	128	110	119	340	303	350
PACIFIC	71	59	88	258	222	262
PEND OREILLE	41	35	34	101	120	133
PIERCE	1,892	1,883	1,936	4,550	4,751	5,019
SAN JUAN	32	36	18	118	126	115
SKAGIT	279	248	271	909	979	1,007
SKAMANIA	34	39	16	53	64	65
SNOHOMISH	1,478	1,440	1,483	3,833	3,857	4,118
SPOKANE	1,230	1,168	1,147	3,361	3,356	3,527
STEVENS	127	103	96	359	336	376
THURSTON	581	485	530	1,651	1,661	1,768
WAHKIAKUM	5	10	3	39	39	37
WALLA WALLA	122	123	123	468	485	501
WHATCOM	371	365	367	1,262	1,353	1,329
WHITMAN	74	42	57	223	212	236
YAKIMA	525	560	586	1,419	1,458	1,471

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0-64 Total Admissions by County

Sum of 0-64 Row Labels	Column Labels		
	2015	2016	2017
Adams	8	6	4
Asotin	12	10	7
Benton	108	106	110
Chelan	49	35	44
Clallam	13	6	14
Clark	257	310	282
Columbia	3	0	1
Cowlitz	119	105	124
Douglas	19	19	19
Ferry	2	3	7
Franklin	26	16	15
Garfield	0	0	1
Grant	31	42	44
Grays Harbor	29	66	72
Island	33	32	35
Jefferson	16	15	14
King	1,125	906	862
Kitsap	177	132	104
Kittitas	15	20	46
Klickitat	9	30	17
Lewis	76	53	45
Lincoln	2	4	3
Mason	47	18	34
Okanogan	38	35	34
Pacific	13	15	17
Pend Oreille	12	11	8
Pierce	747	453	419
San Juan	5	11	3
Skagit	77	62	61
Skamania	11	14	4
Snohomish	450	366	339
Spokane	386	367	397
Stevens	24	13	25
Thurston	161	132	144
Wahkiakum	1	0	1
Walla Walla	39	45	45
Whatcom	129	122	139
Whitman	2	9	29
Yakima	184	179	188
Grand Total	4,455	3,768	3,757

65+ Total Admissions by County

Sum of 65+ Row Labels	Column Labels		
	2015	2016	2017
Adams	28	25	30
Asotin	59	47	85
Benton	758	751	875
Chelan	363	305	319
Clallam	103	110	143
Clark	1,159	1,737	1,898
Columbia	18	19	17
Cowlitz	636	645	695
Douglas	145	102	129
Ferry	15	18	37
Franklin	157	110	122
Garfield	7	3	1
Grant	163	179	216
Grays Harbor	118	264	292
Island	263	195	364
Jefferson	172	120	167
King	6,788	6,510	6,739
Kitsap	951	938	1,156
Kittitas	111	79	134
Klickitat	71	72	82
Lewis	343	378	420
Lincoln	9	17	22
Mason	203	191	232
Okanogan	199	133	132
Pacific	41	99	106
Pend Oreille	32	56	55
Pierce	3,310	3,401	3,356
San Juan	67	70	70
Skagit	479	591	616
Skamania	32	35	21
Snohomish	2,439	2,228	2,084
Spokane	2,199	2,176	2,467
Stevens	105	120	128
Thurston	887	880	899
Wahkiakum	8	5	4
Walla Walla	273	273	276
Whatcom	708	712	766
Whitman	187	207	248
Yakima	921	937	962
Grand Total	24,527	24,738	26,365

Total Admissions by County - Not Adjusted for New Approvals

Column1	Total 2015	Total 2016	Total 2017	Average
Adams	36	31	34	33.67
Asotin	71	57	92	73.33
Benton	866	857	985	902.67
Chelan	412	340	363	371.67
Clallam	116	116	157	129.67
Clark	1,416	2,047	2,180	1,881.00
Columbia	21	19	18	19.33
Cowlitz	755	750	819	774.67
Douglas	164	121	148	144.33
Ferry	17	21	44	27.33
Franklin	183	126	137	148.67
Garfield	7	3	2	4.00
Grant	194	221	260	225.00
Grays Harbor	147	330	364	280.33
Island	296	227	399	307.33
Jefferson	188	135	181	168.00
King	7,913	7,416	7,601	7,643.33
Kitsap	1,128	1,070	1,260	1,152.67
Kittitas	126	99	180	135.00
Klickitat	80	102	99	93.67
Lewis	419	431	465	438.33
Lincoln	11	21	25	19.00
Mason	250	209	266	241.67
Okanogan	237	168	166	190.33
Pacific	54	114	123	97.00
Pend Oreille	44	67	63	58.00
Pierce	4,057	3,854	3,775	3,895.33
San Juan	72	81	73	75.33
Skagit	556	653	677	628.67
Skamania	43	49	25	39.00
Snohomish	2,889	2,594	2,423	2,635.33
Spokane	2,585	2,543	2,864	2,664.00
Stevens	129	133	153	138.33
Thurston	1,048	1,012	1,043	1,034.33
Wahkiakum	9	5	5	6.33
Walla Walla	312	318	321	317.00
Whatcom	837	834	905	858.67
Whitman	189	216	277	227.33
Yakima	1,105	1,116	1,150	1,123.67

Total Admissions by County - Adjusted for New

Column1	Total 2015	Total 2016	Total 2017	Average
Adams	36	31	34	33.67
Asotin	71	57	92	73.33
Benton	866	857	985	902.67
Chelan	412	340	363	371.67
Clallam	116	116	157	129.67
Clark	1,416	2,047	2,180	1,881.00
Columbia	21	19	18	19.33
Cowlitz	755	750	819	774.67
Douglas	164	121	148	144.33
Ferry	17	21	44	27.33
Franklin	183	126	137	148.67
Garfield	7	3	2	4.00
Grant	194	221	260	225.00
Grays Harbor	147	330	364	280.33
Island	296	227	399	307.33
Jefferson	188	135	181	168.00
King	8,123	7,626	7,793	7,847.23
Kitsap	1,128	1,070	1,260	1,152.67
Kittitas	126	99	180	135.00
Klickitat	80	102	288	156.63
Lewis	419	431	465	438.33
Lincoln	11	21	25	19.00
Mason	250	209	266	241.67
Okanogan	237	168	166	190.33
Pacific	54	114	123	97.00
Pend Oreille	44	67	63	58.00
Pierce	4,057	3,854	3,775	3,895.33
San Juan	72	81	73	75.33
Skagit	556	653	677	628.67
Skamania	43	49	25	39.00
Snohomish	2,889	2,594	2,423	2,635.33
Spokane	2,585	2,543	2,864	2,664.00
Stevens	129	133	153	138.33
Thurston	1,048	1,012	1,253	1,104.30
Wahkiakum	9	5	5	6.33
Walla Walla	312	318	321	317.00
Whatcom	837	834	905	858.67
Whitman	189	216	277	227.33
Yakima	1,105	1,116	1,150	1,123.67

Agencies that have operated for <3 years:

Wesley Homes Hospice - approved in 2015, operational since 2017 in King County
 Heart of Hospice - approved in August 2017. Operational since August 2017 in Klickitat County.
 Envision Hospice - approved in September 2018.

Calculation for "default values" per WAC 246-310-290(7)(b), assumption of 35 ADC, 60.86 ALOS per CMS

35 ADC * 365 days per year = 12,775 default patient days
 12,775 patient days/60.86 ALOS = 209.9 default admissions

For both affected counties, the actual volumes from these recently approved agencies will be subtracted, and default values will be added.

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Agency Name	License Number	County	Year	0-64	65+
Assured Home Health and Hospice (Central Basin/Assured Hospice)	IHS.FS.60092413	Adams	2015	8	28
Assured Home Health and Hospice (Central Basin/Assured Hospice)	IHS.FS.60092413	Grant	2015	30	158
Assured Home Health and Hospice (Central Basin/Assured Hospice)	IHS.FS.60092413	Lincoln	2015	2	8
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Clallam	2015	13	103
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Jefferson	2015	1	3
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Lewis	2015	30	209
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Mason	2015	10	55
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Thurston	2015	27	218
Astria Home Health and Hospice (Yakima Regional Home Health and Hospice)	IHS.FS.60097245	Yakima	2015	19	95
Central Washington Hospital Home Care Services	IHS.FS.00000250	Chelan	2015	49	363
Central Washington Hospital Home Care Services	IHS.FS.00000250	Douglas	2015	19	138
Community Home Health and Hospice CHHH Community Home Care Hospice	IHS.FS.00000262	Clark	2015	80	355
Community Home Health and Hospice CHHH Community Home Care Hospice	IHS.FS.00000262	Cowlitz	2015	104	598
Community Home Health and Hospice CHHH Community Home Care Hospice	IHS.FS.00000262	Wahkiakum	2015	1	8
Elite Home Health and Hospice	IHS.FS.60384078	Asotin	2015	12	59
Elite Home Health and Hospice	IHS.FS.60384078	Garfield	2015	0	7
Evergreen Health Home Care Services	IHS.FS.00000278	Island	2015	0	1
Evergreen Health Home Care Services	IHS.FS.00000278	King	2015	291	2,122
Evergreen Health Home Care Services	IHS.FS.00000278	Snohomish	2015	92	630
Franciscan Hospice	IHS.FS.00000287	King	2015	215	1,061
Franciscan Hospice	IHS.FS.00000287	Kitsap	2015	91	432
Franciscan Hospice	IHS.FS.00000287	Pierce	2015	442	2,234
Frontier Home Health and Hospice (Okanogan Regional)	IHS.FS.60379608	Douglas	2015	0	7
Frontier Home Health and Hospice (Okanogan Regional)	IHS.FS.60379608	Grant	2015	1	5
Frontier Home Health and Hospice (Okanogan Regional)	IHS.FS.60379608	Okanogan	2015	38	199
Gentiva Hospice (Odyssey Hospice)	IHS.FS.60330209	King	2015	19	238
Harbors Home Health and Hospice	IHS.FS.00000306	Grays Harbor	2015	29	118
Harbors Home Health and Hospice	IHS.FS.00000306	Pacific	2015	13	41
Heart of Hospice	IHS.FS.00000185	Skamania	2015	9	19
Heart of Hospice	IHS.FS.00000185	Klickitat	2015	1	16
Heartlinks Hospice and Palliative Care (Lower Valley Hospice)	IHS.FS.00000369	Benton	2015	5	175
Heartlinks Hospice and Palliative Care (Lower Valley Hospice)	IHS.FS.00000369	Yakima	2015	21	228
Home Health Care of Whidbey General Hospital (Whidbey General)	IHS.FS.00000323	Island	2015	20	162
Homecare and Hospice Southwest (Hospice SW)	IHS.FS.60331226	Clark	2015	125	451
Homecare and Hospice Southwest (Hospice SW)	IHS.FS.60331226	Cowlitz	2015	14	32
Homecare and Hospice Southwest (Hospice SW)	IHS.FS.60331226	Skamania	2015	0	0
Horizon Hospice	IHS.FS.00000332	Spokane	2015	36	331
Hospice of Kitsap County	IHS.FS.00000335	Kitsap	2015	0	0
Hospice of Spokane	IHS.FS.00000337	Ferry	2015	2	15
Hospice of Spokane	IHS.FS.00000337	Lincoln	2015	0	1
Hospice of Spokane	IHS.FS.00000337	Pend Oreille	2015	12	32
Hospice of Spokane	IHS.FS.00000337	Spokane	2015	327	1,677
Hospice of Spokane	IHS.FS.00000337	Stevens	2015	24	105
Hospice of Spokane	IHS.FS.00000337	Whitman	2015	2	1
Hospice of the Northwest (Skagit Hospice Service)	IHS.FS.00000437	Island	2015	12	85
Hospice of the Northwest (Skagit Hospice Service)	IHS.FS.00000437	San Juan	2015	5	67
Hospice of the Northwest (Skagit Hospice Service)	IHS.FS.00000437	Skagit	2015	77	479
Hospice of the Northwest (Skagit Hospice Service)	IHS.FS.00000437	Snohomish	2015	7	76
Jefferson Healthcare Home Health and Hospice (Hospice of Jefferson County)	IHS.FS.00000349	Jefferson	2015	15	169
Kaiser Permanente Continuing Care Services	IHS.FS.00000353	Clark	2015	52	353
Kaiser Permanente Continuing Care Services	IHS.FS.00000353	Cowlitz	2015	1	6
Kaiser Permanente Continuing Care Services	IHS.FS.00000353	Skamania	2015	0	2
Kaiser Permanente Home Health and Hospice (Group Health)	IHS.FS.00000305	King	2015	86	1,243
Kaiser Permanente Home Health and Hospice (Group Health)	IHS.FS.00000305	Kitsap	2015	22	186
Kaiser Permanente Home Health and Hospice (Group Health)	IHS.FS.00000305	Pierce	2015	134	444
Kaiser Permanente Home Health and Hospice (Group Health)	IHS.FS.00000305	Snohomish	2015	58	264
Kindred Hospice (Gentiva Hospice)	IHS.FS.60308060	Spokane	2015	23	191
Kindred Hospice (Gentiva Hospice)	IHS.FS.60308060	Whitman	2015	0	186
Kittitas Valley Home Health and Hospice	IHS.FS.00000320	Kittitas	2015	15	111
Klickitat Valley Home Health & Hospice (Klickitat Valley Health)	IHS.FS.00000361	Klickitat	2015	4	36
Kline Galland Community Based Services	IHS.FS.60103742	King	2015	20	273
Memorial Home Care Services	IHS.FS.00000376	Yakima	2015	144	598
MultiCare Home Health, Hospice and Palliative Care	IHS.FS.60639376	King	2015	22	103
MultiCare Home Health, Hospice and Palliative Care	IHS.FS.60639377	Kitsap	2015	64	333
MultiCare Home Health, Hospice and Palliative Care	IHS.FS.60639378	Pierce	2015	171	632
Providence Hospice (Hospice of the Gorge)	IHS.FS.60201476	Klickitat	2015	4	19
Providence Hospice (Hospice of the Gorge)	IHS.FS.60201476	Skamania	2015	2	11
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	Island	2015	1	15
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	King	2015	2	1
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	Snohomish	2015	289	1,441
Providence Hospice of Seattle	IHS.FS.00000336	King	2015	470	1,747

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Providence Hospice of Seattle	IHS.FS.00000336	Snohomish	2015	4	28
Providence SoundHomeCare and Hospice	IHS.FS.00000420	Lewis	2015	46	134
Providence SoundHomeCare and Hospice	IHS.FS.00000420	Mason	2015	37	148
Providence SoundHomeCare and Hospice	IHS.FS.00000420	Thurston	2015	134	669
Tri-Cities Chaplaincy	IHS.FS.00000456	Benton	2015	103	583
Tri-Cities Chaplaincy	IHS.FS.00000456	Franklin	2015	26	157
Walla Walla Community Hospice	IHS.FS.60480441	Columbia	2015	3	18
Walla Walla Community Hospice	IHS.FS.60480441	Walla Walla	2015	39	273
Wesley Homes	IHS.FS.60276500	King	2015	0	0
Whatcom Hospice (Peacehealth)	IHS.FS.00000471	Whatcom	2015	129	708
Assured Home Health and Hospice (Central Basin/Assured Hospice)	IHS.FS.60092413	Adams	2016	6	25
Assured Home Health and Hospice (Central Basin/Assured Hospice)	IHS.FS.60092413	Grant	2016	42	176
Assured Home Health and Hospice (Central Basin/Assured Hospice)	IHS.FS.60092413	Lincoln	2016	4	16
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Clallam	2016	6	110
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Jefferson	2016	1	6
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Lewis	2016	25	229
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Mason	2016	3	52
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Thurston	2016	30	240
Astria Home Health and Hospice (Yakima Regional Home Health and Hospice)	IHS.FS.60097245	Yakima	2016	6	88
Central Washington Hospital Home Care Services	IHS.FS.00000250	Chelan	2016	35	305
Central Washington Hospital Home Care Services	IHS.FS.00000250	Douglas	2016	19	97
Community Home Health and Hospice CHHH Community Home Care Hospice	IHS.FS.00000262	Clark	2016	78	364
Community Home Health and Hospice CHHH Community Home Care Hospice	IHS.FS.00000262	Cowlitz	2016	98	583
Community Home Health and Hospice CHHH Community Home Care Hospice	IHS.FS.00000262	Wahkiakum	2016	0	5
Elite Home Health and Hospice	IHS.FS.60384078	Asotin	2016	10	47
Elite Home Health and Hospice	IHS.FS.60384078	Garfield	2016	0	3
Evergreen Health Home Care Services	IHS.FS.00000278	Island	2016	0	7
Evergreen Health Home Care Services	IHS.FS.00000278	King	2016	292	2,227
Evergreen Health Home Care Services	IHS.FS.00000278	Snohomish	2016	85	727
Franciscan Hospice	IHS.FS.00000287	King	2016	106	1,140
Franciscan Hospice	IHS.FS.00000287	Kitsap	2016	45	486
Franciscan Hospice	IHS.FS.00000287	Pierce	2016	232	2,499
Frontier Home Health and Hospice (Okanogan Regional)	IHS.FS.60379608	Douglas	2016	0	5
Frontier Home Health and Hospice (Okanogan Regional)	IHS.FS.60379608	Grant	2016	0	3
Frontier Home Health and Hospice (Okanogan Regional)	IHS.FS.60379608	Okanogan	2016	35	133
Gentiva Hospice (Odyssey Hospice)	IHS.FS.60330209	King	2016	24	346
Harbors Home Health and Hospice	IHS.FS.00000306	Grays Harbor	2016	66	264
Harbors Home Health and Hospice	IHS.FS.00000306	Pacific	2016	15	99
Heart of Hospice	IHS.FS.00000185	Skamania	2016	9	13
Heart of Hospice	IHS.FS.00000185	Klickitat	2016	3	25
Heartlinks Hospice and Palliative Care (Lower Valley Hospice)	IHS.FS.00000369	Benton	2016	4	107
Heartlinks Hospice and Palliative Care (Lower Valley Hospice)	IHS.FS.00000369	Yakima	2016	12	165
Home Health Care of Whidbey General Hospital (Whidbey General)	IHS.FS.00000323	Island	2016	11	99
Homecare and Hospice Southwest (Hospice SW)	IHS.FS.60331226	Clark	2016	168	976
Homecare and Hospice Southwest (Hospice SW)	IHS.FS.60331226	Cowlitz	2016	6	39
Homecare and Hospice Southwest (Hospice SW)	IHS.FS.60331226	Skamania	2016	1	5
Horizon Hospice	IHS.FS.00000332	Spokane	2016	28	350
Hospice of Kitsap County	IHS.FS.00000335	Kitsap	2016	0	0
Hospice of Spokane	IHS.FS.00000337	Ferry	2016	3	18
Hospice of Spokane	IHS.FS.00000337	Lincoln	2016	0	1
Hospice of Spokane	IHS.FS.00000337	Pend Oreille	2016	11	56
Hospice of Spokane	IHS.FS.00000337	Spokane	2016	315	1,620
Hospice of Spokane	IHS.FS.00000337	Stevens	2016	13	120
Hospice of Spokane	IHS.FS.00000337	Whitman	2016	0	1
Hospice of the Northwest (Skagit Hospice Service)	IHS.FS.00000437	Island	2016	13	61
Hospice of the Northwest (Skagit Hospice Service)	IHS.FS.00000437	San Juan	2016	11	70
Hospice of the Northwest (Skagit Hospice Service)	IHS.FS.00000437	Skagit	2016	62	591
Hospice of the Northwest (Skagit Hospice Service)	IHS.FS.00000437	Snohomish	2016	7	96
Jefferson Healthcare Home Health and Hospice (Hospice of Jefferson County)	IHS.FS.00000349	Jefferson	2016	14	114
Kaiser Permanente Continuing Care Services	IHS.FS.00000353	Clark	2016	64	397
Kaiser Permanente Continuing Care Services	IHS.FS.00000353	Cowlitz	2016	1	23
Kaiser Permanente Continuing Care Services	IHS.FS.00000353	Skamania	2016	0	0
Kaiser Permanente Home Health and Hospice (Group Health)	IHS.FS.00000305	King	2016	38	567
Kaiser Permanente Home Health and Hospice (Group Health)	IHS.FS.00000305	Kitsap	2016	23	119
Kaiser Permanente Home Health and Hospice (Group Health)	IHS.FS.00000305	Pierce	2016	39	229
Kaiser Permanente Home Health and Hospice (Group Health)	IHS.FS.00000305	Snohomish	2016	6	110
Kindred Hospice (Gentiva Hospice)	IHS.FS.60308060	Spokane	2016	24	206
Kindred Hospice (Gentiva Hospice)	IHS.FS.60308060	Whitman	2016	9	206
Kittitas Valley Home Health and Hospice	IHS.FS.00000320	Kittitas	2016	20	79
Klickitat Valley Home Health & Hospice (Klickitat Valley Health)	IHS.FS.00000361	Klickitat	2016	5	31
Kline Galland Community Based Services	IHS.FS.60103742	King	2016	20	305
Memorial Home Care Services	IHS.FS.00000376	Yakima	2016	161	684
MultiCare Home Health, Hospice and Palliative Care	IHS.FS.60639376	King	2016	24	111

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MultiCare Home Health, Hospice and Palliative Care	IHS.FS.60639377	Kitsap	2016	64	333
MultiCare Home Health, Hospice and Palliative Care	IHS.FS.60639378	Pierce	2016	182	673
Providence Hospice (Hospice of the Gorge)	IHS.FS.60201476	Klickitat	2016	22	16
Providence Hospice (Hospice of the Gorge)	IHS.FS.60201476	Skamania	2016	4	17
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	Island	2016	8	28
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	King	2016	0	0
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	Snohomish	2016	265	1,288
Providence Hospice of Seattle	IHS.FS.00000336	King	2016	402	1,814
Providence Hospice of Seattle	IHS.FS.00000336	Snohomish	2016	3	7
Providence SoundHomeCare and Hospice	IHS.FS.00000420	Lewis	2016	28	149
Providence SoundHomeCare and Hospice	IHS.FS.00000420	Mason	2016	15	139
Providence SoundHomeCare and Hospice	IHS.FS.00000420	Thurston	2016	102	640
Tri-Cities Chaplaincy	IHS.FS.00000456	Benton	2016	102	644
Tri-Cities Chaplaincy	IHS.FS.00000456	Franklin	2016	16	110
Walla Walla Community Hospice	IHS.FS.60480441	Columbia	2016	0	19
Walla Walla Community Hospice	IHS.FS.60480441	Walla Walla	2016	45	273
Wesley Homes	IHS.FS.60276500	King	2016	0	0
Whatcom Hospice (Peacehealth)	IHS.FS.00000471	Whatcom	2016	122	712
Assured Home Health and Hospice (Central Basin/Assured Hospice)	IHS.FS.60092413	Adams	2017	4	30
Assured Home Health and Hospice (Central Basin/Assured Hospice)	IHS.FS.60092413	Grant	2017	44	209
Assured Home Health and Hospice (Central Basin/Assured Hospice)	IHS.FS.60092413	Lincoln	2017	3	22
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Clallam	2017	14	143
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Jefferson	2017	1	14
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Lewis	2017	17	257
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Mason	2017	8	43
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Thurston	2017	39	235
Astria Home Health and Hospice (Yakima Regional Home Health and Hospice)	IHS.FS.60097245	Yakima	2017	11	48
Central Washington Hospital Home Care Services	IHS.FS.00000250	Chelan	2017	44	319
Central Washington Hospital Home Care Services	IHS.FS.00000250	Douglas	2017	18	119
Community Home Health and Hospice CHHH Community Home Care Hospice	IHS.FS.00000262	Clark	2017	67	419
Community Home Health and Hospice CHHH Community Home Care Hospice	IHS.FS.00000262	Cowlitz	2017	116	630
Community Home Health and Hospice CHHH Community Home Care Hospice	IHS.FS.00000262	Wahkiakum	2017	1	4
Elite Home Health and Hospice	IHS.FS.60384078	Asotin	2017	7	85
Elite Home Health and Hospice	IHS.FS.60384078	Garfield	2017	1	1
Evergreen Health Home Care Services	IHS.FS.00000278	Island	2017	0	7
Evergreen Health Home Care Services	IHS.FS.00000278	King	2017	272	2393
Evergreen Health Home Care Services	IHS.FS.00000278	Snohomish	2017	82	478
Franciscan Hospice	IHS.FS.00000287	King	2017	90	1115
Franciscan Hospice	IHS.FS.00000287	Kitsap	2017	64	796
Franciscan Hospice	IHS.FS.00000287	Pierce	2017	181	2242
Frontier Home Health and Hospice (Okanogan Regional)	IHS.FS.60379608	Douglas	2017	0	0
Frontier Home Health and Hospice (Okanogan Regional)	IHS.FS.60379608	Grant	2017	0	0
Frontier Home Health and Hospice (Okanogan Regional)	IHS.FS.60379608	Okanogan	2017	0	0
Gentiva Hospice (Odyssey Hospice)	IHS.FS.60330209	King	2017	14	375
Harbors Home Health and Hospice	IHS.FS.00000306	Grays Harbor	2017	72	292
Harbors Home Health and Hospice	IHS.FS.00000306	Pacific	2017	17	106
Heart of Hospice	IHS.FS.00000185	Skamania	2017	2	11
Heart of Hospice	IHS.FS.00000185	Klickitat	2017	1	20
Heartlinks Hospice and Palliative Care (Lower Valley Hospice)	IHS.FS.00000369	Benton	2017	12	130
Heartlinks Hospice and Palliative Care (Lower Valley Hospice)	IHS.FS.00000369	Yakima	2017	28	197
Home Health Care of Whidbey General Hospital (Whidbey General)	IHS.FS.00000323	Island	2017	21	248
Homecare and Hospice Southwest (Hospice SW)	IHS.FS.60331226	Clark	2017	0	0
Homecare and Hospice Southwest (Hospice SW)	IHS.FS.60331226	Cowlitz	2017	0	0
Homecare and Hospice Southwest (Hospice SW)	IHS.FS.60331226	Skamania	2017	0	0
Horizon Hospice	IHS.FS.00000332	Spokane	2017	35	420
Hospice of Kitsap County	IHS.FS.00000335	Kitsap	2017	0	0
Hospice of Spokane	IHS.FS.00000337	Ferry	2017	7	37
Hospice of Spokane	IHS.FS.00000337	Lincoln	2017	0	0
Hospice of Spokane	IHS.FS.00000337	Pend Oreille	2017	8	55
Hospice of Spokane	IHS.FS.00000337	Spokane	2017	340	1722
Hospice of Spokane	IHS.FS.00000337	Stevens	2017	25	128
Hospice of Spokane	IHS.FS.00000337	Whitman	2017	0	1
Hospice of the Northwest (Skagit Hospice Service)	IHS.FS.00000437	Island	2017	11	77
Hospice of the Northwest (Skagit Hospice Service)	IHS.FS.00000437	San Juan	2017	3	70
Hospice of the Northwest (Skagit Hospice Service)	IHS.FS.00000437	Skagit	2017	61	616
Hospice of the Northwest (Skagit Hospice Service)	IHS.FS.00000437	Snohomish	2017	7	83
Jefferson Healthcare Home Health and Hospice (Hospice of Jefferson County)	IHS.FS.00000349	Jefferson	2017	13	153
Kaiser Permanente Continuing Care Services	IHS.FS.00000353	Clark	2017	50	415
Kaiser Permanente Continuing Care Services	IHS.FS.00000353	Cowlitz	2017	1	18
Kaiser Permanente Continuing Care Services	IHS.FS.00000353	Skamania	2017	0	0
Kaiser Permanente Home Health and Hospice (Group Health)	IHS.FS.00000305	King	2017	38	487
Kaiser Permanente Home Health and Hospice (Group Health)	IHS.FS.00000305	Kitsap	2017	7	107
Kaiser Permanente Home Health and Hospice (Group Health)	IHS.FS.00000305	Pierce	2017	27	189

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Kaiser Permanente Home Health and Hospice (Group Health)	IHS.FS.00000305	Snohomish	2017	2	68
Kindred Hospice (Gentiva Hospice)	IHS.FS.60308060	Spokane	2017	22	325
Kindred Hospice (Gentiva Hospice)	IHS.FS.60308060	Whitman	2017	29	247
Kittitas Valley Home Health and Hospice	IHS.FS.00000320	Kittitas	2017	46	134
Klickitat Valley Home Health & Hospice (Klickitat Valley Health)	IHS.FS.00000361	Klickitat	2017	11	33
Kline Galland Community Based Services	IHS.FS.60103742	King	2017	13	301
Memorial Home Care Services	IHS.FS.00000376	Yakima	2017	149	717
MultiCare Home Health, Hospice and Palliative Care	IHS.FS.60639376	King	2017	42	149
MultiCare Home Health, Hospice and Palliative Care	IHS.FS.60639377	Kitsap	2017	33	253
MultiCare Home Health, Hospice and Palliative Care	IHS.FS.60639378	Pierce	2017	211	925
Providence Hospice (Hospice of the Gorge)	IHS.FS.60201476	Klickitat	2017	5	29
Providence Hospice (Hospice of the Gorge)	IHS.FS.60201476	Skamania	2017	2	10
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	Island	2017	3	32
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	King	2017	5	14
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	Snohomish	2017	238	1440
Providence Hospice of Seattle	IHS.FS.00000336	King	2017	387	1888
Providence Hospice of Seattle	IHS.FS.00000336	Snohomish	2017	10	15
Providence SoundHomeCare and Hospice	IHS.FS.00000420	Lewis	2017	28	163
Providence SoundHomeCare and Hospice	IHS.FS.00000420	Mason	2017	26	189
Providence SoundHomeCare and Hospice	IHS.FS.00000420	Thurston	2017	105	664
Tri-Cities Chaplaincy	IHS.FS.00000456	Benton	2017	98	745
Tri-Cities Chaplaincy	IHS.FS.00000456	Franklin	2017	15	122
Walla Walla Community Hospice	IHS.FS.60480441	Columbia	2017	1	17
Walla Walla Community Hospice	IHS.FS.60480441	Walla Walla	2017	45	276
Wesley Homes	IHS.FS.60276500	King	2017	1	17
Whatcom Hospice (Peacehealth)	IHS.FS.00000471	Whatcom	2017	139	766

Exhibit 6: Charity Care Policy



CONTINUUM
CAEHO LLC



Indigent/ Charity Care Policy

Policy No. C:3-031.1

PURPOSE

To provide care to patients who are indigent or otherwise unable to afford Hospice care.

POLICY

As determined by Provider on a case by case basis, Provider will provide free care to qualifying patients for Hospice services. Services and/or supplies (i.e. SNF Room and Board) rendered under contract by an outside provider are not eligible for free care and will be billed to the patient.

ELIGIBILITY

- a) Patients must meet Medicare Hospice eligibility requirements.
- b) Patients must be uninsured, or underinsured and possess no alternate payor source.
- c) Patient must have limited financial assets.
- d) Patient income to be eligible for full charity care must be at or below 200% of the current Federal Poverty Guidelines as adjusted for family size.



- e) Patient must apply for governmental assistance programs for which they may qualify. If a patient is ineligible for or has been denied governmental assistance patient may be eligible for indigent/ charity care.

Incomes between 200%-300% of the Current Federal Poverty Guideline Level

For patients with incomes between 200%-300% of the current federal poverty level (after all funding possibilities have been exhausted or denied and all personal financial resources and assets have been reviewed for possible funding to pay for charges}, Continuum’s sliding fee schedule will be applied. Continuum 's sliding fee schedule will determine the amount be written off as charity care.

**Income
Criteria**

Income as a Percentage of Federal Poverty Guidelines	Percentage Paid by Patient
Less than or equal to 200% of the Federal Poverty	0%
Greater than 200% of the Federal Poverty Limits but less than or equal to 225% of the Federal Poverty Limits	20%
Greater than 225% of the Federal Poverty Limits but less than or equal to 250% of the Federal Poverty Limits	40%
Greater than 250% of the Federal Poverty Limits but less than or equal to 275% of the Federal Poverty Limits	60%
Greater than 275% of the Federal Poverty Limits but less than or equal to 300% of the Federal Poverty Limits	80%
Greater than 300% of the Federal Poverty Limits	100%

Exhibit 7: Admissions Policy

ADMISSION CRITERIA AND PROCESS

Policy No. H:2-024.1

PURPOSE

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

POLICY

CONTINUUM CARE OF SNOHOMISH, LLC will admit any patient with a life-limiting illness that meets the admission criteria.

Patients will be accepted for care without discrimination on the basis of race, color, religion, age, gender, sexual orientation, disability (mental or physical), communicable disease, or place of national origin.

Patients will be accepted for care based on need for hospice services. Consideration will be given to the adequacy and suitability of hospice personnel, resources to provide the required services, and a reasonable expectation that the patient's hospice care needs can be adequately met in the patient's place of residence.

While patients are accepted for services based on their hospice care needs, the patient's ability to pay for such services, whether through state or federal assistance programs, private insurance, or personal assets is a factor that will be considered.

The patient's life-limiting illness and prognosis of six (6) months or less will be determined by utilizing standard clinical prognosis criteria developed by the fiscal intermediary's Local Coverage Determinations (LCDs).

CONTINUUM CARE OF SNOHOMISH, LLC reserves the right not to accept any patient who does not meet the admission criteria.

A patient will be referred to other resources if CONTINUUM CARE OF SNOHOMISH, LLC cannot meet his/her needs.

Once a patient is admitted to service, the organization will be responsible for providing care and services within its financial and service capabilities, mission, and applicable law and regulations.

Admission Criteria

1. The patient must be under the care of a physician. The patient's physician (or other authorized independent practitioner) must order and approve the provision of hospice care, be willing to sign or have a representative who is willing to sign the death certificate, and be willing to discuss the patient's resuscitation status with the patient and family/caregiver.

2. The patient must identify a family member/caregiver or legal representative who agrees to be a primary support care person if and when needed. Persons without such an identified individual and who are independent in their activities of daily living (ADLs) will require a specific plan to be developed at time of admission with the social worker.
3. The patient must have a life-limiting illness with a life expectancy of six (6) months or less, as determined by the attending physician and hospice Medical Director, utilizing standard clinical prognosis criteria developed by LCD.
4. The patient must desire hospice services, and be aware of the diagnosis and prognosis.
5. The focus of care desired must be palliative versus curative.
6. The patient and family/caregiver desire hospice care, agree to participate in the plan of care, and sign the consent form for hospice care.
7. The patient and family/caregiver agree that patient care will be provided primarily in the patient's residence, which could be his/her private home, a family member's home, a skilled nursing facility, or other living arrangements.
8. The physical facilities and equipment in the patient's home must be adequate for safe and effective care.
9. The patient must reside within the geographical area that the CONTINUUM CARE OF SNOHOMISH, LLC services.
10. Eligibility for participation will not be based on the patient's race, color, religion, age, gender, sexual orientation, disability (mental or physical), communicable disease, or place of national origin.
11. If applicable, the patient must meet the eligibility criteria for Medicare, Medicaid, or private insurance hospice benefit reimbursement.
12. Eligibility criteria will be continually reviewed on an ongoing basis by the interdisciplinary team to assure appropriateness of hospice care.

PROCEDURE

1. The organization will utilize referral information provided by family/caregiver, health care clinicians from acute care facilities, skilled or intermediate nursing facilities, other agencies, and physician offices in the determination of eligibility for admission to the program. If the request for service is not made by the patient's physician, he/she will be consulted prior to the evaluation visit/initiation of services.

2. The Clinical Supervisor will assign hospice personnel to conduct initial assessments of eligibility for services within the time frame requested by the referral source, or based on the information regarding the patient's condition or as ordered by the physician (or other authorized independent practitioner).
3. Assignment of appropriate hospice personnel to conduct the initial assessments of patient's eligibility for admission will be based on:
 - A. Patient's geographical location
 - B. Complexity of patient's hospice care needs/level of care required
 - C. Hospice personnel's education and experience
 - D. Hospice personnel's special training and/or competence to meet patient's needs
 - E. Urgency of identified need for assessment
4. In the event that the time frame for assessment cannot be met, the patient's physician and the referral source, as well as the patient, will be notified for approval of the delay.
 - A. Such notification and approval will be documented.
 - B. If approval is not obtained for the delay, the patient will be referred to another hospice for services.
5. A hospice registered nurse will make an initial contact prior to the patient's hospital discharge, if possible or appropriate. The initial home visit will be made within the time frame requested by the referral source and according to organization policy, or as ordered by the physician (or other authorized independent practitioner). The purpose of the initial visit will be to:
 - A. Explain the hospice philosophy of palliative care with the patient and family/caregiver as unit of care.
 - B. Explain the patient's rights and responsibilities and grievance procedure. (See Patient Bill of Rights Policy No. C:2-003.)
 - C. Provide the patient with a copy of CONTINUUM CARE OF SNOHOMISH, LLC notice of privacy practices.
 - D. Assess the family/caregiver's ability to provide care.
 - E. Evaluate physical facilities and equipment in the patient's home to determine if they are safe and effective for care in the home.
 - F. Allow the patient and family/caregiver to ask questions and facilitate a decision for hospice services especially provided under the Medicare/Medicaid hospice benefit.

- G. Review appropriate forms and subsequently sign forms by patient and family/caregiver once agreement for the hospice program has been decided.
 - H. Provide services as needed and ordered by physician (or other authorized independent practitioner), and incorporate additional needs into the hospice plan of care.
 - I. Give patient information about durable power of attorney for health care, if the patient has not already done so.
6. During the initial assessment visit, the admitting clinician will assess the patient's eligibility for hospice services according to the admission criteria and standard prognosis criteria to determine/confirm further:
- A. Level of services required and frequency criteria
 - B. Eligibility (according to organization admission criteria)
 - C. Source of payment
7. If eligibility criteria is met the patient and family/caregiver will be provided with a hospice brochure and various educational materials providing sufficient information on:
- A. Nature and goals of care and/or service
 - B. Hours during which care or service are available (physician, nursing, drugs and biological are available 24 hours/day. All other services are available to meet individual patient care needs)
 - C. Access to care after hours
 - D. Costs to be borne by the patient, if any, for care
 - E. Hospice mission, objectives, and scope of care provided directly and those provided through contractual agreement
 - F. Safety information
 - G. Infection control information
 - H. Emergency preparedness plans
 - I. Available community resources
 - J. Complaint/grievance process

- K. Advance Directives
 - L. Availability of spiritual counseling in accordance with religious preference
 - M. Hospice personnel to be involved in care
 - N. Mechanism for notifying the patient and family/caregiver of changes in care and any related liability for payment as a result of those changes
8. The hospice registered nurse will document that the above information has been furnished to the patient and family/caregiver and any information not understood by the patient and family/caregiver.
 9. The patient and family/caregiver, after review, will be given the opportunity to either accept or refuse services.
 10. The patient or his/her representative will sign the required forms indicating election of hospice care and receipt of patient rights and privacy information.
 11. Refusal of services will be documented in the clinical record. Notification of the Clinical Supervisor, attending physician, and referral source will be completed and documented in the clinical record.
 12. The hospice registered nurse will assist the family in understanding changes in the patient's status related to the progression of an end-stage disease.
 13. The hospice registered nurse will educate the family in techniques for providing care.
 14. The hospice registered nurse will contact the physician for clinical information in writing to certify patient for hospice care.
 15. The hospice registered nurse will complete an initial assessment during this visit within 48 hours after the election of the hospice care (unless the physician, patient or representative requests that the initial assessment be completed in less than 48 hours.) (See "[Initial Assessment](#)" Policy No. H:2-045.)
 16. The hospice registered nurse will contact at least one (1) other member of the interdisciplinary group for input into the plan of care, prior to the delivery of care. The two (2) remaining core services must be contacted and provide input into the plan of care within two (2) days of start of care; this may be in person or by phone.
 17. If the patient is accepted for hospice care, a comprehensive assessment of the patient will be performed no later than 5 calendar days after the election of hospice care. A plan of care will be developed by the attending hospice physician, the Medical Director or physician designee, and the hospice team. It will then be submitted to the attending physician for signature. The patient's wishes/desires will be considered and respected in the development of the plan of care. (See "[Comprehensive Assessment](#)" Policy No. H:2-046.)

18. If the patient needs physical therapy, the physical therapist will provide a copy of *Form NTC 12-01, August 2, 2012* to the patient or representative. The patient or representative must sign and date an acknowledgement that the notice was received. (www.ptbc.ca.gov)
19. The time frames will apply for weekends and holidays, as well as weekday admissions.
20. A clinical record will be initiated for each patient admitted for hospice services.
21. If a patient does not meet the admission criteria or cannot be cared for by CONTINUUM CARE OF SNOHOMISH, LLC, the Clinical Supervisor should be notified and appropriate referrals to other sources of care made on behalf of the patient.
22. The following individuals should be notified of non-admits:
 - A. Patient
 - B. Physician
 - C. Referral source (if not physician)
23. A record of non-admits will be kept for statistical purposes, with date of referral, date of assessment, patient name, services required, physician, reason for non-admit, referral to other hospice care facilities, etc.
24. In instances where patient does not meet the stated criteria for admission to the program, exceptions will be decided upon by the Executive Director/Administrator in consultation with the Medical Director, upon request of the referring party and/or the patient.
25. In instances where continued care to a patient contradicts the recommendations of an external or internal entity performing a utilization review, the Executive Director/Administrator will be notified. All care, service, and discharge decisions must be made in response to the care required by the patient, regardless of the external or internal organization's recommendation. The patient and family/caregiver, as appropriate, and physician will be involved in deliberations about the denial of care or conflict about care decisions.
26. A record of conflict of care issues and outcomes will be kept for statistical purposes, referencing the date of the conflict of care issue, the patient name, the external or internal organization recommendations and reasons, and complete documentation of organization decision and patient care needs.

Exhibit 8: Proforma Financials & Underlying Assumptions

Continuum Snohomish
Financial Assumptions

Line Item	Assumption
Contractual Adjustments	Approximately 5% of total revenue.
Charity/Indigent Care	3% of total revenue
Bad Debt	2% of total revenue
Salaries and Benefits	Based on FTE and staffing. Benefits are assumed to be 20% of salaries.
Medical Director	Based on medical director contract (\$4,000/month)
Contracted Services	For PT/OT/SP and dietician; assumed to be \$0.39/per patient day (PPD)
Pharmacy	Assumed to be \$8.59/PPD
DME	Assumed to be \$7.58/PPD
Medical Supplies	Assumed to be \$2.11/PPD
Other Direct Expenses	Assumed to be \$10.70 per patient per month (includes ambulance, chemotherapy, imaging, lab, radiation)
General Inpatient Costs	GIP is 80% of the GIP rate, or \$670.62 PPD
Inpatient Respite Costs	Pass thru cost
5% room and board expense for Medicaid patients in nursing homes receiving routine care	15% of total patient days will be eligible for room and board pass through for 2020, 20% for 2021, 25% for 2022 and 30% for 2023 will be room and board. Room and board rate assumed to be \$248.11 and is based on the 2019 Snohomish County average nursing home Medicaid rate. Assumes Medicaid reimburses 95% of the rate. Assume no increase in the rate
Mileage	Assumed an average of 229.43 miles (per patient per month served at the current IRS rate of \$0.58/mile. Assume no increase in IRS rate

Advertising	Assumed to be \$23.70 per patient per month
Amortization	Capital cost amortization of \$102,200 for 15 years
Bank Service Charges	Assumed to be \$0.09 per patient per month
Payroll Services	Assumed to be \$6.07 per patient per month
Background Screening	Assumed to be \$13.28 per patient per month
Business licenses and permits	Assumed to be \$7.64 per patient per month
Computer / Internet	Assumed to be \$12.92 per patient per month
Dues/Subscriptions	Assumed to be \$7.65 per patient per month
Insurance	Assumed to be \$73.37 per patient per month.
Overhead allocation	In initial ½ year .15 FTE each for several key administrative staff (COO, Chief Compliance Officer, CFO, Triage) has been allocated. In Years 1-3, this is reduced to .08 FTE each. In addition, \$12,000 annually has been allocated for billing, except in first half year, assumed \$6,000.
Operating Costs (lease)	2.56% of total building operating costs over base year 2019 and in subsequent years in operating expenses, responsible for 2.56% of the increase. \$9.66/square foot for 1,075 square feet each year (see lease cost detail).
Legal & Professional Services	Assumed to be \$12.38 per patient per month
Office Expenses & Supplies	Assumed to be \$47.01 per patient per month

Pre-opening rent	8 months of rent in 2019 (\$1,298.96/month for 8 months).
Rent	Per lease agreement
Repairs	Assumed to be \$2.06 per patient per month
Software	Assumed to be approximately \$7k/month
Taxes	Assumed to be \$20.83 per patient per month
Phone	Assumed to be \$62.61 per patient per month
Travel	Assumed to be \$12.38 per patient per month
Uniforms	Assumed to be \$2.30 per patient per month

Hospice ProForma

Continuum Snohomish

	2020 (6 months)	2021	2022	2023
Admissions	100	216	288	390
ALOS	60.86	60.86	60.86	60.86
Average Daily Census	8.00	36.00	48.00	65.00
Total Days	6,086	13,146	17,528	23,735
CAP Amount	11,971	11,777	11,139	11,139
General Inpatient Care	2.0%	122	263	351
Inpatient Respite Care	0.3%	18	39	53
Routine Home Care	97.3%	5,922	12,791	17,054
Continuous Home Care	0.4%	24	53	70
Total Revenue	6,086	13,146	17,528	23,735
Revenue				
		58% at 1-60 days/42% ALOS > 60 Days	35% at 1-60 days/65% ALOS > 60 Days	35% at 1-60 days/65% ALOS > 60 Days
Medicare	577,617.53	2,459,030	3,119,777	4,224,698
Medicaid	63,527.89	269,992	340,502	461,096
Medicaid Managed Care	11,986.39	50,942	64,246	86,999
Self (Private) Pay	6,147.09	26,555	35,407	47,947
Other	4,302.96	18,589	24,785	33,563
	663,582	2,825,108	3,584,716	4,854,303
Contractual Adjustments	(33,179)	(141,255)	(179,236)	(242,715)
Operating Revenue	630,403	2,683,853	3,405,481	4,611,588
Aveg. Daily Rate	\$ 103.58	\$ 204.16	\$ 194.29	\$ 194.29
Non-Operating Revenue		-	-	
Deductions from Revenue				
Charity Care	(19,907)	(84,753)	(107,541)	(145,629)
Provision for Bad Debts	(13,272)	(56,502)	(71,694)	(97,086)
Deductions from Revenue	(33,179)	(141,255)	(179,236)	(242,715)
TOTAL REVENUE	597,224	2,542,598	3,226,245	4,368,873

Patient Care Costs

Salaries and Benefits				
Hospice Employees	80,624	725,616	967,488	1,310,139
Payroll Taxes and Benefits	16,125	145,123	193,498	262,028
Total Salaries and Benefits	96,749	870,739	1,160,985	1,572,167
Medical Director (Contracted)	24,000	48,000	48,000	48,000
Contracted Services	2,374	5,127	6,836	9,257
Pharmacy - Medications & IV Supplies				
& Lab	52,279	112,922	150,563	203,887
DME Costs (Equipment, oxygen)	46,132	99,645	132,860	179,914
Medical Supplies	12,841	27,738	36,983	50,082
Other Direct Costs	513	4,621	6,161	6,161
General Inpatient Costs	81,628	176,317	235,090	318,351
Inpatient Respite Costs	3,501	7,562	10,083	13,655
5% R&B Expense	11,325	32,616	54,360	88,335
Mileage	6,387	57,485	76,646	103,792
Total Patient Care Costs	337,730	1,442,772	1,918,567	2,593,600

Administrative and Facility Costs

Salaries				
Administrative Employees	227,500	575,000	662,500	815,000
Payroll Taxes and Benefits	45,500	115,000	132,500	163,000
Total Salaries and Benefits	273,000	690,000	795,000	978,000
Advertising	1,138	10,239	13,651	18,486
Amortization	3,407	6,813	6,813	6,813
Bank svc charges	4	38	51	69
Payroll svcs	291	2,620	3,494	4,731
Background Screening	637	5,736	7,648	10,357
Business Licenes and Permits	367	3,301	4,401	5,960
Computer and internet	620	5,583	7,444	10,080
Dues & Subs	367	3,305	4,407	5,967
Insurance	3,522	31,696	42,261	57,228
Overhead Allocation	46,875	55,600	55,600	55,600
Operating Costs	9,519	10,385	10,385	10,385
Legal & Prof fees	594	5,347	7,129	9,653
Office exp and supplies	2,257	20,309	27,079	36,670
Pre-Opening Rent	10,392			
Rent	16,069	16,617	17,155	17,693
Repairs	99	891	1,188	1,609
Software	42,000	84,000	84,000	84,000
Taxes	1,000	9,000	12,000	12,000
Phone	3,005	27,047	36,063	48,835
Travel	594	5,347	7,129	9,653
Uniforms	111	995	1,326	1,796
Miscellaneous		-	-	-
Total Other Admin Costs	141,730	294,629	335,572	389,100
Total Administrative Costs	414,730	984,629	1,130,572	1,367,100
Total Costs	752,459	2,427,401	3,049,140	3,960,700
Income (Loss) from Operations.	(155,236)	115,197	177,105	408,173

Month	Lease Expense	Operating Expenses		
	Monthly Cost	SF	Cost/SF	Monthly Cost
2/2019	-	1,075	9.66	865.38
3/2019	-	1,075	9.66	865.38
4/2019		1,075	9.66	865.38
5/2019	1,298.96	1,075	9.66	865.38
6/2019	1,298.96	1,075	9.66	865.38
7/2019	1,298.96	1,075	9.66	865.38
8/2019	1,298.96	1,075	9.66	865.38
9/2019	1,298.96	1,075	9.66	865.38
10/2019	1,298.96	1,075	9.66	865.38
11/2019	1,298.96	1,075	9.66	865.38
12/2019	1,298.96	1,075	9.66	865.38
pre opening rent	10,391.68			9,519
1/2020	1,298.96	1,075	9.66	865.38
2/2020	1,342.75	1,075	9.66	865.38
3/2020	1,342.75	1,075	9.66	865.38
4/2020	1,342.75	1,075	9.66	865.38
5/2020	1,342.75	1,075	9.66	865.38
6/2020	1,342.75	1,075	9.66	865.38
7/2020	1,342.75	1,075	9.66	865.38
8/2020	1,342.75	1,075	9.66	865.38
9/2020	1,342.75	1,075	9.66	865.38
10/2020	1,342.75	1,075	9.66	865.38
11/2020	1,342.75	1,075	9.66	865.38
12/2020	1,342.75	1,075	9.66	865.38
Amount Included in 2020 Proforma	16,069			10,385
Month	Monthly Cost			
1/2021	1,342.75	1,075	9.66	865.38
2/2021	1,388.54	1,075	9.66	865.38
3/2021	1,388.54	1,075	9.66	865.38
4/2021	1,388.54	1,075	9.66	865.38
5/2021	1,388.54	1,075	9.66	865.38
6/2021	1,388.54	1,075	9.66	865.38
7/2021	1,388.54	1,075	9.66	865.38
8/2021	1,388.54	1,075	9.66	865.38
9/2021	1,388.54	1,075	9.66	865.38
10/2021	1,388.54	1,075	9.66	865.38
11/2021	1,388.54	1,075	9.66	865.38
12/2021	1,388.54	1,075	9.66	865.38
Amount Included in 2021 Proforma	16,617			10,385
Month	Monthly Cost			
1/2022	1,388.54	1,075	9.66	865.38
2/2022	1,433.33	1,075	9.66	865.38
3/2022	1,433.33	1,075	9.66	865.38
4/2022	1,433.33	1,075	9.66	865.38
5/2022	1,433.33	1,075	9.66	865.38



6/2022	1,433.33	1,075	9.66	865.38
7/2022	1,433.33	1,075	9.66	865.38
8/2022	1,433.33	1,075	9.66	865.38
9/2022	1,433.33	1,075	9.66	865.38
10/2022	1,433.33	1,075	9.66	865.38
11/2022	1,433.33	1,075	9.66	865.38
12/2022	1,433.33	1,075	9.66	865.38
Amount Included in 2022 Proforma	17,155			10,385
1/2023	1,433.33	1,075	9.66	865.38
2/2023	1,478.13	1,075	9.66	865.38
3/2023	1,478.13	1,075	9.66	865.38
4/2023	1,478.13	1,075	9.66	865.38
5/2023	1,478.13	1,075	9.66	865.38
6/2023	1,478.13	1,075	9.66	865.38
7/2023	1,478.13	1,075	9.66	865.38
8/2023	1,478.13	1,075	9.66	865.38
9/2023	1,478.13	1,075	9.66	865.38
10/2023	1,478.13	1,075	9.66	865.38
11/2023	1,478.13	1,075	9.66	865.38
12/2023	1,478.13	1,075	9.66	865.38
Amount Included in 2023 Proforma	17,693			10,385

Exhibit 9: Bank Letter & Letter from Continuum CFO



FIRST REPUBLIC BANK
It's a privilege to serve you®

December 26, 2018

Re: Continuum Care Hospice, LLC.

To Whom it May Concern:

This letter is written on behalf of our valued client, Continuum Care Hospice, LLC. whose address is 2300 Clayton Road, Suite 1220, Concord, CA. 94520. For more than a year now, this company has maintained both a deposit and a borrowing relationship with First Republic Bank, in a satisfactory manner.

This client has a checking account (#xxxx0583) with a current balance of \$1,000,000 as of the date of this letter. Over the past year, this account has been handled as agreed.

In addition to this checking account, we presently make available a \$750,000 revolving Line of Credit which presently has an outstanding balance of zero. Over the past year, the Line of Credit has experienced minimal usage with all payments as agreed.

We are very familiar with company management and consider them responsible for their normal business commitments. It is our pleasure to provide this information on our good client and trust that it will be used for legitimate business purposes and held in confidence.

Please feel free to call me if you should have any further questions.

Sincerely,

Timothy B. Clancey
Managing Director
East Bay Regional Business Banking Group
(925) 952-8260

January 30, 2019

Janis Sigman, Program Manager
Certificate of Need Program
Department of Health
111 Israel Road SE
Tumwater, WA 98501

Dear Ms. Sigman:

This letter serves as confirmation that the initial capital expenditures (\$102,200) as well as the start-up costs and/or any initial operating deficits for Continuum Care of Snohomish LLC will be provided by Continuum Care Hospice, LLC. Continuum Care Hospice, LLC has sufficient capital available to fund these costs.

Please do not hesitate to contact me if you have any questions or require any additional information.

Sincerely,



Ariel Joudai, CPA
Chief Financial Officer

Exhibit 10: Historical Financials

Continuum Care Hospice LLC
Profit & Loss
 January through December 2017

Jan - Dec 17

Ordinary Income/Expense

Income

Accrued Income	-
40000 · Medicare Income	8,917,770.59
40100 · Health Care First Income	(30,412.07)
41000 · Medi-Cal Income	690,388.07
42000 · Managed MediCal Income	501,971.26
43000 · Private Insurance Income	256,410.76
43900 · Self Pay Income	1,176.00
44000 · Charity Claims	6,514.95
45000 · Interest Income	1,139.64
49000 · Contractual Adjustments	(265,162.32)
49999 · Room & Board Passthrough 100%	(949,076.75)

Total Income 9,130,720.13

Expense

Nursing Services	251.78
Room & Board	3,426.78
50000 · Clinical Salaries and Benefits	2,948,273.46
50100 · Clinical Mileage	16,588.35
50101 · Clinical Tolls	700.00
51000 · Medical Supplies	141,781.48
52000 · Durable Medical Equipment	246,929.48
53000 · Pharmacy	303,267.40
55000 · Other Direct Costs	12,964.80
59999 · Room & Board Expense (5%)	48,116.03
60000 · Advertising and Promotion	28,724.71
60200 · Automobile Expense	79,318.69
60300 · Background Screening	16,092.50
60400 · Bank Service Charges	7,401.54
61000 · Business Licenses and Permits	9,260.64
61700 · Computer and Internet Expenses	8,241.47
62500 · Dues and Subscriptions	9,272.28
63300 · Insurance Expense	148,206.92
63400 · Interest Expense	374.81
64000 · Legal & Professional Fees	441,003.16
64300 · Meals and Entertainment	10,865.84
64400 · Medical Records	6,804.47
64500 · Office Expense	13,118.27
64900 · Office Supplies	41,763.52
66000 · Payroll Expenses	2,090,450.03
67100 · Rent Expense	67,422.76
67200 · Repairs and Maintenance	4,927.84
67500 · Software	131,393.22
68000 · Taxes	25,251.00
68100 · Telephone Expense	75,882.24

Continuum Care Hospice LLC
Profit & Loss
January through December 2017

	<u>Jan - Dec 17</u>
68400 · Travel Expense	64,596.12
68500 · Uniforms	2,790.63
69999 · Miscellaneous	-
Total Expense	<u>7,005,462.22</u>
Net Ordinary Income	<u>2,125,257.91</u>
Other Income/Expense	
Other Expense	10,015.23
Net Other Income	<u>(10,015.23)</u>
Net Income	<u><u>2,115,242.68</u></u>

Dec 31, 17

ASSETS

Current Assets

Checking/Savings 292,555.24

Accounts Receivable 2,261,342.10

Other Current Assets (47,538.88)

Total Current Assets 2,506,358.46

Other Assets 4,884.66

TOTAL ASSETS 2,511,243.12

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable 608,873.71

Credit Cards 45,897.15

Other Current Liabilities 232,395.42

Total Current Liabilities 887,166.28

Total Liabilities 887,166.28

Equity 1,624,076.84

TOTAL LIABILITIES & EQUITY 2,511,243.12



Continuum Care Hospice LLC

05/15/17

Profit & Loss

Accrual Basis

January through December 2016

	<u>Jan - Dec 16</u>
Ordinary Income/Expense	
Income	
40000 · Medicare Income	3,190,530.47
40100 · Health Care First Income	2,712,972.36
41000 · Medi-Cal Income	342,514.21
42000 · Managed MediCal Income	216,980.88
43000 · Private Insurance Income	218,390.00
43900 · Self Pay Income	0.00
44000 · Charity Claims	722.88
45000 · Interest Income	1,097.54
49000 · Contractual Adjustments	-323,897.76
49999 · Room & Board Passthrough 100%	-655,345.13
Total Income	<u>5,703,965.45</u>
Expense	
Bad Debt Expense	88,370.20
Nursing Services	623.22
Room & Board	4,112.84
50000 · Clinical Salaries and Benefits	980,201.49
50100 · Clinical Mileage	51,171.63
50101 · Clinical Tolls	2,064.00
51000 · Medical Supplies	79,072.78
52000 · Durable Medical Equipment	177,493.68
53000 · Pharmacy	258,427.96
55000 · Other Direct Costs	10,340.17
59999 · Room & Board Expense (5%)	34,533.19
60000 · Advertising and Promotion	15,761.46
60200 · Automobile Expense	99,338.05
60300 · Background Screening	18,401.30
60400 · Bank Service Charges	3,647.69
61700 · Computer and Internet Expenses	9,900.66
62500 · Dues and Subscriptions	3,289.79
63300 · Insurance Expense	113,373.87
63600 · Laboratory Fees	601.13
64000 · Legal & Professional Fees	343,923.19
64300 · Meals and Entertainment	10,242.89
64400 · Medical Records	4,861.52
64500 · Office Expense	11,856.51
64900 · Office Supplies	39,638.56
66000 · Payroll Expenses	2,626,561.94
67100 · Rent Expense	50,658.00

5:45 PM

05/15/17

Accrual Basis

Continuum Care Hospice LLC

Profit & Loss

January through December 2016

	<u>Jan - Dec 16</u>
67200 · Repairs and Maintenance	360.83
67500 · Software	126,109.12
68000 · Taxes	16,375.01
68100 · Telephone Expense	47,682.52
68400 · Travel Expense	51,111.90
68500 · Uniforms	4,346.30
69999 · Miscellaneous	1,481.24
Total Expense	<u>5,285,934.64</u>
Net Ordinary Income	<u>418,030.81</u>
Net Income	<u><u>418,030.81</u></u>

Continuum Care Hospice LLC

05/15/17

Balance Sheet

Accrual Basis

As of December 31, 2016

	Dec 31, 16
ASSETS	
Current Assets	
Checking/Savings	389,367.29
Accounts Receivable	1,125,356.29
Other Current Assets	
Allowance for Bad Debt Account	-73,129.47
Prepaid Rent	3,660.00
Total Other Current Assets	-69,469.47
Total Current Assets	1,445,254.11
Other Assets	
18700 · Security Deposits Asset	7,236.00
Total Other Assets	7,236.00
TOTAL ASSETS	1,452,490.11
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	369,047.28
Total Accounts Payable	369,047.28
Credit Cards	28,178.94
Other Current Liabilities	
Other Liability	0.40
Room & Board Payable	24,323.97
24000 · Payroll Liabilities	95,676.22
Total Other Current Liabilities	120,000.59
Total Current Liabilities	517,226.81
Total Liabilities	517,226.81
Equity	
Member Equity - Affinity of Oak	634,823.13
Member Equity - Prime Palliativ	384,383.00
32000 · Retained Earnings	-501,973.64
Net Income	418,030.81
Total Equity	935,263.30
TOTAL LIABILITIES & EQUITY	1,452,490.11

Exhibit 11: In-Service Training Policies

In Service Training Plan

One component of our on-going staff education is our initial orientation and annual mandatory in-services (list attached) that every staff member must complete. Skills competencies are assessed at hire and individualized training implemented.

All staff are also provided on-going hospice education throughout the year at staff meetings and as dictated by changing circumstances. For example, when the California Right to Die legislation was passed, we provided education to all staff members on the legislation itself, our corporate policy regarding it and the procedures involved. We also provided a guest speaker, Dr. Lonny Shavelson, who specializes in the Right to Die patient care, who provided an in-depth education for the staff as well as answered the many questions.

We also provide specialized education throughout the year for the various disciplines. For example, Home Health Aides have an eight hour in-service scheduled in late October to go over many topics related to the care of their patients. Nurses receive continual education on regulatory changes, skills development, documentation, etc through Nursing Meetings and Nursing Conference Calls. We encourage the staff to suggest topics that they want covered and often provide education as a response to those requests. For example, one request was to have an in-service on the use of rectal tubes in hospice; we expanded that to include which medications could be given through the rectal route when the patient was no longer able to swallow and then invited an outside guest speaker to present to both the nurses and home health aides on the Macy catheter. Because of the education, just a few weeks later one of the nurses was able to identify a patient that could benefit from a Macy catheter and was consequently able to effectively manage pain in this orally compromised patient.

So our agency education is not just what is given at orientation and then planned on an annual calendar, but rather an agile program that identifies educational needs through QAPI or staff identification and then responds accordingly. We find this to be the most effective way to keep our staff current and promote continual quality growth.

Orientation/Annual Courses completed by all Employees through Relias Learning

HIPAA Overview

REL-CV-0-HIPAA

0.75

day(s) after initial due date

Advance Directives

REL-ALL-0-ADVDIR

0.5

day(s) after initial due date

Workplace Safety: The Basics

REL-ALL-0-WSTB

0.25

day(s) after initial due date

Domestic Violence and Children

REL-SRC-0-DVC

1.25

day(s) after initial due date

Medical Device Reporting

REL-SRC-0-MDR

1

day(s) after initial due date
Protecting Patient Rights in Hospice
REL-HOS-0-PPRH

1

day(s) after initial due date
Infection Control: The Basics
REL-ALL-0-ICBASIC

0.25

day(s) after initial due date
Bloodborne Pathogens Essentials
REL-RED-EIB

0.5

day(s) after initial due date
Tuberculosis: The Basics
REL-ALL-0-TUBTB

0.5

day(s) after initial due date
Corporate Compliance: The Basics
REL-ALL-0-CCTB

0.5

day(s) after initial due date
Defensive Driving: The Basics
REL-CV-0-DDTB

1

day(s) after initial due date
Everyday Ethics for Hospice and Palliative Professionals and Volunteers
REL-HEN-2226

1

day(s) after initial due date
Boundaries
REL-ALL-0-BOUND

0.5

day(s) after initial due date
California Law - Reporting Elder and Dependent Adult Abuse
REL-RED-MIC

0.5

day(s) after initial due date
Hospice 101: Orienting to Hospice Care
REL-HOS-0-HOHC

1

day(s) after initial due date
Pain Hurts Everyone: Managing and Understanding Pain
REL-HEN-208

0.8

day(s) after initial due date

Total Courses: 16

Total Hours 11.3