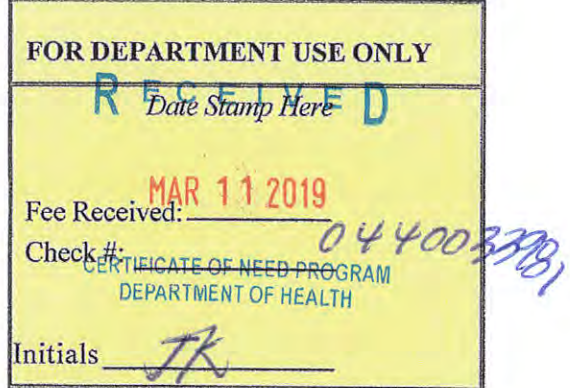

CN 19-67

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

APPLICATION FOR CERTIFICATE OF NEED HOME HEALTH CARE 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.

Signature and Title of Responsible Officer: Mike Miller, Vice President & Chief Financial Officer **Date:** March 1, 2019	**Person To Whom Questions Regarding This Application Should Be Directed:** Michael Rogers, Corporate Attorney EmpRes Healthcare Management 4601 NE 77th Avenue #300 Vancouver WA 98662 **Telephone Number:** 360-514-9358
Legal Name of Applicant: Eden Home Health of Spokane County, LLC **Address of Applicant:** EmpRes Healthcare Management 4601 NE 77th Avenue #300 Vancouver WA 98662 **Telephone Number:** 360-514-9358	**Type of Project (check all that apply):** [X] New Agency [ ] Existing Medicare Certified/Medicaid Eligible Agency Expanding into Different County [ ] Existing Licensed-Only Home Health Agency to Become Medicare Certified/Medicaid Eligible.
Project Summary: Establish a new Medicare-certified home health agency in Spokane County, WA **Estimated capital expenditure:** $ 38,000	

4601 NE 77th Avenue, Suite 300, Vancouver, WA 98662 • Ph. (360) 892-6628 • Fax (360) 882-5793

VIA FEDERAL EXPRESS OVERNIGHT

March 4, 2019

Janis Sigman, Manager
Certificate of Need Program
Washington State Department of Health
PO Box 47852
Olympia, WA 98504-7852

RE: Eden Home Health of Spokane County, LLC dba Eden Home Health

Dear Ms. Sigman,

I am writing this letter on behalf of Eden Home Health of Spokane County, LLC. The Certificate of Need program's application for a Medicare-certified home health agency asks for a financial letter of commitment.

The Members of Eden Home Health of Spokane County, LLC have committed the necessary working capital to finance the establishment and operation of the proposed Medicare-certified home health agency in Spokane County.

On receipt of the Washington Certificate of Need, the Members of Eden Home Health of Spokane County, LLC will contribute a minimum of $150,000 to the working capital account of Eden Home Health of Spokane County, LLC.

Sincerely,

Michael J. Miller
Chief Financial Officer

Eden Home Health of Spokane County, LLC

Certificate of Need Application Proposing the Establishment
of a
Medicare/Medicaid Certified Home Health Agency
in
Spokane County

2019

Section 1
Applicant Description

A. Provide the legal name(s) of applicant(s).

The applicant is Eden Home Health of Spokane County, LLC. The applicant is 100% owned by EmpRes Home Health, LLC. Both are part of the family of companies (e.g., the "EmpRes Healthcare Enterprise"[1]) owned by EmpRes Healthcare Group, Inc. Please see Attachment B for an organization chart that depicts the relationships.

B. For each licensed applicant, please provide the professional license number and specialty represented. If the license was not issued by Washington State, please identify the state it was issued.

None of the applicants hold professional license numbers.

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

Eden Home Health of Spokane County, LLC is not currently providing services and is not otherwise an "existing facility" as defined above.

D. Identify the type of ownership (public, private, corporation, non-profit, etc.).

Eden Home Health of Spokane County, LLC is a for profit, limited liability corporation. It is registered as a domestic company with the Washington Secretary of State to do business in Washington.

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

Eden Home Health of Spokane County, LLC is a for profit Washington LLC.

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

Eden Home Health of Spokane County LLC
7411 North Nevada Street
Spokane, WA 99208

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

[1] "EmpRes Healthcare Enterprise" is a term of art.

Please see Attachment B for a chart showing corporate structure and related parties.

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

N/A. Applicant owns no facilities or other businesses.

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

NA - Eden Home Health of Spokane County, LLC is not currently providing services and is not otherwise an "existing facility" as defined above.

J. Identify the facility licensure/accreditation status.

NA - Eden Home Health of Spokane County, LLC is not an existing facility.

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

NA - Eden Home Health of Spokane County, LLC is not an existing facility

L. If applicable, identify the medical director and provide his/her professional licenses number, and specialty represented.

Upon approval of the certificate of need application, Eden Home Health of Spokane County, LLC will select the Medical Director. At that time, the Washington physician license number will be submitted.

M. If applicable, 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.

Please see a draft of the proposed medical director contract at Attachment D.

N. For existing facilities, please provide the following information broken down by discipline (i.e., RN/LPN, OT, PT, home health aide, social worker, etc.) for each county currently serving:

1. **Total number of home health *visits* per year for the last three years; and**

2. **Total number of unduplicated home health *patients* served per year for the last three years.**

NA - Eden Home Health of Spokane County, LLC is not an existing facility as defined above.

Section 2
Project Description

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

The office address of the proposed Spokane County home health agency is:

Eden Home Health of Spokane County LLC
Royal Park Health and Rehabilitation
7411 North Nevada Street
Spokane, Washington 99208

No separate address has been assigned to the proposed leased space.

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

Certificate of Need approval is sought in connection with the home health division of EmpRes Healthcare Group, Inc., a 100% employee-owned organization that operates 67 facilities in 8 states. In 2014, the EmpRes Healthcare Enterprise established its home health care division through the acquisition of an Ammon, Idaho home health agency formerly operated by Amedisys. The home health division operates under the brand Eden Home Health.

In 2014, the Eden Home Health division acquired Option Care Enterprises, the Medicare-certified home health agency formerly operated by Walgreen's Infusion Services in Whatcom, Skagit, Island, and Snohomish Counties. Upon acquisition of Option Care, Eden Home Health began instituting its management and clinical improvement protocols in Whatcom County where 70% of the acquired agency's patients resided at that time.

Eden Home Health agencies provide skilled nursing, rehabilitation therapies, medical social services and certified home health aide services to homebound patients throughout the Whatcom, Skagit, Snohomish and Island county and was recently approved to establish a home health agency in King County and has begun to see patients. This Certificate of Need application seeks approval to expand the Eden Home Health division's service offerings to Spokane County through establishment of a new Medicare-certified home health agency to provide in-home skilled nursing, rehabilitation therapies, medical social services and certified home health aide services.

Eden Home Health's in-home services will include the full range of care defined by the Medicare home health Conditions of Participation. Eden Home Health also incorporates tele-health and the Coleman Model of Care Transitions services in the monitoring and care for its patients.

C. List new services or changes in services represented by this project. In the following table, please indicate (by marking an 'X' in the appropriate column) which services would be provided directly by the agency and which services would be contracted.

The EmpRes Healthcare commitment to Employees/Residents/Patients reflected in the company name (EmpRes – Employee-Residents/Patients) is also reflected in management efforts to prioritize employees and residents as core to any success. Services provided through this project reflect that commitment. Services to be provided include:

	Direct	Contracted
Skilled Nursing	X	
Physical Therapy	X	
Occupational Therapy	X	
Speech Therapy	X	
Medical Social Work	X	
Home Health Aide	X	
Medical Director		X
Respite Care		
IV Therapy		
Other: Telemedicine	X	

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

Eden Home Health of Spokane County, LLC will serve homebound Spokane County residents who require intermittent skilled nursing, rehabilitation therapy, medical social work, or certified home health aide services as a result of illness or injury. The average age of patients will be about 74 years old. Eden does not, at this time, plan to provide "mother/baby" care; the typical patient will be over age 18.[2]

E. List the equipment proposed for the project:

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

Proposed equipment for which the cost will be capitalized include: Furnishings, telephone, copier/printer, computers, and network server/firewall.

Telephone/hand held units, medical records, and telehealth license applications will be acquired through third-party annual lease/license contracts. The annual cost of these items is identified as an expense line item in the three-year proforma operating statement at Attachment L.

No equipment is being replaced as part of this project.

[2] Estimating the average age of the population served is difficult because Eden Home Health will address the shorter life span of Spokane residents through outreach to a younger population in addition as well as responding to the ongoing Aging LTSS initiatives and the CMS Medicare-Medicaid demonstration project.

F. Provide drawings of proposed project:

1. **Single line drawings, *approximately to scale,* of current locations which identify current department and services; and**

2. **Single line drawings, *approximately to scale,* of proposed locations which identify proposed services and departments; and**

3. **Total net and gross square feet of project.**

   a) This is a new suite in the existing building.

   b) Please see Attachment F for a single-line drawing of the proposed location.

   c) Net square feet: 100 sq. ft.

   As a tenant, and included in the lease price, Eden-HHS will be able to schedule the intermittent use of conference rooms available at the leased premises.

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

Eden Home Health will commence establishment of the Spokane County agency as soon as, but not before, a Certificate of Need and Washington state licensure is granted. Due to the size of the Spokane population and distance and no existing Eden-HHS Eastern Washington home health agencies, Eden's services to Spokane County residents will be provided by a new agency (Eden Home Health of Spokane County, LLC) under a new Medicare provider number.

Official completion of the project will not occur until the required Medicare certification is in place. Eden Home Health of Spokane County, LLC will seek Accreditation by Accreditation Commission for Health Care (ACHC).

The applicant recognizes that DOH defines "completion" of the project as "Initiation of services."

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

The EmpRes Healthcare family of companies is organized as an Employee Stock Ownership Plan and as such is a 100% employee-owned organization. The company operates 67 facilities in 8 states providing skilled nursing, assisted living, memory care, adult day care, boarding home, and independent living services. The Eden Home Health division, was established to provide clinical integration and continuity of care for residents and patients as they progress through the post-acute care process. The Eden Home Health division now includes 5 home health agencies in 4 states including EmpRes Home Health of Bellingham, LLC, d/b/a Eden Home Health located in Bellingham Washington which serves Whatcom, Skagit, Snohomish and Island counties as well as a newly up and running CON approved agency now serving King County.[3]

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[3] An employee stock ownership plan (ESOP) is a qualified defined-contribution employee benefit

The Patient Protection and Affordable Care Act also requires the Center of Medicare and Medicaid Services (CMS) to develop triple aim or value-based care approaches to improve quality of care, customer satisfaction at a lower overall cost. EmpRes believes that our ability to provide home health services as part of the continuum of care we provide will allow us to improve quality of care outcomes through improved care coordination systems focused on the triple aim of providing better quality outcomes and customers service at an overall lower cost for both Medicare and Medicaid patients.

The EmpRes Healthcare Enterprise already offers skilled nursing and senior living services in Spokane County as well as adjoining counties. The addition of a Spokane County home health agency to the Eden Home Health division responds to key market and care improvement opportunities identified in the applicant's community assessment and resulting business plan:

- The Affordable Care Act imposes financial sanctions for hospitals whose patients are re-admitted within 30 days of discharge. The downstream effect of these sanctions results in increasing demand for post-acute facilities and the rehabilitation services offered there.

- The EmpRes Healthcare Enterprise's 2 facilities in Spokane County and facilities in adjoining counties are facing substantial difficulty finding home health agencies who can respond timely to referrals of EmpRes discharged patients to their homes.

- The EmpRes Healthcare/Eden Home Health 2020 business plan, therefore, calls for developing home health capacity to provide improved coordination and more rapid transfer of Spokane County patients ready to go home.

- Specific to this project, The EmpRes Healthcare Enterprise is seeking approval of a new home health agency in Spokane County that will be certified to serve Medicare and Medicaid patients as well as patients in all payer categories. In addition, this facility will be available to serve approximately 25% of the patients residing in adjacent counties that are not Medicare and Medicaid patients.

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**

(ERISA) plan.

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 if a Certificate of Need is issued for the proposed project.

Eden Home Health of Spokane County, LLC will lease existing office space at Royal Park Health and Rehabilitation. The address is:

Royal Park Health and Rehabilitation
7411 North Nevada Street
Spokane, Washington 99208

The Spokane office space will support administrative functions not provided centrally by EmpRes Healthcare in Vancouver Washington. Please see Attachment G for a copy of a draft sublease agreement with the lessor.

Section 3
Project Rationale

A. Need

1. Identify the proposed geographic service area.

Eden Home Health of Spokane County, LLC proposes to serve the entire geographic area of Spokane County Washington.

2. If the proposed service area is designated as a Medically Underserved Area (MUA) as defined by HCFA or a Health Professional Shortage Area (HPSA), please provide documentation verifying the designation.

Small areas of Spokane County are defined by HRSA as MUA – Medically Underserved Areas. Please see the map at Attachment H. Some small areas of Spokane County are also designated as Health Professional Shortage Areas. Please see the map at Attachment H.

3. Identify and analyze the unmet home health service needs and/or other problems toward which this project is directed.

a. Identify the unmet home health needs of the patient population in the proposed service area(s). ***Note that the unmet <u>patient need</u> should not include physical plant deficiencies and/or increase facility operating efficiencies.***

<u>**Overview**</u>

The residents of Spokane face chronic illness burdens that reduce their expected life span by over two years when compared to all other Washington County residents and the disparity has been increasing over the last 20 years. This project is directed toward providing additional resources, consistent with federal and state priorities and initiatives to improve health status, health care and managing increasing costs. This project is vitally needed to address five key service needs and problems facing patients referred now and in the future to home health services by their care-givers in Spokane County:

1) Need for additional providers to address the increasing demand for and growth in volumes in home health care.
2) Need to maintain rapid admission to home health via timely access to home health services in the face of burgeoning demand.
3) Need for the additional providers to address growing health disparity that limits life span and increases the chronic disease burden of residents of Spokane County and adjacent counties.
4) Need for financially accessible home health services for Spokane County residents.

5) Need to provide the additional in-home services through expanded home health resources to continue to support Washington State initiatives such as the Medicare-Medicaid Financial Alignment Initiative, Medicare-Medicaid Managed Fee-for-Service (MFFS) demonstration now in its second extension through 2020; and the Department of Social and Health Services Long-Term Services and Supports (LTSS) Rebalancing that has yield substantial, estimated Medicaid Savings of $4.4 billion from all funding sources from SFY 2000 to SFY 2018.

The following discussion details each of these unmet needs. It addresses not only the need criteria related to absolute capacity of providers in Spokane County but also the criteria concerned with "availability and accessibility." Spokane County's need, availability and accessibility challenges are significantly greater than the 1987 home health agency need methodology envisioned. This review demonstrates that Eden Home Health of Spokane County LLC is vitally needed and will not be an "unnecessary duplication" of services.

1) <u>Need for additional providers in Spokane County to meet growing demand.</u>

To identify unmet Medicare home health care needs in a planning area, the Department of Health uses a numeric need method and standards published in the 1987 Washington State Health Plan (SHP). (See Attachment J for a copy of the method and standards for an agency to be counted in existing supply.) The Certificate of Need Program has applied that methodology, with some revisions, in its review of all recent applications to establish new home health agencies in Spokane and all other counties statewide.

The method combines projected planning area population by age cohort with expected home health use rates for each of those age cohorts. The target year number of projected/needed home health visits is divided by 10,000 to determine the total number of home health agencies required to meet the needs of the population of the planning area in that target year. Where there are fewer existing agencies than the number required, the Certificate of Need Program has consistently found that one or more additional agencies are needed. This application has adopted the Certificate of Need Program's method to document the need it expects to meet in Spokane County.

The 1987 model was well conceived to address the principal driver for home health services which is the age of the population in most circumstances. This approach readily takes into account changes in existing and forecast age cohorts over the projection period and is what is commonly called the aging of the population.[4]

Applicants are also expected to assess the general health of the service area population to

[4] Even as noted in the methodology, changes were anticipated to take into account changes in medical services delivery models such as those generated through the Affordable Care Act and through the DSHS Aging LTSS 20-year initiatives. Changes in the population's core health issues also need to be taken into account such as opiate addiction and the survivability of the population afflicted with cancer and heart disease due to new treatment modalities, which increase the population. This population carries a higher chronic illness burden in general.

see if modifications to the general formula are warranted. The EmpRes Healthcare Enterprise undertook such an assessment relying primarily on the excellent health data provided in the Washington State Department of Health Chronic Disease Profile for each County in Washington (Attachment Q). The Spokane Chronic Disease Profile is included in Attachment R. The data available within that report covers different periods from 2011 through 2016. This is supplemented by vital statistics data covering death rates through 2016. In this comparative analysis Spokane County was compared with King County and the State in terms of the chronic disease burden that results in higher demand for home health services.[5]

The King County profile is included because The EmpRes Healthcare Enterprise relies on the operating characteristics of its Skilled Nursing Facilities and its home health agency in Northern Washington to generate operating assumptions for the proposed home health agency in Spokane County. Upon review of the health data, this application will provide conclusions preparatory to carrying out the methodology.

Table 1 shows that the Chronic Disease Burden for Spokane County is higher than both King County and the State as a whole indicating that more individuals than average will need home health at a greater volume than other areas in the State.

Table 1

2013 - 2015 Lifetime Self-Reported Prevalence of Chronic Disease Age 18+ Comparative Percentages			
	Spokane	**King**	**State**
Chronic Disease			
Cancer	14%	10%	12%
Arthritis	27%	19%	25%
Heart Disease	6%	4%	6%
Diabetes	9%	7%	9%
Asthma	10%	8%	10%
Data Source: Washington Behavioral Risk Factor Surveillance System 2013-2015.			

Table 2 shows that generally seniors 65 and older self-report disabilities that require home health services at higher rates (e.g., estimated at 27%) than respondents in King County or the State as a whole.

[5] EmpRes also examined the 2020 – 2040 demographic projections for Planning and Service Area (PSA) 11 which covers Eastern Washington **Area Agencies on Aging by Planning & Service Area (PSA)**

Table 2

Per Cent Seniors 65 and Older with Self-Reported Health Risks: 2013 - 2015			
	Spokane	**King**	**State**
Living with Chronic Disease	79%	73%	77%
Difficulty with 1 or More Activities of Daily Living	33%	29%	31%
Cognitive Difficulties	10%	7%	9%
Difficulty Walking	23%	22%	24%
Data Source: Washington Behavioral Risk Factor Surveillance System 2013-2015.			

Figure 1 on the following page shows the most striking finding of the health profile analysis**. The life span for Spokane County residents has grown to a 2-year shorter life span than the State as a whole.**

Drawing the connection between relatively small differences in income and education status that lead to unhealthy life styles is a complex process. The Department of Social and Health Services conducted a variety of analyses included in Attachment S drawn from David Mancuso, PhD, Director, DSHS Research and Data Analysis Division. His seminal analyses for DSHS Long-Term Services and Support for the aging population led to initiatives and demonstration projects within DSHS aimed at managing burgeoning healthcare costs for at-risk populations by dramatically increasing outreach, in home and residential services that has dramatically increased Washington residents' ability to live independently while significantly reducing skilled nursing admissions and long-term skilled nursing care.

The conclusion from the DSHS LTSS efforts and the CMS – Washington State Medicare-Medicaid Financial Alignment Initiative current 4-year, ongoing demonstration project is to address the chronic illness burden with lower cost treatment options that reduce hospital and skilled nursing length of stay, readmissions and additional chronic illness burdens such as falls after stroke or nutritional illnesses. While this means aggressive community outreach and care coordination, it also requires expanded home health resources, particularly in Spokane County. Nearly all patients with chronic illness hospitalization should receive home health services as part of their continuum of care whether it starts with inpatient rehabilitation services or skilled nursing services or is the primary supportive discharge service. Given the chronic illness burden in Spokane County, adding home health resources above the statewide average is absolutely called for.

Figure 1
Comparative Life Expectancy Over Time for Spokane County and Washington State

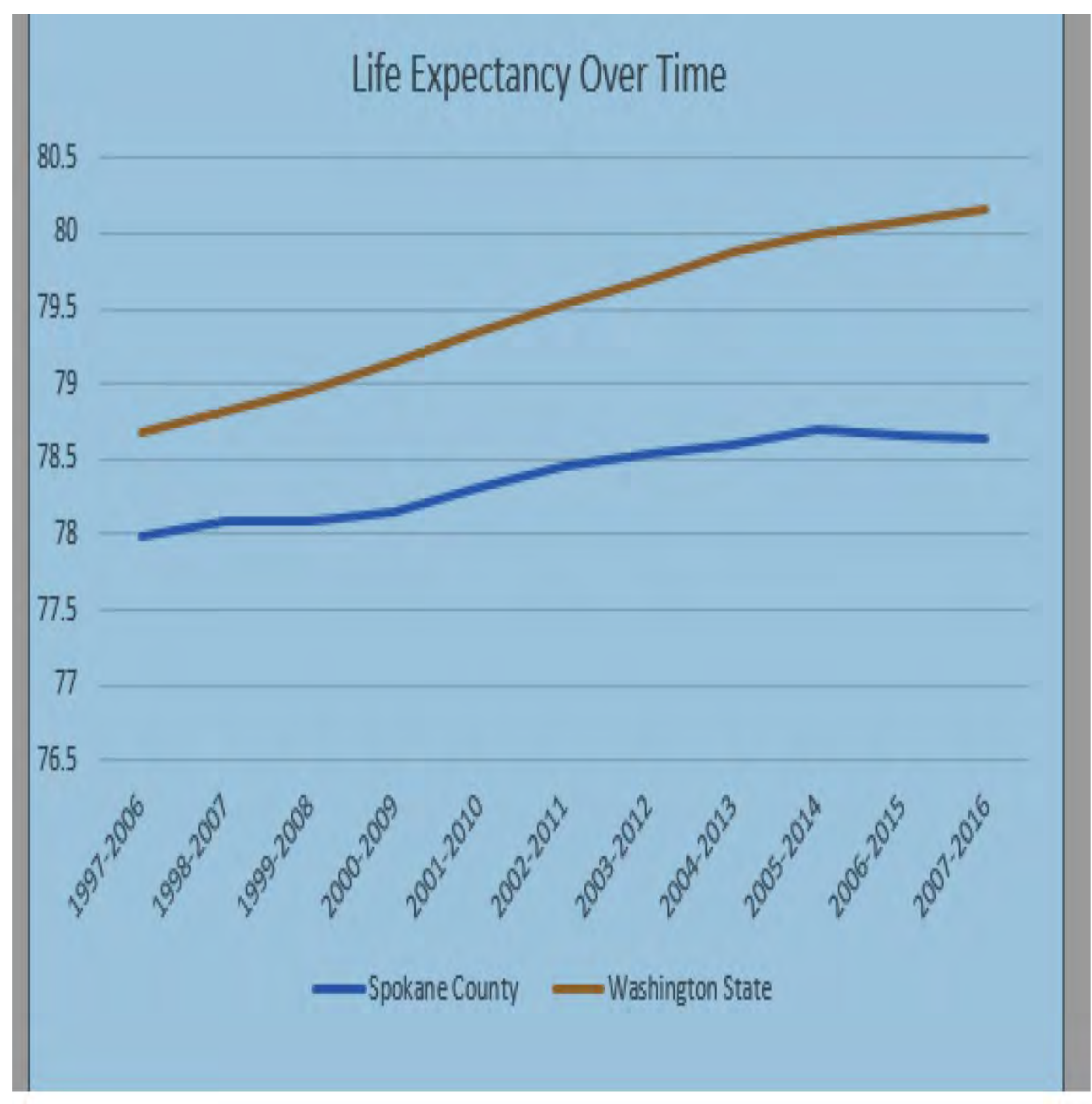


Table 3 shows that the general health of the Spokane County population results in significantly higher, age-adjusted premature death rates than King County or the State as a whole. In fact, the Spokane Health District identified that the life span, 78.2 years for residents of Spokane County, is a full two years shorter at than the State as a whole. The Spokane Health District carried out a special analysis that shows that these higher death rates are due to disparity in income and education. This is an indicator that new providers need to provide greater access to individuals of lower income.

Table 3

Premature Mortality per 100,000 Persons by Age Group: 2013 - 2015			
	Spokane	**King**	**State**
Premature death less than Age 50	112	81	97
Premature death less than Age 65	264	187	221
Data Source: Washington State Department of Health, Center for Health Statistics, Death Certificate Data, 2013-2015.			

Table 4 demonstrates that age-adjusted death rates for Spokane County when compared with King County and the State as a whole are considerably higher. This is another marker of systemic problems in the health care status of residents requiring a greater concentration of services such as home health services to reduce these age-adjusted death rates. The principal driver here is probably premature deaths for the adult population as described in Table 3; and as previously noted, the Spokane Health District has identified health disparity as a causal agent.

Table 4 shows that income and education disparity result in higher death rates across a spectrum of chronic conditions where home health services can play an important role in managing patients facing the risk of death and disability from these chronic conditions if there is a greater supply of these services. This indicates a need for a broader array of health care services and other supportive services than the State as a whole.

Table 4

Mortality Table C7. Diseases of the Heart, Ischemic Heart Diseases, and Cerebrovascular Diseases by County of Residence, 2015

	Diseases of the Heart (I00-I09,I11,I13,I20-I51)			Ischemic Heart Disease (I20-I25)			Cerebrovascular Disease (I60-I69)		
County	Number	Crude Rate[1]	Age-Adj Rate[2]	Number	Crude Rate[1]	Age-Adj Rate[2]	Number	Crude Rate[1]	Age-Adj Rate[2]
State Total	**10,987**	**155.6**	**138.3**	**6,338**	**89.8**	**79.5**	**2,693**	**38.1**	**34.4**
King	2,533	123.4	122.3	1,474	71.8	71.0	620	30.2	30.3
Spokane	832	170.4	142.4	445	91.1	76.2	266	54.5	46.0

Mortality Table C6. Diabetes, Alzheimer's Disease, and Major Cardiovascular Disease by County of Residence, 2015

	Diabetes (E10-E14)			Alzheimer's Disease (G30)			Major Cardiovascular Disease (I00-I78)		
County	Number	Crude Rate[1]	Age-Adj Rate[2]	Number	Crude Rate[1]	Age-Adj Rate[2]	Number	Crude Rate[1]	Age-Adj Rate[2]
State Total	**1,805**	**25.6**	**22.5**	**3,489**	**49.4**	**44.9**	**14,858**	**210.4**	**187.6**
King	375	18.3	17.9	903	44.0	44.3	3,471	169.1	168.2
Spokane	170	34.8	29.6	300	61.4	51.9	1,186	242.9	203.4

Mortality Table C8. Influenza & Pneumonia, Chronic Lower Respiratory Disease, and Chronic Liver Disease & Cirrhosis by County of Residence, 2015

	Pneumonia and Influenza (J10-J18)			Chronic Lower Resp. Dis. (J40-J47)			Chronic Liver Disease & Cirrhosis (K70,K73-K74)		
County	Number	Crude Rate[1]	Age-Adj Rate[2]	Number	Crude Rate[1]	Age-Adj Rate[2]	Number	Crude Rate[1]	Age-Adj Rate[2]
State Total	**851**	**12.1**	**10.7**	**3,151**	**44.6**	**39.9**	**1,021**	**14.5**	**12.4**
King	190	9.3	9.2	564	27.5	28.5	230	11.2	10.1
Spokane	76	15.6	13.6	322	65.9	56.2	91	18.6	16.2

[1] Rate per 100,000 population.

[2] Rate per 100,000 age-adjusted to U.S. 2000 population. Does not include deaths where age is unknown.

[*] Rate not calculated because number of deaths was less than 5.

Note: Codes for International Classification of Diseases, Tenth Revision (ICD-10) are in parentheses after each group heading.

Rates based on fewer than 20 deaths are likely to be unstable and imprecise.

Source: Center for Health Statistics, Washington State Department of Health, 07/2016.

Table 5 presents the relative percentages of death by cause and in this case, Spokane County is different from the State and King County in two key areas, Cancer and Other causes of death. It is also important to point out that the age-adjusted death rates for Spokane for all of these categories are higher than the State as a whole or King County but

the critical difference is that residents in Spokane County simply have a shorter lifespan due to chronic illness burden, which has to be aggressively addressed with lower cost resources such as home health.

Table 5

Per Cent Cause of Death 2013 - 2015			
	Spokane	**King**	**State**
Cancer	19%	21%	24%
Heart Disease	9%	12%	13%
Diabetes	5%	4%	5%
Stroke	3%	3%	3%
Alzheimer's	5%	6%	6%
COPD or Asthma	6%	6%	6%
Other	51%	4%	41%
Data Source: Washington State Department of Health, Center for Health Statistics, Death Certificate Data, 2013-2015.			

Table 6 presents a comparison of hospital utilization discharges to home, home health, skilled nursing facilities and inpatient rehabilitation hospitals. It indicates that hospitals are relying on home health to manage the greater costs associated with the chronic illness burden of the Spokane County population but even with this greater reliance on home health, discharges to skilled nursing homes are 138% higher on a discharges per 100,000-person basis.

Table 6

2017 Discharges per 100,000 Residents and Per Cent of Total Discharges: Washington State and Spokane County (CHARS)							
	Washington State	Per Cent of Total Dischgs. WA State	Dischgs. per 100,000 Persons WA State	Spokane County	Dischgs. per 100,000 Persons Spokane County	Per Cent of Total Dischgs. Spokane County	Per Cent Spokane Dischg. Rate Compared to WA State
2017 Population	7,310,300			499,300			
Discharge Category							
Discharged Home	477,989	76%	6,538.6	32,854	6,580.0	67%	101%
Expired	13,946	2%	190.8	1,000	200.3	2%	105%
Discharged to Home Health	38,089	6%	521.0	6,186	1,238.9	13%	238%
Discharged to SNFs	55,053	9%	753.1	4,745	950.3	10%	126%
Discharged to IRFs	5,407	1%	74.0	786	157.4	2%	213%
Discharged to LTCH	888	0%	12.1	98	19.6	0%	162%
Other	40,613	6%	555.6	3,014	603.6	6%	109%
TOTAL DISCHARGES	631,985	100%	8,645.1	48,683	9,750.3	100%	113%

The five key findings of this need assessment are the following:

1. The chronic disease burden for the Spokane County population is higher than both the State and King County based on the self-reported prevalence of chronic disease, the age-adjusted, measured premature death rates for the population under age 50 and under age 65 and the overall, age-adjusted, condition-specific death rates for the Spokane population.

2. The chronic disease burden and the age-adjusted premature death rates described above lead to higher utilization of hospital discharges to inpatient rehabilitation, skilled nursing homes and home health as shown in Table 6.

3. While Spokane County death rates are higher, the actual mix of chronic conditions and associated death rates that drive home health referrals such as heart disease, stroke, COPD/asthma and Alzheimer's conditions proportionately is very similar. This means that while the need and number of home health agency visits is higher than King County or the State as a whole, the therapy mix (e.g., home health visits, physical therapy visits etc.) should be similar to the mix of services provided by home health agencies in Western Washington; and Eden Home Health can rely on its estimates of service mix in its existing operations in Western Washington as well as benchmark data to serve as the template for this application.

4. **The most important conclusion is that greater home health resources are required in Spokane County to respond to this health disparity life span crisis in Spokane County – initiative 1 in improving health of the population that is part of the federal and state Triple Aim commitment. This increase in home health resources will also support the ongoing initiatives and demonstration projects that can control to control the significantly higher costs related to the higher disease burden in Spokane County. Use of home health maintains individuals in the community and reduces overall healthcare costs for more expensive modalities including acute care, inpatient rehabilitation hospital and skilled nursing facilities. Any access barrier to home health in Spokane County will directly lead to much higher healthcare costs than would be experienced on a statewide basis.**

5. **Of near equal importance is that additional home health services will be required to support the DSHS LTSS aging program efforts and the CMS – Washington State Medicare-Medicaid Financial Alignment Initiative in Spokane County so that on a statewide basis these initiatives and demonstration projects will continue to serve Washington residents.**

This higher home health resource requirement particularly comes into play in the second phase of determining home health agency need – determining the impact of a new home health agency provider on the existing system. Clearly, with the reservoir of unmet need, there is a substantial need for additional home health agency capacity that is well beyond

the *expected* need generated by the 1987 SHP methodology. The SHP is not promulgated as a rule for determining need but is instead a suggested estimating approach as is the rules-based examination of service area general health need. To quantify this need, EmpRes conducted a disparity analysis to measure the difference in age-adjusted death rates from chronic illness between Spokane County, King County and Washington State that results in an overall 2-year shorter life span for Spokane County residents when compared with all Washington State residents.

Table 7 presents the comparative death rates for these illnesses and uses the median difference in age-adjusted death rates between Spokane County residents and Washington State residents. The results are that Spokane County median adjusted death rates for listed conditions are 27% greater than Washington State death rates. This factor will be used as an adjustment factor after carrying out the 1987 SHP methodology.

Table 7

Home Health Agency Adjustment Factor for Higher Chronic Illness Burden Due to Health Disparity

	Spokane County	**King County**	**State**	**Spokane County Adj. Rate as**	**Spokane County Adj. Rate**
	Age Adj, Death Rate	**Age Adj, Death Rate**	**Age Adj, Death Rate**	**% of King County**	**as % of WA State**
Diseases of the Heart	142.4	122.3	155.6	116%	92%
Ischemic Heart Disease	76.2	71	79.5	107%	96%
Cerebrovascular Disease	54.5	30.2	38.1	180%	143%
Diabetes	29.3	17.9	22.5	164%	130%
Alzheimer's Disease	51.9	44.3	44.9	117%	116%
Maj. Cardiovascular Disease	203.4	168.2	187.6	121%	108%
Pneumonia/Influenza	13.6	9.2	10.7	148%	127%
Chronic Lower Respiratory Disease	56.2	28.5	39.9	197%	141%
Chronic Liver Disease and Cirrhosis	16.2	10.1	12.4	160%	131%
Median Rate Comparison				**148%**	**127%**
Home Health Adjustment Factor				**148%**	**127%**

Table 8 presents the unadjusted home health agency need for Spokane County through 2022.

Table 8
1987 State Health Plan Methodology - Home Health

2019		Age Cohort	*	County Population	*	SHP Formula	*	Number of Visits	=	Projected Number of Visits
		0-64		423,256		0.005		10		21,163
		65-79		68,032		0.044		14		41,908
		80+		19,820		0.183		21		76,169
								TOTAL:		**139,240**
						Number of Expected Visits per Agency				*10,000*
						Projected Number of Needed Agencies				**13.92**
						Existing MM Agencies				**8.00**
						Net Need				**5.92**
						Need Rounded Down				**5.00**

2020		Age Cohort	*	County Population	*	SHP Formula	*	Number of Visits	=	Projected Number of Visits
		0-64		425,447		0.005		10		21,272
		65-79		71,173		0.044		14		43,843
		80+		20,188		0.183		21		77,582
								TOTAL:		**142,697**
						Number of Expected Visits per Agency				*10,000*
						Projected Number of Needed Agencies				**14.27**
						Existing MM Agencies				**8.00**
						Net Need				**6.27**
						Need Rounded Down				**6.00**

2021		Age Cohort	*	County Population	*	SHP Formula	*	Number of Visits	=	Projected Number of Visits
		0-64		426,740		0.005		10		21,337
		65-79		73,597		0.044		14		45,336
		80+		21,073		0.183		21		80,984
								TOTAL:		**147,657**
						Number of Expected Visits per Agency				*10,000*
						Projected Number of Needed Agencies				**14.77**
						Existing MM Agencies				**8.00**
						Net Need				**6.77**
						Need Rounded Down				**6.00**

2022	Age Cohort	*	County Population	*	SHP Formula	*	Number of Visits	=	Projected Number of Visits
	0-64		429,326		0.005		10		21,466
	65-79		78,444		0.044		14		48,322
	80+		22,844		0.183		21		87,788
							TOTAL:		157,576
					Number of Expected Visits per Agency				*10,000*
					Projected Number of Needed Agencies				**15.76**
					Existing MM Agencies				**8.00**
					Net Need				**7.76**
					Need Rounded Down				**7.00**

The Home Health Agency numeric need approach used by the Department of Health is contained in the 1987 Washington SHP. It is a population-based formula utilized for nearly 30 years. The Department of Health ("Department") has used this same methodology to project home health agency need in each county. This methodology projects need for at least six additional agencies in Spokane County before the health disparity adjustment is applied.

WAC 246-310-010(30) defines a home health agency as:

"…an entity which is, or has declared its intent to become, certified as a provider of home health services in the Medicaid or Medicare program."

The methodology determines the projected number of home health visits in a given planning area (e.g., County) using the following factors:

- Identifying projected population of the County, broken down by age groups (0 -64; 65-70; & 80 and older);
- Applying estimated home health use for each age group;
- Applying an estimate of number of visits per age group; and
- Dividing the number of projected visits by an assumed average of 10,000 visits per agency.

In order to determine the 'net need' for a new home health provider, EmpRes calculated "'supply", based on a list of CoN agencies and State licensed agencies that could qualify as home health agencies. The footnote below details the list EmpRes obtained the provider list from the Department."[6]

[6] Beth Harlow, 6/25/2018 E-mail list of CoN and state approved home health agencies serving Spokane County

The list of agencies included 8 Certificate of Need approved agencies serving Spokane County and 7 state-only agencies serving Spokane County. Our analysis indicates that there may be 9 CoN approved agencies serving Spokane County and 6 state-only agencies. Attachment U provides the analysis. Our analysis indicates that no state-only agency meets the definition of a qualifying home health agencies serving Spokane County.

The **unadjusted** pre-survey analysis of agency **net** need in 2022 in Table 8 is 7 home health agencies. As noted, Table 6 quantified the adjustment that should be made in overall home health agency need to address the chronic disease burden in Spokane County due to health disparity that results in a shortened life span for Spokane County residents. The adjustment factor used is 27%. Table 9 presents the adjusted home health agency need through 2022 which is 12 home health agencies.

Table 9
Net Home Health Agency Need Adjusted for Chronic Illness Burden

	2019	2020	2021	2022
Total HHA Need	14.27	14.77	15.26	15.76
Adjusted HHA Need (27%) for Higher Chronic Illness Burden	18.12	18.76	19.38	20.02
Existing Agencies	8	8	8	8
Net HHA Need	10.12	10.76	11.38	12.02
NET HHA Need Rounded Down	10	10	11	12

b. Identify the negative impact and consequences of unmet home health needs and deficiencies.

Overview

For over 30 years the Department of Health (Department) has used the same methodology to project home health agency need in each County as described in the previous section. This methodology projects need for at least 12 additional agencies in Spokane County by **2022, the target projection year.** In addition to collecting the required information to carry out the methodology used by the Department, EmpRes Healthcare evaluated each step of the methodology to obtain a better understanding of home health agency need as it applies to the Spokane County population and the various adjustments that should be applied to the need estimate. The steps that EmpRes Healthcare used to understand need and to address unmet need and assess its consequences are based on the following elements:

- EmpRes Healthcare fully evaluated the health statistics compiled by the Spokane Health District, the Washington Department of Health Death Statistics and conducted interviews with senior administrators and epidemiologists working with the Spokane Health District.

- EmpRes Healthcare, per recommendations from Department staff, contacted by phone all skilled nursing homes within Spokane County to identify unmet need and the potential for referrals. There were 12 responses with 4 facilities reporting some difficulty with current placements and 7 facilities reporting difficulty in placing patients in rural areas, particularly in adjoining counties where EmpRes Healthcare operates Skilled Nursing Facilities.

- EmpRes Healthcare reviewed the available HIPSA and MUA data prepared for Spokane County and interviewed key staff from the Department of Health Office of Community and Rural Health.

- EmpRes Healthcare reviewed the 2017 CHARS data that shows discharges from acute care hospitals to Skilled Nursing Facilities is 26% higher for Spokane County than for Washington State; discharges to Impatient Rehabilitation Facilities are 113% higher than the statewide referral rate and discharges to Long-Term Care Hospitals is 62% higher. The Washington State Healthcare Authority has documented that emphasizing community-based service through the health home model substantially reduces overall costs associated with inpatient and skilled nursing facility modalities.

- EmpRes Healthcare reviewed Avalere Health which provides a proprietary analysis of the Medicare fee-for-service patient referrals from Skilled Nursing Facilities located within Spokane County to home health agencies.

- EmpRes Healthcare also applied its experience and referral data gleaned from operating Skilled Nursing Facilities in Spokane County as well as Whitman and Stevens and operating senior living facilities.

The overall conclusion from this review of available data and interviews with Skilled Nursing Facility managers is that health disparity caused by income and educational disparity[7] contributes to an unprecedented burden of chronic illness in Spokane County that requires additional agency resources such as home health agencies that specialize in supporting individuals with chronic illness and who provide services to lower income populations such as the Medicaid population. Additional home health resources in Spokane County will substantially improve the ability of individuals to remain at home while reducing overall healthcare costs to payers, families and patients.

1) **<u>Need for additional providers in Spokane County to meet growing demand</u>**

   This key need is the focus of the prior section's as summarized in Table 8 and adjusted to meet health disparity in Table 9.

2) **Need for rapid admission to home health via timely access to home health services**

[7] Source: Spokane County Health District analysis of health disparity and its impact on Life Span

The second key need addressed by this application is the need for patients referred to home health to receive rapid admission for care. A discussion of the negative impact and consequences of delayed admission in Spokane County is provided at 9 (b). below.

Evidence of the problem and Medicare data on "timeliness" of the start of care in Spokane County is provided at Question 9 (b). below discussing availability and accessibility.

Findings: Need for Rapid Admission

Our review of Medicare quality of care data and our interviews with nursing home providers indicates that home health agencies are currently achieving appropriate results in meeting the current need for rapid admission. However, the pressure on hospitals and other providers to rapidly transfer patients to lower levels of care will expose the documented, fragile chronically ill Spokane County population to even greater need for home health services, particularly from home health agencies that take a proportionate share of low-income patients.

Survey results indicate that 4 of 12 responding nursing homes indicated some difficulties in appropriate placements and in rural Spokane County and adjoining counties, 8 of 12 skilled nursing homes indicated that there are significant **current** delays in making appropriate home health placements. These findings foreshadow access problems that will have adverse effects on health status as well as healthcare costs. If additional capacity is not provided at this time, the gap caused by health disparity in health status within Spokane County as measured by life span will increase.

3) Need for the additional providers to address growing health disparity that limits life span and increases the chronic disease burden of residents of Spokane County and adjacent counties.

This key need was the focus of the prior section.

4) Need for financially accessible home health services.

This problem of access affects patients referred to home health services, particularly the dual option Medicare-Medicaid patients where "affordable care" is not limited just to the direct patient service but in the patient's ability to maintain independent living. As detailed in the discussion of "health disparity" the cost of home health services and health home services compared to the incomes of many who need these services make it currently impossible to live a healthy life style.

Without additional intervention by home health and other lower cost health care providers, lower income patients' health will be further exacerbated. Additional home health agencies that are Medicare and Medicaid certified can help these patients address their chronic illness so that they live a longer and higher quality life.

Part of the solution is simply greater resource capacity for home health services which is addressed by this project. Without this capacity, the 20-year efforts of the Department of Social and Health Services Long-Term Services and Supports (LTSS) Rebalancing and the Washington State Medicare-Medicaid Financial Alignment Initiative ,Medicare-Medicaid Managed Fee-for-Service (MFFS) may not achieve maximum effectiveness in addressing the chronic illness burden in Spokane County and the resulting affordability for patients as well as managing increases in healthcare costs.[8] The MFFS project demonstrated that if real-world cost savings results are not achieved; programs will be cutback even if the initiatives improve health status but do not reduce costs.

Findings: Need for affordable home health services to address the unique health disparity conditions that reduce life span in Spokane County.

Reforms in the delivery and payment for healthcare are driving increased use of in-home services. The use of in-home care post discharge supports the cost-effective care of post-acute patients after injury, surgery, hospitalization or skilled nursing/nursing home care. Based on requirements of the Affordable Care Act, Medicare set standards and has begun monitoring the re-admission of inpatients who require greater attention to rehabilitation and healing at home.

Hospitals with high re-admission rates are beginning to be penalized financially by Medicare until the institution's performance reaches a required federal standard for re-admissions. Likewise, patients of post-acute Skilled Nursing Facilities also require follow-up care and therapies upon discharge. Many require immediate post-discharge admission to and treatment by home health service providers.

These changes and the financial incentives supporting them, emphasize the need for keeping patients clinically stable immediately after discharge. The practice requires rapid admission to home health care of patients determined by their physicians to require such care. Not only must the patient be admitted to the agency, but the patient must receive

[8] In 2016 the Washington State Legislature temporarily suspended the Washington Medicare-Medicaid Financial Alignment Initiative ,Medicare-Medicaid Managed Fee-for-Service (MFFS) demonstration project because of questions about the cost-savings that CMS would provide Washington State if the project yielded savings.

the appropriate level and frequency of care prescribed by the physician. Patients who cannot access or do not receive timely and adequate home health services may experience a number of health-related issues and a few of these include:

- Longer lengths of stay for inpatients
- Poor management of required post hospital medications; patient non-compliance or errors
- Unnecessary falls due to inadequate attention to safety issues in the home
- Lack of progress in rehabilitation, e.g., required therapies for joint replacement
- Inadequate monitoring for post-acute complications and worsening of conditions leading to increased morbidity and mortality
- Poor adherence to post-acute dietary instructions, e.g. low salt diet for CHF
- Unnecessary morbidity and earlier mortality at the system level due to an inadequate supply of home health services means:
  - Overall longer lengths of inpatient stays in the highest cost settings
  - Higher capital and operating costs to develop and maintain greater inpatient capacity than would otherwise be needed
  - Additional demand for nursing and other staffing across the system
  - Poor hospital through-put and patient warehousing

In mid-2016, the Department of Health revised its method of counting available home health service capacity in the county for which an applicant files a letter of intent. Starting with 2012 HHA evaluations, DOH began including "licensed-only" agencies in existing capacity and it began providing a list to applicants that combined the CON-approved and "licensed-only" agencies for use in the applicant's calculation of the 1987 SHP Home Health Need Estimation Method.[9] Given the heightened chronic illness burden in Spokane County, reducing capacity by counting State-only agencies might have been a problem but our analysis is that this approach has not had any adverse impact (e.g., reducing potential supply) within Spokane County.

[9] This change in methodology has a minimal effect on counties surrounded by rural areas such as Spokane County.

4. **<u>Define the types of patients that are expected to be served by the project.</u> The types of patients expected to be served can be defined according to 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 recognized school or theory of medical care.**

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

The types of patients Eden Home Health of Spokane County, LLC will serve in Spokane County will be consistent with the experience in other markets with a similar demographic profile. It is expected that Eden Home Health of Spokane County, LLC will serve minority populations consistent with their representation within the age stratification detailed below. The average age of the patients served is expected to be 74, which is very similar to national peer group averages. Ages 18 to 64 will make up approximately 21% of the patients served while the age group from 64 – 94 will be approximately 76% of the total. Those over the age of 94 will be less than 4%.

The following lists provide additional detail about the types of patients Eden Home Health of Spokane County, LLC expects to see in Spokane County:

Percent by clinical area:

- Rehabilitation Therapy - 24 %
- Circulatory - 22%
- Respiratory - 10%
- Diabetes-5%
- Mental / Behavioral - 2%
- All Other - 47%

Expected referral sources:

- Acute Care Hospitals
- Skilled Nursing Facilities/Rehabilitation Centers
- Adult Living Facilities
- Physician Practices
- Clinics (CHF/COPD, Diabetes, Wound Care)
- Senior Clinics
- Community (Retirement communities, Elder Care Attorneys)
- Family members/ Caregivers

5. 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.

NA - Eden Home Health of Spokane County, LLC is not an existing facility as defined above.

6. For existing facilities, please identify the number of patients currently receiving skilled services, broken down by type(s) of services (i.e., skilled nursing), by county served.

NA - Eden Home Health of Spokane County, LLC is not an existing facility as defined above.

7. Please provide utilization forecasts for the following, broken down by discipline (i.e., RN/LPN, OT, PT, social worker, etc.) for each county proposing to serve:

A. Total number of home health *visits* per year for the first three years; and

B. Total number of unduplicated home health *patients* served per year for the first three years.

Table 10 provides the total number of visits for the first partial year and the first three complete years of operation as well as unduplicated home health patients.

Table 10
Utilization Forecasts: Eden Home Health of Spokane County LLC

VISITS	**2019**	**2020**	**2021**	**2022**	**% Visits by Discipline**
Skilled Nursing	331	2,827	6,263	9,304	36%
Physical Therapy	316	2,704	5,990	8,899	34%
Occupational Therapy	130	1,114	2,467	3,665	14%
Speech Pathology	26	223	493	733	3%
Medical Social Service	27	230	510	757	3%
Home Health Aide	87	743	1,645	2,443	9%
Total Visits	917	7,841	17,368	25,802	100%
Unduplicated Patients	43	344	762	1132	

8. 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.

Planning area growth in demand

Table 8, prepared in response to the 1987 SHP Need Estimate methodology shows, the Spokane County target population for home health services is expanding

rapidly. Taking Eden Home Health of Spokane County, LLC's 2019 application year as a baseline, the SHP Need Estimate shows a growth in need between 2019 and 2022 of 18,336 home health visits. In the SHP methodology, this additional demand for care is driven by a combination of overall Spokane County population growth and by the aging of both the 65 -79-year age cohort and the cohort over age 79. From 2019 through 2022, the population under age 65 will grow by 1.4% while the population in the two older cohorts will each grow over 13% fueling a large increase in home health visits of nearly 12% for the time period.

This analysis shows that, even if all SHP need is being met in 2018, growth from 2019 through 2022 would support nearly two new agencies (1.8 agencies).

Market share

Taking only the Medicare-certified agencies as the relevant competitors, Eden Home Health of Spokane County, LLC reviewed the potential market share impact of its 2022 volume estimate. Spreading Eden Home Health of Spokane County, LLC's volume of 6,628 visits in 2020 when the project will achieve breakeven by year-end and the volume of 14,682 visits in 2021 when the facility will operate at a profit for the entire year equates to a 5% - 9% market share in the two-year period. Assuming higher utilization as described in Table 9 would result in a 4% - 8% market share in over the two-year period due to at least a 27% higher chronic illness burden. In short, the project will no significant adverse impact on other existing home health provider.

Projected referral sources and assumptions:

1) Skilled nursing

As part of its volume estimates, Eden Home Health of Spokane County, LLC contacted each of the Skilled Nursing Facilities in Spokane County per the Department's suggestion. The responding Discharge Planners and Social Workers on staff at those facilities are responsible for coordinating the discharge of each patient referral to home or another facility. The EmpRes Healthcare Enterprise owns a 164-bed Skilled Nursing Facility in Spokane County and a 95-bed Assisted Living Facility. Currently, these two facilities refer over 15 patients per month and have some difficultly in placements. Together these two facilities would provide most of the referrals in the first few months of operation. Other Skilled Nursing Facilities indicated that they would refer to the Eden Home Health agency and we expect referrals from hospitals in Spokane County which are required to present patients with a listing of all home health agency options regarding home health agency selection and allow patient choice.

2) Coleman Model: Care Transitions Program

In alignment with the company-wide continuum of care strategy, Eden Home Health of

Spokane County, LLC will provide the Coleman Model of Care Transitions to the EmpRes Healthcare Skilled Nursing Facilities and seek partnership from other Skilled Nursing Facilities and hospitals in the area. The Coleman Model's Care Transitions Program provides education and coaching support for patients transitioning from one care setting to another, such as from skilled nursing to home. As conditions and personal needs change, the Care Transitions Program allows patients to self-manage their care in the home environment, thus helping patients achieve greater long-term independence.

The Transitions Program model of care is fully congruent with the very successful health home model of care operated by the Washington Health Care Authority through that has an extended demonstration project through 2020 for CMS.

Assumption: By year three, patient referrals through the EmpRes Healthcare Care Transitions Program to Eden Home Health of Spokane County LLC will reach 50% of all such referrals.

3) Hospitals and physicians and other providers

To estimate potential referrals from hospitals and physicians, Eden Home Health of Spokane County, LLC drew on its home health agency experience in 4 other markets. In particular, it reviewed the growth in volumes experienced by its affiliate, Eden Home Health of Bellingham, LLC since it acquired the Option Care Enterprises home health agency serving Whatcom, Skagit, Snohomish and Island Counties. Based on the combination of the following:

- Care Transitions program,
- Tele-health initiatives, and
- Availability to see newly referred patients from its first day of operation.

The volume of referrals in this service area has grown substantially - from a 200-patient census to 600 patient census in just three years.

In 2017, nearly 6,200 Spokane County residents were referred to home health agencies serving Spokane County. The programs that EmpRes Healthcare employs along with the Health Home services operated through the Health Care Authority should generate substantial referrals that will support the volume projections.

Assumption:
In addition to referrals from EmpRes Care Transitions Program, another portion of referrals will come from a broader referral base of physician practices and hospitals.

Eden Home Health Environmental Assessment of Home Health Need

Four separate assessment approaches were reviewed to verify that there is a current need for an additional home health agency and a need for 2 home health agencies beginning in 2017.

1) CHARS Hospital Home Health Referrals

Table 11 summarizes home health agency referrals for Spokane County hospital inpatients treated in all CHARS reporting hospitals as well as all Washington inpatient home health referrals occurring in all CHARS reporting hospitals for 2017. The data show that the overall rate of referrals per 1,000 persons is ***over twice the rate the State rate as a whole***. As analyzed in Table 9, there should be at least a 27% increase in home health visits to account for health disparity.

Table 11
2014 Home Health Agency Referrals for Spokane County and Washington State Residents from All Hospitals (CHARS Data)

2017 Discharges: Washington State and Spokane County				
	Washington State	Per Cent of Total	Spokane County	Per Cent of Total
2017 Population	7,310,300		499,300	
Discharge Category				
Discharged to Home Health	38,089	6%	6,186	13%
TOTAL	631,985	100%	48,683	100%
Data Source: CHARS 2017, OFM 2018				

2) Review of the Spokane County Community Assessment

Three determinants of need and demand for home health agency visits; population growth, changes in age mix of the population and changes in the affordability of health care were reviewed. Figure 1. Population Total and Percent Change, Spokane County: 2000 to 2014 from the assessment document shows that Spokane County has experienced population growth of approximately 0.9% per year versus the State population average annual increase of 1.2%. This indicates need and demand increasing over time.

These increases in insurance coverage would be expected to increase the need and demand for new home health agencies.

3) Access to Care

The Patient Protection and Affordable Care Act was signed into law in 2011. As of 2014, the new law increased the mandatory minimum income eligibility level for Medicaid to 133% of the federal poverty level. There is also a standard 5% income disregard for most individuals, thereby allowing eligibility to individuals with 138% of the poverty level and below.

The Affordable Care Act also made it mandatory for all U.S. citizens to have health insurance. Those who choose not to sign up for insurance will have to pay a penalty. However, not all residents are eligible for insurance, including undocumented immigrants and some people who may be exempt from the requirement to have insurance.

Another key provision was that the Affordable Care Act created a new marketplace for each state to offer health benefits to individuals, families and small businesses. The Washington Health Benefit Exchange (created in 2011) is responsible for the creation of Washington Health plan finder, a website on which Washingtonians can find, compare and enroll in qualified health insurance plans. An in-person assistance network was also developed to make support broadly available for those who need additional assistance enrolling via Health plan finder.

4) Health Professional Shortage Areas (HPSA) and Medically Underserved Areas (MUA) Analysis

The HPSA and MUA shortage area data for Spokane County was reviewed to determine if there were key shortage areas that could result in increased or decreased need or demand for home health agencies. Attachment H provides HPSA and MUA information for Spokane County which indicates only small geographic areas of shortage. It was verified that there were no large designated shortage areas that would affect the home health agency need analysis for Spokane County with the staff of Washington Community Health Systems.[10]

5) Review of the Impact on Home Health Demand as result of CMS New Emerging Reimbursement Model as Included in

The U.S. Department of Health and Human Services CMS – Washington State Medicare-Medicaid Financial Alignment Initiative is in its third phase in addressing fee-for-service for the dual eligible Medicare-Medicaid population. In addition, in Washington State, all Medicare fee-for-service home health services are provided under risk-based contracts.

All of these CMS initiatives along with Medicare Advantage and commercial insurance plans are looking at the post-acute care as an area for significant savings while improving the quality of care outcomes for patients. Based on national literature, consultants as well as in depth discussions with numerous active ACOs and Model 2 BPCI groups, all of these groups share a common strategy surrounding skilled nursing facilities: 1) shift hospital discharges from SNFs to home health and 2) for those patients that still must go to a SNF reduce the average length of stay at those SNFs.

The results of these earlier efforts have created a unique situation in Washington State where the Health Home Program Medicare waiver calls for enhanced funding through

[10] Phone communication with Laura Olexa, Healthcare access analyst, Office of Community Health Systems

2020 with savings sharing from CMS to Washington State for implementing programs that reduce healthcare costs primarily costs associated with hospitalization and skilled nursing.

EmpRes Healthcare knows that these new models will increase demand for home health services and is currently assessing whether the 27% higher home health agency need adjustment factor is sufficient to provide adequate capacity to address the unique disease burden in Spokane County and support federal and state initiatives.

9. 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.

The Department of Health surveyed all home health agencies in late 2018 with an annual survey to measure utilization in the prior year. Table 12 summarizes responses. A number of certificate of need approved agencies did respond to the survey and several state-licensed agencies also responded.

Table 12
2017 Spokane County Treatment Volume (CoN Survey)

	Visits	Medicare	Medicaid	Charity Care/Self Pay	Commercial	Other
Providence VNA*	72,564	72%	13%	1%	14%	0%
Interim Healthcare of Spokane**	153	0%	0%	0%	100%	0%
Assured Home Health	10,519	88%	8%			3%
Sunshine Home Health Care	22,021	82%	1%	1%	15%	1%
Rockwood Home Health	29,480	59%	9%	0%	31%	1%
Total Reported Volume	134,737					
* Includes Stevens County Volume						
** State-only provides only skilled nursing						

CoN approved Home Health agencies that did not respond include:

IHS.FS.00000071 Touchmark
IHS.FS.00000296 Kindred at Home
IHS.FS.60308064 Kindred at Home
IHS.FS.00000346 Intrepid USA Healthcare Services

State-Only Licensed Agency Analysis

Consistent with the Program's revised approach to calculating supply, based on a list, provided to by the CN Program, of all licensed in-home services providers that claim to serve Spokane County were identified. This list was generated by the state licensing database and included 6 agencies. For each agency we either: 1) reviewed their website or 2) contacted them (by phone) to gather information about who and which types of patients they serve. Our findings are detailed in Table 11. The results of the review are that only one agency, Maxim Healthcare Services may qualify to be counted as part of the home health agency supply.

Table 12

State Licensed Facilities Serving Spokane County: Counted and Not Counted in Suppply

	Site County	Credential Number	Any medical/ therepeutic?	RN visits	Therapies	HHA RN supervised	Comments
Provides Registered Nursing Services							
Maxim Healthcare Services	Spokane	IHS.FS.00000374	Yes	Yes	Yes	Yes	
Provides Registered Nursing Services and no Therapies (Not Counted)							
Interim Healthcare of Spokane, Inc	Spokane	IHS.FS.00000345	No	No	No	No	Skilled Nursing e.g., wound and infusion care; Home Care Services
ResCare HomeCare	Spokane	IHS.FS.60051588	No	Yes	No	No	Skilled Nursing and Home Care Services
S and S Health Care	Spokane	IHS.FS.00000431	No	Yes			Skilled nursing services
Option Care	Spokane	IHS.FS.60241176	No	Yes			Infusion services
Provides No Registered Nursing Services and no Therapies (Not Counted)							Home Care Services
Angel Senior Care	Spokane	IHS.FS.60268554	No	No	No	No	Home Care Services

b. If existing services are available and accessible, justify why the proposed project does not constitute an unnecessary duplication of services.

Existing services are not available and accessible for the following reasons:

- Need – there is a current need for 5 home health agencies in 2019 and 7 agencies by 2022 per the SHP analysis provided in Table 7 and assuming no additional agencies are added from the state-licensed list analyzed in Table 11. Adjusting the data for the higher chronic health burden in Spokane, the agency need grows to 12 agencies by 2022.
- CHARS data shows hospital referrals for Spokane County inpatients are twice the average rate for all Washington inpatients.
- EmpRes Healthcare surveyed 17 Skilled Nursing Facilities by telephone in Spokane County with 12 nursing homes responding. 4 nursing homes indicated that they would provide letters of support if requested, 2 nursing homes indicated that they had difficulty placing patients in Spokane County and 7 nursing homes had great concern about access to home health in the counties adjoining Spokane County.
- Eden Home Health of Spokane County, LLC will fully participate in CMS and LTSS quality initiatives that will improve continuity of care and reduce overall healthcare costs which will stimulate demand for home health services.

In addition, with Medicaid expansion under the Affordable Care Act (ACA), the Spokane County residents without health insurance into health insurance plans who previously did not have health insurance declined from 15% of the population to 5% of the population from 2013 – 2015 and most of those patients are Medicaid

patients.[11] Medicaid will only pay for home health services in CMS certified home health agencies although it is studying new approaches under legislative direction.

10. 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.

Eden Home Health of Spokane County, LLC is not an existing agency. Our admissions and charity care policy and commitment to obtaining a Medicaid contract document that we will accept all patients in need who we are qualified to treat, regardless of race, religion, disability, sex, or income. We have submitted draft admission and charity care and non-discrimination policies that will be reviewed and approved by the Department. Copies of these draft polices are included in Attachment K A: Admission Information and 8 B: Charity Care Policy.

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

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

A copy of Eden Home Health of Spokane County, LLC polices are included in Attachment K..

12. 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 services 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 hospital and non-allopathic services which the proposed facility/service would be affiliated.**

This question is not applicable.

[11] 2015 Demographics and Social Characteristics: Spokane County 2017; Spokane Regional Health District. January 2018 . Page 9

Section 4
Project Rationale

B. Financial Feasibility

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

The proposed capital expenditure is limited to equipment and is detailed as follows:

Table 13
Project Capital Expenditure Estimates

Eden Home Health of Spokane County, LLC Agency Project Costs	
a. Construction costs (Remodeling)	$ 25,000
b. Moveable Equipment	$13,000
c. Fixed Equipment	(Included above in a)
d. Architect and Engineering, Permits and Fees	(Included above in a)
e. Sales Tax (@9.5%)	(Included a & b)
f. Other (Certificate of Need Review Fee)	Not Included
Total Cost	$38,000

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

This capital expenditure for this project is limited to small equipment purchases and minor remodeling expense for existing space. These costs were based upon EmpRes Healthcare Enterprises' experience in establishing a home health agency in Arizona as well as our experience in construction related projects in the Silverdale area.

3. Document the project impact on: (a) Capital costs (b) Operating costs and charges for health services.

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

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

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

Home Health Quality Goals

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

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

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

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

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.**

Table 14 identifies the operating revenues and expenses for 2019 and the first three complete years through 2022 (the 3rd full year of operation). Detailed operating revenue and expenses are included in Attachment 0.

Table 14

Proforma Operating Statement - Eden HHA - Spokane County				
	Partial Year	**2020**	**2021**	**2022**
Total Gross Revenue	$138,481	$1,184,501	$2,623,808	$3,897,835
Total Costs	$182,891	$872,598	$1,782,429	$2,406,622

5. Please note: according to revised HCFA regulations, home health agencies must have enough reserve funds (determined by an authorized fiscal intermediary) to operate for three months after becoming Medicare/Medicaid certified. Please provide the following information in relation to this requirement:

a. Provide the name and address of the fiscal intermediary you will be using to determine capitalization;

The fiscal intermediary has not been appointed but we expect that the intermediary will be National Government Services. The address is:

National Government Services
P.O. Box 100142
Colombia, South Carolina 29202-3142

b. Provide a copy of the forms you are providing to the fiscal intermediary.

Eden Home Health of Spokane County's fiscal intermediary requires the Form 855 filing to be finalized within 60 days after initial filing. Completion and review of this application will take more than 60 days. Therefore, Eden Home Health of Spokane County, LLC would agree to submission of the form as a condition to receipt of a Certificate of Need.

6. Identify the source(s) of financing (loan, grant, gift, 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. For debt amortization, provide a repayment schedule showing interest and principal amount for each year over which the debt will be amortized.

On receipt of the Washington Certificate of Need, the members of Eden Home Health of Spokane County, LLC will fund the working capital account of Eden Home Health of Spokane County, LLC at a level sufficient to support the start-up cash flow requirements of the expansion into Spokane County. Please see Attachment M for a letter of commitment from the CFO.

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

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

Please see Attachment M for a letter of commitment from Michael Miller, Vice President and Chief Financial Officer, EmpRes Healthcare Management, LLC, Manager of Eden Home Health of Spokane County, LLC.

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

Since financing involves unnecessary interest expense, Eden Home Health of Spokane County, LLC has elected to fund the establishment of the agency with available cash.

9. Provide a pro forma (projected) balance sheet and expense and revenue statements for the first three years of operation.

Please see Attachment L for pro forma balance sheet expense and revenue statements for 2019-2022.

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

Please see Attachment L for the project's 2019-2022 capital expenditure budget.

11. Identify the expected sources of revenue for the applicant's total operations (e.g., Medicare, Medicare Managed Care, Medicaid, Health Options, Blue Cross, Labor and Industries, etc.) for the first three years of operation, with anticipated percentage of revenue from each source. Estimate the percentage of change per year for each payer source.

The table below, "Eden Home Health of Spokane County, LLC Payer Mix, Percent" indicates the estimated percentage payer mix for the proposed project. The percentages are not expected to change over time.

Table 15
Eden Home Health Payer Mix, Spokane, %

Payer	Percent
Medicare	66%
Medicaid	7%
Commercial	25%
Charity	2%

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

Eden Home Health of Spokane County, LLC is not an existing provider of health services.

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

Eden Home Health of Spokane County, LLC is not an existing provider of health services.

14. 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.

Eden Home Health of Spokane County, LLC is not an existing provider of health services.

15. 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.

Eden Home Health of Spokane County, LLC is not an existing provider of health services.

16. Provide anticipated 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.

Anticipated direct personnel costs per discipline are summarized in Table 16 below. Overall charges per visit by therapy are provided below and are based on the overall Medicare charges for the following:

Table 16
Anticipated Direct Personnel Costs and Calculated Total Charges per Visit 2020-2022

	2020		2021		2022	
	Direct Costs	**Calculated Charges**	**Direct Costs**	**Calculated Charges**	**Direct Costs**	**Calculated Charges**
Skilled Nursing	**$60**	**$179**	**$60**	**$179**	**$60**	**$179**
Physical Therapy	**$82**	**$179**	**$82**	**$179**	**$82**	**$179**
Speech Therapy	**$82**	**$179**	**$82**	**$179**	**$82**	**$179**
Occupational Therapy	**$92**	**$179**	**$92**	**$179**	**$92**	**$179**
Social Work	**$100**	**$179**	**$100**	**$179**	**$100**	**$179**
Home Health Aide	**$32**	**$179**	**$32**	**$179**	**$32**	**$179**

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

Table 17 below provides Eden Home Health of Spokane County, LLC wages and salaries and the number of FTEs by each discipline. The employee benefits are estimated at 25% of wages and salaries for each discipline.

Table 17

Staffing Summary - Eden Spokane HHA Positions, Salaries, and FTE's, 2019-2022					
STAFFING INPUT - BY FTE'S		**2019**	**2020**	**2021**	**2022**
OPERATIONS					
Physician (Medical Director)	contracted				
Director of Professional Services	$ 110,000	1.00	1.00	1.00	1.00
Clinical Supervisor	$ 83,200	-	-	1.00	1.00
Home Care Specialist	$ 37,440	-	-	-	-
RN	$ 62,400	0.63	2.23	4.94	7.33
PT	$ 85,280	0.49	1.76	3.89	5.78
OT	$ 85,280	0.17	0.59	1.32	1.96
ST	$ 76,960	0.04	0.16	0.35	0.52
MSW	$ 62,400	0.02	0.08	0.18	0.27
HHaide	$ 33,280	0.09	0.34	0.75	1.11
Subtotal: Operations		**2.45**	**6.15**	**13.42**	**18.96**
ADMINISTRATIVE					
Administrator	130,000	0.33	0.33	0.36	0.50
Office Manager	48,000	1.00	1.00	1.00	1.00
Home Care Specialist	37,500	-	-	-	-
Team Assistant	35,360	-	-	1.00	1.00
Data Entry Clerk	-	-	-	-	-
Community Outreach	65,000	-	0.04	1.00	1.00
Subtotal: Administrative	**0**	**1.33**	**1.37**	**3.36**	**3.50**
TOTAL FTE'S		**3.78**	**7.53**	**16.78**	**22.46**

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

A majority of Eden Home Health of Spokane County, LLC's patients will be Medicare enrollees. For home health services, Medicare pays 60% of the established rate at the beginning of service to each patient. For this reason, managing cash flow and covering costs of operation while waiting for Medicare reimbursement is not a substantial issue. See also the CFO letter of commitment at Attachment M.

Section 5
Project Rationale

C. Structure and Process (Quality) of Care

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

Eden Home Health of Spokane County, LLC is not an existing provider of health services. Table 18 provides the projected FTEs for 2019 through 2022 (the third full year of agency operation). Apart from the Medical Director, all positions are presented as employee FTEs.

Table 18
Eden Home Health of Spokane County, LLC Projected Number of Employees

Staffing Summary - Eden Spokane HHA Positions, Salaries, and FTE's, 2019-2022					
STAFFING INPUT - BY FTE'S		**2019**	**2020**	**2021**	**2022**
OPERATIONS					
Physician (Medical Director)	contracted				
Director of Professional Services	$ 110,000	1.00	1.00	1.00	1.00
Clinical Supervisor	$ 83,200	-	-	1.00	1.00
Home Care Specialist	$ 37,440	-	-	-	-
RN	$ 62,400	0.63	2.23	4.94	7.33
PT	$ 85,280	0.49	1.76	3.89	5.78
OT	$ 85,280	0.17	0.59	1.32	1.96
ST	$ 76,960	0.04	0.16	0.35	0.52
MSW	$ 62,400	0.02	0.08	0.18	0.27
HHaide	$ 33,280	0.09	0.34	0.75	1.11
TOTAL		**2.45**	**6.15**	**13.42**	**18.96**
ADMINISTRATIVE					
Administrator	130,000	0.33	0.33	0.36	0.50
Office Manager	48,000	1.00	1.00	1.00	1.00
Home Care Specialist	37,500	-	-	-	-
Team Assistant	35,360	-	-	1.00	1.00
Data Entry Clerk	-	-	-	-	-
Community Outreach	65,000	-	0.04	1.00	1.00
TOTAL	**0**	**1.33**	**1.37**	**3.36**	**3.50**
TOTAL FTE'S		**3.78**	**7.53**	**16.78**	**22.46**

2. Please provide your staff to visit ratio.

The staff -to-visit ratios is detailed in Table 19 below.

Table 19

Visits by Staff by Discipline Ratio				
	FTEs by Year			
	2019	2020	2021	2022
RN	0.63	2.23	4.94	7.33
PT	0.49	1.76	3.89	5.78
OT	0.17	0.59	1.32	1.96
ST	0.04	0.16	0.35	0.52
MSW	0.02	0.08	0.18	0.27
HH Aide	0.09	0.34	0.75	1.11
	Visit Volume by Year			
	2019	2020	2021	2022
RN	339	2,901	6,427	9,547
PT	267	2,286	5,064	7,522
OT	91	774	1,715	2,548
ST	19	164	363	540
MSW	7	64	141	210
HH Aide	51	439	971	1,443
	Visit by FTE Ratio			
	2019	2020	2021	2022
RN	542.50	1,302.00	1,302.00	1,302.00
PT	542.50	1,302.00	1,302.00	1,302.00
OT	542.50	1,302.00	1,302.00	1,302.00
ST	434.00	1,041.60	1,041.60	1,041.60
MSW	325.50	781.20	781.20	781.20
HH Aide	542.50	1,302.00	1,302.00	1,302.00

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

Eden Home Health of Spokane County, LLC used its affiliated existing home health agencies in Washington State and benchmarks its staffing ratios with other home health agencies on a regional and national basis using the Strategic Healthcare Partners, LLC analytics consulting firm.

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

As a large multi-state organization, the EmpRes Healthcare Enterprise and its Eden Home Health business line have employees and visibility and contacts across numerous job markets. Specific to Spokane County, EmpRes Healthcare operates a Skilled Nursing Facility and an Assisted Living Facility within Spokane County as well as Whitman and Pend Oreille counties and has experience in using local recruitment strategies. Staff mobility between markets supports recruitment and retention efforts.

- As an employee-owned organization, EmpRes and Eden experience lower turn-over rates than many other health care providers.

- The EmpRes Healthcare commitment to Employees/Residents/Patients reflected in the company name (EmpRes – Employee-Residents/Patients) is also reflected in management efforts to prioritize employees and residents as core to any success.

5. Please identify and provide copies of (if applicable) the in-service training plan for staff. (Components of the training plan should include continue education, home health aide training to meet Medicare criteria, etc.).

Please see Attachment N.

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

Eden Home Health of Spokane County, LLC will contract with Strategic Healthcare Partners to provide Home Health CAHPS (Consumer Assessment of Healthcare Providers and Systems) for formal customer satisfaction surveys. Strategic Healthcare Partners is a CMS-approved vendor for formal customer satisfaction surveys. These satisfaction surveys follow the standard CMS guidelines and will provide benchmarking regarding Eden Home Health of Spokane County, LLC's results as well as recommendations and areas on which to focus performance improvement projects.

Strategic Healthcare Partners is the vendor Eden Home Health of Spokane County, LLC will for outcome-based quality improvement. Strategic Healthcare Partners analysis identifies detailed and overall trending with benchmark comparison. From this analysis, Eden Home Health of Spokane County, LLC will be able to select target outcomes, review process of care, formulate action plans, identify best practices, and evaluates resulting changes for effectiveness.

Please see Attachment N for the Eden Home Health Organization Performance Improvement Plan.

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

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

Eden Home Health of Spokane County, LLC's on-call service will take calls 24 hours a day, 7 days a week and escalate patient-care issues to a designated on-call nurse. The on-call nurse will be available to respond to any calls after hours.

8. 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.

An affiliate-member of the EmpRes Healthcare Enterprise operates a 164-bed skilled nursing home in Spokane as well as two other Skilled Nursing Facilities in adjoining counties. Eden Home Health of Spokane County, LLC will build upon these existing relationships to meet the demands for ancillary and support services for the new agency.

9. 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 services agreements, and transfer agreements. Copies of relevant agreements and other documents should be included.

When entering a new market, the local team focuses on relationships with institutions that refer large numbers of their current patients to home health agencies. In particular, with Skilled Nursing Facilities under the same ownership, the Eden Home Health of Spokane County, LLC staff will be key to implementing the Care Transitions Program that is an evidence-based, 30-day program offered to patients who meet certain criteria and is provided at no cost to the patient.

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

Eden Home Health of Spokane County, LLC partners with Collain Technologies (also known as LG) for its tele-health/virtual care technology platform. With this technology, Eden Home Health of Spokane County, LLC can obtain vitals for blood pressure, body weight and oxygen saturation are measured daily and monitored at the Eden Home Health of Spokane County, LLC office on working business days. Vitals that are outside physician specified parameters are reviewed by a nurse and a subsequent intervention such as a nursing visit and MD notification occurs. In other markets, affiliate home health agencies have been able to partner with local physicians for video visits to be completed in the patient's home.

10. 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, cogent, 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 applicant on page 4 of this application) been adjudged insolvent or bankrupt in any state or federal court?**

No

b. **Have any of the applicants been involved in a court proceeding to make judgment of insolvency or bankruptcy with respect to the applicant).**

No

11. 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.

Please see Attachment C for a list of all facilities. Attachment E includes the regulatory agency contact list., current at the time of filing as noted.

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

The EmpRes Healthcare enterprises' Eden Health family of affiliate agencies currently includes a total of 7 home health agencies,3 hospices and 2 personal care agencies providing services in 5 states. [12] Each agency employs competent and qualified staff, paired with organized and responsive management. Additionally, senior level leadership is provided by the agency's management company, EmpRes Healthcare Management, LLC, located in Vancouver Washington.

Each such agency has developed an excellent reputation within its respective community and has built strong relationships with referral sources and healthcare partners. Eden Home Health of Spokane County, LLC will establish its agency office at its existing Skilled Nursing Facility location. Spokane County is home to a Skilled Nursing Facility and an Assisted Living Facility There are additional facilities in Stevens County and Whitman Counties.

[12] Attachment B provides an organization chart (current as of February, 2019) that identifies home health agencies (HHA) and home health branch agencies (HBR), hospice agencies and personal care agencies (PCA). The exact totals can vary on a month-to-month basis. For example EmpRes acquired 10 facilities in South Dakota in February of 2019.

The Eden Health family of agencies expanded its provision of home health services into five new locations in the last four years: Ammon, Idaho; Bellingham/Mt. Vernon, Washington; and Reno/Carson City, Nevada; Elk Grove, California (2016) and in Kirkland, Washington (2019). In the short time that these agencies have been operating, they have successfully managed a steady increase in patients served. Each agency at present has over 80 patients on service (excluding the recently opened Kirkland location

- The Elk Grove agency passed its state survey with no deficiencies in December 2016.
- In April 2017, the Ammon agency was awarded a Certificate of Accreditation from Accreditation Commission for Health Care (ACHC) after passing the accreditation survey.
- In May 2018, the Reno and Carson City locations were each warded a Certificate of Accreditation from ACHC after passing the accreditation survey.

13. 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.

Eden Home Health of Spokane County, LLC is not an existing provider of health services.

Section 6
Project Rationale

D. Cost Containment

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

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

The alternatives to the proposed project that Eden Home Health of Spokane County, LLC considered include:

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

Eden Home Health of Spokane County, LLC's decision-making criteria

- Response to community need including synergy with Transitions program
- Availability
- Quality of care

Alternative 1. Postpone Service Development: Affiliates of Eden Home Health of Spokane County, LLC have traditionally relied on existing healthcare providers for patients and residents requiring home health services. This alternative is no longer in the best interests of our patients and residents given the recent consolidation of agencies, the State's new early outreach initiatives and the renewed focus on reducing length of stay by hospitals for a variety of hospital admissions. Skilled nursing home patients and patients requiring health home, home health referrals due to health disparity will have to compete with the growing volume of hospital referrals which often take priority given that the greatest percentage of referrals are generated through hospitals. While surveys of other Skilled Nursing Facilities did not uncover systemic delays in placing patients our experience indicates that home health agency availability is becoming an issue. Surveys did document

that adjoining rural counties are currently having difficulties in placement and the Office of Rural Health is convening a task force to identify solutions to this issue. Our expectation is that the placement challenges affecting skilled nursing homes and by health home providers will spread from the current crisis level for counties adjoining Spokane County to Spokane County itself given the great changes that are taking place including:

- The rapidly growing need for home health services generated by changing demographics,

- The recently recognized and growing health disparity in Spokane County that increases the chronic illness burden and decreases both the quality of life for Spokane residents and their actual life span, and

- Cost-cutting pressures on hospitals and other health care providers that results in a growing percentage of referrals to home health agencies of sicker patients.

Our research also indicated that home health agencies need to play a more dominant role in addressing healthcare disparity that is unique to Spokane County where the average lifespan of residents is 2 years lower than the Washington State average. The data indicates that this reduced life span needs providers who can address the chronic health needs of Spokane residents that are higher than other counties.

Finally, our review of the ongoing requirements of the DSHS LTSS aging initiative and the CMS – Washington State Medicare-Medicaid Financial Alignment Initiative demonstration project requires substantial increases in in-home resources including home health. Our home health agency solution is efficient in that capital costs and operating costs are minimized by being able to use a portion of our existing skilled nursing home as a separate home health agency office.

Summary: Overall, waiting and thereby postponing action was rejected as a reasonable alternative. Eden Home Health of Spokane County, LLC sees the immediate need to improve timeliness of response to institution referral requests and patient clinical requirements.

Eden Home Health of Spokane County, LLC therefore rejected the Alternative 1 – postponing service development.

Alternative 2: Purchasing an existing Spokane County agency: Purchasing an existing agency would allow Eden Home Health of Spokane County, LLC to more rapidly address identified community need. However even if an agency were available for purchase it would come at the added expense of not adding choice for residents within Spokane County. Spokane County like many counties has seen a consolidation in the number of independent operators due to several recent mergers. With the glaring disparity in life span for Spokane County residents' new strategies for managing chronic illness are needed.

Summary: Adding a new home health agency would provide further choices and would allow the innovative approaches to tele-health and Care Transitions to be employed in the Spokane service area to help reduce the current health disparity within the County. **Eden Home Health of Spokane County, LLC selected this alternative.**

Alternative 3: Establishing a home health agency in a different county

Eden Home Health of Spokane County, LLC's surveys of existing Skilled Nursing Facilities identified that access to home health is inferior in counties adjacent to Spokane County. Access to home health in rural areas is recognized as a dilemma by the Office of Rural Health which is convening a task force to review strategies to address this issue. Eden Home Health of Spokane County, LLC reviewed several approaches aimed at addressing rural health needs in adjacent counties where the EmpRes Healthcare Enterprise operates affiliated Skilled Nursing Facilities as well as addressing the health disparity within Spokane County that leads to a higher chronic illness burden and a 2-year reduced life span when compared with Washington State as a whole.

Eden Home Health of Spokane County, LLC is open and interested in addressing this issue in adjoining counties but is following the Department's suggestions of first focusing on Spokane County to address health disparity. Eden Home Health of Spokane County, LLC takes this as good advice in that the Office of Rural Health will be addressing home health access in rural areas. Eden Home Health of Spokane County, LLC will respond to this need by adding counties to an approved Spokane agency in a manner that is consistent with new findings on approaches to rural home health. Eden Home Health of Spokane County, LLC believes that basic home health services can be supported by its existing affiliate Skilled Nursing Facility operations in adjoining counties along with its tele-health and Care Transitions Program strategies can play a significant role in addressing rural home health needs after the health disparity issues leading to reduced Spokane County life span are addressed through this project.

Summary: Adding new home health agency access in adjoining rural counties is a vital priority. Eden Home Health of Spokane County, LLC and affiliated Skilled Nursing Facilities in adjacent counties are well positioned to respond. Eden Home Health of Spokane County, LLC is not rejecting this alternative but instead, consistent with Department recommendations and the anticipated task force efforts ***deferring implementation*** until studies have been completed.

As noted, the EmpRes Healthcare enterprise affiliates have operated multiple Skilled Nursing Facilities and Assisted Living Facilities, in Spokane County and adjoining counties for a number of years. Eden Home Health of Spokane County, LLC evaluated three alternatives described next and chose to establish a Medicare and Medicaid certified home health agency.

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

Eden Home Health of Spokane County, LLC does not expect to become subject to Medicare home health services cost caps. These are typically more of a concern in hospice agencies. For home health, affiliated Eden Home Health agencies have consistently reported cap related values substantially below the national trigger for such cost caps.

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

Support systems from corporate offices in Vancouver WA

EmpRes Healthcare Enterprise has developed strong central support systems for administrative and clinical functions which are provided as part of management services to each affiliated home health agency. Among those are infrastructure and systems located in Vancouver that do not have to be re-created in each local agency office. The Eden Home Health division's company-wide use of tele-health adds improved patient monitoring and tailoring of home health visits to each patient's current clinical needs.

Supporting timely access to care

The proposed development of a Medicare-certified home health agency in Spokane County will increase the availability of Medicare home health services in the planning area. Home health services are a critical component of cost savings strategies for Spokane County's acute and post-acute hospital and skilled nursing providers. When in-home services are not sufficiently available, inpatient providers have difficulty discharging patients on a timely basis. When a patient's condition allows discharge, it is not only wasteful of money but also of staff time to maintain the patient in the inpatient setting. Eden Home Health of Spokane County's survey work indicates that rural areas are already facing shortages. To address the health disparity issues leading to higher chronic illness burden in Spokane County and a 2-year reduced life span will require a significant increase in home health and other rehabilitation strategies to be successful.

Reducing re-hospitalization and ER visits

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

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

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

Adding a home health agency to the already existing network of the EmpRes Healthcare post-acute affiliate facilities (including Royal Park Health and Rehabilitation, a 164-bed Skilled Nursing Facility and Royal Park Retirement Center, a 95-bed Assisted Living Facility) will give EmpRes Healthcare enterprises and the community another strategy to improve on the triple aim goals. As a result, Eden Home Health of Spokane County, LLC fully expects that our project will promote continuity in care delivery, support independent living and support the needs of home health patients and their families who currently have difficulties in obtaining successful referrals for home health services. In addition, health care reform initiatives, adding home health services to the community will help to ensure timely discharge to home health for hospital patients. This is likely to result in reduced hospital readmissions and hospital length of stay, a key focus of health care reform initiatives.

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.**

There are no capital costs related to construction, renovation, or expansion.

5. **If applicable, in the case of construction, renovation or expansion, an analysis of the capital and operation 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.

List of Attachments

Attachment A: Letter of Intent

Attachment B: Organizational Structure of EmpRes Healthcare Group

Attachment C: List of Facilities

Attachment D: Draft Medical Director Contract

Attachment E: List of Regulatory Agency Contacts

Attachment F: Single Line Drawing

Attachment G: Documentation of Site Control by Eden Home Health of Spokane County, LLC

Attachment H: MUA and HPSA Designations for Spokane County

Attachment I: List of Spokane County Home Health Providers, June 2018

Attachment J: 1987 State Health Plan Methodology and Standards

Attachment K: Draft Admissions Policy Documents - Charity Care Policy

Attachment L: Staffing, Capital Expenditure and Pro Forma

Attachment M: Letter of Financial Commitment

Attachment N: Training, Education and Performance Improvement Policies and Procedures

Attachment O: Left Blank

Attachment P: Vendor List

Attachment Q: Washington State Department of Health Chronic Disease Profile for Each County

Attachment R: Demographics and Social Characteristics: Spokane County Health District 2017

Attachment S: Achievements in LTSS: Rebalancing and the Age Wave David Mancuso, PhD

Attachment T: David Mancuso, PhD, DSHS Research and Data Analysis Demographics PSA 11

Eden Home Health of Spokane County, LLC Certificate of Need Application Proposing the Establishment of a Medicare/Medicaid Certified Home Health Agency in Spokane County

ATTACHMENT A
Letter of Intent

Eden Home Health of Spokane County, LLC
4601 NE 77th Avenue, Suite 300, Vancouver, WA • Ph. (360) 892-6628 • Fax (360) 882-5793

October 1, 2018

Janis Sigman, Manager
Certificate of Need Program
Washington State Department of Health
PO Box 47852
Olympia, Washington 98504-7852

Dear Ms. Sigman:

This letter is issued on behalf of Eden Home Health of Spokane County, LLC to notify the Department of Health that Eden Home Health of Spokane County, LLC, a subsidiary of EmpRes Healthcare Group, Inc., intends to seek Certificate of Need approval to establish a Medicare and Medicaid-certified home health agency in Spokane County. This letter constitutes our letter of intent.

Upon receipt of a Certificate of Need, Eden Home Health of Spokane County, LLC will, on referral by their physicians, provide in-home Medicare and Medicaid nursing and rehabilitation services to homebound residents of Spokane County.

Our current estimate of capital costs is $38,000.

Please provide us with all criteria and standards by which you will evaluate our application.

Thank you for your assistance in this application process.

Sincerely,

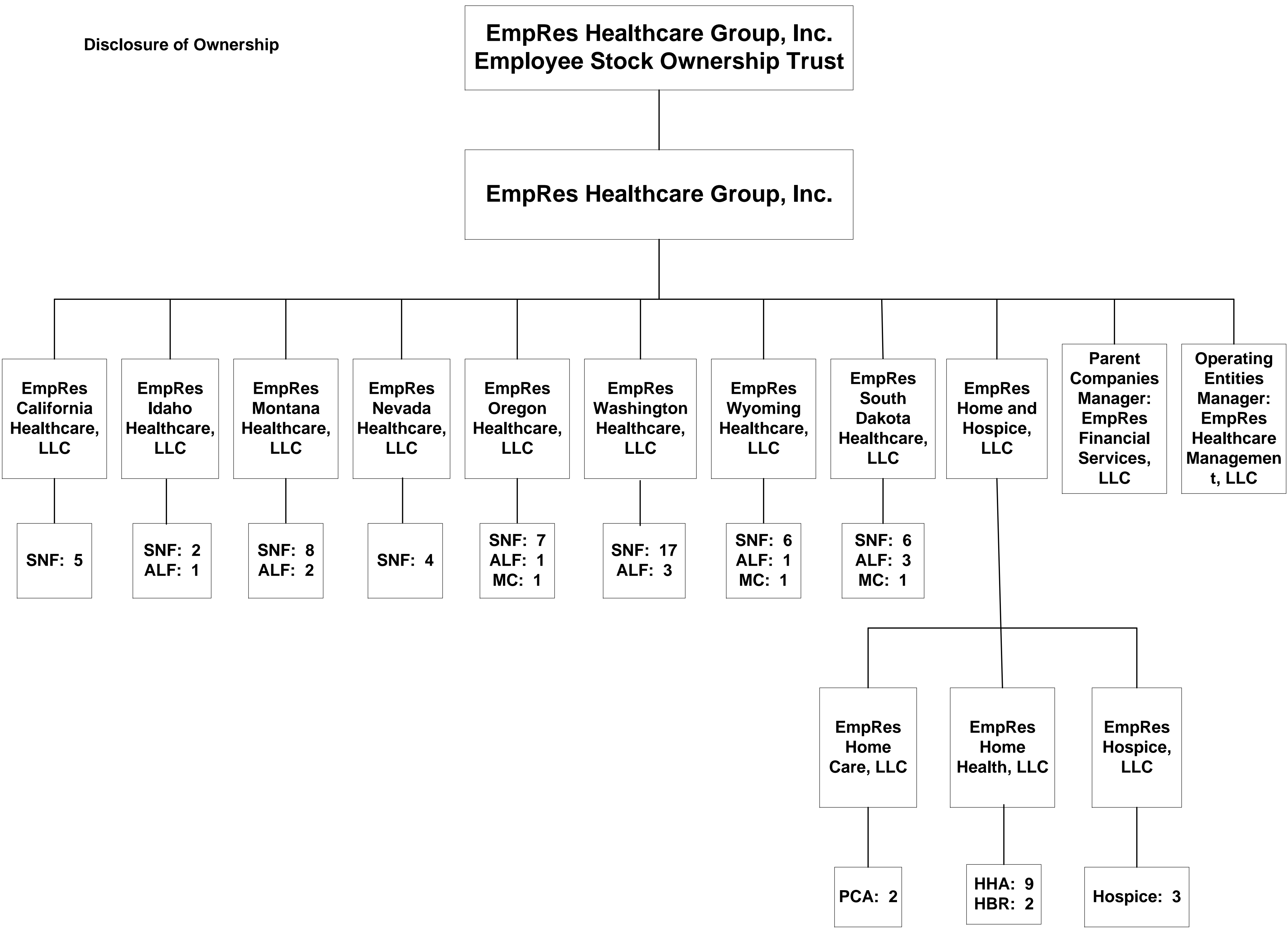
EmpRes Healthcare Management, LLC, Manager

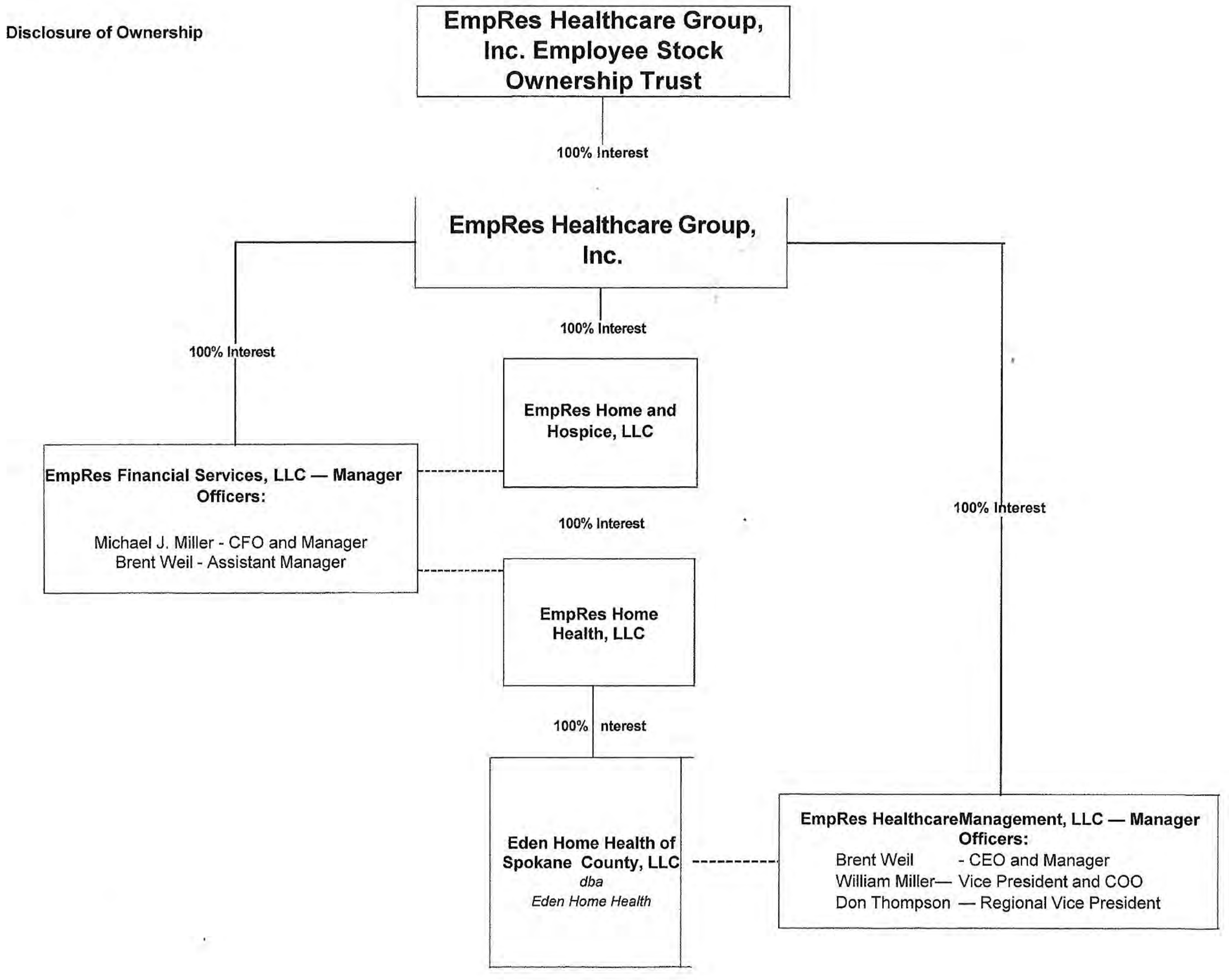
____
Michael J. Miller, CFO and Assistant Manager

Our Commitment to Caring

ATTACHMENT B : Organizational Structure of EmpRes Healthcare Group

Disclosure of Ownership





Disclosure of Ownership
EmpRes Healthcare Group, Inc. Employee Stock Ownership Trust
100% Interest
EmpRes Healthcare Group, Inc.
100% Interest
100% Interest
EmpRes Home and Hospice, LLC
EmpRes Financial Services, LLC — Manager
Officers:
Michael J. Miller - CFO and Manager
Brent Weil - Assistant Manager
100% Interest
100% Interest
EmpRes Home Health, LLC
100% nterest
Eden Home Health of Spokane County, LLC
dba
Eden Home Health
EmpRes HealthcareManagement, LLC — Manager
Officers:
Brent Weil - CEO and Manager
William Miller— Vice President and COO
Don Thompson — Regional Vice President

ATTACHMENT C
List of Facilities

Legal Name	DBA
OPERATING ENTITIES	
ARIZONA	
Eden Hospice at Sierra Vista, LLC	Eden Hospice
Eden Home Health of Sierra Vista, LLC	Eden Home Health
Eden Home Health of Safford, LLC	Eden Home Health of Safford
Eden Hospice at Cochise County, LLC	Eden Hospice in Chochise
CALIFORNIA	
Evergreen at Petaluma, L.L.C.	EmpRes Post Acute Rehabilitation
Evergreen at Salinas, L.L.C.	Katherine Healthcare
Evergreen at Tracy, L.L.C.	New Hope Post Acute Care
Evergreen at Heartwood Avenue, L.L.C.	Heartwood Avenue Healthcare
Evergreen at Springs Road, L.L.C.	Springs Road Healthcare
Eden Home Health of Elk Grove, LLC	Eden Home Health
IDAHO	
EmpRes at Idaho Falls, LLC	Teton Post Acute Care and Rehabilitation
Lewiston Royal Plaza Care, LLC	Royal Plaza Health and Rehabilitation
Lewiston Royal Plaza Retirement, LLC	Royal Plaza Retirement Center
Eden Home Health of Idaho Falls, LLC	Eden Home Health
MONTANA	
Evergreen at Polson, L.L.C.	Polson Health and Rehabilitation Center
Evergreen at Hot Springs, L.L.C.	Hot Springs Health and Rehabilitation Center

Legal Name	DBA
Evergreen at Missoula, L.L.C.	Missoula Health and Rehabilitation Center
Evergreen at Laurel, L.L.C.	Laurel Health and Rehabilitation Center
Evergreen at Livingston, L.L.C.	Livingston Health and Rehabilitation Center
EmpRes at Lewistown, LLC	Central Montana Nursing & Rehabilitation Center
EmpRes at Shelby, LLC	Marias Care Center
EmpRes at Billings, LLC	Aspen Meadows Health and Rehabilitation Center
Aspen Meadows Assisted Living, LLC	Aspen Meadows Assisted Living
NEVADA	
Evergreen at Pahrump, L.L.C.	Pahrump Health and Rehabilitation Center
Evergreen at Carson City, L.L.C.	Ormsby Post Acute Rehab
Evergreen at Mountain View, L.L.C.	Mountain View Health and Rehabilitation Center
Evergreen at Gardnerville, L.L.C.	Gardnerville Health and Rehabilitation Center
EmpRes Personal Care Nevada, LLC	Eden Home Care
Quality Health Care Corporation	Eden Home Health
Eden Hospice at Carson City, LLC	Eden Hospice
OREGON	
Evergreen Oregon Healthcare Mountain Vista, L.L.C.	LaGrande Post Acute Rehab
Evergreen Oregon Healthcare Independence, L.L.C.	Independence Health and Rehabilitation Center
Evergreen Oregon Healthcare Tualatin, L.L.C.	EmpRes Hillsboro Health and Rehabilitation Center
Evergreen Oregon Healthcare Orchards Rehabilitation, L.L.C.	Milton Freewater Health and Rehabilitation Center

Legal Name	DBA
Evergreen Oregon Healthcare Orchards Retirement, L.L.C.	Cascade Valley Assisted Living and Memory Care Cascade Valley Assisted Living Cascade Valley Memory Care
Evergreen Oregon Healthcare Valley Vista, L.L.C.	The Dalles Health and Rehabilitation Center
Evergreen Oregon Healthcare Portland, L.L.C.	Portland Health and Rehabilitation Center
Evergreen Oregon Healthcare Salem, L.L.C.	Windsor Health and Rehabilitation Center
SOUTH DAKOTA	
EmpRes at Mitchell, LLC	Firesteel Healthcare Center
EmpRes at Rapid City, LLC	Fountain Springs Healthcare Center
Rapid City Assisted Living, LLC	Fountain Springs Assisted Living
Sturgis Assisted Living, LLC	Aspen Grove Assisted Living
EmpRes at Garretson, LLC	Palisade Healthcare Center
EmpRes at Woonsocket, LLC	Prairie View Healthcare Center
EmpRes at Flandreau, LLC	Riverview Healthcare Center
Flandreau Independent Living, LLC	Riverview Care Center
EmpRes at Britton, LLC	Wheatcrest Hills Healthcare Center
Britton Assisted Living, LLC	Wheatcrest Hills Assisted Living
WASHINGTON	
Evergreen Washington Healthcare Frontier, L.L.C.	Frontier Rehabilitation and Extended Care
Evergreen Washington Healthcare Americana, L.L.C.	Americana Health and Rehabilitation Center
Evergreen Washington Healthcare Whitman, L.L.C.	Whitman Health and Rehabilitation Center
Evergreen Washington Healthcare Seattle, L.L.C.	Seattle Medical Post Acute Care
Evergreen Washington Healthcare Enumclaw, L.L.C.	Enumclaw Health and Rehabilitation Center
Evergreen Washington Healthcare Auburn, L.L.C.	Canterbury House

Legal Name	DBA
Evergreen at Shelton, L.L.C.	Shelton Health and Rehabilitation Center
Evergreen at Park Royal II, L.L.C.	Park Royal Health and Rehabilitation Center
Evergreen at Bellingham, L.L.C.	North Cascades Health and Rehabilitation Center
Evergreen at Tacoma, L.L.C.	Alaska Gardens Health and Rehabilitation Center
EmpRes at Alderwood, LLC	Alderwood Park Health and Rehabilitation
EmpRes Highland Care, LLC	Highland Health and Rehabilitation
EmpRes at Snohomish, LLC	Snohomish Health and Rehabilitation
Spokane Royal Park Care, LLC	Royal Park Health and Rehabilitation
Spokane Royal Park Retirement, LLC	Royal Park Retirement Center
EmpRes at Colville, LLC	Buena Vista Healthcare
Fort Vancouver Post Acute, LLC	Fort Vancouver Healthcare Fort Vancouver Post Acute
Fort Vancouver Assisted Living, LLC	Fort Vancouver Assisted Living
EmpRes at Auburn, LLC	Advanced Post Acute
EmpRes Home Health of Bellingham, LLC	Eden Home Health
EmpRes Home Care of Bellingham, LLC	Eden Home Care
Eden Home Health of King County, LLC	Eden Home Health
Eden Home Health of Clark County, LLC	Eden Home Health

Legal Name	DBA
Eden Home Health of Spokane County, LLC	Eden Home Health
WYOMING	
EmpRes at Rock Springs, LLC	Sage View Care Center
EmpRes at Cheyenne, LLC	Granite Rehabilitation and Wellness
EmpRes at Rawlins, LLC	Rawlins Rehabilitaton and Wellness
EmpRes at Riverton, LLC	Wind River Rehablitation and Wellness
EmpRes at Thermopolis, LLC	Thermopolis Rehabilitation and Wellness
EmpRes at Casper, LLC	Shepherd of the Valley Rehabilitation and Wellness
Casper Independent Living, LLC	Maurice Griffith Manor Care

ATTACHMENT D

Draft Medical Director Contract

DIRECTORSHIP INDEPENDENT CONTRACTOR AGREEMENT

THIS DIRECTORSHIP INDEPENDENT CONTRACTOR AGREEMENT ("Agreement"), entered into effective as of the day of 20 ("Effective Date"), is by and between Eden Home Health of Spokane County, LLC ("Agency"), and [LEGAL NAME OF PHYSICIAN OR PHYSICIAN'S PRACITICE]("Physician").

RECITALS:

A. Agency provides medical care and treatment to patients including the provision of home care services; and

B. Agency has determined that the retention of a physician to provide professional medical direction relating to home care services as the Medical Director of Agency is in the best interest of patients, the community, and Agency; and

C. Physician is duly licensed to practice medicine in the state where Agency operates and has expertise in the provision of home care services; and

D. Agency and Physician mutually desire to enter into this Agreement, which will facilitate the delivery of home care services in Agency through the provision of Physician's medical director services.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged by the parties, the parties agree as provided above and as follows:

1. **DEFINITIONS:** For purposes of this Agreement, the following terms shall have the meanings ascribed thereto unless clearly required by the context in which such term is used.

   1.1. Agency Policies. The term "Agency Policies" shall mean the established policies, practices, and procedures of the Agency, all adopted, approved, or amended by the Agency pursuant to normal procedure.

   1.2. Medical Director Services. The term "Medical Director Services" shall mean those certain services listed in Section 2.3 herein.

   1.3. Patients. The term "Patients" shall mean the patients of Agency.

   1.4. Term. The term "Term" shall mean the contract period provided for under the Agreement.

2. **COVENANTS OF PHYSICIAN**

   2.1. Appointment of Physician. Agency hereby appoints Physician as Medical Director of Agency, and Physician accepts such appointment, to provide administrative services for Agency in accordance with the terms of this Agreement and in accordance with 45 C.F.R. § 484.14(d).

   2.2. Qualifications of Physician. Physician must at all times during the Term of this Agreement (i) hold a valid and unrestricted license to practice medicine in the state in which the Agency is located, and (ii) be fully capable and qualified, in accordance with good medical practice, to provide Medical Director Services as required by this Agreement.

   2.3. Duties of Physician. Physician shall be available for consultation relating to the delivery of home care services ("Program") at the Agency and shall provide the following Medical Director

Services:

2.3.1. Quality Improvement. Physician will participate in the quality improvement/utilization review process, review and update protocols periodically and make recommendations to improve quality of Program services.

2.3.2. Education/Program Development. Physician agrees to be utilized to teach assessment skills to the Program clinical staff, develop new patient care protocols and assist/review development of staff and patient education materials.

2.3.3. Executive/Administrative Consultant. Physician will serve on the Program's Advisory Council in order to provide a medical perspective to administrative decision making and help articulate the mission, goals and policies of the Program. The functions of the Advisory Council are to establish and annually review the Program's policies governing the scope of services offered, admission and discharge policies, medical supervision and plans of care, emergency care, clinical records, personnel qualifications and Program evaluation.

2.3.4. Community Liaison. The physician agrees to intervene in case of physician/Program problems and will advocate for home care to the physician community. Community Liaison duties do not include marketing Program to other physicians or referral sources.

2.3.5. Health Policy/Regulation. Physician agrees to provide medical input or interpretation of social, political, regulatory or economic factors that impact patient care or the Program and act as a physician spokesperson and resource in representing the Program position in dealing with regulatory or accrediting organizations.

2.3.6. Ethical Issues Consultant. Physician agrees to participate in the development of ethical policies and decisions and provide medical input on patient care issues of an ethical nature.

2.3.7. Planning. Participate in the planning and development activities for the Program.

2.3.8. Medical Records. Monitor the maintenance, retention and required confidentiality of records and information associated with patient care in the Program.

2.4. Miscellaneous Actives. In addition, Physician shall perform such other administrative duties as may from time to time be agreed to between Physician and the Agency. Physician shall perform the duties described in this Section in accordance with Agency Policies.

2.5. Financial Obligation. Physician shall not have the right or authority to, and hereby expressly covenants to, enter into a contract in the name of Agency, or otherwise bind Agency in any way to any financial obligation, without the express written consent of Agency. Physician shall hold Agency harmless from any loss attributable to a violation of this covenant.

2.6. Reports and Records. Physician shall prepare such reports relating to the provision of Medical Director Services as are reasonably requested by Agency. The ownership and right of control of all reports, and supporting documents submitted to or by Physician shall rest exclusively with Agency.

2.7. Confidentiality of Information. Physician agrees to keep confidential and not to use or to disclose to others either during the Term or during any other period of association with Agency extending beyond the Term and for a period of six (6) years thereafter, except as expressly consented to in writing by Agency, any secrets or proprietary information, patient lists,

marketing programs, or trade secrets of Agency (which shall be deemed to include all provisions of this Agreement), or any matter or thing ascertained by Physician through Physician's association with Agency, the use or disclosure of which matter or thing might reasonably be constructed to be contrary to the best interest of Agency. Physician further agrees that should this Agreement be terminated, Physician will neither take nor retain, without prior written authorization from Agency, any papers, policies, forms, patient lists, fee documentation, patient records, quality improvement materials, files or other documents or copies thereof or other confidential information of any kind belonging to Agency pertaining to patients or to Agency's business, sales, financial condition, or products. Physician will comply with all applicable privacy and security regulations as specified in Health Insurance Portability and Accountability Act of 1996 (HIPAA) and subsequent rules. Physician agrees to abide by all state and federal law relevant to the confidentiality of patient identifiable health information including but not limited to the HIPAA. Physician is not to share the protected information with any third party unless there is a stated need to share the information with an identified third party. Any such protected information is to be destroyed or returned to Agency according to Agency policy. Without limiting other possible remedies to Agency for the breach of this covenant, Physician agrees that injunctive or other equitable relief shall be available to enforce this covenant, such relief to be without the necessity of posting a bond, cash or otherwise. Physician further agrees that if any restriction contained in this Section is held by any court of competent jurisdiction to be unenforceable or unreasonable, a lesser restriction shall be enforced in its place and remaining restrictions contained herein shall be enforced independently of each other.

2.8. Exclusivity and Protection of Proprietary Information. Physician shall not provide similar Medical Director Services for any other Agency without the prior written consent of Agency. Further, Physician acknowledges that the manner of operating the Program is proprietary information of Agency, and Physician shall not disclose any such information without the prior written consent of Agency. Nothing herein shall prohibit Physician from engaging in the regular practice of medicine (inclusive of care plan oversight) and/or Physician's participation in clinical consultation services for non-competing business or industries, nor shall it obligate Physician to direct referrals of medical business to a particular provider.

2.9. Time Records. Physician shall record promptly and maintain all information that, in the judgment of Agency, is necessary or desirable in order for Agency to have time records documenting the Medical Director Services furnished by Physician hereunder. The form of such time records shall be determined, and may be from time to time amended, by Agency, and Physician agrees to consult with Agency from time to time regarding the form and content of such records. Physician agrees to submit such time records no later than the fifth (5th) day of the month following the month in which the Medical Director Services are furnished.

3. COVENANTS OF AGENCY

3.1. Amount of Compensation. In consideration of the Medical Director Services rendered each month by Physician pursuant to this Agreement, Agency shall pay to Physician the amount of $150 per hour, rounded up to the nearest quarter hour. Physician agrees that such amount shall be Physician's sole compensation for Medical Director Services furnished pursuant to this Agreement. Physician's provision of professional medical services to patients, regardless of whether patient is also a patient of agency, and the compensation therefore, shall not be governed by this Agreement.

3.2. Payment of Compensation. Upon receipt, review and approval of the physician's invoice, Agency shall remit to Physician compensation amount set forth in Section 3.1 hereof in accordance with Agency's accounts payable cycle.

4. TERM AND TERMINATION OF AGREEMENT

4.1. Term. This Agreement shall be effective as of the Effective Date for a term of one (1) year therefrom; subject however, to Sections 4.2 through 4.5 hereof. This Agreement will be automatically renewed annually by the parties for additional one-year terms unless terminated pursuant to this Article 4. This Agreement will be reviewed annually by the Agency.

4.2. Immediate Termination for Cause by Agency. Agency may, as its option, terminate this Agreement immediately by written notice to Physician upon the occurrence of any of the following events: (i) Physician's failure to meet any of the qualifications set forth in Section 2.2; (ii) failure of the Physician to fulfill the duties set forth in Section 2.3, (iii) the death or disability of Physician; or (iv) failure of Physician to attend scheduled Professional Advisory Council meetings without at least a 2 hour notice.

4.3. Termination. At any time during the Term of this Agreement, either party may terminate this Agreement without cause upon the giving of thirty (30) days advance written notice to the other party.

4.4. Termination or Notice for Default. In the event that either party shall give written notice to the other that such other party has breached a material provision of this Agreement (other than those specified in Section 4.2 above), and such breach remains uncorrected for a period of ten (10) days after receipt of such written notice, the party giving such notice may, at its option, after the expiration of the aforesaid ten (10) day period, terminate this Agreement immediately.

4.5. Termination Due to Legislative or Administrative Changes. This Agreement is intended to comply with all relevant state and federal statutes and regulations relating to the delivery of Program services and to reimbursement of Program services under the Medicare, Medicaid, or other third-party payor programs and the federal statutes and regulations governing entities exempt from federal taxation. In the event that there shall be: (i) a change in the statutes, regulations, or instructions relating to the Medicare, Medicaid or other third-party payor programs, or the exemption of entities from federal taxation, including a change in the interpretation or enforcement thereof by government agencies; (ii) the adoption of any new legislation or regulations applicable to this Agreement; or (iii) the initiation of an enforcement action by a governmental entity with respect to legislation, regulations, or instructions applicable to this Agreement any of which affects the continuing viability or legality of this Agreement, then both parties agree to negotiate in good faith to amend the Agreement to conform with the existing laws or regulations. If agreement cannot be reached with respect to such amendments within thirty (30) days after the effective date of such change, adoption, enforcement, or notice (or such earlier time as may be required by such legislation or regulations), then either party may terminate this Agreement by written notice to the other party. Physician agrees to reimburse Agency for any payment that is determined by a court or government agency to be illegal.

5. MISCELLANEOUS

5.1. Status of Physician. It is expressly acknowledged by the parties hereto that Physician, in performing Physician's duties and obligations under this Agreement, is an "independent contractor" and nothing in this Agreement is intended nor shall be construed to create an employer/employee relationship, a joint venture relationship, or to allow Agency to exercise control or direction over the manner or method by which Physician performs the services which are the subject matter of this Agreement; provided, always, that the services to be furnished hereunder by Physician shall be provided in a manner consistent with Program Policies, the standard governing such services, and the provisions of this Agreement. Physician understands and agrees that, unless otherwise required under applicable federal income tax

laws or the term of any agreement between Agency and the Internal Revenue Service, (i) Physician will not be treated as an employee for federal tax purposes; (ii) Agency will not withhold on behalf of Physician pursuant to this Agreement any sums for income tax, unemployment insurance, social security, retirement benefits, or any other withholding pursuant to any law or requirement of any governmental body relating to Physician, or make available to Physician any of the benefits afforded to employees of Agency; (iii) all of such payments, withholdings, and benefits, if any, are the sole responsibility of Physician; and (iv) Physician will indemnify and hold harmless Agency from any and all loss or liability arising with respect to such payments, withholding, or benefits, if any.

5.2. Applicable Standards. Physician shall, as a condition precedent to Agency's obligations under this Agreement and the provision of services by Physician hereunder, provide the Medical Director Services in such a manner as may be required by any standard, ruling, or regulation of the State, the U.S. Department of Health and Human Services or any other applicable federal, state, or local governmental agency, corporate entity, or such other entity exercising authority with respect to Agency. Physician shall perform the Medical Director Services in conformance with all requirements of the state and federal constitutions and all applicable state and federal statutes and regulations.

5.3. Access to Records. If this Agreement has a value or cost to Agency of $10,000 or more over any twelve-month period, Physician shall perform the obligations as may be from time to time specified for subcontractors in Social Security Act 1861(v)(1)(I) and the regulations promulgated in implementation thereof (currently codified at 42 C.F.R. 420.300.304), including, but not limited to, retention and delivery of records related to this Agreement. In the event any request for this Agreement, or Physician's books, documents, and records is made pursuant to Social Security Act 1861(v)(1)(I) and associated regulations, Physician shall promptly give notice of such request to Agency and provide Agency with a copy of such request and thereafter, consult and cooperate with Agency concerning the proper response to such request. Additionally, Physician shall provide Agency with a copy of each book, document, and record made available to one or more persons and agencies pursuant to Social Security Act 1861(v)(1)(I) or shall identify each such book, document, and record to Agency and shall grant Agency access thereto for review and copying.

5.4. Representations and Warranties Regarding Compensation. Each party represents and warrants on behalf of itself, that all decisions regarding the medical care of patients shall be based solely upon the professional medical judgement of the patients' attending physicians and shall be made in the best interests of patients, that the aggregate benefit given or received under this Agreement, whether in cash or in kind, has been determined in advance through a process of arms-length negotiations that were intended to achieve an exchange of goods and/or services consistent with fair market value in the circumstances, and that any benefit given or received under this Agreement is not intended to induce, does not require, and is not contingent upon, the admission, recommendation or referral of any patient, directly or indirectly, to Agency or Physician. Further, Physician and Agency understand and agree that, while Physician may also serve as an attending physician to patients of the Agency, Physician's roles and functions as a Medical Director under this Agreement are separate from Physician's roles and functions as an attending physician, which involves primary responsibility for the medical care of individual patients.

5.5. Notices. All notices, requests, demands, or other communications hereunder shall be in writing and shall be deemed to have been given or delivered if either personally delivered or mailed by registered mail, return receipt requested, postage prepaid

5.6. Assignment. Physician may not assign or transfer any of Physician's rights, duties, or obligations under this Agreement, in whole or in part, without the prior written consent of

Agency.

5.7. No Waiver. The failure of either party to insist at any time upon the strict observance or performance of any provision of this Agreement or to exercise any right or remedy as provided in this Agreement shall not impair any right or remedy of such party or be construed as a waiver or relinquishment thereof with respect to subsequent defaults or breaches. Every right and remedy given by this Agreement to the parties hereto may be exercised from time to time and as often as may be deemed expedient by the appropriate party.

5.8. Additional Assurances. The provisions of this Agreement shall be self-operative and shall not require further agreement by the parties, except as may be herein specifically provided to the contrary; provided, however, Physician and Agency each shall promptly and duly execute and deliver to the other such additional documents and assurances and take any and all other actions as either party may reasonably request in order to carry out the intent and purpose of this Agreement during the Term hereof.

5.9. Governing Law. This Agreement has been executed and delivered in, and shall be interpreted, construed, and enforced pursuant to and in accordance with the laws of the State of Washington. If any suit or action is filed by any party to enforce or interpret this Agreement, venue shall be in the federal or state courts of Multnomah County, Oregon or Clark County, Washington.

5.10. Master List. Pursuant to 42 CFR 411.357(d)(1)(ii) a master list of contracts which reflects all arrangements and/or agreements between Agency and Physician or Physician's immediate family members, to the extent any such arrangements or agreements exists, is provided by Physician to Agency and maintained by Agency.

5.11. Compliance Certification. Physician acknowledges Agency's Corporate Compliance Program and receipt of AGENCY's Code of Conduct. Physician represents and warrants that each of its employees who provide patient care to Federal health care program beneficiaries at Agency shall read and review Agency's Code of Conduct prior to commencement of services under this Agreement. Physician agrees to obtain and retain a signed certification from its employees providing services under this Agreement that they have received, read and understand Agency's Code of Conduct and agree to abide by the requirements of Agency's Corporate Compliance Program. Such certification shall be obtained prior to commencement of services under this Agreement, shall be maintained by Physician and shall be made available for review by Agency or Agency's agents upon reasonable request.

5.12. Enforcement. In the event Agency resorts to legal action to enforce the terms and provisions of this Agreement, Agency shall be entitled to recover the costs of such action so incurred, including without limitation, reasonable attorney's fees.

5.13. Warranty of Authority. Agency represents and warrants to Physician that it has the full power and authority to enter into this Agreement, that all required corporate action has been duly taken in connection herewith, and that upon execution of this Agreement by Agency, this Agreement shall become a binding obligation of Agency, enforceable against Agency in accordance with its terms and applicable law. Physician represents and warrants to Agency that Physician has the full power and authority to enter into this Agreement, that Physician has no other contract or agreement that conflicts with this Agreement and that this Agreement shall become a binding obligation of Physician, enforceable against Physician in accordance with its terms and applicable law.

5.14. Severability. If any term, covenant, or condition of this Agreement, or the application thereof to any person or circumstance, shall be invalid or unenforceable, the remainder of this

Agreement, and the application of any term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and all other terms shall be valid and enforceable to the fullest extent permitted by the law.

5.15. Entire Agreement: Amendments. This Agreement sets forth all of the representations, promises, agreements, conditions, and understandings between the parties relating to the subject matter of this Agreement, and supersedes any prior or contemporaneous representations, promises, agreements, conditions, and understandings between the parties in any manner relating to the subject matter hereof. This Agreement may be amended but only by a written agreement signed by both parties, such amendment(s) to become effective on the date stipulated in such amendment(s).

5.16. Counterparts. This Agreement may be executed in counterparts, and via facsimile or electronically transmitted signature (i.e. emailed scanned true and correct copy of the signed Agreement), each of which will be considered an original and all of which together will constitute one and the same agreement. At the request of a party, the other party will confirm facsimile or electronically transmitted signature page by delivering an original signature page to the requesting party.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date above first written.

[SIGNATURE PAGE FOLLOWS ON NEXT PAGE]

AGENCY	PROVIDER
by its Manager, EmpRes Healthcare Management, LLC,	
By: ___________________________________	By: ___________________________________
Name: Michael Miller	Name: ________________________________
Title: CFO	Title: _________________________________
Date: _________________________________	Date: _________________________________
	UPIN #: _______________________________

REQUIRED DOCUMENTS FOR CONTRACT COMPLETION
Copy of Liability/Malpractice Insurance - $1M / $3M Liability Limits
Office Address and Phone Number
Copy of Current State of Practice License; Business Card
Copy of applicable Business Licenses
PROVIDER-signed Business Associate Agreement

Business Associate Agreement

This **BUSINESS ASSOCIATE AGREEMENT** ("Agreement") between Eden Home Health of Spokane County ,LLC ("Covered Entity") and [FULL LEGAL NAME OF PHYSICIAN OR PHYSICIAN'S PRACTICE] ("Business Associate") is effective upon signature and retroactive to the date that Business Associate first provided services.

For purposes of complying with the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996, as amended, and the regulations promulgated thereunder (collectively, "HIPAA") and the requirements of Subtitle D of the Health Information Technology for Economic and Clinical Health Act and the regulations promulgated thereunder (collectively "HITECH"), if and only to the extent that Business Associate is acting as a business associate (as defined by HIPAA) of Covered Entity, the parties agree as follows:

Recitals

A. Covered Entity(further defined below) wish to disclose certain information to Business Associate (further defined below) pursuant an agreement for the provision of products and/or services.

B. It is the intention of the Covered Entity and Business Associate herein to protect the privacy and provide for the security of PHI disclosed to the BUSINESS ASSOCIATE in compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA"), the Health Information and Technology for Economic and Clinical Health Act, Public Law 111-005 ("the HITECH Act").

C. As part of the HIPAA Regulations, the Privacy Rule and Security Rule (defined below) an Agreement containing specific requirements relating to the disclosure of PHI, as set forth in, but not limited to, Title 45, Sections 164.14(a), 164.502(e), and 164.504(e) of the Code of Federal Regulations ("CFR") is contained in this Agreement.

Definitions.

1. Capitalized terms used, but not otherwise defined in this Agreement, shall have the same meaning as those terms in the HIPAA regulations and HITECH, and the following capitalized terms shall be given the following meanings:

1.1 "**Breach**" means the acquisition, access, use, or disclosure of protected health information in a manner not permitted under the Privacy Rule, which compromises the security or privacy of the protected information.

1.2 "**Business Associate**" shall have the meaning given to such term under the Privacy Rule, the Security Rule, and the HITECH Act, including, but not limited to, 42 U.S.C. Section 17938 and 45 C.F.R. Section 160.103.

1.3 "**Compliance Date**" means, in each case, the date by which compliance is required under the referenced provision of HITECH.

1.4 "**Covered Entity**" shall have the meaning given to such term under the Privacy Rule and the Security Rule, including, but not limited to, 45 C.F.R. Section 160.103.

1.5 "**Designated Record Set**" shall have the meaning given to such term under the Privacy Rule and the Security Rule, Including, but not limited to, 45 C.F.R. Section 160.103.

1.6 "**Disclose**" and "**Disclosure**" mean, with respect to Protected Health Information, the release, transfer, provision of access to, or divulging in any other manner of Protected Health Information outside Business Associate's internal operations or to individuals other than its employees as well as to disclosures of Protected Health Information outside of Business Associate's operations to third parties which are required by applicable law (e.g. law enforcement, Health and Human Services, subcontractors, etc.).

1.7 "**Electronic Protected Health Information**" means Protected Health Information that is maintained in or transmitted by electronic media.

1.8 "**Electronic Health Record**" shall have the meaning given to such term in the HITECH Act, including, but not limited to, 42 U.S.C. Section 17921.

1.9 "**Health Care Operations**" shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501.

1.10 "**HITECH**" means the Health Information Technology for Economic and Clinical Health Act, enacted as part of the American Recovery and Reinvestment Act of 2009, Pub. Law No. 111-5, and any regulations promulgated thereunder. References in this Agreement to a section or subsection of title 42 of the United States Code are references to provisions of HITECH. Any reference to provisions of HITECH in this Agreement shall be deemed a reference to that provision and its existing and future implementing regulations, when and as each is effective.

1.12 "**Minimum Necessary Standard**" means to engage reasonable efforts to limit the use of PHI to the minimum necessary to accomplish the intended purpose of the use, disclosure, or request and shall otherwise have the meaning given to such term under the Privacy Rule and the Security Rule, including, but not limited to, 45 C.F.R. Sections 164.502(b) and 164.514(d).

1.13 "**Privacy Rule**" means the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Part 160 and Part 164, Subparts A and E.

1.14 "**Protected Health Information**" or "PHI" means any information, whether oral or recorded in any form or medium, that (a) relates to the past, present or future physical or mental health or condition of an individual, the provision of health care to an individual, or the past, present or future payment for the provision of health care to an individual; (b) that identifies the individual (or for which there is reasonable basis for believing that the information can be used to identify the individual); and (c) is received by Business Associate from or on behalf of Covered Entity, or is created by Business Associate for Covered Entity, or is made accessible to Business Associate by Covered Entity, and shall have the meaning given to the term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501. Protected Health Information includes Electronic Protected Health Information [45 C.F.R. Sections 160.103, 164.501].

1.15 "**Protected Information**" shall mean PHI provided by the COVERED ENTITY to BUSINESS ASSOCIATE or created or received by BUSINESS ASSOCIATE on behalf of any COVERED ENTITY.

1.16 "**Security Rule**" means the Security Standards for the Protection of Electronic Protected Health Information that is codified at 45 C.F.R. Parts 160 and 164, subparts A and C.

1.17 "**Unsecured Protected Health Information**" or "**Unsecured PHI**" means Protected Health Information that is not rendered unusable, unreadable, or indecipherable to unauthorized individuals through the use of a technology or methodology specified by the Secretary in the guidance issued pursuant to the HITECH ACT including, but not limited to, 42 U.S.C. Section 17932(h).

1.18 "**Use**" or "**Uses**" mean, with respect to Protected Health Information, the sharing, employment, application, utilization, examination or analysis of such Protected Health Information within Business Associate's internal operations.

2. **Confidentiality Obligation**. Business Associate will not Use or Disclose PHI other than as permitted by this Agreement or as otherwise Authorized by Law.

3. **Permitted Uses and Disclosures of PHI**. Business Associate shall Use or Disclose PHI only as necessary to perform services under the Agreement or as otherwise Required by Law, including but not limited to such Use or Disclosure as is necessitated by the services provided to Covered Entity. Such Use or Disclosure may occur only under circumstances that would not: (i) violate the Privacy Rule, Security Rule, other applicable provisions of HIPAA or HITECH if done by Covered Entity; or (ii) violate the minimum necessary standard.

4. **Safeguards**. Business Associate shall protect PHI from any improper oral, written, or electronic disclosure by enacting and enforcing safeguards to maintain the security of and to prevent any Use or Disclosure of PHI other than is permitted by law. Such safeguards shall include administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of any electronic PHI that it creates, receives, maintains, or transmits on behalf of Covered Entity. Business Associate shall comply with the Security rule requirements set forth at 45 C.F.R. Section 164.308, 164.310, 164.312, and 164.316, as well as additional requirements established by HITECH that relate to security and are applicable to Covered Entity. Business Associate shall also comply with the requirements of Subtitle D of HITECH that relate to privacy and are applicable to Business Associates in performing services on behalf of Covered Entity.

5. **Access and Amendment**. Upon the request of Covered Entity, Business Associate shall: (1) make the PHI specified by Covered Entity available to Covered Entity or to the Individual(s) identified by Covered Entity as being entitled to access in order to meet the requirements under 45 C.F.R. Section 164.524; and (b) make PHI available to Covered Entity for the purpose of amendment and incorporate changes or amendments to PHI when notified to do so by Covered Entity.

6. **Accounting**. Upon Covered Entity's request, Business Associate shall provide to Covered Entity or, when directed in writing by Covered Entity, directly to an Individual in a time and manner specified by Covered Entity, an accounting of each Disclosure of PHI made by Business Associate or its employees, agents, representatives or subcontractors as would be necessary to permit Covered Entity to respond to a request by an Individual for an accounting of Disclosures of PHI in accordance with 45 C.F.R. Section 164.528. Any accounting provided by Business Associate under this subsection shall include: (a) the date of the Disclosure: (b) the name, and address if known, of the entity or person who received the PHI; (c) a brief description of PHI disclosed; and (d) a brief statement of the purpose of the Disclosure. For each Disclosure that could require an accounting under this subsection, Business Associate shall document the information specified in (a) through (d), above, and shall securely retain this documentation for six (6) years from the date of the Disclosure.

7. **Access to Books and Records**. Business Associate shall make its internal practices, books and records relating to the Use and Disclosure of PHI pursuant to this Agreement available to the Secretary of the Department of Health and Human Services for purposes of determining Covered Entity's compliance with HIPAA. Covered Entity shall have the right to access and examine ("Audit") the books, records, and other information of Business Associate related to this Agreement. Such Audit rights shall be in addition to and notwithstanding any audit provisions set forth in the Agreement. Business Associate shall cooperate fully with any such Audit(s) and shall provide all books, records, data and other documentation reasonably requested by Covered Entity. Covered Entity may make copies of such documentation. To the extent possible, Covered Entity will provide Business Associate

reasonable notice of the need for an Audit and will conduct the Audit at a reasonable time and place. Notwithstanding the foregoing, Covered Entity will not have access to any books, records, data and/or documentation related to any of the Business Associate's other clients.

8. **Agents and Subcontractors**. Business Associate shall require all subcontractors and agents to which it provides PHI received from, or created or received on behalf of Covered Entity, to agree to all of the same restrictions and conditions concerning such PHI to which Business Associate is bound in this Agreement.

9. **Reporting of Violations**. Business Associate shall report to Covered Entity any Use or Disclosure of PHI not authorized by this Agreement immediately upon becoming aware of it. This reporting obligation includes, without limitation, the obligation to report any Security Incident, as that term is defined in 45 C.F.R. Section 164.304.

9.1 **Breach Notification**. Business Associate also shall notify Covered Entity of any Breach of Unsecured PHI. Such notification shall occur without unreasonable delay and in no case later than fifteen (15) calendar days after Business Associate discovers the Breach in accordance with 45 C.F.R. Section 164.410. The notification shall comply with the Breach notification requirements set forth at 42 U.S.C. Section 17832 and its implementing regulations at 45 C.F.R. Section 164.410 and shall include: (a) to the extent possible, the identification of each person whose Unsecured PHI has been, or is reasonably believed by Business Associate to have been, accessed, acquired, or Disclosed during such Breach; and (b) any other available information about the Breach, including: (i) a description of what happened, including the dates of the Breach and discovery of the Breach, if known; (ii) a description of the types of Unsecured PHI involved in the Breach; (iii) any steps affected persons should take to protect themselves from potential harm resulting from the Breach; and (iv) the steps Business Associate is taking to investigate the Breach, mitigate harm to individuals, and to protect against any further Breaches. Business Associate shall provide Covered Entity with such additional information about the Breach either at the time of its initial notification to Covered Entity or as promptly thereafter as the information becomes available to Business Associate.

10. **Term and Termination**.

10.1 This Agreement remains in effect during the performance of services by Business Associate for or on behalf of the Covered Entity and to the extent that Business Associate maintains PHI in any form unless otherwise terminated.

10.2 In addition to and notwithstanding the termination provisions set forth herein, the Agreement may be terminated by Covered Entity in the event that Covered Entity determines Business Associate has violated a material term of this Agreement and such violation has not been remedied within fifteen (15) days following written notice to Business Associate.

10.3. Except as provided below, upon termination of this Agreement, Business Associate shall either return or destroy all PHI in the possession or control of Business Associate or its agents and subcontractors and shall retain no copies of such PHI. However, if Covered Entity determines that neither return nor destructions of PHI is feasible, Business Associate may retain PHI provided that it extends the protections of this Agreement to the PHI and limits further Uses and Disclosures to those purposes that make the return or destruction of the PHI infeasible, for so long as Business Associate maintains such PHI.

11. **Inconsistent Terms; Interpretation**. If any portion of this Agreement is inconsistent with the terms of the Agreement, the terms of this Agreement shall prevail. Except as set forth above, the remaining provisions of the Agreement are ratified in their entirety. Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with the Privacy Rule, Security Rule, other applicable provisions of HIPAA, and HITECH and any regulations promulgated thereunder.

12. **Regulatory References**. A reference in this Agreement to a section in the Privacy Rule, Security Rule, other applicable provisions of HIPAA or HITECH or any regulations promulgated thereunder means the section as in effect or as amended.

13. **Amendment**. Covered Entity and Business Associate agree to take such action as is necessary to amend this Agreement from time to time as it necessary for the parties to comply with the requirements of the Privacy Rule, Security Rule, other applicable provisions of HIPAA, or HITECH and any regulations promulgated thereunder. Notwithstanding the foregoing, Covered Entity may unilaterally amend this Agreement as is necessary to comply with the applicable law and regulations and the requirements of applicable state and federal regulatory authorities. Covered Entity will provide written notice to Business Associate of such amendment and its effective date. Unless such laws, regulations or regulatory authorities require otherwise, the signature of Business Associate will not be required in order for the amendment to take effect.

14. **Indemnification**. Each Party to this Agreement shall indemnify, defend, and hold harmless the other Party from any and all claims, losses, damages, suits, fees, judgments, costs and expenses, including reasonably incurred attorneys fees, that the Indemnitees may suffer or incur arising out of any acts or omissions of the Indemnifying Party in the performance of this Agreement.

15. **Survival**. The respective rights and obligations of the Parties under section 7, subsection 10.3 and section 14 of this Agreement shall survive the termination of this Agreement.

16. **Entire Agreement**. This Agreement, together with the exhibits attached hereto, constitutes the entire agreement between the parties with respect to the services and all other subject matter hereof and merges all prior and contemporaneous communications and agreements with respect to such subject matter. It will not be modified except by a signed writing dated subsequent to the date of this Agreement and signed on behalf of the parties by their respective duly authorized representatives. No waiver consent, modification, or change of any term of this Agreement will bind either party unless the same is in writing and signed by both parties and all necessary state approvals have been obtained. Such express waiver, consent, modification, or change, if made, will be effective only in the specific instance and the specific purpose set forth in such signed writing.

16. **Counterparts**. This Agreement may be executed in counterparts, and via facsimile or electronically transmitted signature (i.e. emailed scanned true and correct copy of the signed Agreement), each of which will be considered an original and all of which together will constitute one and the same agreement. At the request of a party, the other party will confirm facsimile or electronically transmitted signature page by delivering an original signature page to the requesting party.

IN WITNESS WHEREOF, the Parties hereto have caused their authorized representatives to execute this Business Associate Agreement effective and retroactive as above written.

COVERED ENTITY:

By: ________________________
by EmpRes Healthcare Management, LLC, Manager
by Michael Miller, CFO

Date: _________________________

BUSINESS ASSOCIATE:

By: ________________________

Name: _____________________

Title: ______________________

Date:_________________________

ATTACHMENT E
List of Regulatory Agency Contacts

California – Arvin, Bakersfield, Twin Oaks, Lakeport, Petaluma, Katherine, New Hope, Heartwood, Springs Road and Elk Grove

State of California
Department of Public Health
Licensing and Certification Program
Santa Rosa/Redwood Coast District Office
2170 Northpoint Parkway
Santa Rosa, CA 95407
Telephone: (707) 576-6775
Attn: Dana Forney, District Manager
Arnold Garza, Health Facilities Evaluator Supervisor

State of California
Department of Public Health
Licensing and Certification Program
Bakersfield District Office
4540 California Avenue, Suite 200
Bakersfield, CA 93309-7042
Telephone: (661) 336-0543
Attn: Jean Chiang, District Manager II
Janet Collins, Health Facilities Evaluator Supervisor

State of California
Department of Public Health
Licensing and Certification Program
126 Mission Ranch Blvd.
Chico, CA 95926
Telephone: (530) 895-6711
Attn: Joanne Gilchrist, District Manager II
Susan McBride, Health Facilities Evaluator Supervisor

State of California
Department of Public Health
Licensing and Certification Program
San Jose District Office
100 Paseo de San Antonio, Suite 235
San Jose, CA 95113
Telephone: (408) 277-1784
Attn: Maria Escudero, District Manager
Myrna Mangalindan, Unit Supervisor

State of California
Department of Public Health
Licensing and Certification Program
Sacramento District Office
3901 Lennane Drive, Suite 201
Sacramento, CA 95834-2956
Telephone: (916) 263-5800
Attn: Jacqueline Phillips, District Manager
Charlotte Rice, Health Facilities Evaluator Supervisor

Idaho – Sandpoint ALF, Teton, Lewiston SNF and Lewiston ALF

State of Idaho
Department of Health and Welfare
Division of Licensing and Certification
Bureau of Facility Standards
3232 Elder Street
P.O. Box 83720
Boise, ID 83720-0009
Telephone: (208) 334-6626, Option 2
Attn: David Scott, Long Term Care Supervisor
Nina Sanderson, Long Term Care Supervisor
Telephone: (208) 364-1962
Attn: Jamie Simpson, ALF Program Supervisor
Lisa Bennett, ALF Health Facility Surveyor

Eden Home Health of Idaho Falls, Eden Hospice at Idaho Falls and Eden Hospice at Carson City

Accreditation Commission for Health Care, Inc.
139 Weston Oaks Court
Cary, NC 27513
Telephone: (919) 785-1214, ext. 301
Attn: Cathie O'Connor, Account Advisor

Montana – Polson, Hot Springs, Missoula, Laurel, Livingston, Central Montana, Marias, Aspen Meadows SNF and Aspen Meadows ALF

State of Montana
Department of Public Health and Human Services
Quality Assurance Division
Certification Bureau
2401 Colonial Drive, 2nd Floor
P.O. Box 202953
Helena, MT 59620
Telephone: (406) 444-2099
Attn: Todd Boucher, Certification Bureau Chief

Nevada – Pahrump, Ormsby, Mountain View, Gardnerville and Eden Home Health

State of Nevada
Department of Health and Human Services
Division of Public and Behavioral Health
Bureau of Health Care Quality and Compliance
4220 South Maryland Parkway, Suite 810, Building D
Las Vegas, NV 89119
Telephone: (702) 486-6515
Attn: Ellen Clark, Health Facilities Inspector III
Jennifer Dunaway, Health Facilities Inspector III
Paul Shubert, Bureau Chief

Oregon – La Grande, Independence, Hillsboro, Milton-Freewater, Cascade Valley, The Dalles, Portland and Windsor

State of Oregon
Department of Human Services
Aging and People with Disabilities
Safety, Oversight and Quality Unit
Office of Licensing and Regulatory Oversight
3406 Cherry Avenue, NE
Salem, OR 97303
Telephone: (503) 373-2227
Attn: Joanne Birney (503) 373-1964
Dave Allm, Nursing Facility Licensing Manager
Cory Oace, Survey Manager
Keith Ramey, Nursing Facility Survey Unit Manager

P.O. Box 14530
Salem, OR 97309
Telephone: (503) 373-0222
(503) 373-0200
(503) 373-0231
Attn: Cynthia Vargo, Nursing Facility Survey Unit Manager
Sheryl Luper (503) 602-5162

Washington – Frontier, Americana, Whitman, Seattle Medical, Enumclaw, Canterbury, North Seattle, Talbot, Shelton, Park Royal, North Cascades, Alaska Gardens, Alderwood, Highland, Snohomish, Royal Park SNF, Royal Park ALF, Buena Vista, Fort Vancouver SNF, Fort Vancouver ALF, Auburn and Eden Home Health

State of Washington
Department of Social and Health Services
Aging and Long-Term Support Administration
Residential Care Services
P.O. Box 45600
Olympia, WA 98504
Telephone: (360) 664-8422
Attn: Sonya Conway, Acting Field Manager

State of Washington
Department of Social and Health Services
Aging and Long-Term Support Administration
Residential Care Services
20425 72nd Avenue South, Suite 400
Kent, WA 98032-2388
Telephone: (253) 234-6044
Attn: Loretta Maestas, Region 2 Field Manager

State of Washington
Department of Social and Health Services
Aging and Long-Term Support Administration
Residential Care Services
P.O. Box 98907
Lakewood, WA 98496
Telephone: (253) 983-3837
Attn: Ruth Futch, Region 3 Acting Field Manager

State of Washington
Department of Social and Health Services
Aging and Long-Term Support Administration
Residential Care Services
3906 172nd Street NE, Suite 100
Arlington, WA 98223
Telephone: (360) 651-6864
Attn: Kathy Gold, Region 2 Field Manager

State of Washington
Department of Social and Health Services
Aging and Long-Term Support Administration
Division of Residential Care Services
316 West Boone Avenue, Suite 170
Spokane, WA 99201
Attn: Cindy CoVille, Region 1 Field Manager (509) 323-7316
Susan Bergeron, Region 1 Field Manager (509) 323-7324

State of Washington
Department of Social and Health Services
Aging and Long-Term Support Administration
Division of Residential Care Services
800 NE 136th Avenue, Suite 220
Vancouver, WA 98684
Telephone: (360) 397-9549
Attn: Karyl Ramsey, Region 3 Field Manager

Wyoming – Sage View, Granite, Rawlins, Wind River and Thermopolis

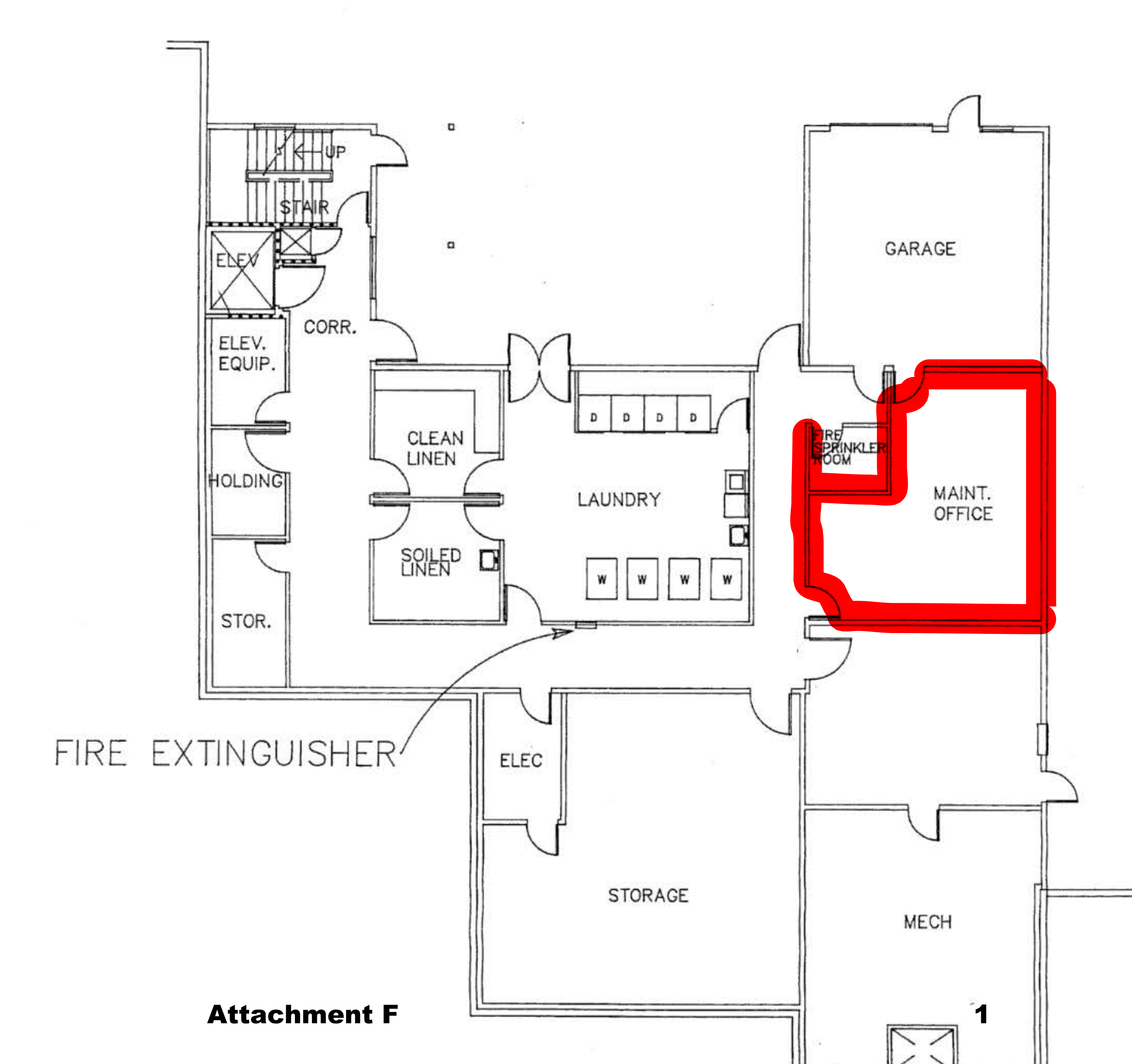
State of Wyoming
Aging Division
Healthcare Licensing and Surveys
6101 Yellowstone Road, Suite 186C
Cheyenne, WY 82002
Telephone: (307) 777-7123
Attn: Laura Hudspeth, State Survey Agency Director

Legal Name	DBA	Address	Phone	Fax	Quality of Care Survey State
OPERATING ENTITIES					
CALIFORNIA					
Evergreen at Arvin, L.L.C.	Evergreen Arvin Healthcare	323 Campus Drive, Arvin, CA 93203	661-854-4475	661-854-4950	CA
Evergreen at Bakersfield, L.L.C.	Evergreen Bakersfield Post Acute Care	6212 Tudor Way, Bakersfield, CA 93306	661-871-3133	661-871-1388	CA
Evergreen at Chico, L.L.C.	Twin Oaks Post Acute Rehab	1200 Springfield Drive, Chico, CA 95928	530-342-4885	530-342-2847	CA
Evergreen at Heartwood Avenue, L.L.C.	Heartwood Avenue Healthcare	1044 Heartwood Avenue. Vallejo, CA 94591	707-643-2267	707-643-5209	CA
Evergreen at Lakeport, L.L.C.	Evergreen Lakeport Healthcare	1291 Craig Avenue, Lakeport, CA 95453	707-263-6382	707-263-7213	CA
Evergreen at Petaluma, L.L.C.	EmpRes Post Acute Rehabilitation	300 Douglas Street, Petaluma, CA 94952	707-763-6887	707-763-0314	CA
Evergreen at Salinas, L.L.C.	Katherine Healthcare	315 Alameda Avenue, Salinas, CA 93901	831-424-1878	831-424-3149	CA
Evergreen at Springs Road, L.L.C.	Springs Road Healthcare	1527 Springs Road, Vallejo, CA 94591	707-643-2793	707-554-2876	CA
Evergreen at Tracy, L.L.C.	New Hope Post Acute Care	2586 Buthman Avenue, Tracy, CA 95376	209-832-2273	209-832-0743	CA
Eden Home Health of Elk Grove, LLC	Eden Home Health	Suite 10 Elk Grove, CA 95624	916-681-4949	916-681-4888	CA
IDAHO					
Evergreen Idaho Healthcare Sandpoint, L.L.C.	Evergreen Sandpoint Assisted Living Facility	624 South Division Street, Sandpoint, ID 83864	208-265-2354	208-263-8787	ID
EmpRes at Idaho Falls, LLC	Teton Post Acute Care and Rehabilitation	3111 Channing Way, Idaho Falls, ID 83404-7534	208-529-0067	208-529-4013	ID
Eden Home Health of Idaho Falls, LLC	Eden Home Health	1480 Midway Avenue, Unit 7, Ammon, ID 83406-4587	208-523-1980	208-523-4024	ACHC
Lewiston Royal Plaza Care, LLC	Royal Plaza Health and Rehabilitation	2870 Juniper Drive, Lewiston, ID 83501	208-746-2855	208-746-4994	ID
Lewiston Royal Plaza Retirement, LLC	Royal Plaza Retirement Center	2870 Juniper Drive, Lewiston, ID 83501	208-746-2800	208-746-0164	ID
Eden Hospice at Idaho Falls, LLC	Eden Hospice	1480 Midway Avenue, Unit 7, Ammon, ID 83406-4587	208-523-1980	208-529-4013	ID
MONTANA					
Evergreen at Hot Springs, L.L.C.	Hot Springs Health and Rehabilitation Center	600 First Avenue North, Hot Springs, MT 59845	406-741-2992	406-741-2994	MT
Evergreen at Laurel, L.L.C.	Laurel Health and Rehabilitation Center	820 3rd Avenue, Laurel, MT 59044	406-628-8251	406-628-8253	MT
Evergreen at Livingston, L.L.C.	Livingston Health and Rehabilitation Center	510 South 14th Street, Livingston, MT 59047	406-222-0672	406-222-1406	MT
EmpRes at Lewistown, LLC	Central Montana Nursing & Rehabilitation Center	410 Wendell Avenue, Lewistown, MT 59457	406-535-6225	406-535-6325	MT
Evergreen at Missoula, L.L.C.	Missoula Health and Rehabilitation Center	3018 Rattlesnake Drive, Missoula, MT 59802	406-549-0988	406-549-0111	MT
Evergreen at Polson, L.L.C.	Polson Health and Rehabilitation Center	Nine 14th Avenue West, Polson, MT 59860	406-883-4378	406-883-0039	MT
EmpRes at Shelby, LLC	Marias Care Center	630 Park Drive, PO Box 346, Shelby, MT 59474	406-434-3260	404-343-3274	MT
EmpRes at Billings, LLC	Aspen Meadows Health and Rehabilitation Center	3155 Avenue C, Billings, MT 59102	406-656-8818	406-656-9552	MT
Aspen Meadows Assisted Living, LLC	Aspen Meadows Assisted Living	3155 Avenue C, Billings, MT 59102	406-656-8818	406-656-9552	MT
NEVADA					
Evergreen at Carson City, L.L.C.	Ormsby Post Acute Rehab	3050 North Ormsby Blvd., Carson City, NV 89703	775-841-4646	775-841-4650	NV
Evergreen at Gardnerville, L.L.C.	Gardnerville Health and Rehabilitation Center	1573 Muller Parkway, Gardnerville, NV 89410	775-782-6620	775-782-6945	NV
Evergreen at Mountain View, L.L.C.	Mountain View Health and Rehabilitation Center	201 Koontz Lane, Carson City, NV 89701	775-883-3622	775-883-3744	NV
Evergreen at Pahrump, L.L.C.	Pahrump Health and Rehabilitation Center	4501 N Blagg Road, Pahrump, NV 89060	775-751-6600	775-751-6644	NV
EmpRes Personal Care Nevada, LLC	Eden Home Care	911 Mountain Street, Carson City, NV 89703	775-392-2000		NV

Legal Name	DBA	Address	Phone	Fax	Quality of Care Survey State
Eden Hospice at Carson City, LLC	Eden Hospice	907 Mountain Street, Carson City, NV 89703	775-687-1530	775-687-1535	ACHC
Quality Health Care Corporation	Eden Home Health	Home Office: 1201 Corporate Blvd, Suite 130, Reno, NV 89502-7162 Branch Office: 907 Mountain Street, Carson City, NV 89703	775-828-1000	775-828-1029	NV
OREGON					
Evergreen Oregon Healthcare Independence, L.L.C.	Independence Health and Rehabilitation Center	1525 Monmouth Avenue, Independence, OR 97351	503-838-0001	503-838-7826	OR
Evergreen Oregon Healthcare Mountain Vista, L.L.C.	LaGrande Post Acute Rehab	91 Aries Lane, La Grande, OR 97850	541-963-8678	541-963-5024	OR
Evergreen Oregon Healthcare Orchards Rehabilitation, L.L.C.	Milton Freewater Health and Rehabilitation Center	120 Elzora Street, Milton Freewater, OR 97862	541-938-3318	541-938-4657	OR
Evergreen Oregon Healthcare Orchards Retirement, L.L.C.	Cascade Valley Assisted Living and Memory Care Cascade Valley Assisted Living Cascade Valley Memory Care	1010 NE Third, Milton Freewater, OR 97862	541-938-5693	541-938-4490	OR
Evergreen Oregon Healthcare Portland, L.L.C.	Portland Health and Rehabilitation Center	12441 SE Stark Street, Portland, OR 97233	503-255-7040	503-255-0555	OR
Evergreen Oregon Healthcare Salem, L.L.C.	Windsor Health and Rehabilitation Center	820 Cottage Street NE, Salem, OR 97301	503-399-1135	503-399-7273	OR
Evergreen Oregon Healthcare Tualatin, L.L.C.	EmpRes Hillsboro Health and Rehabilitation Center	1778 NE Cornell Road, Hillsboro, OR 97124	503-648-6621	503-648-4443	OR
Evergreen Oregon Healthcare Valley Vista, L.L.C.	The Dalles Health and Rehabilitation Center	1023 West 25th, The Dalles, OR 97058	541-298-5158	541-298-3864	OR
WASHINGTON					
EmpRes at Alderwood, LLC	Alderwood Park Health and Rehabilitation	2726 Alderwood Avenue, Bellingham, WA 98225	360-733-2322	360-733-0229	WA
Evergreen Washington Healthcare Americana, L.L.C.	Americana Health and Rehabilitation Center	917 7th Avenue, Longview, WA 98632	360-425-5910	360-425-0318	WA
Evergreen Washington Healthcare Auburn, L.L.C.	Canterbury House	502 29th Street, SE, Auburn, WA 98002	253-939-0090	253-939-0095	WA
Evergreen at Bellingham, L.L.C.	North Cascades Health and Rehabilitation Center	4680 Cordata Parkway, Bellingham, WA 98226	360-398-1966	360-398-9346	WA
EmpRes Home Health of Bellingham, LLC	Eden Home Health	Home Office: 316 E. McLeod Rd, Suite 101, Bellingham, WA 98226-6491 Branch Office: 230 South 15th Street, Mount Vernon, WA 98274	360-734-5410	360-734-5435	WA
EmpRes at Colville, LLC	Buena Vista Healthcare	151 Buena Vista Drive, Colville, WA 99114	509-684-4539	509-685-0582	WA
Evergreen Washington Healthcare Enumclaw, L.L.C.	Enumclaw Health and Rehabilitation Center	2323 Jensen Street, Enumclaw, WA 98022	360-825-2541	360-825-4351	WA
Evergreen Washington Healthcare Frontier, L.L.C.	Frontier Rehabilitation and Extended Care	1500 3rd Avenue, Longview, WA 98632	360-423-8800	360-636-3421	WA
Evergreen Washington Healthcare Greenwood, L.L.C.	Health and Rehabilitation of North Seattle	13333 Greenwood Avenue North, Seattle, WA 98133	206-362-0303	206-364-7208	WA
EmpRes Highland Care, LLC	Highland Health and Rehabilitation	2400 Samish Way, Bellingham, WA 98229	360-734-4800	360-734-1013	WA
Evergreen at Park Royal II, L.L.C.	Park Royal Health and Rehabilitation Center	910 16th Avenue, Longview, WA 98632	360-423-2890	360-577-9012	WA
Evergreen Washington Healthcare Seattle, L.L.C.	Seattle Medical Post Acute Care	555 16th Avenue, Seattle, WA 98122	206-324-8200	206-324-4345 206-709-8457	WA
Evergreen at Shelton, L.L.C.	Shelton Health and Rehabilitation Center	153 Johns Court, Shelton, WA 98584	360-427-2575	360-427-2563	WA
EmpRes at Snohomish, LLC	Snohomish Health and Rehabilitation	800 Tenth Street, Snohomish, WA 98290	360-568-3161	360-568-4455	WA
Spokane Royal Park Care, LLC	Royal Park Health and Rehabilitation	7411 North Nevada Street, Spokane, WA 99208	509-489-2273	509-483-3041	WA
Spokane Royal Park Retirement, LLC	Royal Park Retirement Center	302 E. Wedgewood Avenue, Spokane, WA	509-483-7136	509-483-5161	WA
Evergreen at Tacoma, L.L.C.	Alaska Gardens Health and Rehabilitation Center	6220 South Alaska Street, Tacoma, WA 98408	253-476-5300	253-476-5365	WA
Evergreen at Talbot Road, L.L.C.	Talbot Center for Rehabilitation and Healthcare	4430 Talbot Road South, Renton, WA 98055	425-226-7500	425-226-4195	WA

Legal Name	DBA	Address	Phone	Fax	Quality of Care Survey State
Evergreen Washington Healthcare Whitman, L.L.C.	Whitman Health and Rehabilitation Center	1150 W. Fairview Street, Colfax, WA 99111	509-397-4603	509-397-9214	WA
Fort Vancouver Post Acute, LLC	Fort Vancouver Healthcare Fort Vancouver Post Acute	8507 NE 8th Way, Vancouver, WA 98664	360-254-5335	360-892-2086	WA
Fort Vancouver Assisted Living, LLC	Fort Vancouver Assisted Living	8422 NE 8th Way, Vancouver, WA 98664	360-256-2980	360-256-1909	WA
EmpRes Home Care of Bellingham, LLC	Eden Home Care	316 E. McLeod Rd, Suite 101, Bellingham, WA 98226-6491	360-734-5410	360-734-5435	WA
EmpRes at Auburn, LLC	Advanced Post Acute	414 17th Street SE, Auburn, WA 98002	253-833-1740	253-833-2050	WA
Eden Home Health of King County, LLC	Eden Home Health	800 Fifth Avenue, Suite 4100, Floor 41 & 42, Seattle, WA 98104	206-236-8747	206-470-1150	WA
WYOMING					
EmpRes at Rock Springs, LLC	Sage View Care Center	1325 Sage Street, Rock Springs, WY 82901	307-362-3780	307-363-9671	WY
EmpRes at Cheyenne, LLC	Granite Rehabilitation and Wellness	3128 Boxelder Drive, Cheyenne, WY 82001	307-634-7901	307-634-7910	WY
EmpRes at Rawlins, LLC	Rawlins Rehabilitaton and Wellness	542 16th Street, Rawlins, WY 82301	307-324-2759	307-324-7579	WY
EmpRes at Riverton, LLC	Wind River Rehabilitation and Wellness	1002 Forest Drive, Riverton WY 82501	307-856-9471	307-856-1749	WY
EmpRes at Thermopolis, LLC	Thermopolis Rehabilitation and Wellness	1210 Canyon Hills Road, Thermopolis, WY 82443	307-864-5591	307-864-2847	WY

ATTACHMENT F
Single Line Drawing



Attachment F

ATTACHMENT G
Documentation of Site Control by Eden Home Health of Spokane County, LLC

SUB-SUBLEASE

This Sub-Sublease dated ___________ __, 2019 is by and between Spokane Royal Park Care, LLC, a Washington limited liability company ("Sublessor"), and Eden Home Health of Spokane County, LLC, a Washington limited liability company ("Sublessee").

RECITALS

This Sub-Sublease is made and entered into with reference to the following facts:

A. WHEREAS, on June 29, 2015, Master Tenant Four, LLC, a Washington Limited Liability Company ("Lessor") and various affiliates of Omega Healthcare Investors, Inc. (collectively, "Master Lessor") entered into a lease agreement (the "Master Lease") for the lease of the premises located at 7411 North Nevada Street, Spokane, WA 99208.

B. WHEREAS, on June 29, 2015, Lessor, and Sublessor entered into a sublease (the "Sublease") for the lease of the premises located at 7411 North Nevada Street, Spokane, WA 99208.

C. WHEREAS, Sublessor desires to sublease to Sublessee and Sublessee desires to sublease the Demised Premises Identified on Exhibit A on the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt, sufficiency and mutuality of which are hereby acknowledged, it is agreed as follows:

1. Term: The initial term of this Sub-Sublease shall commence on the date of receipt Sublessee's receipt of a Certificate of Need from the State of Washington ("Commencement Date") and shall continue for a year period ("Initial Term"). Provided that Sublessee is not in default under this Sub-Sublease, term of this Sub-Sublease shall automatically continue for 3 subsequent 1-year periods (the "Renewal Terms", and together with the Initial Term, the "Term"). This Agreement may be terminated by Sublessee upon at least 30 days notice prior to the end of the Initial Term or any subsequent Renewal Term.

2. Base Rent:

2.1.1. Beginning on the Commencement Date and through the end of the Initial

Term, Sublessee shall pay Sublessor the monthly amount of $300.00 (“Monthly Base Rent”). Monthly Base Rent shall be negotiated by the parties prior to the beginning of any Renewal Term.

2.2. Monthly Base Rent shall be paid in advance on the first day of each and every calendar month during the Term hereof. The Base Rent for any fractional month shall be prorated. All Base Rent hereunder shall be due and payable without diminution or offset.

2.4. All payments of money other than monthly Base Rent required to be made by Sublessee pursuant to the terms of this Sub-Sublease shall be deemed "Additional Rent."

3. Insurance:

3.1. At all times during the term of this Sub-Sublease, Sublessee shall keep and maintain, at its own cost and expense, the following policies of insurance:

3.1.1. Property Insurance provided by a Causes of Loss-Special Form. Such Insurance shall, at all times be maintained in an amount equal to the full replacement cost of the Demised Premises. Such Insurance shall, at all times, also be maintained in the full replacement cost of the Personal Property located at or used in connection with the Demised Premises. As used herein the term "full replacement cost" shall mean coverage for the actual replacement cost of the Demised Premises. The term "full replacement cost" shall also mean coverage for the actual replacement cost of the Personal Property located at or used in connection with the Demised Premises.

3.1.2. Commercial General Liability Insurance Nursing Home or Long-Term Care Professional Liability Insurance in the amount of $1,000,000 per occurrence and $3,000,000 aggregate for the Sublessee and all affiliates of common ownership. Coverage may be a claims made basis.

3.1.5. If the coverage provided under Section 4.1.4 is on a claims made basis, Sublessee is responsible for purchasing extended reporting period (tail) coverage providing protection for Lessor and Sublessor for one year, and

3.1.6. Worker's compensation insurance or other similar insurance which may be required by governmental authorities or applicable legal requirements in an amount not less than the minimum required by law.

3.2. Sublessee shall provide Master Lessor and Sublessor with copies or certificates or other evidence reasonably satisfactory to Sublessor establishing that Sublessee has obtained and continues to hold the policies of insurance required under Section 4.1,

above. All such policies shall be in such form and content, including, without limitation, the amount of the deductible, and shall be issued by such company or companies as are approved by Sublessor, which shall not be unreasonably withheld.

3.3. All policies of insurance required hereunder shall provide that they may not be canceled, lapse, expire, or be materially altered except with thirty (30) days prior written notice to Sublessor.

4. Indemnification:

4.1. As a material part of the consideration to Sublessor, except for the gross negligent or willful acts of Sublessor, its employees and agents and those matters covered by insurance carried by Sublessee hereunder, Sublessee hereby expressly waives any and all claims against Sublessor for damages or liability for injury to persons or property in, on or about the Demised Premises from any cause whatsoever arising after the commencement of the term of this Sub-Sublease,

4.2, Sublessee shall indemnify, defend and hold harmless Sublessor, its agents, members, employees, officers, and directors, against each and every demand, claim, assertion, damages, actions, fees, including, without limitation, reasonable attorneys' fees, court costs and other expenses, paid, incurred or suffered arising or alleged to have arisen on or after the Commencement Date or out of any act or omission of Sublessee, its agents, members, employees, officers, directors, guests, invitees or licensees, or in connection with the use or occupation of the Demised Premises, including, without limitation, injury, death or damage to Sublessee's residents resulting from negligence, or relating to Sublessee's introduction, use, or remediation of hazardous materials, as defined in Section 51.8, below.

5. Use of Premises: The Demised Premises shall be used solely as general office space for the management of home services agency operations. No patient cares services will be conducted within the Demised Premises.

6. Sublessor Not to Maintain: Sublessor shall not be required to repair or maintain, or pay for the repair or maintenance of, the Demised Premises. Sublessor may, but shall not be obligated to, perform any repairs or maintenance which is the obligation of Sublessee under this Sub-Sublease, after giving Sublessee thirty (30) days written notice to perform the repairs or maintenance or to begin such repairs and maintenance if the work may not reasonably be completed within thirty (30) days of receipt of written notice from Sublessor.

7. Alterations:

7.1. Except in the event of an emergency, Sublessee shall not make or allow to be made, without obtaining Sublessor's prior written consent, any structural alterations or improvements to the Demised Premises or any part thereof. In the event Sublessee intends to undertake any alterations or improvements to the Demised Premises as provided herein, Sublessee shall provide to Sublessor written notice describing the nature of the alterations or improvements, the estimated cost thereof and stating the date the work related to the alterations or improvements is scheduled to commence and end. Sublessor shall respond within thirty (30) days of receipt of Sublessee's written notice of intent to make alterations or improvements.

7.2. Sublessee shall fully pay and discharge all claims for labor and materials furnished in connection with the repair, reconstruction, remodeling or alteration of the Demised Premises, to obtain lien releases for labor or materials for which payment has been made, and to take all other reasonable steps to forestall the assertion of lien claims against the Demised Premises.

7.3. All work done in connection with the repair, reconstruction, remodeling or alteration of the Demised Premises shall be performed in compliance with all applicable laws, ordinances, rules and regulations.

7.4. The repair, reconstruction, remodeling or alteration of the Demised Premises shall be performed in a workman like manner and in accordance with all applicable laws and regulations.

7.5. No repair, reconstruction, remodeling or alteration of the Demised Premises shall be effected unless and until Sublessee has obtained all required permits and consents from all governmental entities or agencies having jurisdiction over the Demised Premises.

7.6. All alterations and improvements constructed by Sublessee upon the Demised Premises shall, upon termination of this Sub-Sublease, belong to Master Lessor.

7.7. Sublessee shall save and hold Sublessor harmless from any and all liability of any kind on account of the repair, reconstruction, remodeling or alteration of the Demised Premises by Sublessee.

7.8. Prior to commencement of any work, alteration or repair to or of the Demised Premises by anyone other than Sublessee or the employees of Sublessee, Sublessee shall post or affix notices on or to the Demised Premises of Sublessor's non-responsibility for the performance of the work, alteration or repair and any claims or liabilities which may arise

8. Licensing Requirements: Sublessee shall maintain at all times during the term hereof and any extensions or renewals hereof all governmental licenses, permits and authorizations necessary for the establishment and operation of the Demised Premises for the purposes permitted under this Sub-Sublease.

9. Waste and Nuisance: Sublessee shall not commit, or allow to be committed, any waste upon the Demised Premises, or any public or private nuisance. Sublessee shall not use, nor allow the Demised Premises to be used, for any improper, immoral, unlawful or objectionable purpose. Sublessee shall not allow objectionable odors or excessive noise to emanate from the Demised Premises.

10. Continuous Operation: Sublessee shall at all times during the entire term of this Sub-Sublease continuously operate the Demised Premises for the purposes permitted under this Sub-Sublease, and no other, subject to casualty, condemnation and remodeling. Sublessee shall use Sublessee's reasonable efforts to operate the Demised Premises efficiently in accordance with all Laws. Sublessee shall use Sublessee's reasonable efforts to optimize the census of patients at the Demised Premises.

11. Events of Default:

11.1 The occurrence of any of the following shall be deemed to constitute an event of default on the part of Sublessee hereunder:

11.1.1 The failure to pay rent, real or personal property taxes and assessments, utilities, or premiums for insurance under this Sub-Sublease;

11.1.2 The failure to pay other monetary obligations under this Sub-Sublease within fifteen (15) days after receipt of written notice;

11.1.3 In the reasonable and good faith judgment of Sublessor, any act or omission that places in jeopardy the continued licensing and/or certification of the facilities at the Demised Premises as then currently licensed, and/or its certification as either a Medicare or Medicaid provider, or that causes harm or embarrassment to the reputation and good will of the Demised Premises in the community if, within twenty-four (24) hours after written notice thereof from Sublessor to Sublessee, Sublessee shall not have either (i) cured such failure, or (ii) obtained an injunction or other order preventing revocation or suspension of licensing and/or decertification of the facilities at the Demised Premises by virtue of such failure or alleged failure, or (iii) provided Sublessor with assurances satisfactory to Sublessor in Sublessor's sole discretion that the facilities at the Demised Premises will not be subject to

license suspension or revocation and/or decertification as a result of such failure or alleged failure;

11.1.4 The failure to perform or comply with any other term or provision of this Sub-Sublease within fifteen (15) days after written notice of default, except for defaults that have longer cure periods under the Master Lease in which cure the cure periods and standards of the Master Lease shall apply;

11.1.5 An assignment by Sublessee of its property for the benefit of creditors;

11.1.6 The appointment of a receiver, trustee or liquidator for Sublessee, or any of the property of Sublessee, who or which is not discharged within ninety (90) days;

11.1.7 The levy of a writ of attachment against this Sub-Sublease which is not discharged within sixty (60) days;

11.1.8 Sublessee or any assignee of this Sub-Sublease files a voluntary petition under the federal Bankruptcy Act or of the law of any state, to be adjudicated a bankrupt or for any arrangement or other debtor's relief, or any such petition is filed against Sublessee by any other party and not dismissed within sixty (60) days after filing thereof; or

11.1.9 Any financial statements provided to Sublessor by Sublessee during the term of this Sub-Sublease are known by Sublessee to be materially false or misleading when given.

11.1.10 Any action taken by Sublessee that causes a default under the Master Lease and is not cured within the applicable time periods under the Master Lease.

11.2 In the event of the occurrence of any event of default mentioned in this Section 25, Sublessor shall have the right, at its election, by written notice to Sublessee, in addition to all other remedies, to terminate this Sub-Sublease.

12. Sublessor's Recovery From Sublessee: Upon termination of this Sub-Sublease by Sublessor, Sublessor shall be entitled to all remedies available under law.

13. No Waiver: No waiver by Sublessor of any breach of the covenants, conditions or agreements of this Sub-Sublease shall be construed to be a waiver of any succeeding breach of the same or of any other covenants, condition or agreement hereof.

14. Damage by Fire or Other Casualty:

14.1 In the event of a fire, earthquake or other casualty causing damage or destruction of the Demised Premises, subject to force majeure and the provisions of the

Master Lease Sublessee shall promptly commence and diligently complete the repair or reconstruction of the Demised Premises to the condition that existed prior to such damage or destruction. The net insurance proceeds shall be used for the repair or reconstruction of the Demised Premises. Sublessor shall execute all documents reasonably necessary to make the net insurance proceeds available to Sublessee to repair or rebuild the Demised Premises.

14.2 Subject to the provisions of the Master Lease, at the election of Sublessor, fire and extended peril insurance proceeds shall not be payable to Sublessee but shall instead be deposited in escrow with a bank or other federally-insured financial institution selected by Sublessor on terms and in accordance with procedures reasonably satisfactory to Sublessor and Sublessee, with funds released during the course and at completion of the repair or reconstruction, upon completion of the repair or reconstruction, and receipt by such third party escrowee of lien waivers from the contractors, subcontractors, and suppliers relating to the work completed.

14.3 Subject to the terms of the Master Lease, if there remains any surplus of insurance proceeds after the completion of the repair or reconstruction of the Demised Premises, such surplus shall belong to and be paid to Sublessee.

14.4 In any event during any time that Sublessee is unable to use and occupy the Demised Premises or any portion thereof as a result of damage or destruction occurring without fault of Sublessee, or as a result of any repairs thereof, the rent hereunder shall be abated to the extent, and only to the extent, of the proceeds of Sublessee's business interruption insurance made available to Sublessor or Master Lessor.

14.5 Sublessor shall have no liability whatsoever with respect to any goods, fixtures, equipment or other personal property of Sublessee, nor shall Sublessor have any liability for loss of revenues or income resulting from fire or other casualty.

15. Condemnation:

15.1 If during the term of this Sub-Sublease, the whole of the Demised Premises is taken or condemned by any competent public or quasi-public authority this Sub-Sublease shall terminate. If during the term of this Sub-Sublease, there is a partial taking the consequences of that taking shall be governed by Article 16 of the Master Lease.

15.2 Except as provided by the Master Lease all compensation upon any taking or condemnation of the Demised Premises shall belong to Master Lessor, except that Sublessee shall receive any compensation separately awarded for relocation, plus any sum separately

awarded to compensate Sublessee for the value of any of Sublessee's personal property taken by condemnor.

15.3 Except as provided above, this Sub-Sublease shall not terminate and shall remain in full force and effect in the event of a taking or condemnation of the Demised Premises, or any portion thereof; provided, however, that the Base Rent hereunder shall be adjusted for the remainder of the term of this Sub-Sublease in the same manner as the Base Rent is adjusted in the Master Lease.

16. Assigning and Subletting:

16.1 Sublessee may not assign this Sub-Sublease or any portion of the term hereof, or sublet the Demised Premises, or any portion thereof.

17. Covenants Against Liens: Except as expressly provided in this Sub-Sublease, Sublessee shall not, during the term hereof, suffer or permit any lien, including, without limitation, any tax, mechanic's or judgment lien or conditional sales agreement, to be attached to or upon the Demised Premises or any part thereof, including but not limited to Sublessor's personal property, by reason of any act or omission on the part of Sublessee, and hereby agrees to save and hold harmless Sublessor from or against any such lien or claim of lien.

18. Attornment And Subordination: Sublessee acknowledges and agrees that its rights under this Sub-Sublease are subject and subordinate to the term of the Master Lease, and to all amendments, renewals and extensions thereof, and to the matters to which the Master Lease is or shall be subject or subordinate and that in the event of termination of the Master Lease as a result of a default by Sublessor or reentry or dispossession of Sublessor as the tenant thereunder by Master Lessor, Master Lessor may, at its option, take over all of the right, title and interest of Sublessor, as sublessor under this Sub-Sublease and in such event provided Sublessee has not committed an event of default and no event has occurred which with the passage of time or giving of notice or both would constitute an event of default, Sublessee shall attorn to Master Lessor pursuant to the then executory provisions of this Sub-Sublease and Master Lessor shall not disturb Sublessee's quiet possession of the Demised Premises nor deprive Sublessee of any of its rights under the Sublease. In the event Sublessee receives a written Notice from the Master Lessor or Master Lessor's assignees, if any, stating that Sublessor is in default under the Master Lease, Sublessee shall thereafter be obligated to pay all Rent accruing under this Sub-Sublease directly to the party giving such Notice, or as such party may direct. All Rent received from Sublessee by Master Lessor or

Master Lessor's assignees, if any, as the case may be, shall be credited against the amounts owing by Sublessor under the Master Lease.

19. Relationship of Parties: Nothing contained in this Sub-Sublease shall be deemed to constitute Sublessor and Sublessee as partners or joint venturers, or any other relationship other than that of lessor and lessee.

20. Further Assurances: Sublessor and Sublessee shall execute such further documents and instruments as shall be necessary or appropriate to carry out the provisions of this Sub-Sublease. Sublessee shall execute such further documents and instruments and take such further action as is necessary to transition the operation of the Demised Premises back to Sublessor or Sublessor's designated agent upon the expiration or termination of this Sub-Sublease without interruption or discontinuation of the services being provided at the Demised Premises.

21. Estoppel Certificates: Sublessor and Sublessee shall, within ten (10) days after written request from the other, execute and deliver to the other, in recordable form, a certificate stating that this Sub-Sublease is unmodified and in full force and effect, or in full force and effect as modified, and stating the modifications, and that the other party is not in default hereunder, or is in default and specifying the nature and extent of the alleged default. Failure to deliver the certificate within said ten (10) days shall be conclusive upon the party to whom the request has been given that this Sub-Sublease is in full force and effect and has not been modified except as may be represented by the requesting party and that the requesting party is not in default hereunder.

22. Notices:

22.1 All notices or other documents required or permitted to be given hereunder shall be personally delivered, sent by private overnight courier, or sent by registered or certified mail, postage prepaid, return receipt requested, addressed to the parties as follows:

Sublessor:

Master Tenant Four, LLC
4601 NE 77th Ave., Ste. 380
Vancouver, WA 98662
Attn: Legal/Contracts

Sublessee:

Spokane Royal Park Care, LLC

4601 NE 77th Ave. Ste. 300

Vancouver, WA 98662

Attn: Legal/Contracts

22.2 Notices sent by registered or certified mail shall be deemed received the third business day after posting and notices sent by private overnight courier shall be deemed received the first business day after delivering the same to the private overnight courier during regular business hours.

23.3 Sublessor and Sublessee may change their addresses and/or telephone numbers for purposes of this Sub-Sublease by giving notice thereof in accordance with the provisions of Section 46.1, above.

24. Quiet Enjoyment: Provided that Sublessee is not in default under this Sub-Sublease beyond all applicable cure periods, Sublessor shall not interfere with the peaceful and quiet occupation and enjoyment of the Demised Premises by Sublessee or Sublessee's permitted assignees, sublessees, or residents.

25. Authority: Sublessee shall deliver to Sublessor upon execution of this Sub-Sublease a certified copy of a resolution of its board of directors or members, as applicable, authorizing the execution of this Sub-Sublease and naming the person(s) who is/are authorized to execute this Sub-Sublease on its behalf.

26. Intentionally Omitted.

27. Applicable Law: This Sub-Sublease shall be governed by, and construed in accordance with, the laws of the State of Washington.

28. Headings: The descriptive headings used in this Sub-Sublease are for convenience only and shall not control or affect the meaning or construction of any of its provisions.

29. Attorneys' Fees: If Sublessor or Sublessee brings any action to interpret or enforce this Sub-Sublease, or for damages for any alleged breach hereof, the prevailing party in any such action or arbitration shall be entitled to reasonable attorneys' fees as awarded by the court in addition to all other recoverable damages and costs.

30. Definitions: As used in this Sub-Sublease, following terms are defined as follows:

30.1 The term "days" shall refer to calendar days unless otherwise specified.

30.4 The term "hazardous materials" as used in this Sub-Sublease shall mean any substance, material, or waste which has been or becomes regulated by any local

governmental authority, the State of California, or the United States government, including, but not limited to, "petroleum" as defined in 42 U.S.C. Section 6991(8), asbestos, lead paint, polychlorinated biphenyls, designated as a "hazardous substance" pursuant to Section 311 or listed pursuant to Section 307 of the Clean Water Act, defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, or defined as "underground storage tank" under 42 U.S.C. Section 6991.

31. Severability: In the event any part or provision of this Sub-Sublease shall be determined to be invalid or unenforceable under the laws of the State of California, the remaining portion of this Sub-Sublease shall, nevertheless, continue in full force and effect.

32. Time: Time is of the essence of each and every provision of this Sub-Sublease.

33. Counterparts: This Sub-Sublease may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement.

34. Binding, Etc: This Sub-Sublease shall be binding upon, and inure to the benefit of, Sublessor and Sublessee, and their respective personal representatives, successors in interest and permitted assigns.

35. Master Lease. This Sub-Sublease shall be subject and subordinate to the terms and conditions set forth in the Master Lease. Sublessee hereby acknowledges that it has been provided a copy of the Master Lease and that the terms and conditions of the Master Lease are incorporated herein by reference and Sublessor and Sublessee agree to comply with the terms of the Master Lease as if the obligations of Master Lessor were the obligations of Sublessor and the obligations of Lessee were the obligations of Sublessee. To the extent of a conflict between the Master Lease and this Sub-Sublease the terms of the Master Lease shall control. Sublessee hereby agrees that it shall abide by the terms of the Master Lease and it shall not take any action which shall create a default or Event of Default under the Master Lease. Notwithstanding anything contained in this Sub-Sublease to the contrary, Sublessee's obligations hereunder are expressly conditioned upon Sublessee's receipt of a Consent to Sublease Agreement from Master Lessor in a form reasonably acceptable to Sublessee.

[Signatures on following page]

IN WITNESS WHEREOF, Sublessor and Sublessee have executed this Sub-Sublease the day and year first above written.

Sublessor:

Master Tenant Four, LLC,

a Washington limited liability company

____
by EmpRes Financial Services, LLC, Manager
by Michael J. Miller, CFO

Sublessee:

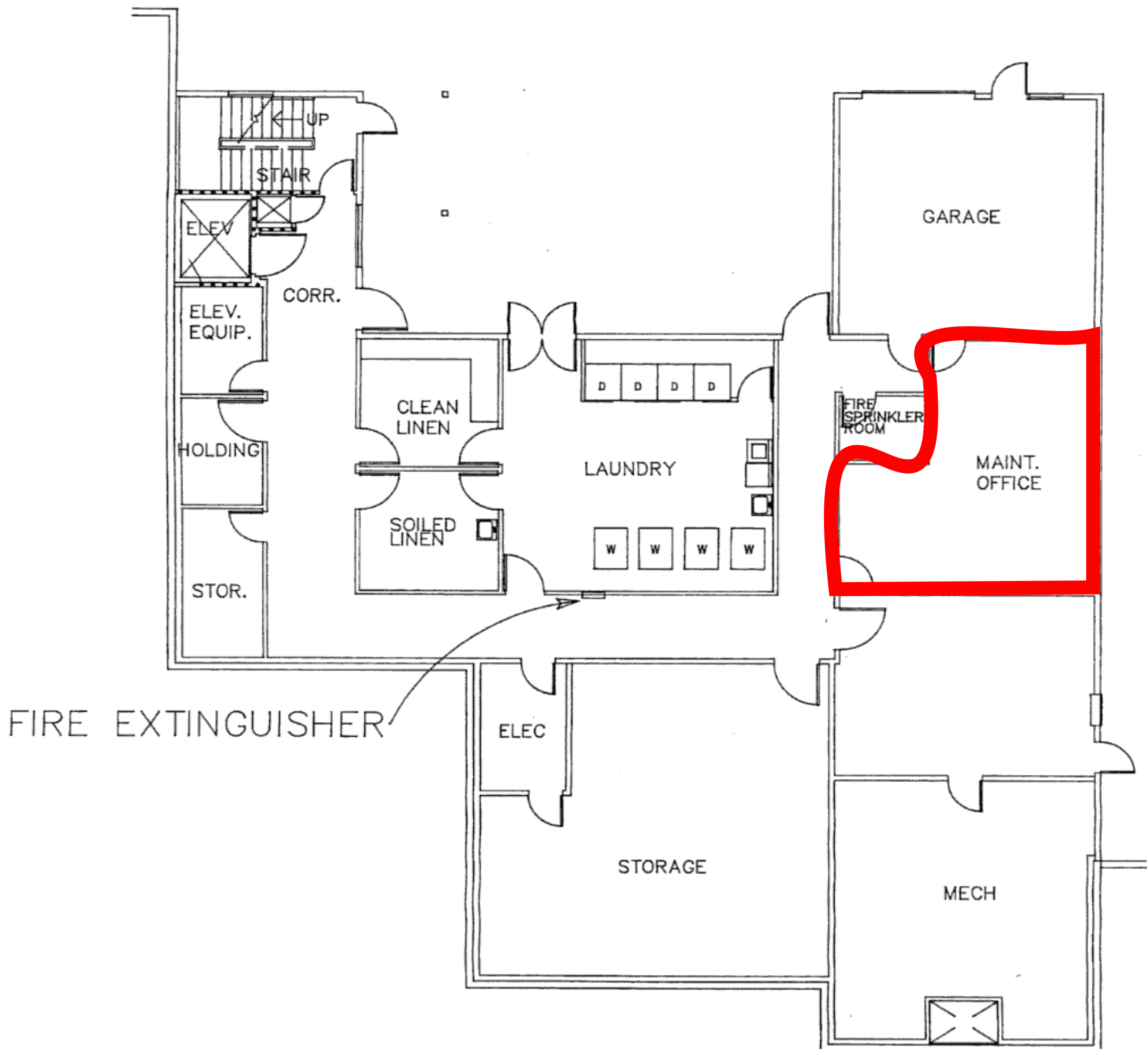
Spokane Royal Park Care, LLC,

a Washington limited liability company

____
by EmpRes Healthcare Management, LLC, Manager
by Michael J. Miller, CFO

Exhibit "A"

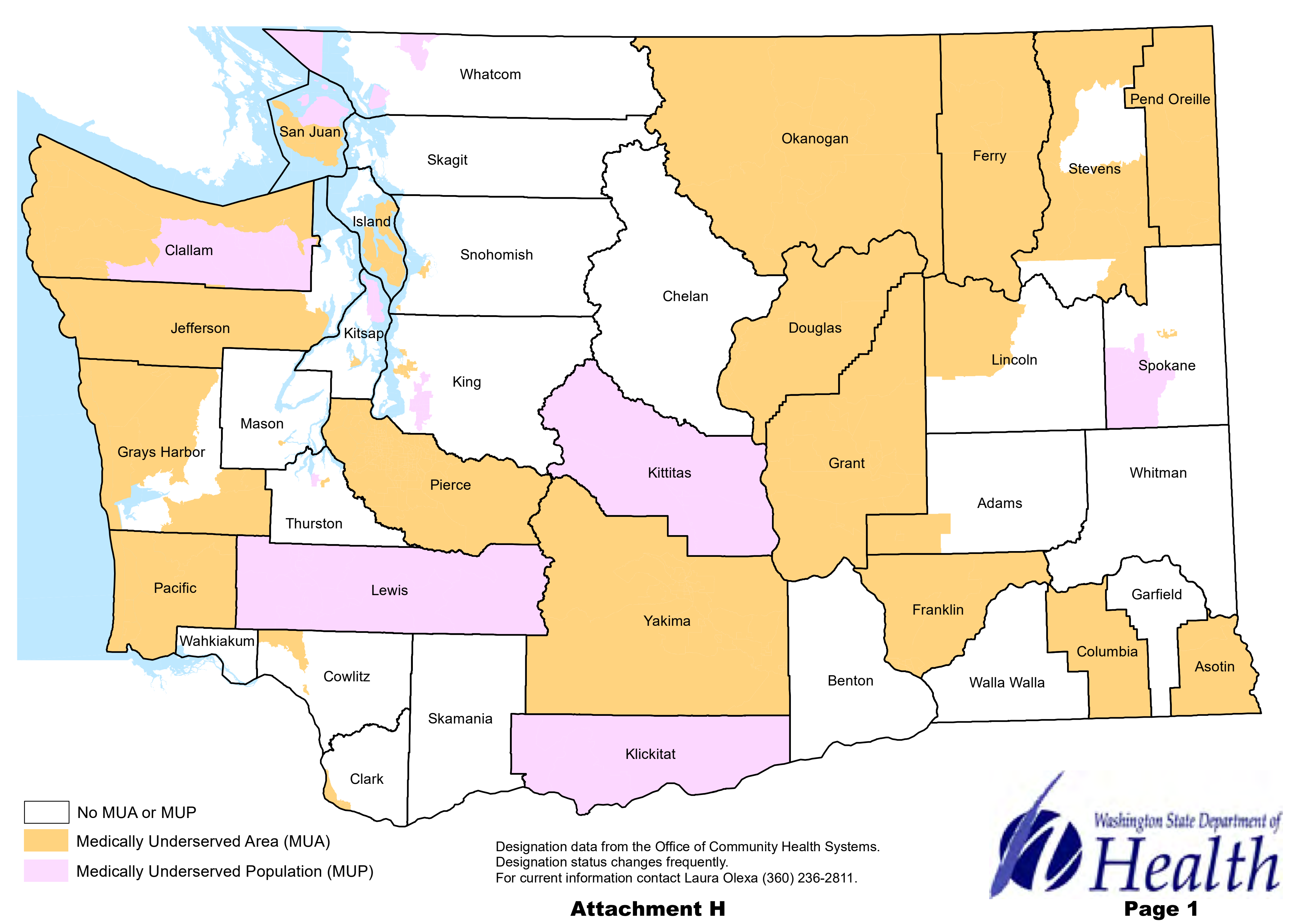
Floor Plan



Eden Home Health of Spokane County, LLC Certificate of Need Application Proposing the Establishment of a Medicare/Medicaid Certified Home Health Agency in Spokane County

ATTACHMENT H
MAP
MUA and HPSA Designations for Spokane County
December 11, 2018

Medically Underserved Area & Medically Underserved
December 11, 2018



Attachment H

ATTACHMENT I
List of Spokane County Home Health Providers, June 2018

Credential #	Facility Name	Site County	Serving Spokane?	Serving Pend Oreille?	Serving Stevens?	Serving Whitman?
IHS.FS.00000071	Touchmark on South Hill Home Health and Home Care	Spokane	CN Approved	N/A	N/A	N/A
IHS.FS.00000218	Alternative Nursing Services dba A.N.S.	Nez Perce	State Only	N/A	N/A	State Only
IHS.FS.00000296	Kindred at Home	Spokane	CN Approved	N/A	N/A	N/A
IHS.FS.00000345	Interim Healthcare of Spokane, Inc	Spokane	State Only	N/A	State Only	State Only
IHS.FS.00000346	Intrepid USA Healthcare Services	Spokane	CN Approved	State Only	State Only	State Only
IHS.FS.00000374	Maxim Healthcare Services	Spokane	State Only	State Only	State Only	State Only
IHS.FS.00000431	S and S Health Care	Spokane	State Only	State Only	State Only	State Only
IHS.FS.00000467	Providence VNA Home Health	Spokane	CN Approved	N/A	CN Approved*	N/A
IHS.FS.60051588	ResCare HomeCare	Spokane	State Only	N/A	State Only	N/A
IHS.FS.60109573	Assured Home Health	Spokane	CN Approved	CN Approved	CN Approved	N/A
IHS.FS.60118992	Sunshine Home Health Care LLC	Spokane	CN Approved	N/A	N/A	N/A
IHS.FS.60214206	Rockwood Home Health	Spokane	CN Approved	N/A	N/A	N/A
IHS.FS.60241176	Option Care	Spokane	State Only	State Only	State Only	State Only
IHS.FS.60268554	Angel Senior Care	Spokane	State Only	N/A	State Only	N/A
IHS.FS.60308064	Kindred at Home	Spokane	CN Approved	N/A	N/A	CN Approved
IHS.FS.60384078	Elite Home Health and Hospice	Asotin	N/A	N/A	N/A	State Only

*CN Approved for "South Stevens," including ZIP Codes: 99013, 99026, 99034, 99040, 99101, 99109, 99110, 99129, 99131, 99137, 99148, 99173, 99181

Source: ILRS

ATTACHMENT J

1987

State Health Plan

Home Health

Methodology

and Standards

(5) Any Type A or Type B CCRC proposing a nursing home project may, at its discretion, designate it as an application against the special statewide pool of CCRC nursing home beds established under the Nursing Home Bed Need Projection Method (General Provision (f) ii and Step 2). No single project shall be considered simultaneously under both the CCRC statewide bed pool and the bed allocation of the Nursing Home Planning Area in which the project is located.

d. Home Health Agencies (HH)

Home health agency means an entity coordinating or providing the organized delivery of home health services.

Home health services means the provision of nursing services along with at least one other therapeutic service or with a supervised home health aide service to ill or disabled persons in their residences on a part-time or intermittent basis, as approved by a physician.

(1) The performance standards policies presented below are interim. The health planning system shall evaluate these standards and revise them as necessary, when data on the costs and use of home health services in the state are available.

(2) The following home health planning areas in each health planning region shall be used to determine population requirements for home health services:

Health Planning Region I

(a) Clallam/West Jefferson
(b) Whatcom
(c) Skagit
(d) San Juan
(e) Island (minus Camano Island)
(f) East Jefferson
(g) Snohomish/Camano Island
(h) King
(i) Pierce
(j) Kitsap

Health Planning Region II

(a) Grays Harbor/Pacific
(b) Thurston/Mason
(c) Lewis
(d) Cowlitz/Wahkiakum
(e) Clark/Skamania/Klickitat

Health Planning Region III

(a) Okanogan
(b) Chelan/Douglas
(c) Kittitas/Yakima
(d) Grant
(e) Benton/Franklin

Health Planning Region IV

(a) Ferry/Stevens/Pend Oreille
(b) Lincoln/Adams
(c) Spokane
(d) Walla Walla/Columbia
(e) Garfield/Asotin/Whitman

(3) The total annual number of home health visits needed in a home health planning area in the next year shall be estimated using the Interim Home Health Agency Need

Estimation Method described below. As utilization data become available, estimates used in this method shall be evaluated and adjusted.

(People under 65 x .005) x 10 visits
+ (People 65-79 x .044) x 14 visits
+ (People 80+ x .183) x 21 visits

= TOTAL VISITS

(4) The appropriate number of home health agencies in each home health planning area shall be determined based on the following policies:

(a) For planning purposes ten thousand (10,000) home health agency visits shall be considered to be the target minimum operating volume for a home health agency.

(b) Two home health agencies may be permitted in each home health planning area to allow competition and consumer choice. Where the projected aggregate need is less than 10,000 visits per year, the burden of proof shall be on a proposed new home health agency to demonstrate that competing agencies will result in greater levels of efficiency, effectiveness and equity in such an environment. In this regard, they shall address at least the considerations in Policies (5)(a)-(g) below.

(c) The maximum number of home health agencies permitted in a home health planning area shall not exceed the number of agencies derived by dividing the visits estimated under Step 3 above by the number 10,000.*

(d) For the purpose of determining the need for additional home health agencies in a home health planning area, existing home health agencies in the planning area are those agencies which can serve the area without further state approval and which provide service use and cost data requested by the health planning system.

(5) Considerations for which preference may be given in reviewing competing proposals to meet a limited need in a planning area are presented below. Preference shall be given to the project that meets the greatest number of the following criteria for preference:

---

*Note: Fractional numbers derived under this calculation would be rounded down to the nearest whole number.

(a) The proposed agency will meet state certification requirements.

(b) The proposed agency will serve either directly or through formal agreements with other providers the entire planning area in which it is proposed to be located.

(c) The proposed agency has a written policy and budget to serve clients without regard to their source of payment.

(d) The agency has a lower charge per visit compared to similarly-organized agencies providing comparable services in the home health planning area. "Organization" refers to whether the agency is freestanding or hospital-based.

(e) The agency assures continuity of care by having documented formal linkages to other levels of care.

(f) The agency has arrangements to provide charity care to clients who are unable to pay for services.

(g) The agency demonstrates a mechanism for measuring and responding to community concerns.

e. Hospice Services (HS)

Hospice means a private or public agency or part thereof that administers or provides hospice care.

Hospice care means care supervised by the attending physician and provided by the hospice to the terminally ill. Hospice care is primarily palliative or medically necessary care provided by a hospice multidisciplinary team with care available 24 hours per day 7 days a week.

Hospice multidisciplinary teams means a team of individuals that provides or supervises care and services offered by the hospice and that is composed of at least a physician (consultant), registered nurse, social worker, and a pastoral, spiritual or other counselor.

Hospice services are provided in a coordinated program of care organized for the purpose of providing palliative and supportive care which is designed to meet the psychosocial, psychological, and spiritual needs of patients and their families (which includes those persons related by blood, marriage, or other significant relationship as designated by the patient). Bereavement services are an essential part of hospice care.

ATTACHMENT K

Draft Admissions Policy Documents - Charity Care Policy

HOME HEALTH

Reference#
Effective: 2/15/17
Last Revised: 2/15/17

CHARITY CARE POLICY

PURPOSE:

- To ensure a fair and consistent method for the review and completion of requests for charitable medical care to patients in need.

POLICY:

1. Eden Health may provide services for free or at a discounted rate to patients who are uninsured or underinsured based on agency resources.

PROCEDURE:

1. Patients can be referred to Eden Health's charity care by the following:
   a. Patient or their representative
   b. Eden health employees
   c. Physician's or hospitals
   d. Local government agencies.
2. Patients are reviewed for eligibility based on the Admission Criteria and Acceptance policy.
   a. Patients must meet admission criteria.
3. Eden Health provides care, treatment, and services for patients without discrimination, including, but not necessarily limited to, the following:
   a. Patients are accepted for and provided care, treatment, and services without regard to race, color, creed, national origin, disability, or sexua ▸ orientation.
   b. Staff and volunteers are assigned to patients regardless of race, color, creed, national origin, marital status, or sexual orientation.
   c. Patients receive the same level of care, treatment, and services based on their diagnosis, treatment needs, care planning, and other aspects of patient care.
4. Eden Health reserves the right to limit the extent and duration of home health services.

LIMITATIONS:

a. Services not eligible for financial support:
   i. May exclude services that are covered by an insurance program at another provider location.
   ii. Does not meet eligibility criteria for services.

   Patient is uncooperative or unresponsive to reasonable efforts to work with the patient, including completion of the applications process for Medicaid and/or medical assistance, and allowing all claims to be filed

b. Financial assistance does not include all costs that may be associated with medical services. The following is a list of items or services that are not included for financial assistance:
   i. Durable Medical Equipment: Social services may be available to help cover costs associated.
   ii. Pharmacy supplies: Eden's charitable care may provide supplies at reduced costs for patients requiring financial assistance.

DENIALS:

a. Reasons for Denial may include but are not limited to:
   i. Failure to provide completion of application for insurance.
   ii. Failure to prove denial of subsidiary insurance.
   iii. Patient becomes qualified for insurance.
   iv. Discharge of patient from the practice for reasons following our discharge policy.
   v. Noncompliance with treatments recommended by the practice, physician or other healthcare provider.
   vi. Threatening or abusive behavior directed at Eden staff, physicians, other healthcare or providers or patients.
   vii. Patient no longer eligible per Admission Criteria and Acceptance policy.

Reference#	10001
Effective:	4/17/14
Last Revised:	08/26/16

Admission Criteria and Acceptance Policy

Purpose: To keep acceptance of patients consistent with Eden Home Health's mission and scope of services based on the reasonable expectation that the patient's care and service needs can be appropriately and safely met in the patient's place of residence.

As part of *our commitment* to *providing services for Medicare* and Medicaid *participants, Eden Home Health* does not *exclude, deny benefits* to, or *otherwise discriminate against any person on the* basis of race, color, *national* origin, *disability,* or age *in admission to, participation in, or receipt of the services* and *benefits* of any *of its* programs and *activities or in employment, therein, whether carried out by, Eden* Home Health *directly or* through a *contractor or any* other entity *with* whom, Eden *Home Health* arranges *to* carry out *its* programs and *activities.*

This statement is in accordance *with the provisions of Title VI of the* Civil *Rights* act of 1964, *section 504 of the Rehabilitation act of* 1973, *the Age Discrimination* Act of 1975 and *regulations of the US Department of Health* and *Human* Services issued *pursuant to the Acts, Title* 45 code of *Federal* regulations, Parts *80, 84, and 91. (Other* Federal laws and *regulations provide similar protections* against *discrimination on the basis of sex* and creed).

1. Patients are accepted by the Clinical Supervisor or designee for care and services based on eligibility criteria listed below:

a. It is the policy of Eden Home Health to extend services to persons included in the adult population.
b. The care and services required by the patient are consistent with the agency's mission and scope of service and Availability of services to meet patients needs.
c. The patient resides within the geographical area served by the agency.
d. There is a reasonable expectation that the patient's care and service needs can be met adequately in his/her residence.
   i. For Medicare patients, the patient meets the definition of "homebound," as define by Federal regulations.
   ii. For Medicare patients, the physician is willing to provide a face-to-face encounter and the required written orders for care and/or services.
   i. Payment Method: Eden Home Health accepts most private healthcare insurance (please refer to the agency brochure for further details), Medicare, and Medicaid.

2. If it is determined that the agency cannot reasonably accommodate the patient's needs, or if the patient does not meet the admission criteria, the patient/family/referral source is notified and provided with information about other providers.

REFERENCES:

Centers for Medicare and Medicaid *Services (CMS), Benefit* Policy *Manual 100-02, Chapter 7, Section 30.1.1, April 15, 2011*

Centers for Medicare and Medicaid *Services (CMS), Pub. 100-1, Medicare General Information, Eligibility* and *Entitlement, Ch.4, 30.1, 60, January 1, 2011*

Centers for Medicare and *Medicaid Services (CMS), OASIS-C* Guidance Manual, *August 2009*

Reference#	10002
Effective:	4/17/14
Last Revised:	4/17/14
Approved by Governing Body:	10/01/15

INTAKE SERVICE POLICY

PURPOSE:

- To accept patients for care, treatment, and/or services that are in compliance with the organization's mission, philosophy, scope of services, and with applicable laws and regulations.
- To accept only those patients for care, treatment, and/or services whose identified needs can be reasonably met in the patient's place of residence.

POLICY:

1. Eden Home Health provides care, treatment, and/or services to adult patients, in other words, patients who are over the age of 18.

2. Eden Home Health accepts most private healthcare insurance (please refer to the agency brochure for further details), Medicare, and Medicaid.

3. A home health patient referral is taken by licensed staff, preferably a Registered Nurse, and in accordance with Eden Home Health State Professional Practice Guidelines. The referral may include, but is not limited to, orders for DME, intravenous medications, medical supplies, professional services (RN, LPN/LVN, MSW, PT, OT, ST, CHHA) or Hospice. Patient demographic information and referrals for DME are only taken by a customer service representative.

4. Patients are admitted for service based upon the following criteria:
   a. The patient's needs are compatible with Eden Home Health scope of care, mission and philosophy.
   b. The patient resides within the geographic area serviced by Eden Home Health.
   c. If the patient is covered by Medicare, he/she is considered to be homebound, as outlined by Federal regulations.
   d. Eden Home Health is able to meet the needs of the patient.
   e. The patient or caregivers are able to assist in the care of the patient. **f..** There is a reasonable expectation that the patient's medical, nursing and social needs are able to be met adequately in the home environment.
   g. There is a preferred physician taking medical responsibility for the patient's care who will perform the face-to-face encounter and establish and periodically review the plan of care.

Reference#	10002
Effective:	4/17/14
Last Revised:	4/17/14
Approved by Governing Body:	10/01/15

PROCEDURE:

1. Complete *Initial patient Intake/Referral Form*, obtaining as much data as possible from referral source.

2. Referrals are accepted telephonically, by fax, or by Home Health staff.

3. Faxed referrals are confirmed with the ordering physician. Documentation of the confirmation includes:
   a. Date of referral confirmation.
   b. Name of individual providing the confirmation.
   c. Signature and title of Eden Home Health staff member receiving the confirmation.

4. Referrals are accepted from doctors of medicine, osteopathy, and podiatry, discharge planners, case managers, insurance companies, patients, and families/caregivers.

5. If the patient has private insurance, obtain verification of benefits from the insurance company.
   a. Complete *Insurance Verification Form.*

6. If the referral is received after hours or during weekends or holidays when insurance verification is not possible, approval is obtained from the Administrator on-call prior to the initiation of care, treatment, and/or services.

7. Obtain physician's orders for home health services.

8. If patient does not reside in the agency's service area, make a referral to an appropriate agency in the area where the patient resides. Notify patient, physician, and referral source of the agency's name and telephone number. Document the non-acceptance in the "Patients Not Accepted for Service" file with the name of the patient, the name of the physician, the date and reason for non-acceptance, along with the manner in which the non-acceptance was resolved.

REFERENCE:

Centers for Medicare and Medicaid Services (CMS), Pub. 100-1, Medicare General Information, Eligibility and Entitlement, Ch.4, 30.1, 60, January 1, 2011

ATTACHMENT L
Staffing, Capital Expenditure and Pro Forma

Proforma Operating Statement - Eden HHA - Spokane County

	Year 1	2020	2021	2022
	43	*344*	*762*	*1132*
REVENUE		*700%*	*122%*	*49%*
Medicare	104,039	889,903	1,971,238	2,928,401
Medicaid	4,719	40,365	89,414	132,830
Commercial/Other	27,122	231,985	513,874	763,393
Charity Care	2,601	22,248	49,281	73,210
Total Gross Revenue	**138,481**	**1,184,501**	**2,623,808**	**3,897,835**
Deductions from Revenue				
Contractual Allowances	31,252	267,318	592,141	879,664
Bad Debt	104,628	23,690	52,476	77,957
Adj. For Charity Care	2,601	22,248	49,281	73,210
Total Net Revenue	**(0)**	**871,245**	**1,929,909**	**2,867,004**
PATIENT CARE COSTS				
Salaries and Benefits:				
Director of Professional Services	45,833	110,000	110,000	110,000
Clinical Manager	-	-	83,200	83,200
Home Care Specialist	-	-	-	-
RN	16,257	139,051	308,015	457,575
PT	17,505	149,728	331,664	492,708
OT	5,930	50,721	112,353	166,908
ST	1,417	12,123	26,853	39,892
MSW	596	5,098	11,294	16,777
HHaide	1,311	11,210	24,832	36,890
Benefits	17,599	119,483	252,053	350,988
Total Salaries and Benefits	**106,447**	**597,414**	**1,260,263**	**1,754,938**
Contract Labor:				
Physician (Medical Director)	300	1,200	1,200	1,200
PT	0	0	0	0
OT	0	0	0	0
Speech	-	-	-	-
MSW	-	-	-	-
HHA	-	-	-	-
Other	-	-	-	-
Total Contract Labor	**300**	**1,200**	**1,200**	**1,200**
Medical Supplies	1,550	13,256	29,364	43,622
Mileage & Medical transportation	3,100	26,513	58,729	87,245
Total Patient Care Costs	**111,397**	**638,383**	**1,349,556**	**1,887,005**
Gross Patient Margin	**(111,397)**	**232,862**	**580,354**	**979,999**
ADMINISTRATIVE COSTS				
Advertising	2,500	6,000	6,000	6,000
Allocated Costs	(0)	43,562	96,495	143,350
B & O Taxes	(0)	15,682	34,738	51,606
Dues & Subscriptions	6,250	15,000	15,000	15,000
Employee Benefits	9,469	23,402	48,736	53,340
Information Tech/Computers/R&M	3,500	8,400	8,400	8,400
Insurance	250	600	600	600
Legal & Professional	1,000	2,400	2,400	2,400
Licenses & Fees	4,150	9,960	9,960	9,960
Lease Agreement	1,500	3,600	3,600	3,600
Administrative S & W non variable	37,875	93,608	194,943	213,360
Supplies and Expensed Equipment	8,800	6,000	6,000	6,000
Mileage - admin/sales	2,500	6,000	6,000	6,000
Misc Operating Expenses	-	-	-	-
Total Administrative Costs	**71,494**	**234,215**	**432,873**	**519,616**
Total Costs	**182,891**	**872,598**	**1,782,429**	**2,406,622**
EBITDA	**$ (182,891)**	**$ (1,353)**	**$ 147,481**	**$ 460,383**
Depreciation	3,294	7,905	7,905	7,905
Amortization	-	-	-	-
EBIT	**(186,184)**	**(9,258)**	**139,576**	**452,478**
Interest Expense	-	28	28	28
Earnings before Taxes	**(186,184)**	**(9,286)**	**139,548**	**452,450**
	-134.45%	-0.78%	5.32%	11.61%

Eden Home Health of Spokane County, LLC
Proforma Balance Sheet
2019-2022

	2019	2020	2021	2022
ASSETS				
Current Assets				
Cash & Cash Equivalents	(176,262)	(299,748)	(278,525)	58,834
Accounts Receivable (Net)	(0)	145,208	321,652	477,834
Prepaid Expenses				
Total Current Assets	**(176,262)**	**(154,540)**	**43,126**	**536,668**
Property and Equipment				
Fixed Assets	19,800	19,800	19,800	19,800
Accumulated Depreciation	3,294	11,198	19,103	27,008
Total Property and Equipment	16,506	8,602	697	(7,208)
Other Assets				
Intangibles	-	-	-	-
Loan Fees				
Accumulated Amortization	-	-	-	-
Total Other Assets	-	-	-	-
Total Assets	(159,756)	(145,939)	43,823	529,460
LIABILITIES AND CAPITAL				
Current Liabilities				
Accounts Payable & Accrued Expenses	15,289	22,932	43,514	54,307
Accrued Payroll & Related Payables	11,140	26,599	56,231	78,625
Notes Payable				-
Current Portion LT Debt				
Total Current Liabilities	26,428	49,531	99,745	132,932
Long-Term Liabilities				
Long Term Note Payable	-	-	-	-
Less: Current Portion of LTD				
Total Long-Term Liabilities	-	-	-	-
Total Liabilities	26,428	49,531	99,745	132,932
Capital				
Retained Earnings	-	(186,184)	(195,470)	(55,922)
Shareholder Equity				
Net Income	(186,184)	(9,286)	139,548	452,450
Total Capital	(186,184)	(195,470)	(55,922)	396,528
Total Liabilities & Capital	(159,756)	(145,939)	43,823	529,460

Eden Home Health of Spokane County, LLC
Proforma Cash Flow

	2019	2020	2021	2022
Cash Flows from operating activities				
Net Income	(186,184)	(9,286)	139,548	452,450
Adjustments to reconcile net income to cash provided by Operations				
Accumulated Depreciation & Amortization	3,294	7,905	7,905	7,905
Accounts Receivable	0	(145,208)	(176,444)	(156,183)
Prepaid Expenses	-	-	-	-
Accounts Payable	15,289	7,643	20,582	10,793
Payroll Related Expenses	11,140	15,460	29,632	22,394
Current Portion L.T. Debt				
Line of Credit & Short Term Debt		-	-	-
Total Adjustments	29,722	(114,200)	(118,325)	(115,091)
Net Cash provided by Operations	(156,462)	(123,485)	21,223	337,359
Cash Flows from investing activities Used For:				
Capital equipment and furniture	(19,800)	-	-	-
Sale of Fixed Assets				
Intangibles & other assets				
Net cash used in investing	(19,800)	-	-	-
Cash Flows from financing activities				
Proceeds From:				
Note Payable Increase				
Capital Contributions	-	-	-	-
Used For:				
Note Payable Repayment	-	-	-	-
Note Payable Shareholder				
Less: Current Portion of LTD				
Dividends	-	-	-	-
Net cash used in financing	-	-	-	-
Net increase <decrease> in cash	(176,262)	(123,485)	21,223	337,359

Summary	2019	2020	2021	2022
Cash Balance at End of Period	(176,262)	(299,748)	(278,525)	58,834
Cash Balance at Beg of Period	-	(176,262)	(299,748)	(278,525)
Net Increase <Decrease> in Cash	(176,262)	(123,485)	21,223	337,359

Eden Home Health of Spokane County, LLC
Proforma Cash Flow

	2019	2020	2021	2022

Proposed Capital Expense Eden Home Health of Spokane County, LLC	
Item	**Estimated Expense**
Network, telemedicine equip	$ 20,000.00
Phone Switch	$ 5,000.00
Hand-helds/laptops	$ 13,000.00
Total	**$ 38,000.00**

Depreciation Schedule

	Items	Years	Annual '19-'22
Network, telemedicine equip	$ 20,000.00	7	$ 2,857
Phone Switch	$ 5,000.00	7	$ 714
Hand-helds/laptops	$ 13,000.00	3	$ 4,333
Total:	**$ 38,000.00**		**$ 7,905**

Staffing Summary - Eden Spokane HHA Positions, Salaries, and FTE's, 2019-2022

STAFFING INPUT - BY FTE'S		2019	2020	2021	2022
OPERATIONS					
Physician (Medical Director)	contracted				
Director of Professional Services	$ 110,000	1.00	1.00	1.00	1.00
Clinical Supervisor	$ 83,200	-	-	1.00	1.00
Home Care Specialist	$ 37,440	-	-	-	-
RN	$ 62,400	0.63	2.23	4.94	7.33
PT	$ 85,280	0.49	1.76	3.89	5.78
OT	$ 85,280	0.17	0.59	1.32	1.96
ST	$ 76,960	0.04	0.16	0.35	0.52
MSW	$ 62,400	0.02	0.08	0.18	0.27
HHaide	$ 33,280	0.09	0.34	0.75	1.11
TOTAL		**2.45**	**6.15**	**13.42**	**18.96**

ADMINISTRATIVE

Administrator	130,000	0.33	0.33	0.36	0.50
Office Manager	48,000	1.00	1.00	1.00	1.00
Home Care Specialist	37,500	-	-	-	-
Team Assistant	35,360	-	-	1.00	1.00
Data Entry Clerk	-	-	-	-	-
Community Outreach	65,000	-	0.04	1.00	1.00
TOTAL	**0**	**1.33**	**1.37**	**3.36**	**3.50**

TOTAL FTE'S		**3.78**	**7.53**	**16.78**	**22.46**

ATTACHMENT M
Letter of Financial Commitment

4601 NE 77th Avenue, Suite 300, Vancouver, WA 98662 • Ph. (360) 892-6628 • Fax (360) 882-5793

VIA FEDERAL EXPRESS OVERNIGHT

March 4, 2019

Janis Sigman, Manager
Certificate of Need Program
Washington State Department of Health
PO Box 47852
Olympia, WA 98504-7852

RE: Eden Home Health of Spokane County, LLC dba Eden Home Health

Dear Ms. Sigman,

I am writing this letter on behalf of Eden Home Health of Spokane County, LLC. The Certificate of Need program's application for a Medicare-certified home health agency asks for a financial letter of commitment.

The Members of Eden Home Health of Spokane County, LLC have committed the necessary working capital to finance the establishment and operation of the proposed Medicare-certified home health agency in Spokane County.

On receipt of the Washington Certificate of Need, the Members of Eden Home Health of Spokane County, LLC will contribute a minimum of $150,000 to the working capital account of Eden Home Health of Spokane County, LLC.

Sincerely,

Michael J. Miller
Chief Financial Officer

Our Commitment to Caring

ATTACHMENT N
Training, Education and Performance Improvement Policies and Procedures

CONTINUING EDUCATION PROGRAMS POLICY

PURPOSE:

- To provide planned ongoing educational activities for Eden Home Health staff that:
  - Develop and enhance staff skills.
  - Broaden and increase staff knowledge base.
  - Maintain and improve staff competency.

POLICY:

1. This Agency provides educational programs appropriate to the staff's patient care, treatment, and services responsibilities specific to the needs of the patient population served, and as required by applicable laws, regulations, and standards.

2. Educational programs are provided to those staff members whose responsibilities have changed.

3. An annual educational program is planned and implemented based on identified staff needs.

4. Home Health Aides receive a minimum of 12 hours of inservice training every 12 months. Inservice training may occur when an aide is furnishing care to a patient under the supervision of an RN.

5. Staff are evaluated annually and as needed to identify educational needs.

6. Patient care, treatment, and services staff are required to attend or produce evidence of having attended the appropriate number of continuing education programs required by law and regulation to maintain currency of licensure and/or certification.

7. Staff are required to attend, or provide proof of having participated in, mandatory inservice programs. These mandatory inservice training programs include:
   a. OSHA/Bloodborne Pathogens
   b. Infection Prevention and Control
   c. Domestic Violence
   d. Workplace Violence Prevention
   e. Personal Safety
   f. CPR
   g. Fire Safety
   h. Emergency Management
   i. Pain Management
   j. Death and Dying
   k. Adverse Event Reporting

8. Eden Home Health administration retains the right to designate other inservice programs as mandatory programs.

INSERVICE RESPONSIBILITIES:

1. The Clinical Manager or designee is responsible for providing current and factual information to his/her staff regarding performance of their job duties. New procedures or policies governing such duties are conveyed to the staff in a manner that is understandable and reasonable to those involved. Records of such programs are retained as described in this policy.

2. The administration provides up-to-date and factual information to staff regarding policies, procedures, and benefits. In most cases, policies and procedures are conveyed to department managers, who convey such information to their staff.

PROCEDURE - INSERVICE ATTENDANCE:

1. *Mandatory Inservice Meetings:* Those meetings which have been determined necessary for staff within a particular department or group of common interest are considered to be mandatory. Mandatory attendance is at the discretion of the Clinical Manager or designee with approval of the Executive Director/Administrator or Director of Clinical services.
   a. Mandatory meetings are generally those that provide vital and necessary information to staff involved, and attendance is requested with prior notice to those required to attend. Staff receive their regular rate of pay for attendance at mandatory meetings, unless their attendance is not specifically requested. If attendance at a mandatory meeting involves overtime for staff during that work week, specific approval from the department manager is required if an alternate attendance time cannot be arranged.

2. *Voluntary Inservice Meetings:* Those meetings for which attendance is not deemed necessary and vital to a particular department or group of common interest are considered to be voluntary. Attendance at voluntary meetings is at the discretion of the staff member, based on his/her interest in the subject being presented.

3. Credit for Attendance at Inservice Programs:
   a. In order to receive proper credit for attendance, the staff member signs his/her name on the sign-in sheet provided at each meeting.
   b. The staff member attends the entire program in order to receive credit for attendance.

4. Continuing Education Credits:
   a. Programs for which continuing education credits are offered are advertised as such.
   b. The number of credit hours is listed with the program information.

c. In order to receive appropriate continuing education credits and a certificate, participants:
    i. Attend the entire program.
    ii. Sign the attendance sheet.

5. Internal Scheduling of Inservice Programs:
    a. *Equipment and Supplies:* Audiovisual and other inservice equipment is maintained by the Business Office Manager. Those who desire use of this equipment submit a written request as early in advance as possible.
        i. Supplies necessary for inservice programs are the responsibility of the individual conducting the program. Prior administrative approval is required for expenditures made for inservice program supplies.
    b. *Meeting Room Availability:* Meeting rooms are reserved in advance as early as possible through administration.

6. Record Keeping for Education Programs:
    a. Records of education programs are maintained in the employee's personnel file or electronically. Proper record keeping contains the following information:
        i. Names and signatures of staff who attended the program.
        ii. Title of the program, name of the individual conducting the program, dates, and times the program was conducted, and the location of the program.
        iii. A description of the content of the program, its relation to the department, and/or staff and voluntary/mandatory status of the program.
    b. Results of education program evaluation are compiled and summarized by the Clinical Manager.
    c. Summary reports of educational activities and the results of program evaluations are submitted to the Performance Improvement Committee quarterly.

QUALITY ASSURANCE PERFORMANCE IMPROVEMENT (QAPI) POLICY

PURPOSE:

1. The Agency's Quality Assurance Performance Improvement (QAPI) plan is designed to:
    a. Delineate expectations and plan and manage processes to measure, assess, and improve Eden Home Health's Agency's governance, management, clinical, and support activities.
    b. Promote positive patient outcomes through the application of optimal patient care, treatment, and services based on clinically sound principles and current knowledge.
    c. Identify, on an ongoing basis and in a coordinated and collaborative manner, areas for improvement in the quality of care, treatment, and services.
    d. Evaluate, monitor, improve, and resolve areas of concern.

2. The Quality Assurance Performance Improvement (QAPI) plan, established by the senior management of the organization in collaboration with staff members and the Performance Improvement Committee, with the support and approval of the Governing Body, is comprehensive in scope and provides a vehicle to monitor patient care, treatment, and services with the goal of identifying and resolving processes, functions, and services that may adversely impact patient care, treatment, and services, while striving to continuously facilitate positive patient outcomes.

POLICY:

1. The Home Health Agency develops implements and maintains an ongoing, effective, data driven Quality Assurance Performance Improvement (QAPI) program.

2. The Governing Body guarantees the following;
    a. The program reflects the complexity of its organization and services.
    b. Involves all Home Health agency services (including those under contract or arrangement).
    c. Focuses on indicators related to improved outcomes including;
        i. Use of emergency care services.
        ii. Hospital admissions and readmissions.
        iii. Takes actions that address the performance across the spectrum of care.
        iv. Prevention and re-education of medical errors.

    Eden Home Health's Quality Assurance Performance Improvement (QAPI) plan is evaluated at least annually and revised as necessary.

3. The Quality Assurance Performance Improvement (QAPI) activities are planned in a collaborative, interdisciplinary manner throughout the organization.

4. In keeping with the organization's mission of providing quality, cost-effective patient care, treatment, and services, the Quality Assurance Performance Improvement (QAPI) plan allows for a systematic, coordinated, and continuous approach to improving performance, focusing upon the process and functions that address these principles.

GOALS:

1. The primary goals of the organizational Quality Assurance Performance Improvement (QAPI) Plan are to continually and systematically plan, design, measure, assess, and improve performance of organization wide key functions and processes relative to patient care, treatment, and services.

2. To achieve this goal, the plan strives to:
   a. Incorporate quality planning throughout the organization.
   b. Collect data to monitor performance.
   c. Provide a systematic mechanism for the organization's appropriate individuals, departments, and professions to function collaboratively in their Quality Assurance Performance Improvement (QAPI) efforts providing feedback and learning throughout the Agency.
   d. Provide for an organization-wide program that assures the Agency designs processes (with special emphasis on design of new or revisions in established services) well and systematically measures, assesses, and improves its performance to achieve optimal patient health outcomes in a collaborative, cross-departmental, interdisciplinary approach. These processes include mechanisms to assess the needs and expectations of patients and their families, staff, and others. Process design contains the following focus elements:
      i. Consistency with the organization's mission, vision, values, goals, and objectives and plans.
      ii. Meets the needs of individuals served, staff, and others.
      iii. Fosters the safety of patients and the quality of care, treatment, and services.
      iv. Supports a culture of safety and quality.
      v. Use of clinically sound and current data sources (e.g. use of practice/clinical guidelines, information from relevant literature and clinical standards).
      vi. Is based upon best practices as evidenced by accrediting bodies.
      vii. Incorporates available information from internal sources and other organizations about the occurrence of medical errors and sentinel events to reduce the risk of similar events in this organization.
      viii. Utilizes reports generated from OASIS data, including the following OASIS reports:
         - Outcome-Based Quality Monitoring (OBQM) Potentially Avoidable Events Report and Patient Listing.
         - Outcome-Based Quality Improvement (OBQI) Outcome Report.

- Error Summary Report.

ix. Utilizes the results of Quality Assurance Performance Improvement (QAPI), patient safety, and risk reduction activities.

x. Management of change and Quality Assurance Performance Improvement (QAPI) supports both safety and quality through the Agency.

e. The organization incorporates information related to these elements, when available and relevant, in the design or redesign of processes, functions, or services.

f. Assure that the improvement process is organization wide, monitoring, assessing, and evaluating the quality and appropriateness of patient care, treatment, and services, patient safety practices, and clinical performance to resolve identified problems and improve performance.

g. Appropriate reporting of information to the Governing Body to provide the leaders with the information they need in fulfilling their responsibility for the quality of patient care, treatment, and services, and safety is a required mandate of this plan.

3. Necessary information is communicated among departments/services when opportunities to improve patient care, treatment, and/or services and patient/staff safety practices impact more than one department/service.

4. The status of identified problems is monitored to assure improvement or resolution.

5. Information from departments/services and the findings of discrete Quality Assurance Performance Improvement (QAPI) activities are analyzed to detect trends, patterns of performance, or potential problems that may impact more than one department/service.

6. The objectives, scope, organization, and mechanisms for overseeing the effectiveness of monitoring, assessing, evaluation, and problem-solving activities in the Quality Assurance Performance Improvement (QAPI) program are evaluated at least annually and revised as necessary.

7. Important key aspects of care to the health and safety of patients are identified. Included are those that occur frequently or affect large numbers of patients; place patients at risk of serious consequences of deprivation of substantial benefit if care is not provided correctly or not provided when indicated; or care provided is not indicated, or those tending to produce problems for patients, their families, or staff.

8. Internal structures can adapt to changes in the environment.

SCOPE OF ACTIVITIES:

1. Eden Home Health measures, analyzes, and tracks quality indicators to enable the agency to assess processes of care, services, and operations.

2. The scope of the organizational Quality Assurance Performance Improvement (QAPI) program includes an overall assessment of the efficacy of Quality Assurance Performance Improvement (QAPI) activities with a focus on continually improving care, treatment, and services, and patient and staff safety practices.

3. The Home Health agency's performance improvement activities must;
   a. Focus on high risk, high volume, or problem-prone areas.
   b. Consider incidence, prevalence, and severity of problems in those areas.
   c. Lead to an immediate correction of any identified problem that directly or potentially threaten the health and safety of patients.

4. Performance activities must track adverse patient events, analyze their causes, and implement preventative actions.

5. Assessment of the performance of the following patient care and organizational functions may include but not limited to:
   a. Environment of Care.
   b. Emergency Management, including:
   c. Review of the annual emergency management planning reviews.
   d. Review of emergency response exercises.
   e. Review of response to actual emergencies.
   f. Human Resources.
   g. Infection Prevention and Control.
   h. Information Management.
   i. Leadership.
   j. Medication Management.
   k. Provision of Care, Treatment, and Services.
   l. Performance Improvement.
   m. Record of Care, Treatment, and Services.
   n. Rights and Responsibilities of the Individual.
   o. Waived Testing.

PERFORMANCE IMPROVEMENT PROJECTS:

1. Home Health Agencies must conduct performance improvement projects.

2. The number and scope of distinct improvement projects conducted annually must reflect the scope, complexity, and past performance of the Home Health Agencies services and operations.

3. The Home Health Agency must document the quality improvement projects undertaken, the reasons for conducting these projects, and the measureable progress achieved on these projects.

ORGANIZATION:

1. To achieve fulfillment of the objectives, goals, and scope of the organizational Quality Assurance Performance Improvement (QAPI) plan, the organizational structure of the program is designed to facilitate an effective system of monitoring, assessment, and evaluation of the care, treatment, and services provided within the Agency.
    a. The Governing Body is ultimately responsible for the quality of patient care, treatment, and services provided.
        i. The Governing Body requires staff, through the Performance Improvement Committee and Administration, to implement and report on the activities and the mechanisms for monitoring, assessing, and evaluating patient safety practices and the quality of patient care, treatment, and services, for identifying and resolving problems and for identifying opportunities to improve patient care, treatment, and services or performance throughout the organization. This process addresses those departments/disciplines that have a direct or indirect effect on patient care, treatment, and services, including management and administrative functions.
        ii. The Governing Body, through the VP of Home Health and Hospice, Director of Clinical Service, and the Agency Administrator/Executive Director, provide for resources and support systems for the Quality Assurance Performance Improvement (QAPI) functions and risk management functions related to patient care, treatment, and services and safety.
    b. The governing body is responsible for guaranteeing;
        i. The ongoing program for quality improvement and patient safety is defined, implemented, and maintained.
        ii. The Home Health Agency wide quality assessment and performance improvement efforts address priorities for improved quality of care and patient safety, and that all improved actions are evaluated for effectiveness.
        iii. That clear expectations for patient safety are established, implemented, and maintained.
        iv. That any findings of fraud or waste are appropriately addressed.

ANNUAL EVALUATION AND APPROVAL:

1. The organizational Quality Assurance Performance Improvement (QAPI) program is evaluated for effectiveness at least annually and revised as necessary to assure appropriateness of the approach to planning processes of improvement: setting priorities for improvement; assessing performance systematically; using statistically valid methods; implementing improvement activities on the basis of assessment; and sustaining achieved improvements.

CONFIDENTIALITY:

1. Information related to Quality Assurance Performance Improvement (QAPI) activities in accordance with this plan is confidential.
    a. Confidential information may include, but is not limited to, staff committee meetings, Quality Assurance Performance Improvement (QAPI) Executive Report, electronic data gathering and reporting, medical record reviews, and untoward incident reporting.
    b. Some information may be disseminated on a "need to know basis" as required by agencies such as federal review agencies, regulatory bodies, or another organization with a proven "need to know basis" as approved by the Agency's Administration and/or the Governing Body.

AIDE ORIENTATION POLICY

PURPOSE:

- To provide a consistent and formalized orientation program for Certified Home Health Aides.

POLICY:

1. Certified Home Health Aides hired by Eden Health participate in an orientation program before receiving patient care assignments.

2. Orientation of new Certified Home Health Aides is the joint responsibility of the Clinical Manager or designee.

PROCEDURE:

1. The Clinical Supervisor or designee is responsible for orienting newly hired Certified Home Health Aides to Eden Health's general Orientation as well as specific Home Health Aide orientation.

2. The Clinical Supervisor or designee is responsible for verifying that newly hired Certified Home Health Aides can demonstrate knowledge of and/or are competent in the following:
   a. Basic verbal and written English communication skills.
   b. Observation, reporting, and documentation of patient status and the care or service furnished.
   c. Reading and recording temperature, pulse, and respiration.
   d. Basic infection control procedures.
   e. Basic elements of body functioning and changes in body function that are reported to an aide's supervisor.
   f. Maintenance of a clean, safe, and healthy environment.
   g. Recognizing emergencies and knowledge of emergency procedures.
   h. The physical, emotional, and developmental needs of and ways to work with the populations served by the HHA, including the need for respect for the patient, his or her privacy, and his or her property.
   i. Appropriate and safe techniques in personal hygiene and grooming that include:
      i. Bed bath.
      ii. Sponge, tub, or shower bath.
      iii. Shampoo, sink, tub, or bed.
      iv. Nail and skin care.
      v. Oral hygiene.
      vi. Toileting and elimination.
      vii. Safe transfer techniques and ambulation.
      viii. Normal range of motion and positioning.
      ix. Adequate nutrition and fluid intake.

x. Another task that the HHA may choose to have the home health aide performs.

j. The following competencies are evaluated while the aide is performing the tasks with a patient (tasks may be performed on a pseudo-patient such as another aide or volunteer in a laboratory setting):
   i. Reading and recording temperature, pulse, and respiration.
   ii. Safe transfer techniques and ambulation.
   iii. Normal range of motion and positioning.
   iv. Appropriate and safe techniques in personal hygiene and grooming that include:
      - Bed bath.
      - Sponge, tub, or shower bath.
      - Shampoo, sink, tub, or bed.
      - Nail and skin care.
      - Oral hygiene.
      - Toileting and elimination.
      - The other subject areas in this section may be evaluated through written examination, oral examination, or after observation of a Home Health Aide with a patient.

Eden Home Health of Spokane County, LLC Certificate of Need Application Proposing the Establishment of a Medicare/Medicaid Certified Home Health Agency in Spokane County

ATTACHMENT P
Vendor List

C: Structure and Process of Care #8
Attachment P
Eden Home Health Vendor Listing

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

ATTACHMENT Q

Washington State Department of Health Chronic Disease Profile for Each County

Spokane County

Chronic Disease Profile

Introduction

This report summarizes key health statistics related to chronic disease burden and risk for local populations in Washington State. The Department of Health uses established population and health surveillance systems to describe the current prevalence[i] of important health indicators within specific populations, and also to provide comparisons of the prevalence within specific populations to the state overall.

These data can be used to plan interventions or describe the importance and need for health interventions. Interventions may be directed to specific health conditions, or to factors that impact many aspects of health, such as income, education and housing. Therefore, this report may be useful for community members, leaders or other stakeholders who are working to improve the health status of the community.

Life Course Approach[ii]

Health and quality of life at all stages in life depend on the cumulative effects of behaviors and exposures earlier in life, and on social, genetic, and epigenetic effects[iii] that span generations. A mother's experiences even prior to conception can alter the development of the fetus and child. Choices made by adolescents grow out of the experiences of childhood, and can shape behavior later in adulthood. A lifetime of risky behavior or exposure to toxic or stressful conditions can lead to chronic disease, poor quality of life and early death.

This report is organized based on a life course approach. We begin with data on the demographic, social and economic context. Next we show data related to birth and early childhood. We follow these in turn by data for youth (grade 10), adults (age 18+) and seniors (age 65+). Lastly, we provide patterns of mortality.

Health Risk Indicators

Many pieces of health data can be presented in either a positive or negative manner. For example, we could either talk about reducing obesity, or achieving healthy weight. For other data, only the negative presentation makes sense. For example, it would be awkward to discuss increasing the prevalence of people without diabetes. For consistency and ease of comparison, this document presents all data in terms of risk.

Health data are estimated with some degree of statistical uncertainty. We present the degree of uncertainty by surrounding each estimate in graphs with error bars that represent the 95% confidence interval. See appendix for further detail.

Data sources, explanatory notes, and a glossary of terms are provided in the appendix.

For people with disabilities, this document is available on request in other formats.
To submit a request, please call 1-800-525-0127 (TDD/TTY call 711).

Geography and Sample Size

Whenever possible, we report local data at the county level. Due to small sample sizes in health surveys, this is not always possible. Estimates based on a sample of less than 50 people, or where less than 10 reported the condition of interest, or where the relative standard error[iv] is > 30% are not considered to be reliable. In these cases, we present local data for a multi-county region containing the county of interest, and place an asterix (*) in the chart. Geographic regions used in this report are shown in the maps below.

Map 1. Multi-county regions are based on US Census Bureau Public Use Microdata Areas (PUMA). We use PUMA-County regions when necessary for most data in this report.

Map 2. We use larger multi-county regions when necessary for Pregnancy Risk Assessment Monitoring System (PRAMS) data.

For people with disabilities, this document is available on request in other formats.
To submit a request, please call 1-800-525-0127 (TDD/TTY call 711).

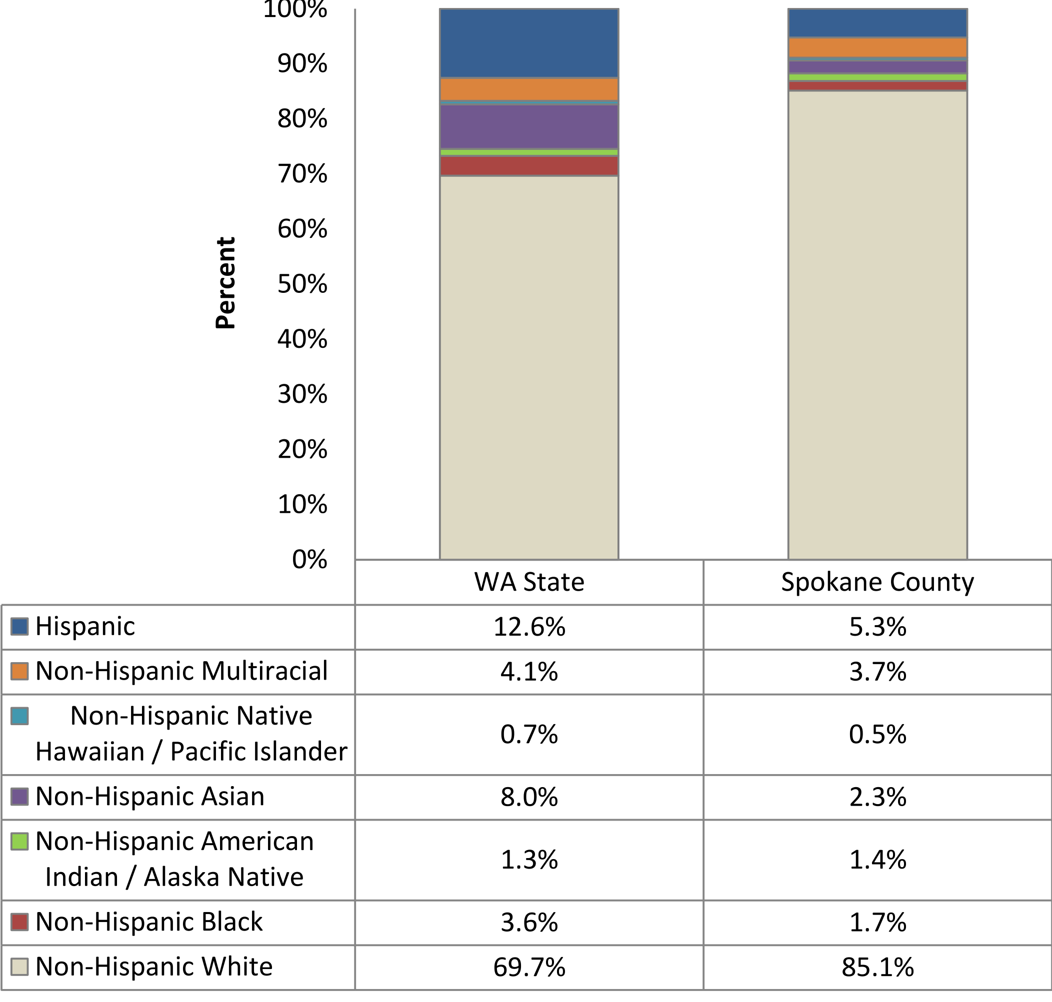
Population

Spokane County Population: 492,528 = 7% of state

Age Distribution

- Washington State: 15% are age 65+; 23% are age < 18
- Spokane County: 16% are age 65+; 23% are age < 18

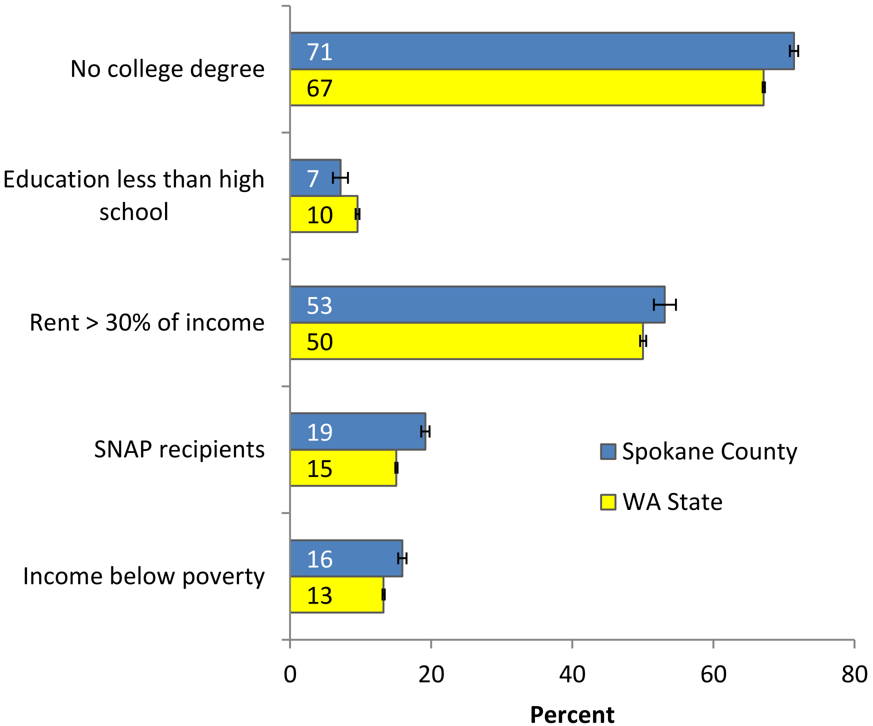
Population by Race / Ethnicity



	WA State	Spokane County
Hispanic	12.6%	5.3%
Non-Hispanic Multiracial	4.1%	3.7%
Non-Hispanic Native Hawaiian / Pacific Islander	0.7%	0.5%
Non-Hispanic Asian	8.0%	2.3%
Non-Hispanic American Indian / Alaska Native	1.3%	1.4%
Non-Hispanic Black	3.6%	1.7%
Non-Hispanic White	69.7%	85.1%

Data Source: Washington State Office of Financial Management, Forecasting Division, single year intercensal estimates, 2016

Social and Economic Risk Factors



Income Disparity

- Washington State: Gini index of income disparity = 0.45.
- Spokane County: Gini index of income disparity =0.45.

Gini index measures inequality in income. Values range from zero (perfect equality) to one (total inequality).

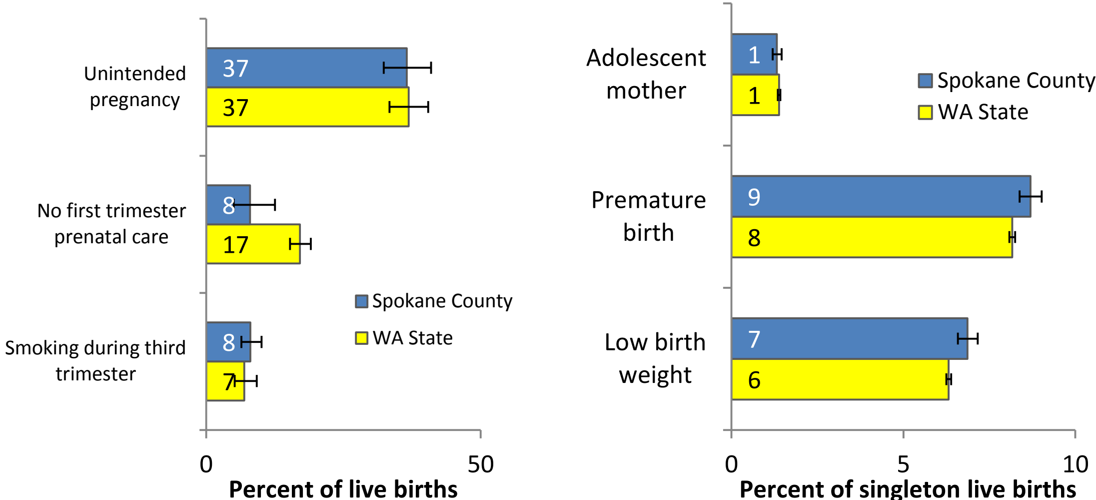
Indicator Notes

1. Federal Poverty Level (FPL) is determined based on household income and household size. In 2015, the federal poverty level household income for a family of four was $24,250.
2. Highest educational attainment is among adults 25 and older.

Data Source: US Census Bureau, American Community Survey (ACS), 2011-2015

For people with disabilities, this document is available on request in other formats.
To submit a request, please call 1-800-525-0127 (TDD/TTY call 711).

Prenatal and Birth Health Risk Factors



Pregnancy Rate

- Washington State: 64 pregnancies per 1000 reproductive age women (age 15-44)
- Spokane County: 63 pregnancies per 1000 reproductive age women (age 15-44)

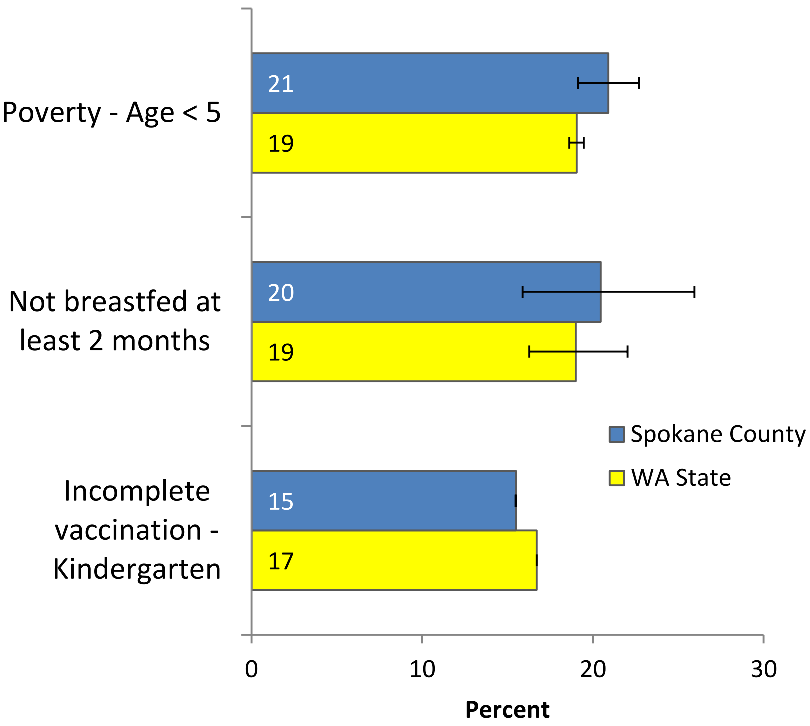
Indicator Notes

1. Third trimester smoking: Smoked one or more cigarettes on an average day during the last three months of pregnancy.
2. Prenatal care includes visits to a doctor, nurse, or other healthcare worker before the baby was born to get checkups and advice about pregnancy.
3. Unintended pregnancy: When asked "Thinking back to just before you got pregnant with your new baby, how did you feel about becoming pregnant?" responded "I wanted to become pregnant later" or "I didn't want to be pregnant then, or in the future."
4. Low birth weight is defined as a birth under 2,500g but no lighter than 227g. Infants born less than 227g are considered pre-viable.
5. Premature delivery is defined as gestation < 37 weeks.
6. Adolescent mother is defined as age 15-17.

Data Sources:

- Prenatal: Washington State Department of Health, Pregnancy Risk Assessment Monitoring System (PRAMS), 2012-2014.
- Birth outcomes: Washington State Department of Health, Center for Health Statistics (CHS), Birth Certificate Data, 2011-2015.
- Pregnancy rate: Washington State Department of Health, Center for Health Statistics (CHS), Birth Certificate Data, fetal deaths, and induced abortions, 2013-2015.

Early Childhood Health Risk Factors



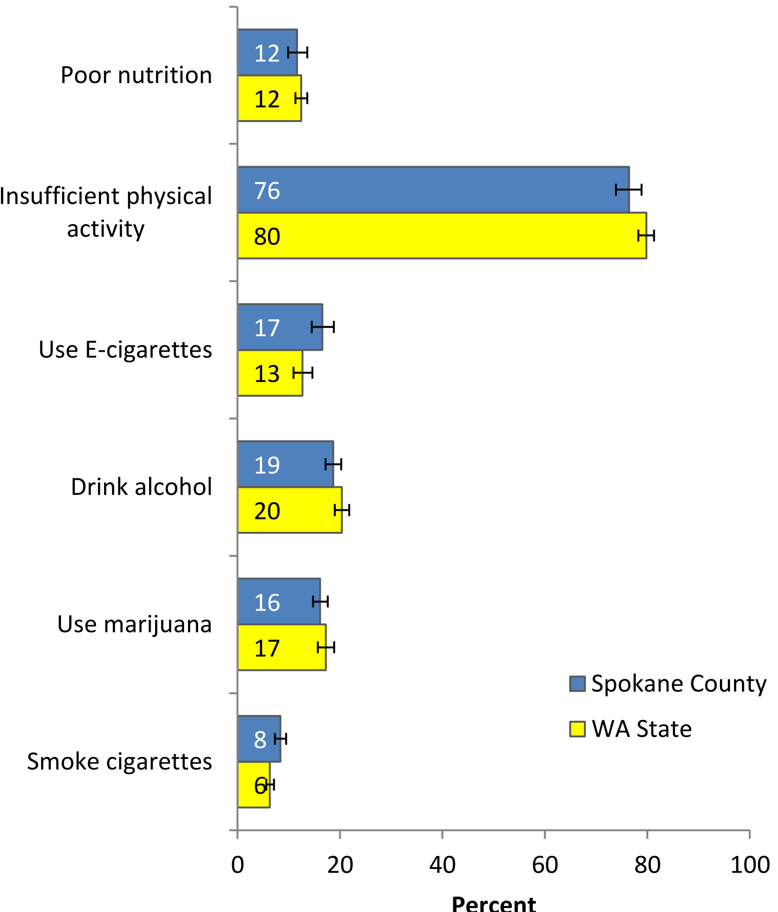
Indicator Notes

1. Incomplete vaccination: Student does not meet all the school-entry requirements for age and grade.
2. Breastfeeding: did not breastfeed baby, or breastfed for less than 8 weeks.
3. Child poverty: Age 0-4, living in a household with income less than FPL.

Data Sources:

- Child poverty: American Community Survey 2011-2015
- Breastfeeding: Pregnancy Risk Assessment Monitoring System 2012-2014
- Vaccination: Washington State Department of Health, Office of Immunization and Child Profile.2015-2016

Youth (10th grade) Health Risk Behaviors

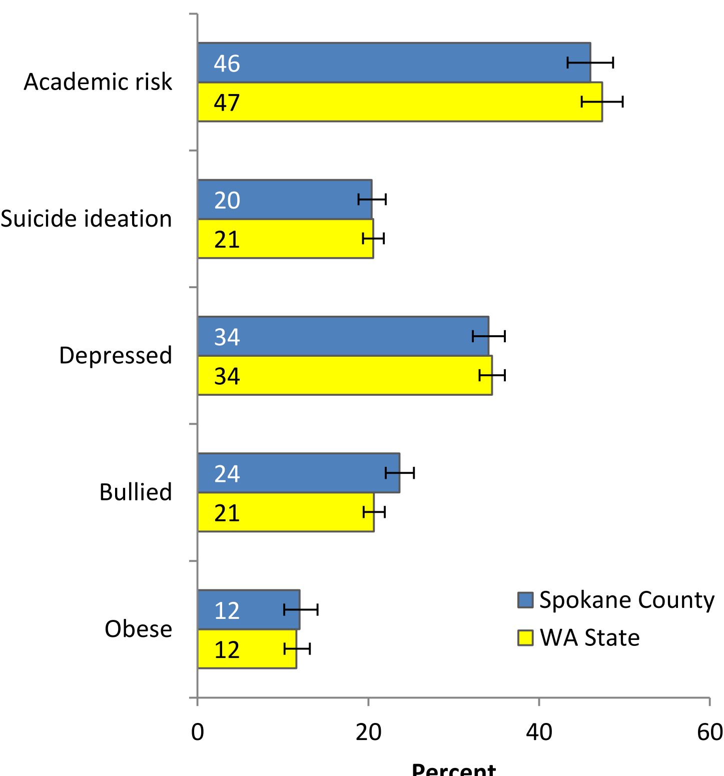


Indicator Notes

1. Youth smoking, marijuana, alcohol, e-cigarettes: Students are asked "during the past 30 days, how many times did you… Smoke cigarettes; Use marijuana or hashish (grass, hash, pot); Drink a glass, can, or bottle of alcohol (beer, wine, wine coolers, hard liquor); use electronic cigarettes or e-cigs?"
2. Soda consumption: Students were asked "How many sodas or pops did you drink yesterday (do not count diet soda)?"
3. The Centers for Disease Control and Prevention (CDC) recommends 60 minutes moderate or vigorous physical activity every day for youths.
4. Poor nutrition is indicated by eating fruits and vegetables less than once a day.

Data Source: Washington State Healthy Youth Survey 2016.

Youth (10th grade) Health Risk Conditions



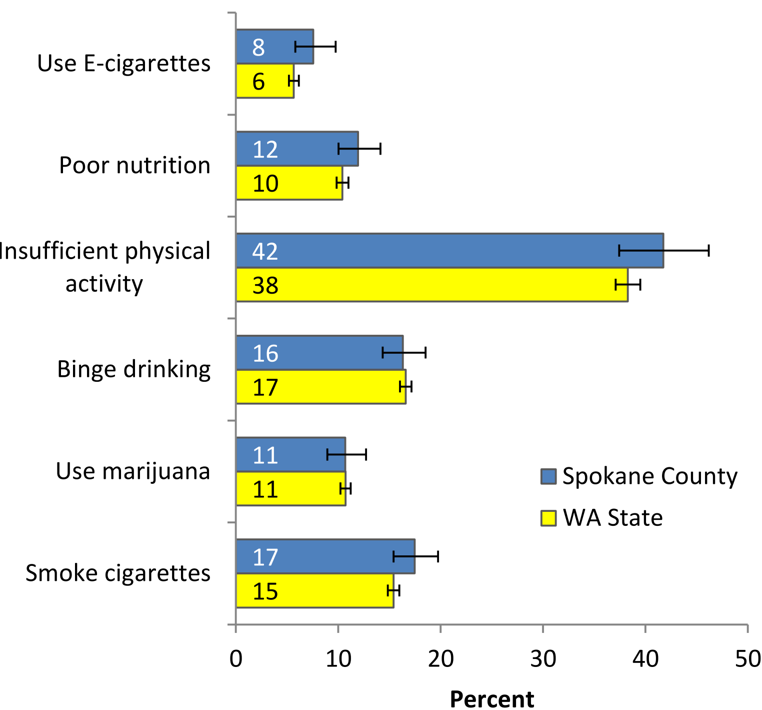
Indicator Notes

1. Youth obesity: Youth are classified as obese if they are in the 95th percentile for body mass index by age and sex based on growth charts developed by the CDC (2000).
2. Bullied: Students are asked "A student is being bullied when another student, or group of students, say or do nasty or unpleasant things to him or her. It is also bullying when a student is teased repeatedly in a way he or she doesn't like. It is NOT bullying when two students of about the same strength argue or fight. In the last 30 days, how often have you been bullied?"
3. Depression: Students were asked "During the past 12 months, did you ever feel so sad or hopeless almost every day for two weeks or more in a row that you stopped doing some usual activities?"
4. Suicide ideation: Students were asked "During the past 12 months, did you ever seriously consider attempting suicide?
5. Academic risk: Risk of academic failure including usually getting low grades and grades worse than others, and low commitment to school including school not meaningful or important for future, and cut school.

Data Source: Washington State Healthy Youth Survey 2016.

For people with disabilities, this document is available on request in other formats.
To submit a request, please call 1-800-525-0127 (TDD/TTY call 711).

Adult (Age 18+) Health Risk Behaviors



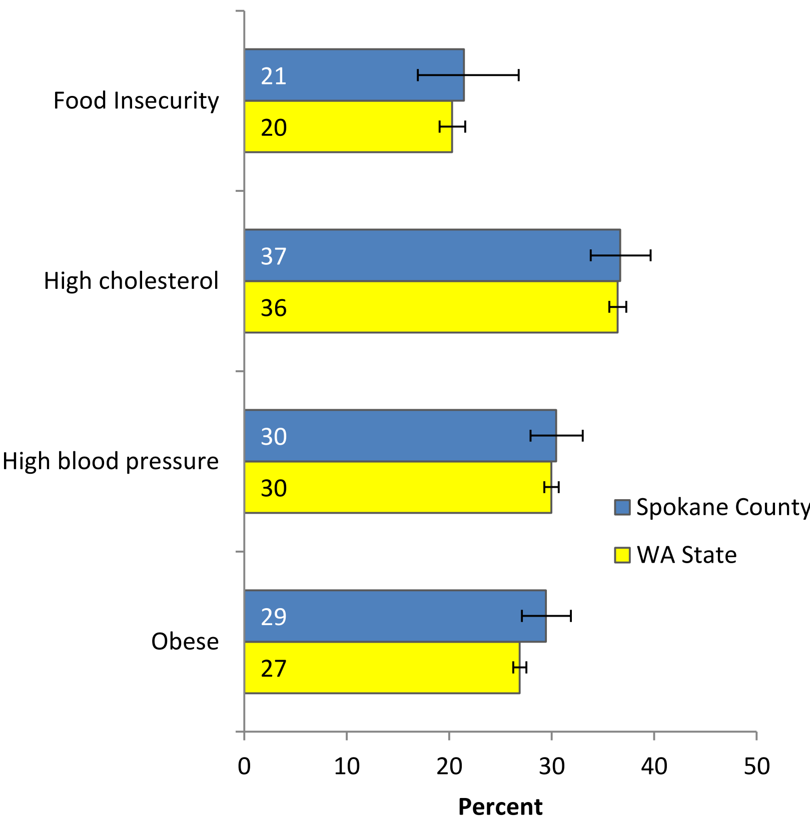
Indicator Notes

1. Adult smoking: Respondents are asked “Have you smoked at least 100 cigarettes in your lifetime?” and “Do you still smoke?”
2. Adult marijuana: Respondents were asked “During the past 30 days, on how many days did you use marijuana or hashish?”
3. Binge drinking: Past 30 days, adult men having five or more drinks or adult women having four or more drinks on one occasion.
4. CDC recommends 150 minutes of moderate aerobic physical activity or 75 minutes of vigorous aerobic physical activity a week, combined with some form of muscle strengthening activity three times a week. People whose work involves mostly walking meet the aerobic recommendation. People whose work involves heavy labor meet both the strength and aerobic recommendations.
5. Nutrition: Respondents are asked a series of questions about fruits and vegetables eaten in the past month. CDC recommends three servings of vegetables and two servings of fruit a day. Very poor nutrition is defined here as eating fruits and vegetables less than once a day.
6. E-Cigarettes: Respondent is asked “During the past 30 days, on how many days did you use electronic cigarettes, also called E-cigarettes or vape pens?”

Data Source: Washington Behavioral Risk Factor Surveillance System 2013-2015.

For people with disabilities, this document is available on request in other formats.
To submit a request, please call 1-800-525-0127 (TDD/TTY call 711).

Adult (Age 18+) Health Risk Conditions



Indicator Notes

1. Obesity in adults is defined as body mass index ≥ 30 kg /m^2 based on self reported height and weight.
2. Self reported lifetime prevalence – Survey respondent answered "yes" to "have you ever been told by a healthcare professional that you have high blood pressure / high cholesterol?"
3. Food Insecurity: Respondents were asked "How often in the past 12 months would you say you were worried or stressed about having enough money to buy nutritious meals?" Responses of "sometimes", "usually", or "always" were considered to be food insecure.

Data Source: Washington Behavioral Risk Factor Surveillance System 2013-2015.

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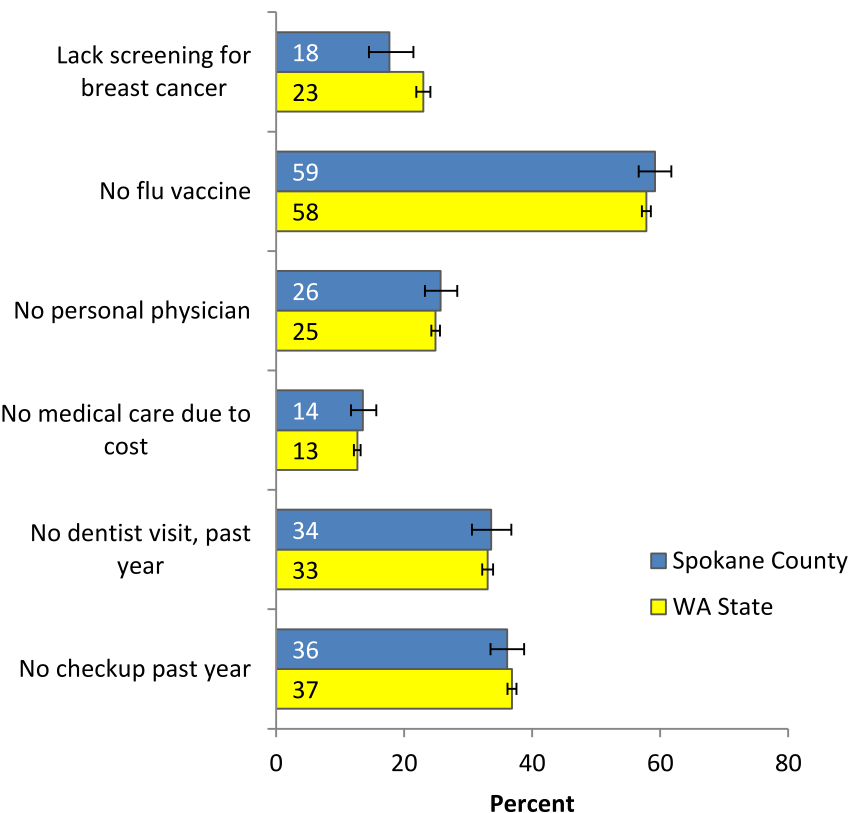
To submit a request, please call 1-800-525-0127 (TDD/TTY call 711).

Adult (Age 18+) Preventive Care



Indicator notes

1. The Department of Health recommends women age 50 or older should have a mammogram every two years.
2. Flu vaccine: Respondent has not had a flu vaccine in the past year.
3. Personal physician: Respondent is asked: "Do you have one person you think of as your personal doctor or health care provider?"
4. Respondent reports needing to see a doctor, but could not due to cost in the past year.
5. No dental visit: Respondent reports it has been more than a year since they visited a dentist for any reason.
6. No checkup: Respondent reports it has been more than a year since they had a routine medical checkup.

Data Source: Washington Behavioral Risk Factor Surveillance System 2013-2015.

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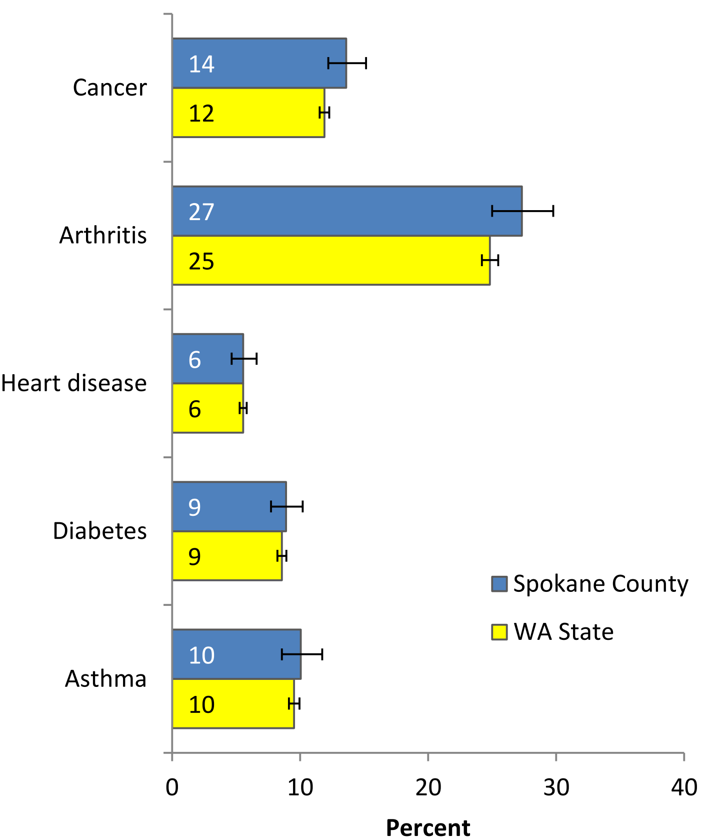
Adult (Age 18+) Chronic Disease



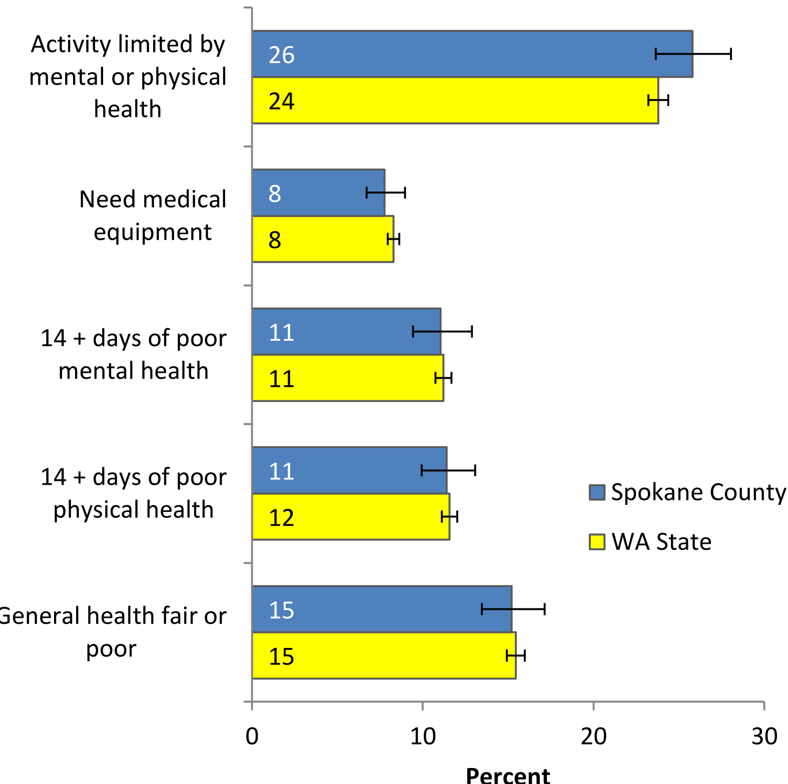
Indicator Notes

1. Self reported lifetime prevalence – Survey respondent answered "yes" to "have you ever been told by a healthcare professional that you have asthma / diabetes / heart attack, coronary heart disease, or angina / arthritis / cancer?"

Data Source: Washington Behavioral Risk Factor Surveillance System 2013-2015.

For people with disabilities, this document is available on request in other formats.
To submit a request, please call 1-800-525-0127 (TDD/TTY call 711).

Adult (Age 18+) Quality of Life



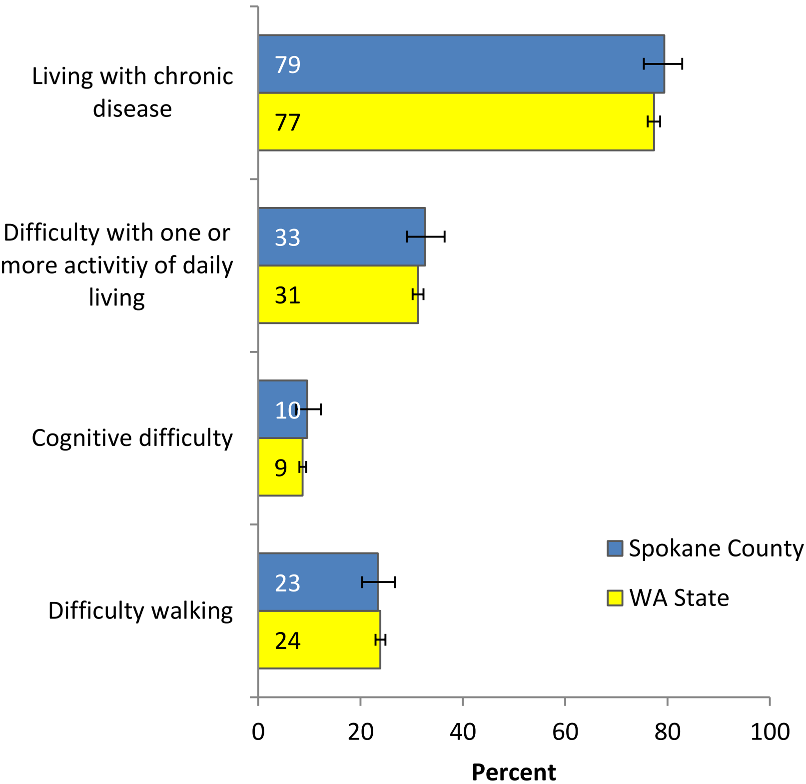
Indicator Notes

1. General health: respondent reports, in general, health is fair or poor.
2. Poor physical health: Respondent reports that on 14 or more of the past 30 days, their physical health was not good.
3. Poor mental health: Respondent reports that on 14 or more of the past 30 days, their mental health was not good.
4. Need medical equipment: Respondents are asked “Do you now have any health problem that requires you to use special equipment, such as a cane, a wheelchair, a special bed, or a special telephone?”
5. Activity limitation: Respondent is asked “Are you limited in any way in any activities because of physical, mental, or emotional problems?”

Data Source: Washington Behavioral Risk Factor Surveillance System 2013-2015.

For people with disabilities, this document is available on request in other formats.
To submit a request, please call 1-800-525-0127 (TDD/TTY call 711).

Senior (Age 65+) Health Risks

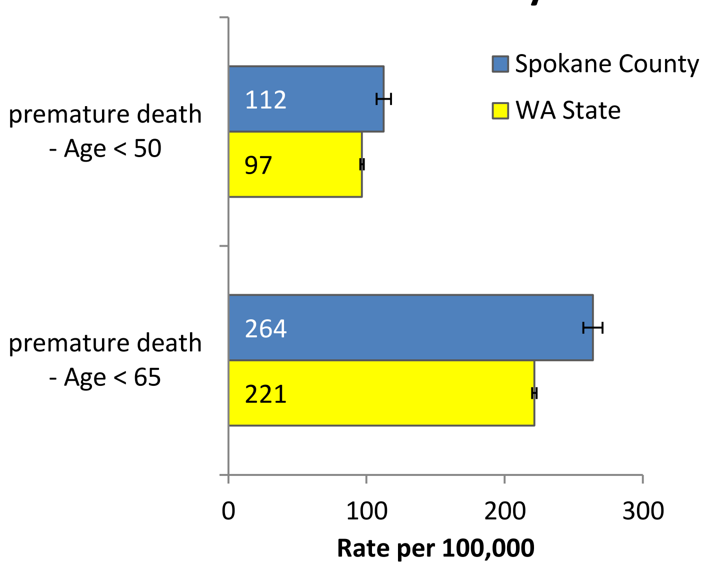


Indicator Notes

1. Living with chronic disease: Respondent is asked have you ever been told by a doctor or health care professional that you have … arthritis / asthma / COPD / cancer / diabetes, heart disease / stroke / kidney disease.
2. Activities of daily living: Respondent is asked if they have serious difficulty …seeing even with glasses / concentrating remembering or making decisions / walking or climbing stairs / dressing or bathing / doing errands alone such as visiting a doctor or shopping

Data Source: Washington Behavioral Risk Factor Surveillance System 2013-2015.

Mortality



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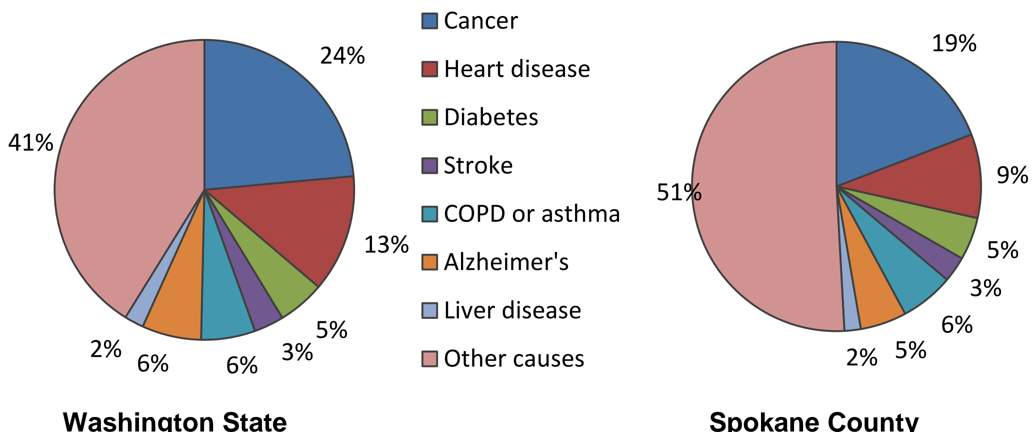


Data Source: Washington State Department of Health, Center for Health Statistics, Death Certificate Data, 2013-2015.

For people with disabilities, this document is available on request in other formats.
To submit a request, please call 1-800-525-0127 (TDD/TTY call 711).

Appendix: Data Sources & Definitions

The following provides references for more information on each data system and definitions of technical terms used in this report. Analyses for this report were completed using Stata/IC 13.0. Some estimates were obtained from previously published reports.

DATA SYSTEMS:

Office of Financial Management (OFM) Population Estimates

- For more information on OFM intercensal population estimates, go to: http://www.ofm.wa.gov/pop/default.asp

American Community Survey (ACS) and Public Use Microdata Sample (PUMS)

- For more information on the American Community Survey, go to: http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml
- For more information on Public Use Microdata Sample go to: http://www.census.gov/acs/www/data_documentation/public_use_microdata_sample/

Pregnancy Risk Assessment Monitoring Survey (PRAMS)

- For more information on PRAMS, go to: http://www.doh.wa.gov/DataandStatisticalReports/HealthBehaviors/PregnancyRiskAssessmentMonitoringSystem.aspx

Washington Birth Certificate Data

- For more information on birth data, go to: http://www.doh.wa.gov/DataandStatisticalReports/VitalStatisticsData/BirthData.aspx

Washington State Department of Health, Office of Immunization and Child Profile

- For more information on immunization data, go to: http://www.doh.wa.gov/DataandStatisticalReports/SchoolImmunization.aspx

Washington State Healthy Youth Survey (HYS)

- For more information on the HYS, go to: http://www.doh.wa.gov/DataandStatisticalReports/HealthBehaviors/HealthyYouthSurvey.aspx or http://www.askhys.net/

- For technical notes on the HYS, go to: http://www.doh.wa.gov/DataandStatisticalReports/HealthBehaviors/HealthyYouthSurvey/TechnicalNotes.aspx

Behavioral Risk Factor Surveillance System (BRFSS)

- For more information on Washington State BRFSS, go to: http://www.doh.wa.gov/DataandStatisticalReports/HealthBehaviors/BehavioralRiskFactorSurveillanceSystemBRFSS.aspx
- For more information on national BRFSS, go to: http://www.cdc.gov/brfss.

Washington State Death Certificate Data

- For more information on death records, go to: http://www.doh.wa.gov/DataandStatisticalReports/VitalStatisticsData/DeathData.aspx

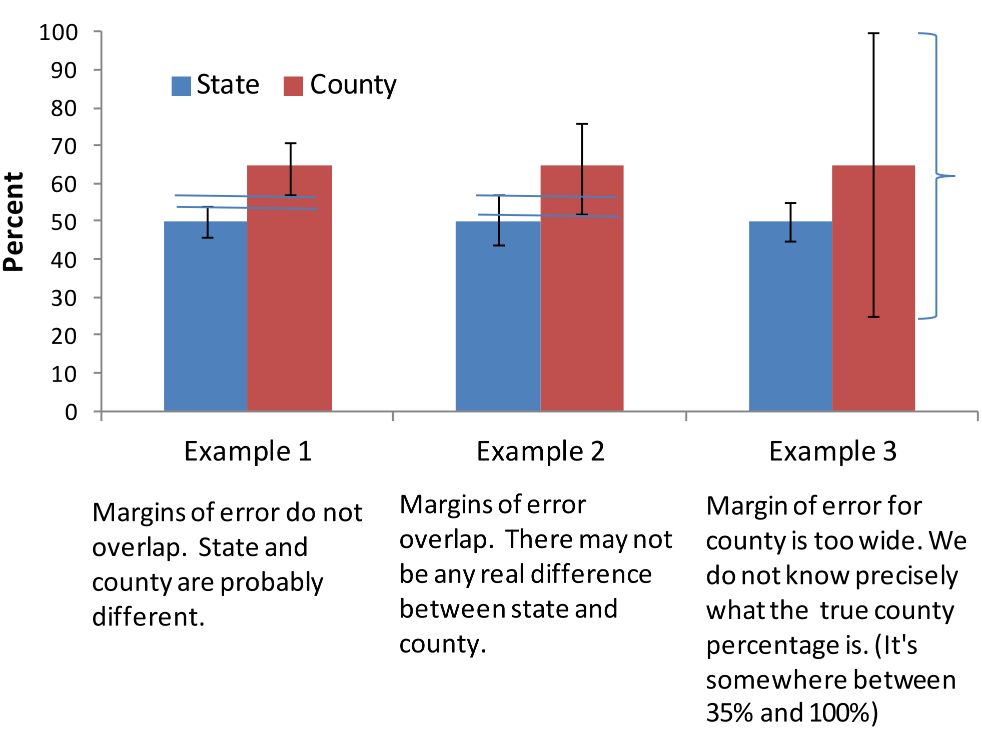
Washington State Cancer Registry (WSCR)

- For more information on WSCR, go to: https://fortress.wa.gov/doh/wscr/WSCR/

For people with disabilities, this document is available on request in other formats.
To submit a request, please call 1-800-525-0127 (TDD/TTY call 711).

CONFIDENCE INTERVALS:

Most of the estimates provided in this report come with some intrinsic level of uncertainty due to the random nature of the data. Statistical uncertainty can be summarized by a 95% confidence interval, also called the margin of error. 95% confidence means that, if the survey were repeated in exactly the same way with a different random sample of people, the new estimate would fall within the confidence interval 95% of the time. Confidence intervals are represented on graphs by whisker bars above and below the estimate.



UNRELIABLE DATA:

Estimates based on too few respondents are considered to be unreliable, and may constitute a breach of confidentiality in some circumstances. In this report data with a numerator < 10, or a denominator < 50, or a relative standard error > 30% are not reported. In these cases, local data is presented for multi-county regions for which reliable estimates can be made.

For people with disabilities, this document is available on request in other formats.
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GLOSSARY:

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[i] Prevalence: The fraction of the population with a condition at a particular point in time, typically expressed as a percent.
[ii] Life course approach: A philosophy of public health that recognizes the importance of promoting health at all life stages.
[iii] Epigenetic: Conditions in the mother prior to conception can affect how certain genes are expressed in the child.
[iv] Relative standard error (RSE): Standard Error (SE) is a measure of the degree of statistical uncertainty or noise in the data, typically about half the MOE. Relative standard error (RSE) is SE expressed as a percent of the estimate.

ATTACHMENT R

Demographics and Social Characteristics: Spokane County Health District 2017

DEMOGRAPHICS & SOCIAL CHARACTERISTICS

Spokane County

2017

Data Center
1101 W. College Ave., Room #356, Spokane, WA 99201
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January 2018

INTRODUCTION

Spokane Counts: Demographics & Social Characteristics (Demographics) is a companion document to *Spokane Counts: A Summary of Public Health Indicators (Spokane Counts)*, a report that provides data about the health and well-being of the Spokane community. Demographics builds on Spokane Counts by providing descriptive data about the population and social determinants of health in Spokane County. Population size and growth, overall racial and ethnic breakdown, poverty, employment and other factors are included. These data provide general context about Spokane County and are helpful to understanding the Spokane Counts health indicators.

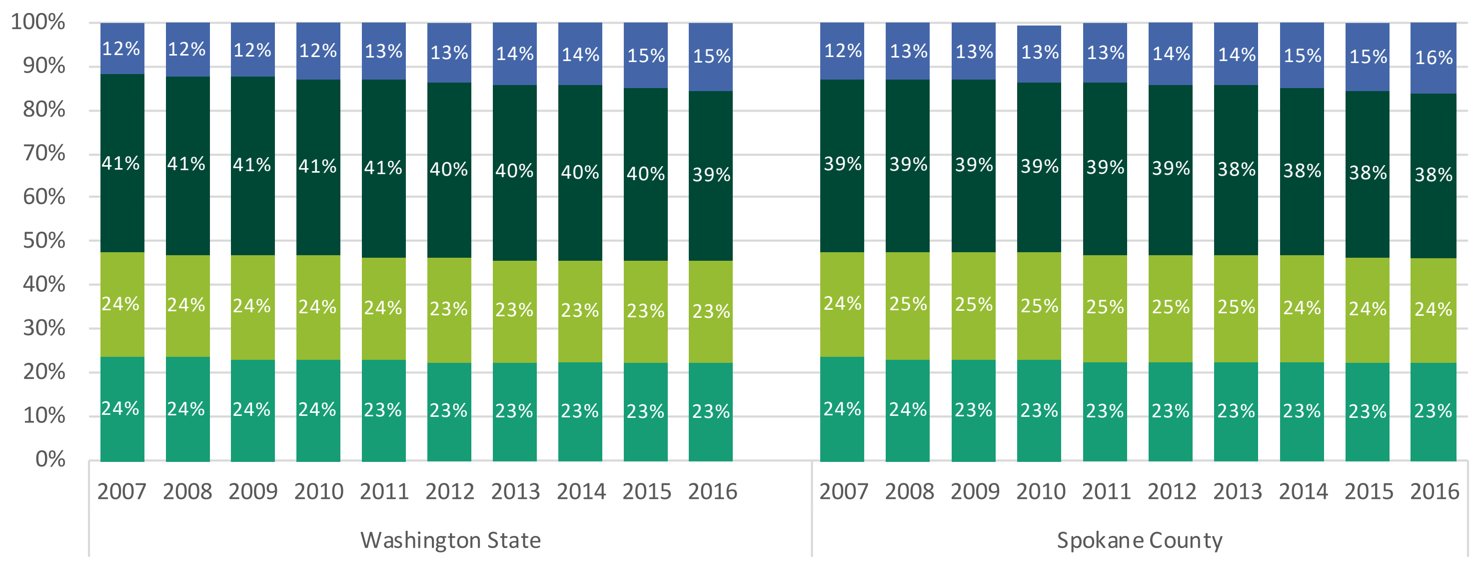
POPULATION

Spokane County is located along the central portion of the eastern edge of Washington state. In 2016, Spokane County was the fourth most populous county in the state with 492,530 individuals. This accounted for 6.9% of the state's population. The city of Spokane was the state's second most populous incorporated city with 214,500 individuals. The city of Spokane accounted for 43.6 % of the county population, with another 27.6% living in other incorporated municipalities and 28.8% living in unincorporated areas in Spokane County. Of the 39 counties in Washington state, Spokane County had the eighth highest population density with a density of 279 individuals per square mile.

In 2016, seniors made up the smallest proportion of the Spokane County's population, which had similar proportions by age group to statewide proportions. Over the last decade, the proportion of the population younger than 18 years of age decreased approximately 1%. The proportion of the population aged 65 years or older increased approximately 3%.

Population by Age Group, 2016

	Spokane County		WA State
0-17 years	112,297	22.8%	22.6%
18-34 years	117,222	23.8%	23.2%
35-64 years	186,176	37.8%	39.3%
65+ years	76,835	15.6%	14.9%



Source: Washington State Office of Financial Management, accessed from the Spokane Community Indicators website, www.communityindicators.ewu.edu

According to 2015 data, Spokane County was not racially diverse. Among county residents, 88.7% were white, 4.5% were of two or more races, 2.2% were Asian, 1.6% were black, 1.3% were American Indian/Alaska Native, and 0.5% were Native Hawaiian and other Pacific Islander. Statewide, the population was somewhat more racially diverse. While residents of Hispanic ethnicity comprised 12.4% of the statewide population, they accounted for 5.4% (26,599) of Spokane County's population. Hispanics are included in all race categories in the table on page 5.

Population by Race Alone, 2015

	Spokane County		WA State
Total	**490,945**	**100%**	**100%**
White	435,403	88.7%	76.9%
Black or African American	7,778	1.6%	3.7%
American Indian and Alaska Native	6,567	1.3%	1.3%
Asian	10,729	2.2%	7.9%
Native Hawaiian or other Pacific Islander	2,525	0.5%	0.6%
Some other race	5,731	1.2%	4.0%
Two or more races	22,212	4.5%	5.5%

Source: U.S. Census Bureau, American Community Survey, 2015. Table B02001

Population Estimates of Cities and Towns, Spokane County 2016

Spokane County	**492,530**	**100%**
Unincorporated	142,062	28.8%
Incorporated	350,468	71.2%
Airway Heights	8,425	1.7%
Cheney	11,650	2.4%
Deer Park	4,005	0.8%
Fairfield	620	0.1%
Latah	195	0.0%
Liberty Lake	9,325	1.9%
Medical Lake	4,945	1.0%
Millwood	1,790	0.4%
Rockford	470	0.1%
Spangle	275	0.1%
Spokane	214,500	43.6%
Spokane Valley	94,160	19.1%
Waverly	108	0.0%

Source: Washington State Office of Financial Management, postcensal estimates, 2016

Population by Race Alone or in Combination[1], 2015

	Spokane County		WA State
White	454,871	92.7%	81.7%
Asian	18,165	3.7%	10.2%
Black	15,255	3.1%	5.3%
American Indian or Alaskan Native	15,008	3.1%	2.9%
Native Hawaiian or other Pacific Islander	4,859	1.0%	1.2%
Some other race	7,418	1.5%	4.7%

Source: U.S. Census Bureau, American Community Survey, 2015

1 "The race concept 'alone or in combination' includes people who reported a single race alone (e.g., Asian) and people who reported that race in combination with one or more of the other race groups (i.e., white, black or African American, American Indian and Alaska Native, Native Hawaiian and other Pacific Islander, and some other race). The 'alone or in combination' concept, therefore, represents the maximum number of people who reported as that race group, either alone, or in combination with another race(s). The sum of the six individual race 'alone or in combination' categories may add to more than the total population because people who reported more than one race are tallied in each race category." U.S. Census Bureau, American Community Survey, 2015.

Population 15 Years of Age and Older by Marital Status, 2015

	Spokane County		WA State
Total	**399,822**	**100%**	**5,828,814**
Married	193,514	48.4%	50.3%
Widowed	20,391	5.1%	4.8%
Divorced	56,775	14.2%	12.1%
Separated	4,398	1.1%	1.5%
Never married	124,345	31.1%	31.2%

Source: U.S. Census Bureau, American Community Survey, 2015. Table S1201

Population by Nativity and Citizenship Status, 2015

	Spokane County		WA State
U.S. citizen, born in the U.S.	453,736	92.4%	84.5%
U.S. citizen, born in Puerto Rico or U.S. island areas	1,392	0.3%	0.4%
U.S. citizen, born abroad of American parent(s)	7,980	1.6%	1.5%
U.S. citizen by naturalization	15,572	3.2%	6.4%
Not a U.S. citizen	12,265	2.5%	7.3%

Source: U.S. Census Bureau, American Community Survey, 2015. Table B05001

Top Three Outbound and Inbound Migration States for Spokane County, 2010-2014

	Outbound Migration	Inbound Migration
Total	**22,043**	**26,193**
Washington	46%	45%
Idaho	12%	10%
California	7%	7%

Source: U.S. Census Bureau Geography Division, American Community Survey, 2010-2014.

Median Age by Geographical Mobility in Past Year for Current Residents in United States, 2015

	Count	Percent	Median Age
Total	**485,500**	**100%**	**37.5**
Same house 1 year ago	390,607	80.5%	41.1
Moved within same county	56,047	11.5%	28.5
Moved from different county within same state	18,930	3.9%	25.0
Moved from different state	18,129	3.7%	30.1
Moved from abroad	1,787	0.4%	28.6

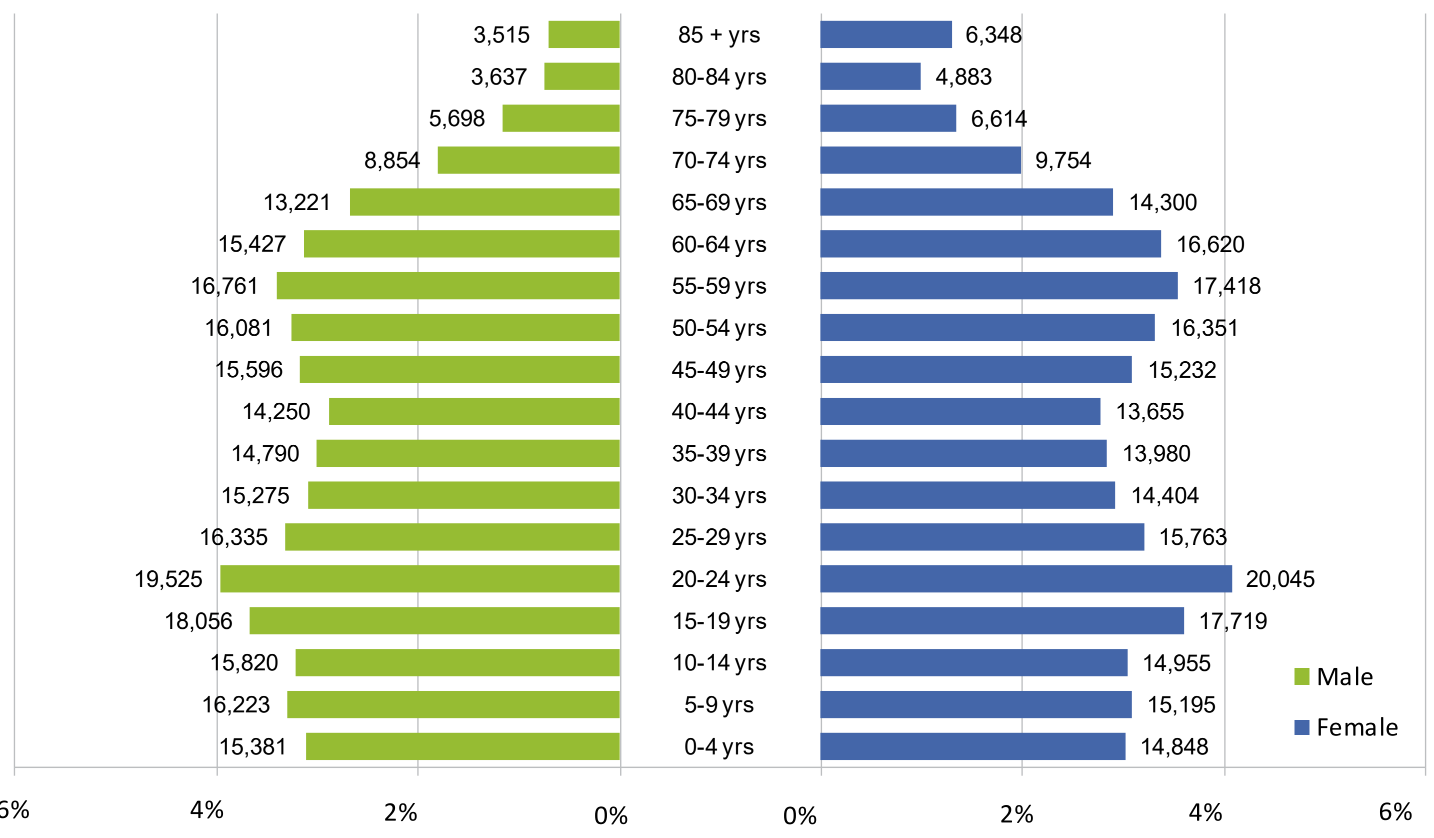
Source: U.S. Census Bureau, American Community Survey, 2015. Table B07001, B07002

Language Spoken at Home by Ability 2011-2015

Total	**451,005**
Spoke only English	415,680
Spoke English less than "very well"	13,897
Russian	3,770
Spanish or Spanish Creole	2,630
Vietnamese	1,295
Other Slavic Languages	1,013
Other Pacific Island Languages	749
Chinese	671
Arabic	462
Korean	446
Tagalog	435
African Languages	405
German	276
Other Indic Languages	258
Serbo-Croatian	225
Other Indo-European Languages	203
French (incl. Patois, Cajun)	186
Japanese	180
Mon-Khmer, Cambodian	139
Persian	102
Other Asian Languages	88
Thai	74
Hmong	54
Italian	54
Portuguese or Portuguese Creole	46
Scandinavian Languages	27
Urdu	23
Other Native North American Languages	19
Hindi	15
Hungarian	15
Polish	11
Hebrew	10
Other West Germanic Languages	8
French Creole	8

Source: U.S. Census Bureau, American Community Survey, 2011-2015. Table B16001

Distribution of Population by Age and Sex, Spokane County, 2016



Source: Washington State Office of Financial Management, postcensal estimates, 2016

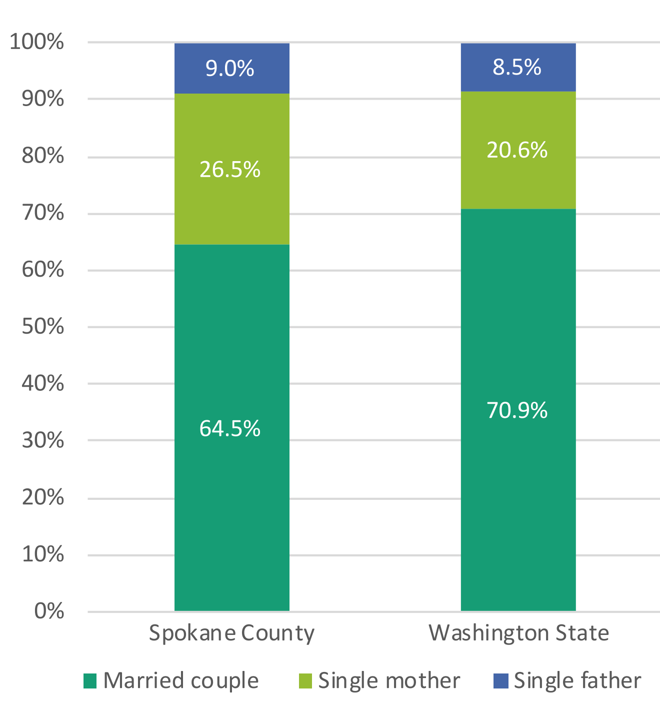
FAMILY STRUCTURE

Households by Type, Spokane County, 2015

Total Households	**193,117**	**100%**
Family households (families)	**121,981**	**63.2%**
Married-couple families	91,738	75.2%
Female householder, no husband present	21,689	17.8%
Male householder, no wife present	8,554	7.0%
Family households (with children under 18 years)	**52,880**	**43.4%**
Married-couple families	34,107	64.5%
Female householder, no husband present	14,018	26.5%
Male householder, no wife present	4,755	9.0%
Non-family households	**71,136**	**36.8%**
Householder living alone	58,512	82.3%
65 years and older	*21,807*	*37.3%*

Source: U.S. Census Bureau, American Community Survey, 2015. Table DP02

Families with Children Younger than 18 Years of Age by Household Type, 2015



Source: U.S. Census Bureau, American Community Survey, 2015. Table DP02

EDUCATION

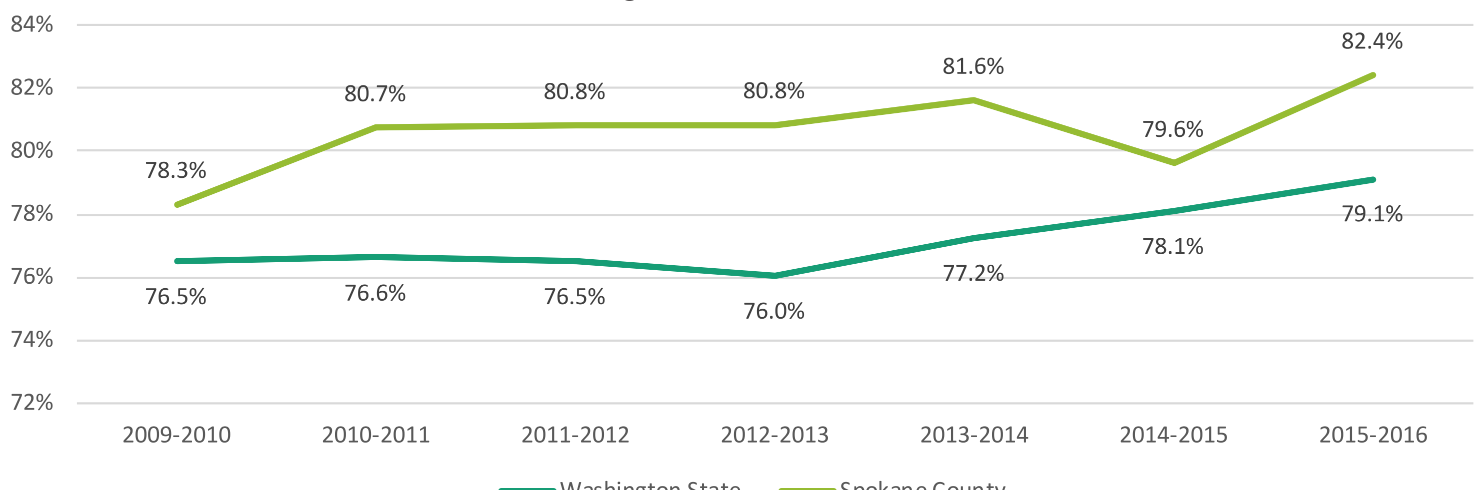
Educational Attainment among Adults 25 Years of Age or Older, 2015

	Spokane County		WA State
Population 25 years of age or older	331,853	100%	100%
Less than ninth grade	7,241	2.2%	3.9%
Ninth-12th grade, no diploma	15,143	4.6%	5.2%
High school graduate/GED	85,554	25.8%	23.1%
Some college, no degree	91,084	27.4%	24.0%
Associate's degree	38,375	11.6%	9.6%
Bachelor's degree	59,188	17.8%	21.7%
Graduate or professional degree	35,268	10.6%	12.5%

Source: U.S. Census Bureau, American Community Survey, 2015. Table S1501

High School Completion in Spokane County

Among students who began ninth grade, 82.4% graduated from high school on time during the 2015/2016 school year. Another 7.9% continued high school beyond the traditional graduation date and completed high school in an extended period. Statewide, 79.1% of students graduated on time. Spokane County had a small increase in on-time graduation from high school, while the proportion statewide was stable. More information about the education system and student performance is available from the Washington State Office of Superintendent of Public Instruction at *k12.wa.us/DataAdmin/default.aspx.*



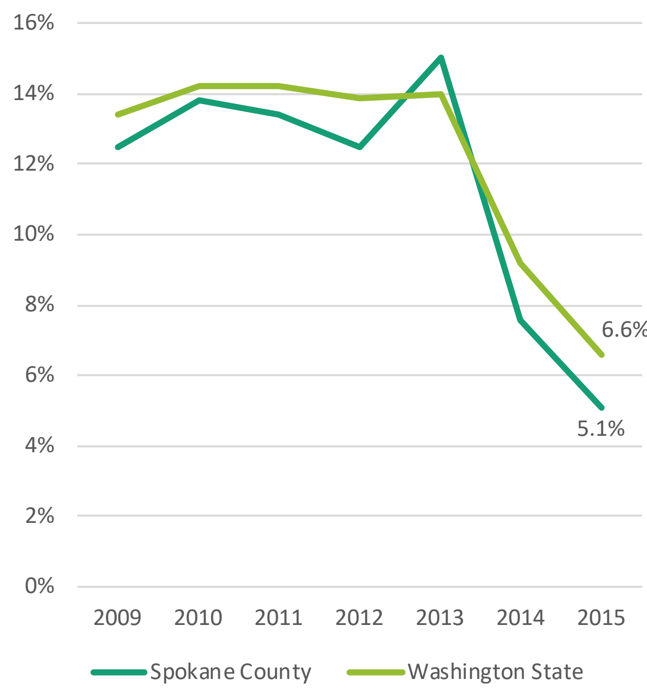
Source: Washington State Office of Superintendent of Public Instruction, 2017.

HEALTH INSURANCE AND DISABILITY

In 2015, approximately 5% of Spokane County's population was uninsured. The uninsured rate significantly decreased since 2013, from 15% to 5.1%, likely reflecting the expansion of health insurance coverage related to the full enactment of the Affordable Care Act on January 1, 2014. Those who were 18 to 34 years of age, male, and those who reported some other races had the highest proportion of being uninsured. The uninsured rate was lower in Spokane County compared to the statewide population. However, blacks or African Americans and those who reported some other race or two or more races, had higher uninsured rates compared to the statewide population.

Spokane County encompassed 6.8% of the state's population with a disability. Disability includes those with hearing, vision, cognitive, ambulatory, self-care, or independent living difficulties. Among those with a disability, 57.5% were 75 years of age or older. Overall, Spokane County had higher disability rates than the state.

Uninsured Rate Over Time



Source: U.S. Census Bureau, American Community Survey, 2009-2015. Table S2701

Percent of Uninsured, 2015

By Age

	Spokane County	WA State
0-17 years	2.4%	2.6%
18-34 years	9.9%	12.3%
35-64 years	5.1%	6.3%
65+ years	0.1%	0.7%
Total	5.1%	6.6%

Source: U.S. Census Bureau, American Community Survey, 2015. Table S2701

By Sex

	Spokane County	WA State
Female	3.6%	5.5%
Male	6.8%	7.7%

Source: U.S. Census Bureau, American Community Survey, 2015. Table S2701

By Race

	Spokane County	WA State
White alone	4.9%	5.8%
Black or African American	12.2%	7.3%
American Indian /Alaska Native	8.8%	16.1%
Asian	4.6%	5.5%
Native Hawaiian & other Pacific Islander	*	9.0%
Some other race	*	23.6%
Two or more races	5.6%	4.8%

*Source: U.S. Census Bureau, American Community Survey, 2015. Table S2701; *data cannot be displayed because the number of sample cases is too small.*

Percent of Population with a Disability by Age, 2015

	Spokane County	WA State
Under 5 years	0.6%	0.7%
5-17 years	5.0%	5.1%
18-34 years	9.2%	6.9%
35-64 years	16.4%	13.3%
65-74 years	25.0%	26.3%
75+ years	57.5%	50.7%
Total	15.1%	12.9%

Source: U.S. Census Bureau, American Community Survey, 2015. Table S1810

INCOME AND POVERTY

Estimates of median household income were based on the U.S. Census Bureau's American Community Survey (ACS) estimates for 2000-2014 and census data from 2000. These model-based estimates may differ from other median household income data developed from the Washington State Office of Financial Management's State Population Survey, Bureau of the Census estimates, or other sources. Survey data, which are subject to sampling variability and errors, are not necessarily more accurate than the estimate data.

Estimates of median household money income for the inter- and post-census years were based on the U.S. Bureau of Economic Analysis personal income data and estimates of household characteristics at the county level. For 2006-2010, the median household income estimates were anchored to ACS estimates wherever available.

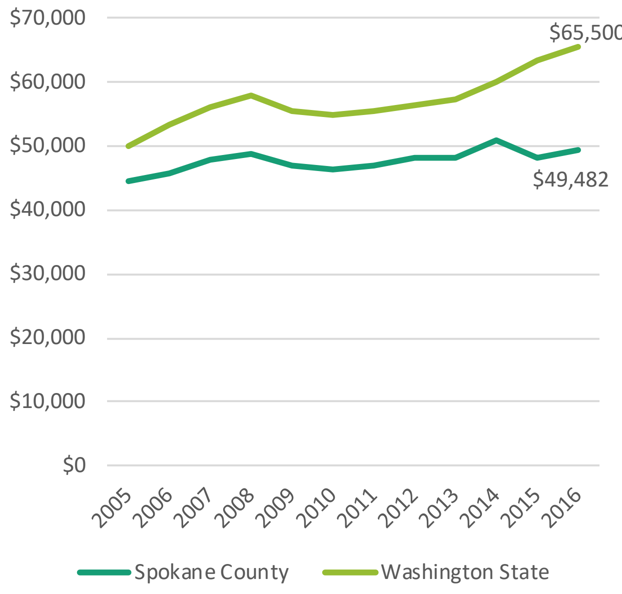
The projected median household income in Spokane County for 2016 was $49,482, compared to $65,500 statewide. The projected 2016 median household income increased slightly over the previous year. In 2015, approximately one in six individuals (15.5%) in the county lived below 100% federal poverty level (FPL), and 36.5% lived below 200% FPL. The proportion of Spokane County residents living in poverty (below 200% FPL) was significantly higher than the statewide proportion (28.6%).

Median Household Income Estimates

	Spokane County	WA State
2005	44,538	50,004
2006	45,753	53,522
2007	47,848	56,141
2008	48,876	57,858
2009	46,983	55,458
2010	46,320	54,888
2011	46,846	55,500
2012	48,265	56,444
2013	48,312	57,284
2014	50,856	60,153
2015 Preliminary estimate	48,189	63,439
2016 Projection	49,482	65,500

Source: Washington State Office of Financial Management, March 8, 2017.

Median Household Income Over Time



Source: Washington State Office of Financial Management, March 8,2017

Families with Children Living at or Below 100% FPL, 2015

	Spokane County	WA State
All Families	17.7%	12.9%
Married Couple Families	8.1%	5.6%
Single Mothers	37.5%	34.0%

Source: U.S. Census Bureau, American Community Survey, 2015. Table S1702

Individuals Living at or Below 100% FPL by Age Group, 2015

Poverty Level	Spokane County	WA State
<18 Years	20.2%	15.5%
18-64 Years	15.6%	12.1%
65+ Years	8.3%	7.4%

Source: U.S. Census Bureau, American Community Survey, 2015. Table S1701

Population Living at or below Various FPL, 2015

Poverty Level	Spokane County	WA State
100% FPL	15.5%	12.2%
125% FPL	20.7%	16.0%
185% FPL	34.0%	26.1%
200% FPL	36.5%	28.6%
300% FPL	54.8%	44.3%

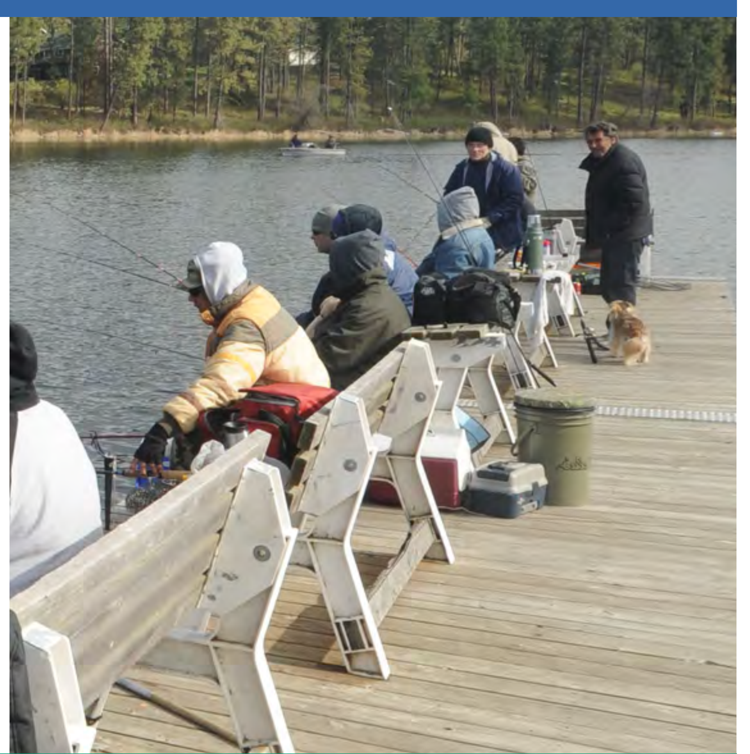
Source: U.S. Census Bureau, American Community Survey, 2015. Table B17002

Individuals Within Race and Hispanic Ethnicity Categories Living at or below 100% FPL, 2011-2015

	Spokane County	WA State
White	14.7%	11.6%
Black	30.0%	24.8%
American Indian or Alaskan Native	35.3%	26.9%
Asian	15.3%	12.0%
Native Hawaiian or other Pacific Islander	30.0%	18.5%
Some other race	29.6%	27.4%
Hispanic ethnicity	25.9%	24.8%

AIAN=American Indian/Alaska Native, NHOPI=Native Hawaiian/Other Pacific Islander

Source: U.S. Census Bureau, American Community Survey, 2011-2015.Table S1701



EMPLOYMENT

There were 232,473 individuals 16 years of age or older who were in the labor force, or looking for work, in Spokane County in 2015. Of those, 7.3% were unemployed, 1.3% were in the armed forces, and the remaining 91.5% were in the civilian labor force. Statewide, workforce employment was similar: 5.9% unemployed, 1.2% in the armed forces, and 92.9% in the civilian labor force. Unemployed individuals were defined as individuals who used an active method of looking for work in the last four weeks, and did not include those who were retired, disabled, or students.

Among the civilian labor force, more than three-quarters were private wage and salary workers (73.5%). Government workers accounted for 14.5% of the labor force and 11.9% were self-employed.

Occupation of the Civilian-Employed Population 16 Years of Age or Older, 2015

	Spokane County		WA State
Total	**212,649**	**100%**	**100%**
Management, business, science and arts occupations	76,183	35.8%	39.8%
Sales and office occupations	54,703	25.7%	21.8%
Service occupations	40,721	19.1%	16.9%
Production, transportation and material moving occupations	25,412	12.0%	11.5%
Natural resources, construction and maintenance occupations	15,630	7.4%	9.9%

Source: U.S. Census Bureau, American Community Survey, 2015. Table S2401

Compared to Washington state, Spokane County had a higher proportion of workers in sales and office occupations; service occupations; and production, transportation and material moving occupations. Spokane County had a lower proportion of workers in management, business, science and arts occupations; and natural resources, construction and maintenance occupations.

Industry of the Civilian-Employed Population 16 Years of Age or Older, 2015

	Spokane County		WA State
Educational services, and health care and social assistance	57,400	27.0%	21.3%
Retail trade	26,354	12.4%	11.7%
Professional, scientific, and management, and administrative and waste management services	19,866	9.3%	12.5%
Arts, entertainment, and recreation, and accommodation and food services	18,651	8.8%	9.3%
Manufacturing	17,689	8.3%	10.3%
Finance and insurance, and real estate and rental and leasing	15,460	7.3%	5.4%
Construction	12,264	5.8%	6.5%
Other services, except public administration	12,045	5.7%	4.7%
Transportation and warehousing, and utilities	10,139	4.8%	5.4%
Public administration	9,487	4.5%	5.1%
Wholesale trade	7,143	3.4%	2.9%
Agriculture, forestry, fishing and hunting, and mining	3,120	1.5%	2.7%
Information	3,031	1.4%	2.2%

Source: U.S. Census Bureau, American Community Survey, 2015. Table S2403

COST OF BASIC NEEDS

As poverty remains a concern in the Spokane community, for this update, Spokane Regional Health District authors adjusted how the cost of basic needs for Spokane individuals was generated. Two publications were used in this adjustment—Facing Spokane Poverty (2002), published by the health district, and The Self-Sufficiency Standard for Washington State (2017), published by the Workforce Development Council of Seattle-King County, detail approaches to measuring the cost of basic needs in Spokane County.[i] The cost of basic needs is based on a family of four consisting of two adults and two children; one preschooler (3-5 years old), and one school-age child (6-12 years old). The annual cost of basic needs was $50,856, equating to 206.7% FPL for a household of four in 2017.

Food cost estimates were provided by U.S. Department of Agriculture and were available by age group and four food plans.[ii] The health district's analysis used the low-cost food plan as a sustainable measure of basic food needs and assumed that all meals and snacks were purchased at a store and prepared at home. Food costs for a family of four with a low-cost plan in June 2017 were $713 per month.

Utility cost was a combination of telephone and energy services. Telephone service was based on the best low-cost cell phone plans published in February 2017 by Consumer Reports.[iii] The cheapest cell phone plan for two people costed $80 per month. The retail sales tax was 8.8% in 2017. Monthly telephone cost after tax was about $87. Energy cost was estimated from Avista Corporation.[iv] Average utility cost was $135 for a family of four living in a 1651-2150 square foot home with electric forced air plus air conditioning in the Spokane/Coeur d'Alene area.

Housing cost was based on U.S. Department of Housing and Urban Development fair market rent 2017 estimates in Spokane County.[v] The rent for two-bedroom housing was $869 per month.

Transportation cost was based on a family having one car and using public transportation. An assumption was made

that there was no car payment. Only one child bus pass was accounted for since children 6 years and younger ride free. The monthly youth bus pass was $30 as of April 2017. The cost of gas was calculated for driving 20 miles per day at 20 miles per gallon at $2.75 per gallon for gasoline in April 2017. The cost for insurance was about $109 per month based on the average auto insurance costs in Spokane reported by the Insurance Information Institute in 2014.[vi]

Childcare cost was reported by Child Care Aware of Washington Family Center.[vii] The information reported for Spokane County for childcare cost identified two children (one preschool-age child 2 ½ to 5 years of age and one school-age child > 6 years of age), in a family of four. The cost for child care referred to the average rates for non-subsidized care in a network center and was $1,116 per month. In 2016, 29,820 children received state-subsidized child care in Washington state.[viii] The difference in costs for preschool age children receiving a subsidy compared to the median cost of child care is approximately $137 per month.[ix]

Health insurance was based on the estimated premium of a family of four (two adults, 35-40 years old and two children) insured with the second lowest-cost silver plans in 2016 (Ambetter Balanced Care 2 plan according to the Washington health plan finder), and cost $616 per month.

Personal and household expenses were calculated as 10% of the cost per month for basic needs (food, housing, utilities, transportation, child care and health care) for a family of four in Spokane County, estimated at $385 per month.

Cost per Month for Basic Needs for a Family of Four, 2017

Food	$713
Housing	$869
Utilities	$222
Transportation	$317
Child care	$1,116
Health care*	$616
Personal and household expenses	$385
Total	$4,238

The second lowest cost silver plan (SLCSP) is a plan on each state's marketplace used to determine cost assistance.

Cost Per Month for Basic Transportation, Spokane County, 2017

Adult bus pass	$45
Child bus pass	$30
Auto insurance	$109
Gasoline	$83
Maintenance	$50
Total	**$317**

Source: spokanegasprices.com; https://www.iii.org/fact-statistic/facts-statistics-auto-insurance

Cost per Month by Age for a Low-Cost Food Budget, Spokane County, 2014

Child	1 year	$125.3
	2-3 years	$131.6
	4-5 years	$135.6
	6-8 years	$191.2
	9-11 years	$206.4
Male	12-13 years	$237.0
	14-18 years	$240.5
	19-50 years	$238.9
	51-70 years	$225.6
	71+ years	$222.4
Female	12-13 years	$204.0
	14-18 years	$203.7
	19-50 years	$207.0
	51-70 years	$201.7
	71+ years	$199.3
Family of Four*		**$713.1**

Source: United States Department of Agriculture, Center for Nutrition Policy and Promotion.

Average Cost per Month for Child Care, Spokane County, 2016

	Childcare Center	Home Child Care
Infant	$849	$650
Toddler	$722	$650
Preschool	$650	$563
School-Age	$466	$520

Source: Child Care Aware of Eastern Washington

HOUSING

In 2015, there were an estimated 208,309 housing units in Spokane County. Of those, 7.3% were vacant. The majority of occupied housing were owner-occupied (60.5%), while the remaining housing units (39.5%) were renter-occupied. The percentage of owner-occupied housing slightly decreased since 2006, while the proportion of renter-occupied housing increased. Most occupied housing had complete plumbing and kitchen facilities; 1% lacked plumbing and 1.5% lacked kitchen facilities.

Approximately 19.7% of housing units were built in 2000 or later. A similar percentage (16%) of housing units were built in 1939 or earlier. Compared to the state, Spokane County had a higher proportion of older housing and a lower proportion of newer housing.

The median price of homes in Spokane increased by 27.7% from 2011 ($162,300) to 2016 ($207,300), while the median price of homes statewide increased by 40.6%. Housing affordability slightly decreased both in Spokane County and statewide. Housing affordability was estimated based on the National Association of Realtors' Housing Affordability Index, defined as the ability of a middle-income family to carry the mortgage payments on a median price home.[x]

In the 2016 Point-in-Time Count, a one-day count of homelessness in Spokane County, the City of Spokane Community, Housing and Human Services data showed 981 homeless individuals in Spokane County, which was a 5% decrease from 2015. Of those counted, 31% were individuals in families with children.

Year Housing Units were Built, 2015

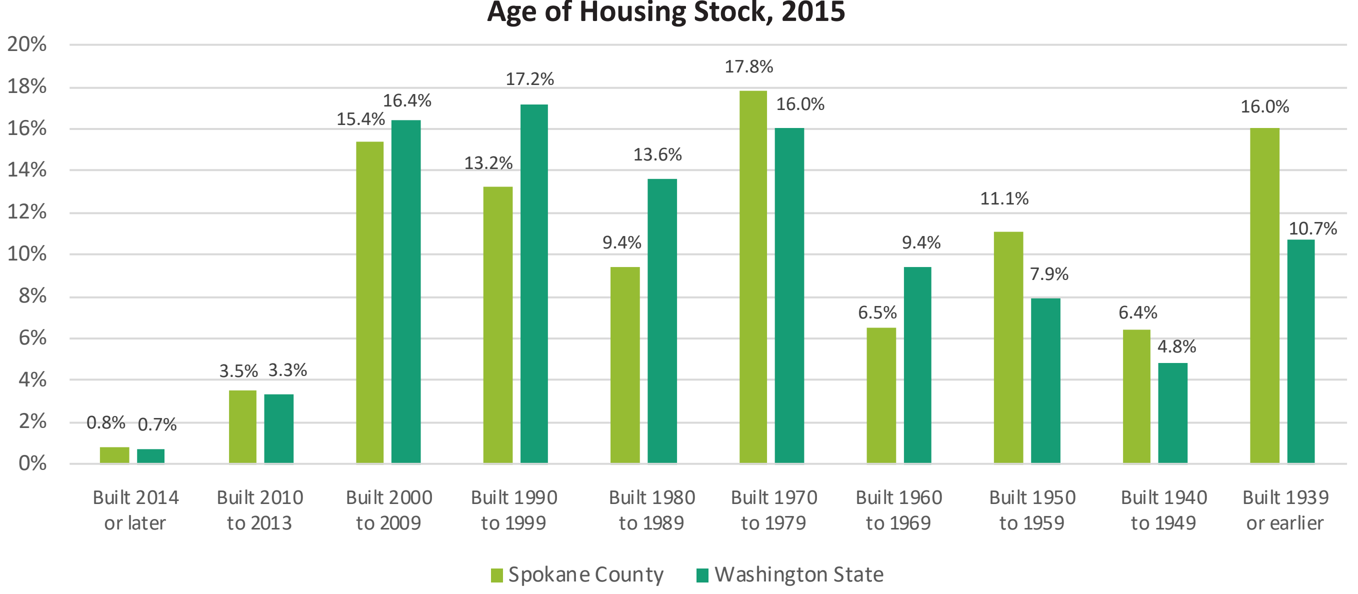
	Spokane County		WA State
Total housing units	**208,309**	**100%**	**100%**
Built 2014 or later	1,578	0.8%	0.7%
Built 2010 to 2013	7,375	3.5%	3.3%
Built 2000 to 2009	32,104	15.4%	16.4%
Built 1990 to 1999	27,417	13.2%	17.2%
Built 1980 to 1989	19,591	9.4%	13.6%
Built 1970 to 1979	37,069	17.8%	16.0%
Built 1960 to 1969	13,468	6.5%	9.4%
Built 1950 to 1959	23,100	11.1%	7.9%
Built 1940 to 1949	13,371	6.4%	4.8%
Built 1939 or earlier	33,236	16.0%	10.7%

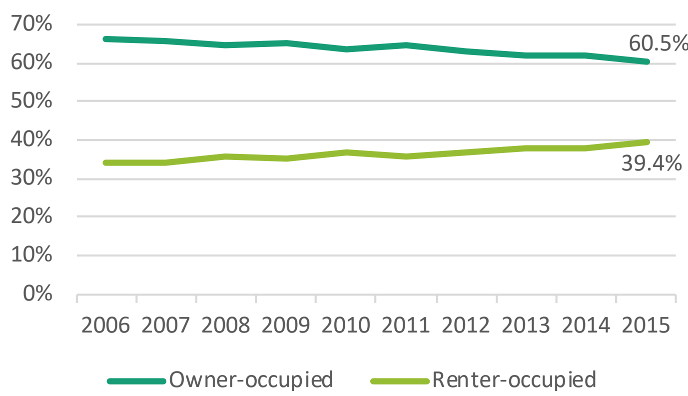
Source: U.S. Census Bureau, American Community Survey, 2015. Table DP04

House Heating Fuel in Occupied Housing, 2015

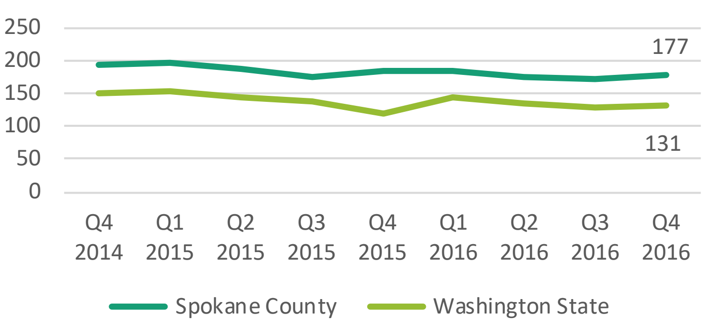
	Spokane County		WA State
Total	**193,117**	**100%**	**100%**
Utility gas	93,832	48.6%	34.7%
Bottled, tank or liquefied petroleum gas	2,133	1.1%	3.1%
Electricity	83,950	43.5%	55.1%
Fuel oil, kerosene, etc.	3,616	1.9%	2.0%
Coal or coke	46	0.0%	0.0%
Wood	6,590	3.4%	4.0%
Other fuel	1,922	1.0%	0.6%
No fuel used	1,028	0.5%	0.5%

Source: U.S. Census Bureau, American Community Survey, 2015. Table DP04



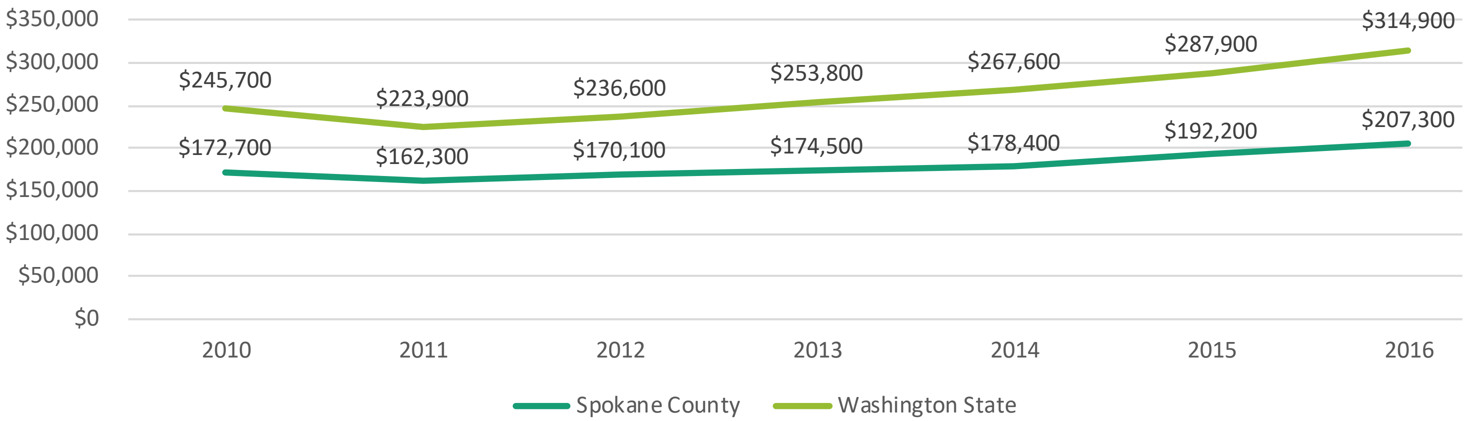


Source: U.S. Census Bureau, American Community Survey, 2006-2015. Table S2502



** When the index is 100 there was a balance between the family's ability to pay and the cost. Higher indexes indicated housing was more affordable. All loans were assumed to be 30-year loans. All buyer indexes assume 20% down payment. It was assumed 25% of income can be used for principal and interest payments.*

Source: Runstad Center for Real Estate Studies, University of Washington. 2016 Q4



Source: Runstad Center for Real Estate Studies, University of Washington. 2016 Q4 Note: 2016 median home prices were obtained by averaging the median home prices across four quarters.

References

[i] The Self-Sufficiency Standard for Washington State, 2017. www.selfsufficiencystandard.org/Washington

[ii] U.S. Department of Agriculture, Center for Nutrition Policy and Promotion. www.cnpp.usda.gov

[iii] Consumer Reports. www.consumerreports.org

[iv] Avista Corporation. www.avistautilities.com

[v] U.S. Department of Using & Urban Housing, Fair Market Rent. www.huduser.gov/portal/datasets/fmr/fmrs/FY2017_code/select_Geography.odn

[vi] Insurance Information Institute, 2014. https://www.iii.org/

[vii] Child Care Aware of Eastern Washington. http://community-minded.org

[viii] Office of Financial Management. https://ofm.wa.gov/washington-data-research/statewide-data/washington-trends/budget-drivers/state-supported-child-care

[ix] Washington Health Benefit Exchange, Health Plan Finder. www.wahbexchange.org

[x] National Association of Realtors' Housing Affordability Index. www.nar.realtor/research-and-statistics/housing-statistics/housing-affordability-index

Other Data Sources

City of Spokane Community, Housing and Human Services. https://my.spokanecity.org/chhs/documents/

Washington State Department of Social and Health Services. www.dshs.wa.gov

Washington State Office of Financial Management. www.ofm.wa.gov

Washington State Office of Superintendent of Public Instruction. www.k12.wa.us

U.S. Census Bureau, American Community Survey. www.census.gov.

Runstad Center for Real Estate Studies, University of Washington

http://realestate.washington.edu/research/wcrer/reports/

Census flows Mapper

https://flowsmapper.geo.census.gov/map.html#

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ATTACHMENT S

Achievements in LTSS: Rebalancing and the Age Wave David Mancuso, PhD

Achievements in Long-Term Services and Supports: Rebalancing and the Age Wave

David Mancuso, PhD

Director, DSHS Research and Data Analysis Division

October 19, 2017

Overview

PART 1

The Impact of LTSS Rebalancing: Estimated Medicaid Savings from SFY 2000 to SFY 2018

PART 2

An Illustration of Program Innovation Supporting Rebalancing: The Roads to Community Living (RCL) Program

PART 3

The Impact of the Age Wave

Appendix

Supplemental Data by County

Getty Images/iStock

PART 1

LTSS Rebalancing: Estimated Medicaid Savings from SFY 2000 to SFY 2018

LTSS Rebalancing Financial Impact Methodology

- Calculate the percentage distribution of ALTSA LTSS clients across major service modalities in SFY 1999: In-home Personal Care, Adult Family Homes, Assisted Living, Adult Residential Centers, and Nursing Homes
- Simulate the caseloads that would have been experienced by major modality if percentage distribution of LTSS caseloads across modalities over the SFY2000-2018 period had remained the same as experienced in SFY 1999
- Simulate the expenditures that would have been experienced by applying actual SFY 2000-2018 per capita costs by service modality to the simulated caseload distribution
- Compare the total costs of the simulated caseload distribution to the actual and forecast total LTSS costs incurred over the SFY 2000-2018 period
- The difference comprises the estimated savings (all funds)

ALTSA LTSS Rebalancing Savings

Monthly Service Expenditures • All Fund Sources • SFY 2000-2018

$225,000,000
$200,000,000
$175,000,000
$150,000,000
$125,000,000
$100,000,000
$75,000,000
$50,000,000
$25,000,000
$0

ACTUAL | PROJECTED

Cumulative Savings = $4.4 Billion
All Fund Sources
TOTAL SHADED AREA

PERIOD 1 | PERIOD 2

Expenditures without Rebalancing
Assumes SFY 1999 distribution of Long-Term Support Services utilization continues into the future

Actual Expenditures

PERIOD 1 SAVINGS
$3.5 Billion
7/99 – 6/16

PERIOD 2 SAVINGS
$0.9 Billion
7/16 – 6/18

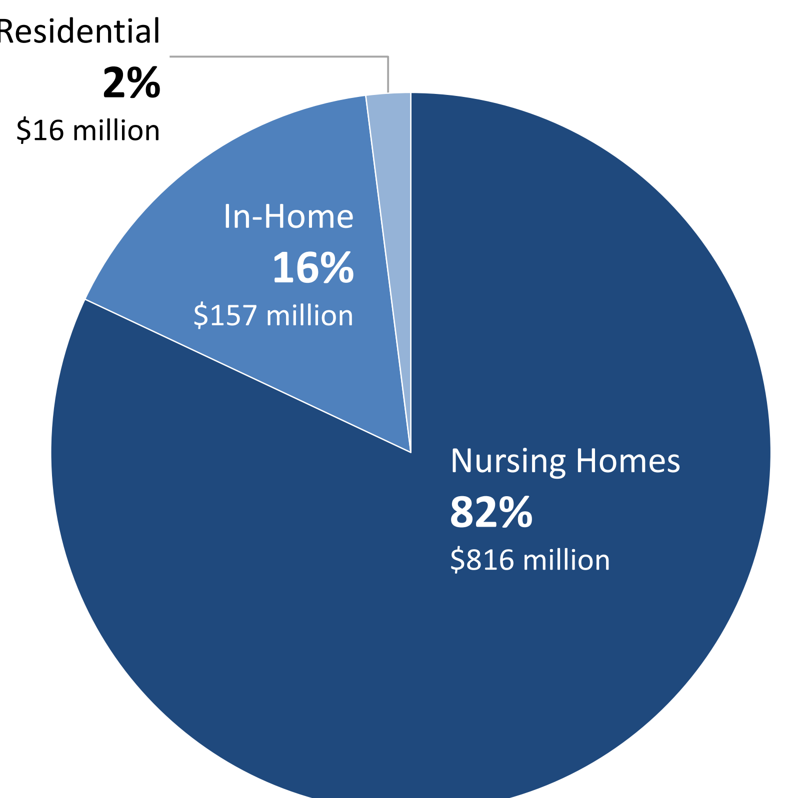
Jul-99 Jul-00 Jul-01 Jul-02 Jul-03 Jul-04 Jul-05 Jul-06 Jul-07 Jul-08 Jul-09 Jul-10 Jul-11 Jul-12 Jul-13 Jul-14 Jul-15 Jul-16 Jul-17 Jul-18

DATA SOURCE: RDA EMIS. For In-home Services, RDA EMIS caseload data are adjusted to Caseload Forecast Council caseload data from July 2003 to January 2005.

Long-Term Services and Supports Expenditure Shift

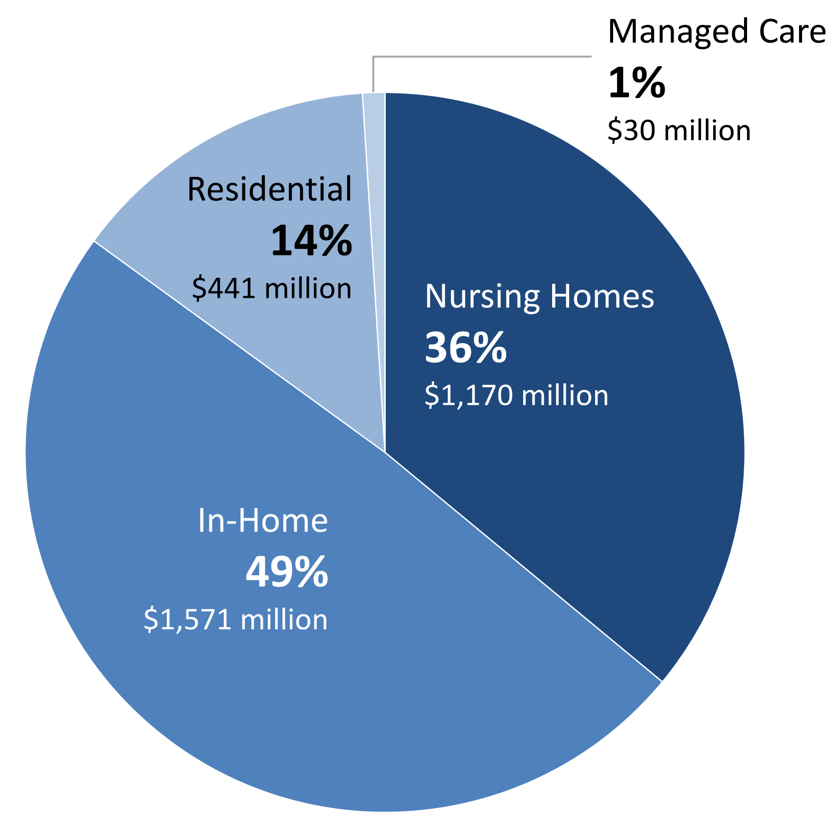
1991-93 Biennium

TOTAL BUDGET = $1 BILLION
CASELOAD FOR ALL SERVICES APPROXIMATELY 38,000 CLIENTS



2013-15 Biennium

TOTAL BUDGET = $3 BILLION
CASELOAD FOR ALL SERVICES APPROXIMATELY 60,000 CLIENTS



SOURCE: Washington State Department of Social and Health Services, Aging and Long-Term Support Administration.

LTSS Program Innovations Supporting Rebalancing

1981
- State-funded in-home program allows self-directed option

1983
- 1915(c) waiver approved

1984
- First steps to control nursing home growth

1985
- Adult Protective Services statute

1989
- State Plan personal care for individuals with physical disabilities
- Statewide respite program implemented

1993
- Mandates for Nursing Home reductions—state staff dedicated to nursing home and hospital transitions

1995
- State plan eligibility expanded to those with functional disabilities
- Required training for all in-home personal care assistance

1999
- First nurse delegation law and law allowing family members to be paid when providing skilled tasks

2000
- State Family Caregivers Program

2001
- Self-directed care providers vote to unionize

2003
- Standardized electronic assessment with acuity based payment methodology used across all HCBS populations (aging, physical, developmental disabilities)
- Abuse registry

2008
- MFP (RCL) implemented in Washington

2009
- Statewide implementation of Standardized Caregiver Assessment Tool

2012
- Long-Term Care Worker Training and Certification requirements

2013
- Health Home Program Implementation

2015
- State Plan Community First Choice Program

2017
- 1115 Waiver creates new options and eligibility for Long-Term Support Services

1980 1985 1990 1995 2000 2005 2010 2015 2020

PART 2

Impact of the Roads to Community Living (RCL) Demonstration on Medicaid Long-Term Services and Supports Costs

Background

RCL demonstration services

- Person-centered care plan tailored to individual needs
- Services needed during the move and transition back into the community
- Access to additional services and supports not currently available through existing Medicaid waivers for one year after the person has moved into the community

Examples of RCL demonstration services

- Community choice guide
- Challenging behavior consultation
- Transitional mental health services
- Professional therapy services
- Informal caregiver support services
- Substance abuse services
- Respite services
- Adult day trial services
- Assistive technology
- Demonstration transition items
- Residential environmental modifications

Evaluation Overview

- **Study Goal**
  - Evaluate the impact of the "Roads to Community Living" demonstration on use of LTSS services
- **Who is eligible for the RCL demonstration?**
  - Living in a nursing facility for 3 months or longer ***AND*** receiving Medicaid to pay for care
- **RCL treatment group**: clients initiating RCL services in the study intake window and meeting inclusion criteria
- **Matched comparison group:**
  - One-to-one matching links each RCL treatment group member to their "best match" – the person most similar to the RCL treatment group member when they began receiving RCL services
- **Index month**: month of first receipt of an RCL service
- **Sample size after matching**
  - RCL treatment group: 1,738 persons
  - Matched comparison group: 1,738 persons
- **Study data sources**
  - Minimum Data Set (MDS)
  - CARE assessment to identify Home and Community Services intakes
  - DSHS Integrated Client Database for LTSS services
  - Medicaid and Medicare claims data (nursing facility stays, inpatient hospitalizations)

TOTAL – ALL COSTS, INCLUDING RCL DEMONSTRATION COSTS

HCBS, Nursing Home and RCL Demonstration Services Costs

MONTHLY AVERAGE COST ACROSS ALL RCL TREATMENT AND MATCHED COMPARISON GROUP MEMBERS
INCLUDING CLIENTS WITH NO COSTS WHO DID NOT RECEIVE LTSS SERVICES IN THE MONTH

$5,000
$4,000
$3,000
$2,000
$1,000
$0

Cost savings emerge quickly after initial investment in RCL services

Matched Comparison Group

RCL Treatment Group

-24 -18 -12 -6 6 12 18 24

MONTHS BEFORE INDEX

INDEX MONTH

MONTHS AFTER INDEX

DSHS Research and Data Analysis Division, Client Outcomes Database, August 2016

Overall Cost Impact Summary (all funds)

OVERALL COST DIFFERENCE* BETWEEN RCL TREATMENT GROUP AND MATCHED COMPARISON GROUP OVER THE INDEX MONTH AND THE 24-MONTH FOLLOW-UP PERIOD

DETAIL

	Amount
TOTAL Decrease	– $21.5 Million
Nursing Home Decrease	– $46.2 Million
Home and Community-Based Services	$20.4 Million
RCL Demonstration Services	$4.3 Million

* Cost difference is calculated as the difference in Medicaid LTSS costs for the RCL treatment group and the matched comparison group in the index month and the following 24 months. Because more individuals in the RCL treatment group moved back to the community, HCBS costs are greater for the RCL treatment group, but this increase is more than offset by savings in nursing home expenditures. This results in net savings of $21.5 million (all funds) over the 25-month measurement period for the 1,738 RCL clients in the treatment group.

DSHS Research and Data Analysis Division, Client Outcomes Database, August 2016

Getty Images/iStock

PART 3

The Impact of the Age Wave

Persons 65+ as a Percentage of the Total Population

Estimates and Projections by County

2016

Number of counties

8.7% to 10%	10.1% to 15%	15.1% to 20%	20.1% to 25%	25.1% to 42.3%
3	7	12	8	9

WHATCOM
SAN JUAN
SKAGIT
OKANOGAN
FERRY
STEVENS
PEND OREILLE
ISLAND
CLALLAM
SNOHOMISH
CHELAN
JEFFERSON
DOUGLAS
KITSAP
LINCOLN
SPOKANE
KING
MASON
GRAYS HARBOR
GRANT
KITTITAS
PIERCE
ADAMS
THURSTON
WHITMAN
PACIFIC
LEWIS
FRANKLIN
GARFIELD
YAKIMA
COLUMBIA
WAHKIAKUM
WALLA WALLA
ASOTIN
BENTON
COWLITZ
SKAMANIA
KLICKITAT
CLARK

PERCENT OF SENIORS AGE 65+

8.7% to 10% | 10.1% to 15% | 15.1% to 20% | 20.1% to 25% | 25.1% to 42.3%

SOURCES: Washington State Office of Financial Management, 2012 County Growth Management Population Projections by Age and Sex: 2010-2040. Small Area Demographic Estimates (SADE) by Age, Sex, Race and Hispanic Origin: Counties, Version: 20161203_R03_VM.

Persons 65+ as a Percentage of the Total Population

Estimates and Projections by County

2020

Number of counties

Percent of seniors age 65+	Number of counties
8.7% to 10%	1
10.1% to 15%	7
15.1% to 20%	10
20.1% to 25%	8
25.1% to 42.3%	13

WHATCOM
SAN JUAN
SKAGIT
OKANOGAN
FERRY
STEVENS
PEND OREILLE
CLALLAM
ISLAND
SNOHOMISH
CHELAN
JEFFERSON
DOUGLAS
LINCOLN
SPOKANE
KITSAP
KING
MASON
GRAYS HARBOR
GRANT
KITTITAS
PIERCE
THURSTON
ADAMS
WHITMAN
PACIFIC
LEWIS
FRANKLIN
GARFIELD
YAKIMA
WAHKIAKUM
COLUMBIA
BENTON
ASOTIN
WALLA WALLA
COWLITZ
SKAMANIA
KLICKITAT
CLARK

PERCENT OF SENIORS AGE 65+

8.7% to 10% | 10.1% to 15% | 15.1% to 20% | 20.1% to 25% | 25.1% to 42.3%

SOURCES: Washington State Office of Financial Management, 2012 County Growth Management Population Projections by Age and Sex: 2010-2040. Small Area Demographic Estimates (SADE) by Age, Sex, Race and Hispanic Origin: Counties, Version: 20161203_R03_VM.

Persons 65+ as a Percentage of the Total Population

Estimates and Projections by County

SOURCES: Washington State Office of Financial Management, 2012 County Growth Management Population Projections by Age and Sex: 2010-2040. Small Area Demographic Estimates (SADE) by Age, Sex, Race and Hispanic Origin: Counties, Version: 20161203_R03_VM.

Persons 65+ as a Percentage of the Total Population

Estimates and Projections by County

2040

Number of counties

Percent of seniors age 65+	Number of counties
8.7% to 10%	0
10.1% to 15%	3
15.1% to 20%	6
20.1% to 25%	10
25.1% to 42.3%	20

WHATCOM
SAN JUAN
SKAGIT
OKANOGAN
FERRY
STEVENS
PEND OREILLE
ISLAND
CLALLAM
SNOHOMISH
CHELAN
JEFFERSON
DOUGLAS
LINCOLN
SPOKANE
KITSAP
KING
MASON
GRAYS HARBOR
GRANT
KITTITAS
PIERCE
THURSTON
ADAMS
WHITMAN
PACIFIC
LEWIS
FRANKLIN
GARFIELD
YAKIMA
WAHKIAKUM
COLUMBIA
WALLA WALLA
BENTON
ASOTIN
COWLITZ
SKAMANIA
KLICKITAT
CLARK

PERCENT OF SENIORS AGE 65+

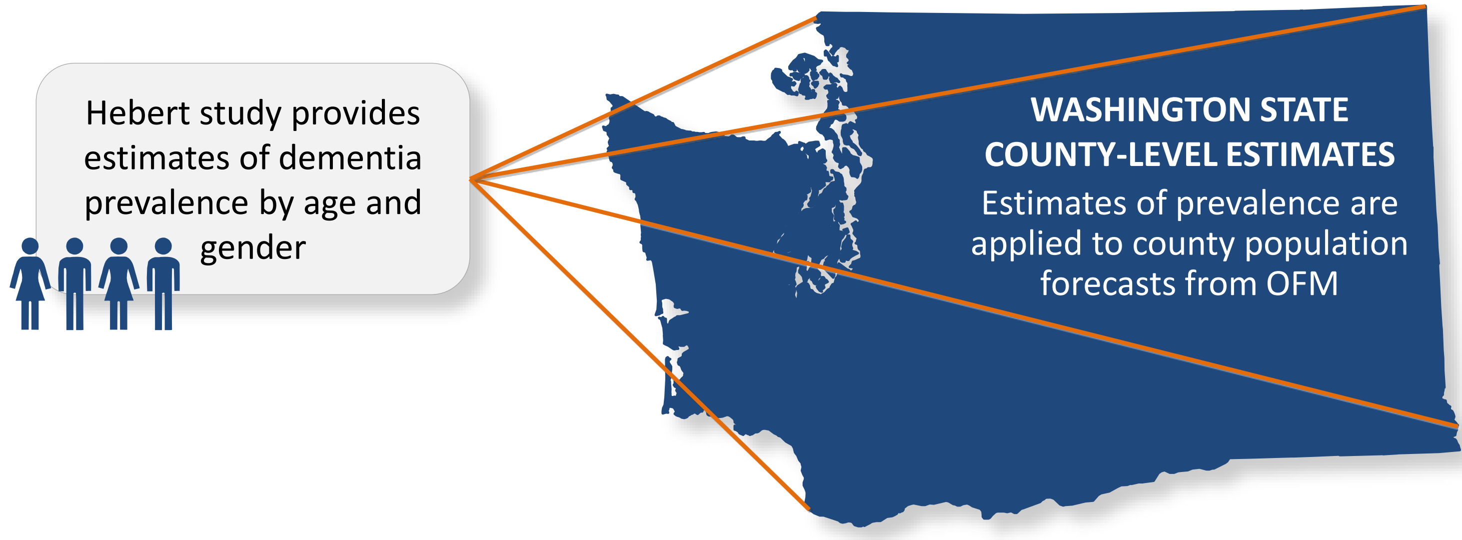
8.7% to 10% | 10.1% to 15% | 15.1% to 20% | 20.1% to 25% | 25.1% to 42.3%

SOURCES: Washington State Office of Financial Management, 2012 County Growth Management Population Projections by Age and Sex: 2010-2040. Small Area Demographic Estimates (SADE) by Age, Sex, Race and Hispanic Origin: Counties, Version: 20161203_R03_VM.

Forecasting Dementia Prevalence

Data on dementia prevalence

- Prevalence estimates are derived from clinical studies or population surveys (in this case, Hebert et al, 2013)
- Prevalence rates by age and gender are calculated from the study population, then applied to state population estimates



Projections of Alzheimer's Dementia in Washington State, 2010 – 2040

Synthetic projections using national prevalence rates from Hebert *et al* (2013)

	2010		2020		2030		2040	
	NUMBER	PREVALENCE	NUMBER	PREVALENCE	NUMBER	PREVALENCE	NUMBER	PREVALENCE
65 -74 years	13,717	3.0%	23,600	3.1%	29,180	3.3%	28,187	3.4%
75 - 84 years	44,561	17.6%	58,251	16.7%	101,581	17.2%	124,500	18.0%
85+ years	37,879	32.3%	44,121	32.2%	65,255	32.9%	117,535	34.6%
Total 65+	**96,156**	**11.6%**	**125,973**	**10.1%**	**196,015**	**11.7%**	**270,222**	**14.5%**

DATA SOURCES

Total Population 65 and Over, by Age: Washington State Office of Financial Management, Forecasting and Research Division. Forecast of the State Population by Age and Sex: 2010-2040. Nov. 2013**. National Prevalence of Alzheimer's Dementia for Persons 65+, by Age:** Hebert L.E., Weuve J., Scherr P.A., and D.A. Evans. Alzheimer disease in the United States (2010–2050) estimated using the 2010 census. Neurology May 7, 2013 80:1778-1783.

Persons 65+ Years with Alzheimer's Disease, Average Annual Growth Rate, 2015 – 2040

2040 Synthetic Projections by County

Projected Persons with Alzheimer's

Annual Growth Rate

- 1.7% - 2.5% (7)
- 2.6% - 3% (6)
- 3.1% - 3.5% (7)
- 3.6% - 4% (13)
- 4.1% - 4.9% (6)
- Counties (39)

March 30, 2015

NOTES: Projected average annual growth rate of persons 65 years and over with Alzheimer's disease in 2015-2040. State growth rate = 3.8 percent. Projections use national prevalence rates of Alzheimer's disease from Hebert et al (2013).

SOURCES: Washington State Office of Financial Management, 2012 County Growth Management Population Projections by Age and Sex: 2010-2040. Prevalence of Alzheimer's disease: Hebert L.E., Weuve J., Scherr P.A., and D.A. Evans. Alzheimer disease in the United States (2010–2050) estimated using the 2010 census. Neurology May 7, 2013 80:1778-1783.

Questions?

Appendix

Supplemental Data by County

Medicare and Social Security Recipients

Calendar Year 2016

	Medicare[1]		Social Security[2]	
	Hospital and/or Medical	Prescription Drug	Total (All Categories)	Age 65 and Older
WASHINGTON	**1,236,619**	**781,597**	**1,291,198**	**969,835**
Adams	1,605	1,090	2,580	1,860
Asotin	5,766	3,812	6,490	4,585
Benton	31,594	21,263	34,210	24,915
Chelan	11,491	7,608	17,045	13,200
Clallam	24,395	14,669	25,545	20,145
Clark	81,194	58,200	83,365	62,445
Columbia	1,156	682	1,330	995
Cowlitz	22,530	16,628	27,185	19,100
Douglas	12,087	7,912	7,880	6,135
Ferry	1,808	993	2,340	1,685
Franklin	9,022	5,993	10,230	7,015
Garfield	645	407	660	505
Grant	15,187	10,020	15,870	11,585
Grays Harbor	18,500	11,554	20,150	13,885
Island	21,376	11,693	21,785	17,800
Jefferson	11,270	6,759	11,990	10,015
King	302,950	199,396	288,475	229,965
Kitsap	50,492	23,349	51,370	39,010
Kittitas	7,303	4,104	8,350	6,505
Klickitat	5,458	3,260	6,160	4,615
Lewis	19,615	12,802	21,600	15,210
Lincoln	2,903	1,776	3,105	2,390
Mason	15,256	8,308	17,450	12,860
Okanogan	9,951	5,895	10,805	8,005
Pacific	7,085	4,537	8,005	6,025
Pend Oreille	3,529	2,119	4,125	2,975
Pierce	137,475	80,371	148,600	104,865
San Juan	5,195	3,398	5,230	4,565
Skagit	28,327	17,766	29,615	23,045
Skamania	1,814	1,030	2,500	1,815
Snohomish	109,162	73,745	119,060	89,520
Spokane	96,426	62,587	101,100	71,740
Stevens	10,356	6,003	12,695	9,080
Thurston	53,220	26,994	57,625	42,100
Wahkiakum	1,354	893	1,500	1,150
Walla Walla	12,072	7,227	12,575	9,620
Whatcom	41,140	27,194	43,060	33,160
Whitman	5,484	2,794	5,795	4,445
Yakima	40,343	26,718	43,745	31,300
Unknown	86	51	N/A	N/A

SOURCES: [1]https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/CMSProgramStatistics/Dashboard.html
[2]https://www.ssa.gov/policy/docs/statcomps/oasdi_sc/

Projected Persons 65+ with Alzheimer's Disease in Washington Counties: 2015 – 2014

Based on National Prevalence Rates (Herbert, 2013)

County	Projected Persons 65+ with Alzheimer's Disease				Prevalence Rate				Average Annual Growth Rate			
	2015	2020	2030	2040	2015	2020	2030	2040	2015-2020	2020-2030	2030-2040	2015-2040
STATE	**106,788**	**127,271**	**197,144**	**271,340**	**10.4%**	**10.1%**	**11.7%**	**14.5%**	**3.6%**	**4.5%**	**3.2%**	**3.8%**
Adams	237	255	331	406	11.2%	10.8%	12.0%	13.3%	1.5%	2.6%	2.1%	2.2%
Asotin	566	680	958	1,175	11.3%	11.5%	13.5%	17.1%	3.7%	3.5%	2.1%	3.0%
Benton	2,672	3,229	4,973	6,764	10.4%	10.2%	11.8%	14.7%	3.9%	4.4%	3.1%	3.8%
Chelan	1,479	1,681	2,520	3,424	11.2%	10.4%	11.9%	15.4%	2.6%	4.1%	3.1%	3.4%
Clallam	2,182	2,468	3,269	3,958	11.4%	11.2%	12.5%	16.0%	2.5%	2.9%	1.9%	2.4%
Clark	6,346	7,944	13,052	18,530	10.1%	10.1%	12.1%	14.6%	4.6%	5.1%	3.6%	4.4%
Columbia	121	145	200	222	10.7%	11.4%	14.0%	18.1%	3.7%	3.3%	1.1%	2.5%
Cowlitz	1,995	2,359	3,493	4,509	10.4%	10.3%	12.1%	15.0%	3.4%	4.0%	2.6%	3.3%
Douglas	718	888	1,372	1,881	10.7%	10.8%	12.5%	15.4%	4.4%	4.4%	3.2%	3.9%
Ferry	171	225	330	380	9.5%	9.9%	12.9%	16.9%	5.6%	3.9%	1.4%	3.2%
Franklin	739	934	1,582	2,454	10.1%	9.7%	11.3%	12.7%	4.8%	5.4%	4.5%	4.9%
Garfield	68	70	93	104	12.5%	10.9%	13.0%	16.7%	0.3%	2.9%	1.2%	1.7%
Grant	1,338	1,626	2,441	3,424	10.4%	10.5%	11.7%	13.8%	4.0%	4.1%	3.4%	3.8%
Grays Harbor	1,447	1,670	2,416	2,995	10.2%	10.1%	11.9%	15.0%	2.9%	3.8%	2.2%	3.0%
Island	1,810	2,169	3,071	3,830	10.3%	10.5%	12.3%	15.6%	3.7%	3.5%	2.2%	3.0%
Jefferson	949	1,183	1,807	2,293	9.7%	10.1%	12.5%	16.5%	4.5%	4.3%	2.4%	3.6%
King	27,887	32,382	48,984	67,797	10.7%	10.2%	11.6%	14.1%	3.0%	4.2%	3.3%	3.6%
Kitsap	4,316	5,463	9,029	12,124	9.8%	9.8%	12.1%	15.5%	4.8%	5.2%	3.0%	4.2%
Kittitas	633	781	1,193	1,575	10.1%	10.2%	11.9%	14.7%	4.3%	4.3%	2.8%	3.7%
Klickitat	450	590	910	1,101	9.5%	9.9%	12.9%	16.2%	5.6%	4.4%	1.9%	3.6%
Lewis	1,631	1,845	2,496	3,080	10.9%	10.8%	12.0%	15.0%	2.5%	3.1%	2.1%	2.6%
Lincoln	280	322	424	482	10.9%	11.0%	12.7%	16.5%	2.8%	2.8%	1.3%	2.2%
Mason	1,391	1,702	2,575	3,486	10.4%	10.3%	11.6%	15.0%	4.1%	4.2%	3.1%	3.7%
Okanogan	902	1,113	1,638	1,968	10.0%	10.2%	12.7%	16.1%	4.3%	3.9%	1.9%	3.2%
Pacific	644	758	1,010	1,160	10.7%	10.9%	13.1%	16.6%	3.3%	2.9%	1.4%	2.4%
Pend Oreille	307	406	629	761	9.4%	9.9%	12.7%	16.9%	5.7%	4.5%	1.9%	3.7%
Pierce	10,903	12,972	20,904	30,195	10.2%	9.8%	11.1%	13.9%	3.5%	4.9%	3.7%	4.2%
San Juan	457	586	879	1,029	9.4%	9.9%	13.2%	17.0%	5.1%	4.1%	1.6%	3.3%
Skagit	2,472	2,955	4,593	6,267	10.6%	10.3%	12.0%	15.0%	3.6%	4.5%	3.2%	3.8%
Skamania	192	257	419	568	9.3%	9.5%	11.4%	15.4%	6.0%	5.0%	3.1%	4.4%
Snohomish	9,460	11,617	19,841	30,186	10.1%	9.6%	10.9%	14.0%	4.2%	5.5%	4.3%	4.8%
Spokane	7,949	9,188	14,209	19,165	10.7%	10.1%	11.8%	14.9%	2.9%	4.5%	3.0%	3.6%
Stevens	930	1,187	1,770	2,175	9.6%	10.0%	12.4%	15.7%	5.0%	4.1%	2.1%	3.5%
Thurston	4,200	5,131	8,167	11,166	10.2%	9.9%	11.9%	14.5%	4.1%	4.8%	3.2%	4.0%
Wahkiakum	128	163	233	244	9.5%	10.4%	14.3%	17.4%	4.8%	3.7%	0.5%	2.6%
Walla Walla	1,179	1,269	1,650	2,020	12.1%	11.5%	12.7%	15.7%	1.5%	2.7%	2.0%	2.2%
Whatcom	3,472	4,253	6,821	9,320	10.4%	10.1%	12.3%	15.0%	4.1%	4.8%	3.2%	4.0%
Whitman	544	627	882	1,109	11.2%	10.9%	12.3%	14.8%	2.9%	3.5%	2.3%	2.9%
Yakima	3,622	4,178	5,978	8,017	10.9%	10.7%	12.0%	14.4%	2.9%	3.6%	3.0%	3.2%

Persons with Alzheimer's Disease per 100 Persons Ages 65 and Over

2040 Synthetic Projections by County

Whatcom
San Juan
Skagit
Okanogan
Ferry
Pend Oreille
Island
Clallam
Snohomish
Stevens
Jefferson
Chelan
Douglas
Spokane
Kitsap
Lincoln
King
Mason
Grays Harbor
Kittitas
Grant
Adams
Thurston
Pierce
Whitman
Lewis
Franklin
Garfield
Pacific
Yakima
Columbia
Wahkiakum
Walla Walla
Asotin
Cowlitz
Benton
Skamania
Klickitat
Clark

March 30, 2015

Projected Alzheimer's Prevalence

Per 100 Persons 65+

- 12.6% to 13.6% (< -1.5 StD) (2)
- 13.7% to 14.8% (-1.5 - -0.50 StD) (10)
- 14.9% to 16% (-0.50 - 0.50 StD) (15)
- 16.1% to 17.1% (0.50 - 1.5 StD) (10)
- 17.2% to 18.1% (>1.5 StD) (2)
- Counties (39)

NOTES: Projected number of persons 65 years and over with Alzheimer's disease as a percentage of all persons ages 65 years and over in the year 2040. Projections use national prevalence rates of Alzheimer's disease from Hebert et al (2013).

SOURCES: Washington State Office of Financial Management, 2012 County Growth Management Population Projections by Age and Sex: 2010-2040. Prevalence of Alzheimer's disease: Hebert L.E., Weuve J., Scherr P.A., and D.A. Evans. Alzheimer disease in the United States (2010–2050) estimated using the 2010 census. Neurology May 7, 2013 80:1778-1783.

Persons 65+ with Alzheimer's Disease, County Share of State Total

2040 Synthetic Projections by County

Whatcom
San Juan
Skagit
Okanogan
Pend Oreille
Ferry
Island
Clallam
Snohomish
Stevens
Chelan
Jefferson
Douglas
Spokane
Kitsap
Lincoln
King
Mason
Grays Harbor
Kittitas
Grant
Pierce
Adams
Thurston
Whitman
Lewis
Pacific
Franklin
Garfield
Yakima
Columbia
Wahkiakum
Walla Walla
Asotin
Benton
Cowlitz
Skamania
Klickitat
Clark

Projected Persons with Alzheimer's

Ages 65+ as Percent of Total

- 0% - 1% (20)
- 1.1% - 2.5% (10)
- 3% - 4.5% (4)
- 6.8% - 11.1% (4)
- 25% (1)
- Counties (39)

NOTES: Projected number of persons 65 years and over with Alzheimer's disease as a percentage of state total in the year 2040. Projections use national prevalence rates of Alzheimer's disease from Hebert et al (2013).

SOURCES: Washington State Office of Financial Management, 2012 County Growth Management Population Projections by Age and Sex: 2010-2040. Prevalence of Alzheimer's disease: Hebert L.E., Weuve J., Scherr P.A., and D.A. Evans. Alzheimer disease in the United States (2010–2050) estimated using the 2010 census. Neurology May 7, 2013 80:1778-1783.

Eden Home Health of Spokane County, LLC Certificate of Need Application Proposing the Establishment of a Medicare/Medicaid Certified Home Health Agency in Spokane County

ATTACHMENT T

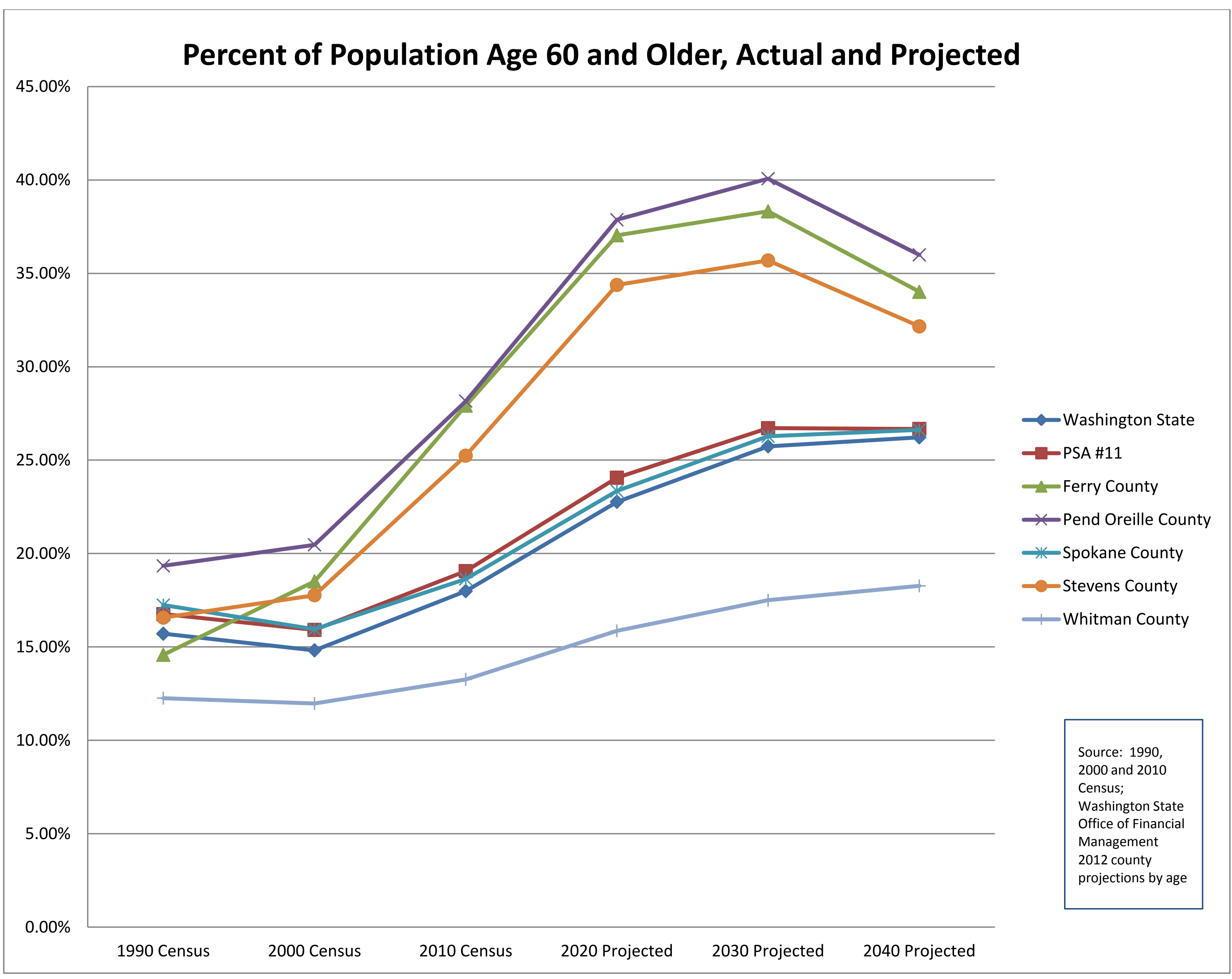
David Mancuso, PhD, DSHS Research and Data Analysis Demographics PSA 11

Total Population 60+ and Percentage of Population 60+, 1990 Actual, 2000 Actual, 2010 Actual, 2020-2030 Projected

	Total 60+ 2000	% Total Population 2000	Total 60+ 2010	% Total Population 2010	Projected 60+ 2020	% Total Population Proj 2020	Projected 60+ 2030	% Total Population Proj 2030	Projected 60+ 2040	% Total Population Proj 2040
United States	45,797,200	16.27%	57,085,908	18.49%	N/A	N/A	N/A	N/A	N/A	N/A
Washington State	873,223	14.82%	1,209,764	17.99%	1,687,655	22.77%	2,098,750	25.74%	2,305,082	26.22%
Ferry County	1,344	18.51%	2,108	27.92%	2,854	37.04%	2,971	38.32%	2,616	34.01%
Pend Oreille County	2,402	20.47%	3,661	28.16%	5,185	37.87%	5,661	40.07%	5,081	35.99%
Spokane County	66,652	15.95%	87,849	18.64%	120,012	23.35%	146,791	26.28%	157,855	26.62%
Spokane City	33,630	17.19%	37,633	18.01%	N/A	N/A	N/A	N/A	N/A	N/A
Stevens County	7,119	17.77%	10,989	25.24%	15,545	34.38%	17,072	35.69%	16,378	32.16%
Whitman County	4,875	11.97%	5,936	13.26%	7,585	15.86%	8,852	17.50%	9,591	18.27%
PSA #11	82,392	15.91%	110,543	19.06%	151,181	24.06%	181,347	26.71%	191,521	26.67%

Percent of Population Age 60 and Older, 1990 Actual, 2000 Actual, 2010 Actual, 2020-2030 Projected

	2000 Census	2010 Census	2020 Projected	2030 Projected	2040 Projected
Washington State	14.82%	17.99%	22.77%	25.74%	26.22%
PSA #11	15.91%	19.06%	24.06%	26.71%	26.67%
Ferry County	18.51%	27.92%	37.04%	38.32%	34.01%
Pend Oreille County	20.47%	28.16%	37.87%	40.07%	35.99%
Spokane County	15.95%	18.64%	23.35%	26.28%	26.62%
Stevens County	17.77%	25.24%	34.38%	35.69%	32.16%
Whitman County	11.97%	13.26%	15.86%	17.50%	18.27%

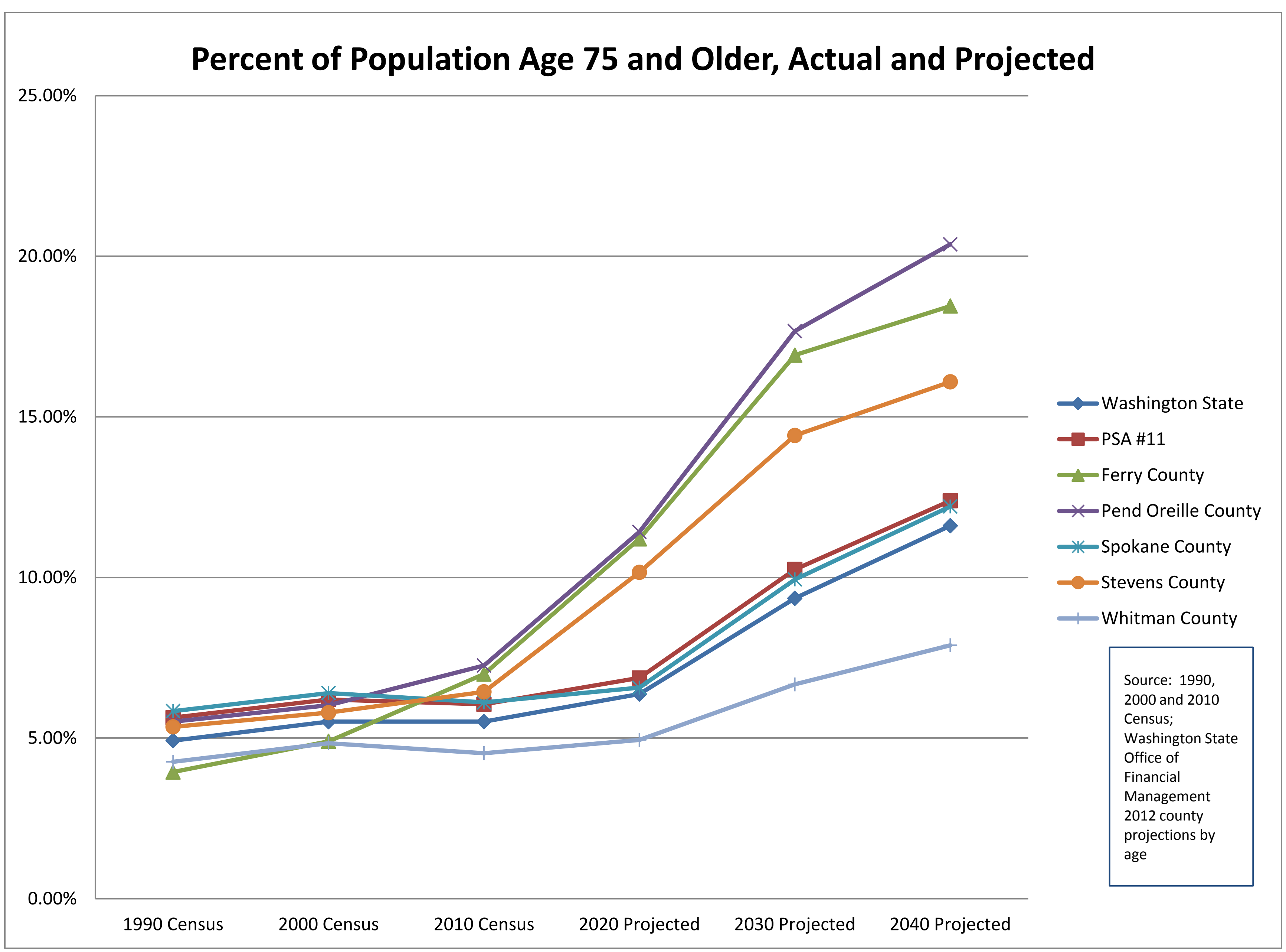

Percent of Population Age 60 and Older, Actual and Projected
45.00%
40.00%
35.00%
30.00%
25.00%
20.00%
15.00%
10.00%
5.00%
0.00%
1990 Census
2000 Census
2010 Census
2020 Projected
2030 Projected
2040 Projected
Washington State
PSA #11
Ferry County
Pend Oreille County
Spokane County
Stevens County
Whitman County
Source: 1990, 2000 and 2010 Census; Washington State Office of Financial Management 2012 county projections by age

Total Population 75+ and Percent of Population 75+, 1990 Actual, 2000 Actual, 2010 Actual, 2020-2030 Projected

	Total 75+ 2000	% Total Population 2000	Total 75+ 2010	% Total Population 2010	Projected 75+ 2020	% Total Population Proj 2020	Projected 75+ 2030	% Total Population Proj 2030	Projected 75+ 2040	% Total Population Proj 2040
United States	16,600,767	5.90%	18,554,555	6.01%	N/A	N/A	N/A	N/A	N/A	N/A
Washington State	324,982	5.51%	370,457	5.51%	471,855	6.37%	762,124	9.35%	1,020,701	11.61%
Ferry County	356	4.90%	528	6.99%	863	11.20%	1,312	16.92%	1,419	18.45%
Pend Oreille County	706	6.02%	944	7.26%	1,563	11.42%	2,496	17.67%	2,875	20.37%
Spokane County	26,760	6.40%	28,804	6.11%	33,761	6.57%	55,506	9.94%	72,378	12.21%
Spokane City	15,228	7.78%	13,888	6.65%	N/A	N/A	N/A	N/A	N/A	N/A
Stevens County	2,320	5.79%	2,802	6.44%	4,593	10.16%	6,900	14.42%	8,193	16.09%
Whitman County	1,973	4.84%	2,029	4.53%	2,361	4.94%	3,375	6.67%	4,145	7.89%
PSA #11	32,115	6.20%	35,106	6.05%	43,141	6.87%	69,589	10.25%	89,010	12.39%

Percent of Population Age 75 and Older, 1990 Actual, 2000 Actual, 2010 Actual, 2020-2030 Projected

	2000 Census	2010 Census	2020 Projected	2030 Projected	2040 Projected
Washington State	5.51%	5.51%	6.37%	9.35%	11.61%
PSA #11	6.20%	6.05%	6.87%	10.25%	12.39%
Ferry County	4.90%	6.99%	11.20%	16.92%	18.45%
Pend Oreille County	6.02%	7.26%	11.42%	17.67%	20.37%
Spokane County	6.40%	6.11%	6.57%	9.94%	12.21%
Stevens County	5.79%	6.44%	10.16%	14.42%	16.09%
Whitman County	4.84%	4.53%	4.94%	6.67%	7.89%


Percent of Population Age 75 and Older, Actual and Projected
25.00%
20.00%
15.00%
10.00%
5.00%
0.00%
1990 Census
2000 Census
2010 Census
2020 Projected
2030 Projected
2040 Projected
Washington State
PSA #11
Ferry County
Pend Oreille County
Spokane County
Stevens County
Whitman County
Source: 1990, 2000 and 2010 Census; Washington State Office of Financial Management 2012 county projections by age

DEMOGRAPHIC CHARACTERISTICS

	Ferry County	Pend Oreille County	Spokane County	Stevens County	Whitman County	PSA #11
Total Population	7,551	13,001	471,221	43,531	44,776	580,080
Persons 18-29	976	1,244	87,140	4,418	19,923	113,701
Persons 30-39	657	1,177	57,238	4,254	4,130	67,456
Persons 40-49	939	1,724	63,078	5,736	3,867	75,344
Persons 50-59	1,373	2,387	66,414	7,639	4,179	81,992
Persons 60+	2,018	3,647	82,450	10,856	5,661	104,632
Persons 75+	528	944	28,804	2,802	2,029	35,106
Persons 85+	153	257	9,369	750	729	11,258
Persons Below 100% Poverty Level[1]	1,415	2,392	61,231	6,228	10,573	81,839
Persons 60+ Below 100% Poverty Level	282	449	8,406	1,191	596	10,924
Persons 60+ Below EESI[2]	575	886	14,352	2,364	1,202	19,379
Minority	1,793	1,094	50,946	4,608	6,910	65,351
Minority 60+	459	332	4,436	1,185	375	6,788
Low Income Minority 60+	106	114	779	310	122	1,431
Native American Elders 60+	231	107	235	419	102	1,095
Limited English Speaking 60+	85	152	2,644	411	176	3,467
Rural	7,551	13,001	172,550	43,531	14,977	251,610
Square Miles	2,204	1,400	1,764	2,478	2,159	10,005
Persons Per Square Mile	3.4	9.3	267.1	17.6	20.7	58
Native American Tribes	N/A	Kalispel Tribe	N/A	Spokane Tribe	N/A	

Sources: 2010 Census, 2009 American Community Survey 5-year estimates, Washington State Office of Financial Management, *Forecasts of the Aging Population, Dementia Prevalence and Use of Long-Term Care Services through 2020 in Washington State*, David Mancuso, PhD.

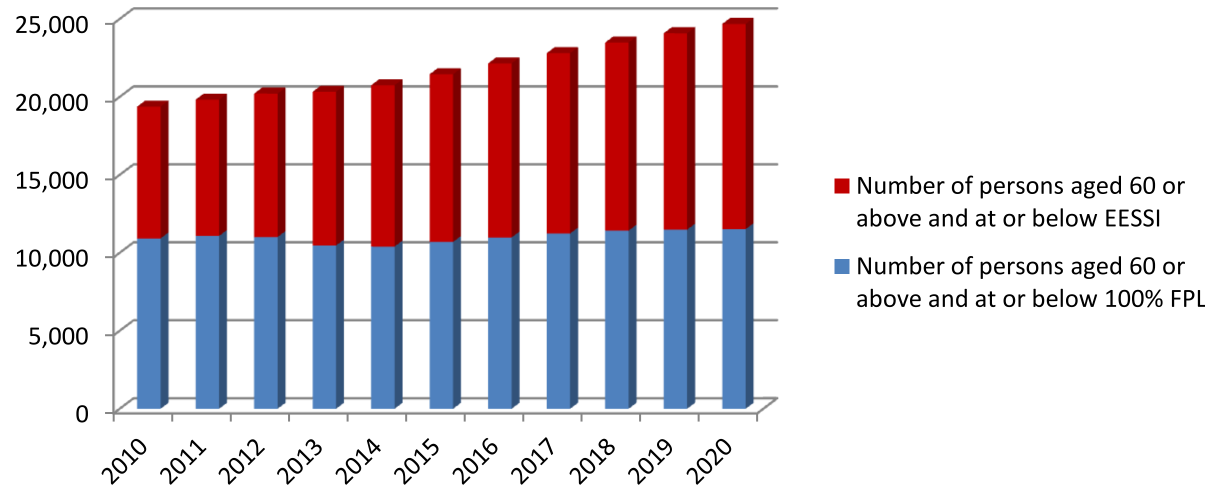
[1] The Federal Poverty Level was $10,830 for a single person household in 2010.

[2] EESI – Elder Economic Security Index, a realistic measure of how much it costs to live in Washington State, $18,336 for a single elder homeowner without a mortgage in 2010. Please see page 60 for additional details.

The following chart illustrates the number of persons receiving formal assistance including Skilled Nursing Facility care, In-Home Services, and Residential Services (Assisted Living and Boarding Homes). Persons receiving Medical Assistance refers to the number of persons receiving one or more Medicaid services. The chart also includes the number of uninsured individuals living in each county.

	Ferry County	Pend Oreille County	Spokane County	Stevens County	Whitman County	PSA #11
Total Population	7,551	13,001	471,221	43,531	44,776	580,080
Persons Using Skilled Nursing Facilities Services[3]	10	22	892	99	75	1,097
Persons Using In-Home Services[3]	86	158	2,762	364	107	3,476
Persons Using Community Residential Services[3]	8	24	1,152	72	78	1,333
Persons Receiving Medical Assistance[4]	2,089	3,536	111,215	11,482	5,498	133,820
Total Uninsured[5]	940	1,445	50,285	4,420	9,820	66,910

The following graph shows the current and projected growth of persons 60 and older under the poverty line ($10,830 for a single person household in 2010), and under the Elder Economic Security Index (EESI), a measure of the actual cost of living ($18,336 for a single elder homeowner without a mortgage in 2010 in Washington State). This demonstrates the actual number of persons experiencing economic insecurity is much greater than indicated by the Federal Poverty Line alone.



[3] *Forecasts of the Aging Population, Dementia Prevalence and Use of Long-Term Care Services through 2020 in Washington State*, David Mancuso, PhD.
[4] Washington State Department of Social and Health Services Client Data July 2008 – June 2009.
[5] Washington State Office of the Insurance Commissioner

Following is additional demographic information by county and PSA-wide in regards to the number of persons living with different kinds of disabilities. Data is from *Forecasts of the Aging Population, Dementia Prevalence and Use of Long-Term Care Services through 2020 in Washington State*, David Mancuso, PhD.

	Ferry County	Pend Oreille County	Spokane County	Stevens County	Whitman County	PSA #11
Total Population	7,551	13,001	471,221	43,531	44,776	580,080
Disability[6] 18+	775	1,308	36,095	3,975	3,406	45,558
Disability 60+	457	816	18,644	2,389	1,332	23,638
Cognitive Impairment[7] 18+	495	788	25,350	2,430	2,989	32,052
Cognitive Impairment 60+	224	386	8,756	1,127	627	11,120
IADL[8] 18+	484	833	24,364	2,522	2,639	30,842
IADL 60+	283	516	12,202	1,512	880	15,393
Dementia[9] 70+	114	222	5,840	658	444	7,277

[6] "Disability" is from the following 2009 American Community Survey question, "Does this person have serious difficulty walking or climbing stairs? Does this person have difficulty dressing or bathing?"

[7] "Cognitive Impairment" is from the following 2009 American Community Survey question, "Because of a physical, mental, or emotional condition, does this person have serious difficulty concentrating, remembering, or making decisions?"

[8] "IADL" or Instrumental Act of Daily Living, is from the following 2009 American Community Survey question, "Because of a physical, mental, or emotional condition, does this person have difficulty doing errands alone such as visiting a doctor's office or shopping?"

[9] " Dementia" includes Alzheimer's disease and vascular dementia.