STATE OF WASHINGTON

DEPARTMENT OF HEALTH

Olympia, Washington 98504

September 7, 2022

Nathan Yemane, MSW, LCSW, LICSW, Managing Director
Y.B.G. HealthCare, LLC
2730 South Andover Street
Seattle, Washington 98108

Sent via email: *ybghealthcarellc@gmail.com*

RE: Certificate of Need Application #22-22 – Department's King County Evaluation

Dear Mr. Yemane:

We have completed review of the Certificate of Need application submitted by Y.B.G. HealthCare, LLC dba Heart and Soul Hospice proposing to provide Medicare and Medicaid-certified hospice services to the residents of King County. Attached is a written evaluation of the application.

For the reasons stated in the attached decision, the application is consistent with the applicable criteria of the Certificate of Need Program, provided Y.B.G. HealthCare, LLC agrees to the following in its entirety.

Project Description:

This Certificate of Need approves Y.B.G. Healthcare LLC to establish a Medicare and Medicaid-certified hospice agency to serve the residents of King County, Washington. The hospice services will be provided from its office located at 15 South Grady Way, Suite 522, in Renton [98507] within King County. Hospice services provided to King County residents include skilled nursing, physical, occupational, respiratory, and speech therapies, medical social services, home health aide services, medical director services, palliative care, durable medical equipment, IV services, nutritional counseling, bereavement counseling, symptom and pain management, pharmacy, respite care, and spiritual counseling. Services may be provided directly or under contract.

Conditions:

1. Approval of the project description as stated above. Y.B.G. Healthcare LLC further agrees that any change to the project as described in the project description is a new project that requires a new Certificate of Need.
2. Y.B.G. Healthcare LLC will obtain and maintain Medicare and Medicaid certification.
3. Y.B.G. Healthcare LLC shall finance this project using its member's reserves, as described in the application.
4. Prior to providing Medicare and Medicaid-certified hospice services to King County residents, Y.B.G. Healthcare LLC will provide a listing of its credentialed staff to the Certificate of Need

Program for review. The listing shall include each staff person's name and Washington State professional license number.

5. Prior to providing Medicare and Medicaid-certified hospice services to King County residents, Y.B.G. Healthcare LLC will provide a listing of ancillary and support vendors.
6. Prior to providing Medicare and Medicaid-certified hospice services to King County residents, Y.B.G. Healthcare LLC will provide the Certificate of Need Program with final versions of the following draft polices. Admission Criteria and Process No.1-009, Nondiscrimination Policy and Grievance Process No.5-017, Charity Care Policy No.8-013, and Recruitment, Retention, Development, and Continuing Education – Policy No. 1-007.
7. The proposed service area for this Medicare and Medicaid-certified hospice agency is King County. Consistent with Washington Administrative Code 246-310-290(13) Y.B.G. Healthcare LLC must provide hospice services to residents of the entire county for which this Certificate of Need is granted.
8. Y.B.G. Healthcare LLC must adhere to the requirements in Revised Code of Washington 70.245.190 for its King County services.

Approved Costs:

The capital expenditure for this project is $66,395. The costs are for movable equipment, reception furniture, a vehicle, and associated Washington State sales tax. These costs are to be paid by the applicant.

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

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

Send your written response to the Certificate of Need Program at this email address: FSLCON@doh.wa.gov.

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

Sincerely,

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

Attachment

cc: Jody Carona, HealthFac@healthfacilitiesplanning.com

EVALUATION DATED SEPTEMBER 7, 2022, FOR THE FOUR CERTIFICATE OF NEED APPLICATIONS, EACH PROPOSING TO PROVIDE MEDICARE AND MEDICAID-CERTIFIED HOSPICE SERVICES TO RESIDENTS OF KING COUNTY.

APPLICANT DESCRIPTIONS

Moments Hospice of King, LLC

Moments Hospice of King, LLC (Moments Hospice King) is a Washington State limited liability company[1] owned by two individuals each with 50% ownership. The two individuals are Sol Miller and Eli Jaffa. [source: Application, Exhibit 3]

To further clarify its ownership structure, Moments Hospice King provided the following statements. [source: February 28, 2022, screening response, pdfs 3-4]

"Please reference Attachment 1, the revised organizational chart, which we presented during the February 8th, 2022, Technical Assistance meeting with the Department. We revised the format of the original organizational chart in the application, in order to more clearly demonstrate the independent nature of Moments affiliates. Also, the revision is intended to better reflect and clarify the vendor/lender relationship between Moments Hospice of King, LLC and Guardian Hospice MN, LLC.

Moments Hospice Foundation is a separate 501(c)3 non-profit organization, which is independent from Moments hospice affiliates, including Moments Hospice of King. As a 501(c)3 tax exempt nonprofit organization, Moments Hospice Foundation can accept donations from the public. This organization is separate and independent from Moments Hospice of King, LLC. Moments Hospice Foundation's relationship to Moments affiliates, including Moments Hospice of King, is that of benefactor. As this relationship is not contractual, the Foundation does not appear in the attached organizational chart.

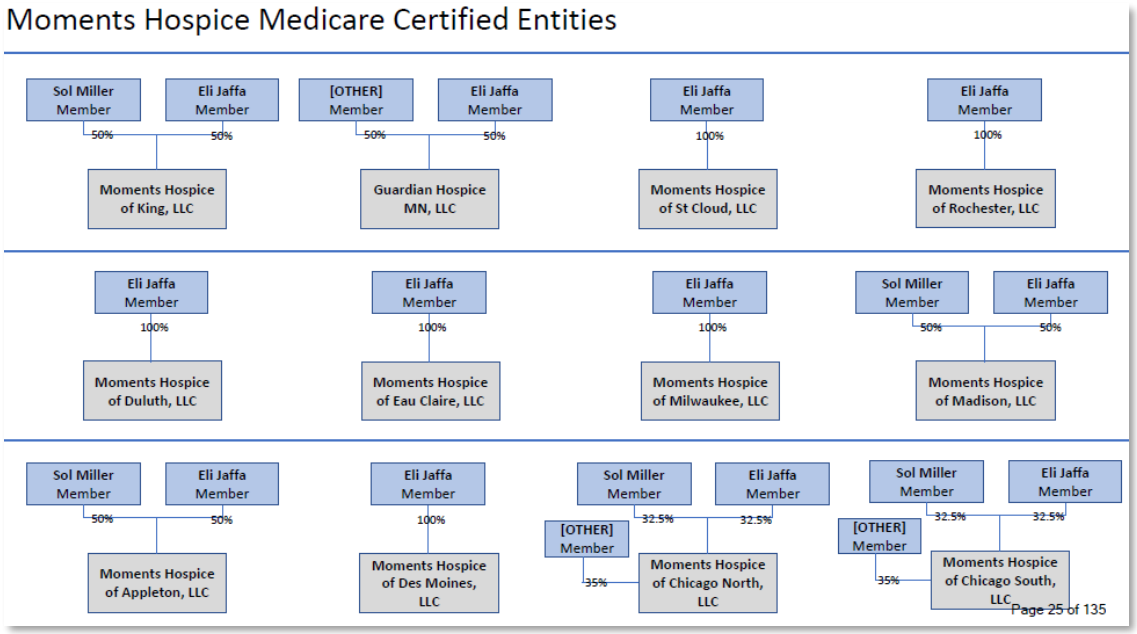
As discussed during our February 8th technical assistance meeting, Guardian Hospice MN, LLC's relationship to Moments Hospice of King, LLC, is that of vendor and lender.

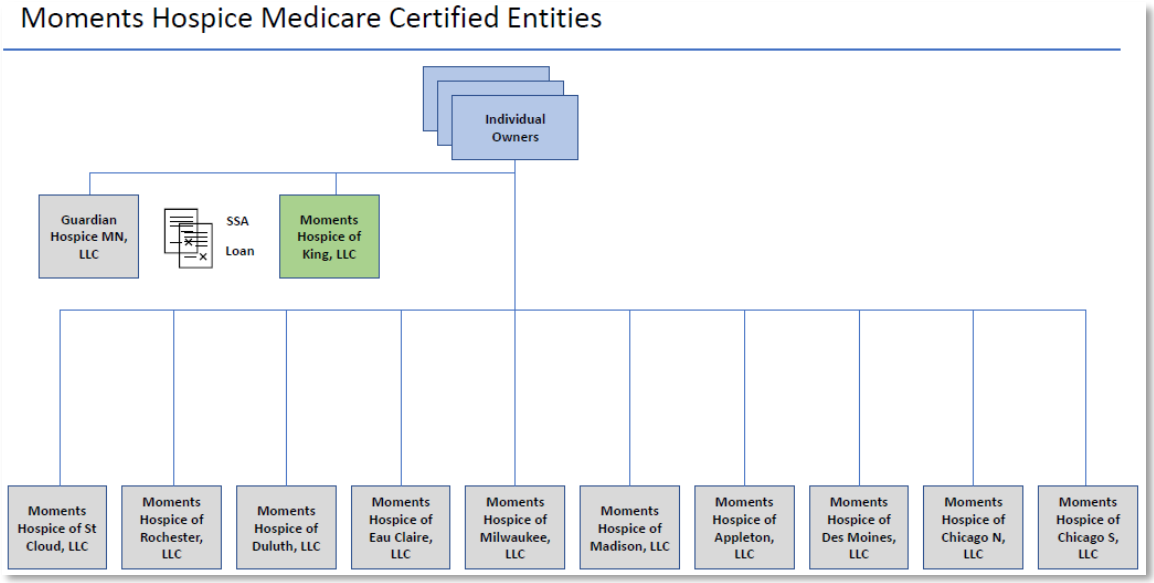
- *Guardian Hospice MN, LLC provides support and administrative services to Moments Hospice of King, LLC through a contract for shared services. Therefore, Guardian Hospice MN, LLC is a vendor to Moments Hospice of King, LLC.*
- *Guardian Hospice MN, LLC also entered into a loan agreement with Moments Hospice of King, LLC, and therefore has a lender relationship with Moments Hospice of King.*

Moments Hospice affiliates have heterogenous ownership, with some overlapping individual owners. Moments Hospice affiliates share a brand and mission, however there is no holding company. There is no parent company. The individuals with ownership interests in Moments Hospice of King or any other affiliated Moments receive any profits on their personal, individual tax returns, as there is no parent company."

Moments Hospice King also provided a detailed organizational chart shown to illustrate the ownership structure explained above. [source: February 28, 2022, screening response, Attachment 1]

[1] Secretary of State unified business identifier (UBI) 604 840 942





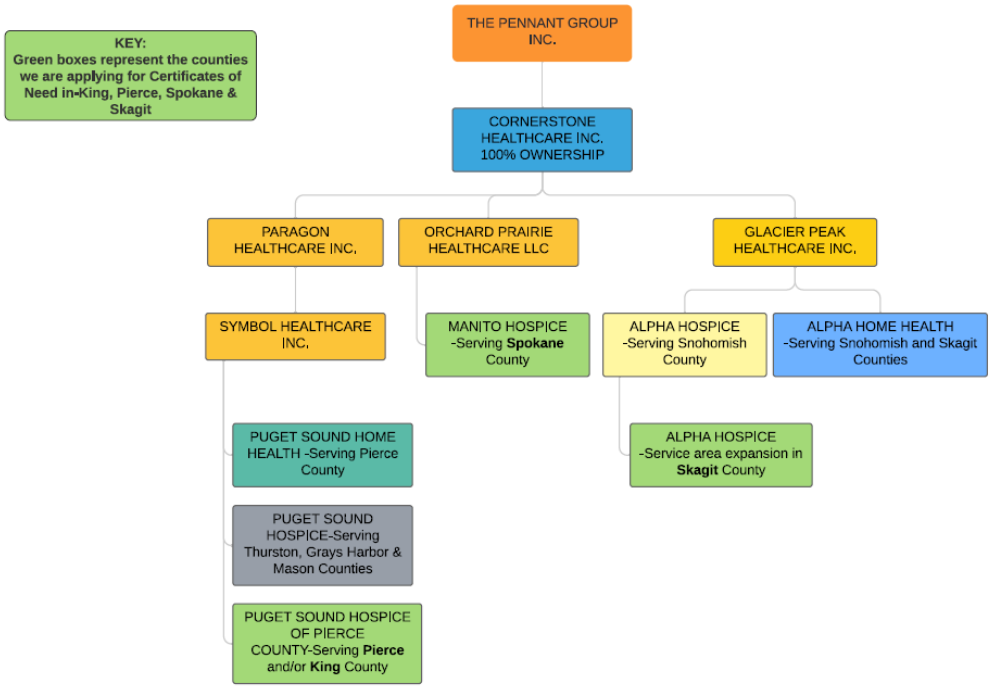
The organizational chart above shows 12 separate in home service agencies. The members of Moments Hospice King own in part, a total of 13 hospice agencies in the states of Florida (1), Iowa (1), Illinois (2), Minnesota (4), South Dakota (1), and Wisconsin (4). [source: Application, pdf 7]

For reader ease, the applicant, Moments Hospice of King, LLC will be referenced as *"Moments Hospice King"* in this evaluation.

There were no public comments or rebuttal comments submitted for the Moments project related to this topic.

The Pennant Group, Inc.

The Pennant Group, Inc. is a publicly traded company, no shareholder has more than five percent ownership interest. Organizationally, The Pennant Group, Inc. owns Cornerstone Healthcare, Inc., which in turn, owns Paragon Healthcare, Inc. that owns Symbol Healthcare Inc. a Washington State foreign profit corporation[2]. Symbol Healthcare Inc. is governed by the following four individuals: Daniel Walker, Elliot McMillan, Lee Johnson, and Brian Wayment. Symbol Healthcare Inc. is dba Puget Sound Hospice of Pierce County. For this project, The Pennant Group, Inc. is considered the applicant. Below is an organizational chart provided by The Pennant Group. [source: February 28, 2022, screening responses, Exhibit 1]



As shown in the chart above, The Pennant Group, Inc. offers several lines of service, which includes in-home care, through its subsidiary Cornerstone Healthcare, Inc. As of the submission of this application, The Pennant Group owns and operates a total of 97 healthcare entities directly under the Cornerstone Healthcare, Inc. subsidiary. This count includes Washington State Certificate of Need approved home health or hospice agencies located in the counties of Asotin, Benton, King, Pierce, and Snohomish.

Though not shown in the organizational chart above, The Pennant Group also provides healthcare services in senior living communities through its subsidiary known as Pinnacle Senior Living LLC. As of the submission of this application, there are 62 healthcare entities associated with senior living communities.

For this evaluation, the applicant, The Pennant Group, Inc. will be referenced as "*Pennant.*"

There were no public comments or rebuttal comments submitted for the Pennant project related to this topic.

[2] UBI 603 257 823.

VistaRiver King County HoldCo, LLC

VistaRiver of King County, LLC is a Washington State limited liability company[3] which is wholly owned by VistaRiver King County HoldCo, LLC (VistaRiver) a domestic limited liability company owned by three individuals[4] each with 16.66% share in the company and Sante Holdings, LLC with 50% share. Sante Holdings, LLC is owned by three majority shareholders[5] and seven minority shareholders each with less than 5% interest. [sources: Application, pdf 7 and February 28, 2022, screening response, pdfs 5 and 37]

VistaRiver's stated guiding principles are: *You shouldn't die in pain. You shouldn't die alone.* VistaRiver's stated brand promise is: *VistaRiver offers more to elevate the end-of-life experience in unique ways. Expect highly attentive, hands-on care. We are always there for you before, during and after the need for end-of-life care.* [source: Application, pdfs 5-6]

This applicant does not currently hold a Washington State Department of Health credential for this proposed agency. The applicant is affiliated with post-acute facilities and in-home service agencies in Oregon and Arizona, and recently purchased an in-home services agency[6] operating in Washington State. These affiliates are detailed in the following table. [sources: Application, Appendix 2, February 28, 2022, screening response, pdfs 5 and 23, CN historical files, ILRS database, CMS QCOR lookup, and NPI lookup]

Department's Table 1
VistaRiver King County HoldCo, LLC Affiliates

Facility/Agency Name	Location	Service Type	CCN, if applicable	WA CN# and service area, if applicable
Clearbrook Inn	Silverdale, WA	Assisted Living Facility	n/a	n/a
Country Meadows	Silverdale, WA	Independent Living Facility	n/a	n/a
Laurel Cove Community	Shoreline, WA	Assisted Living Facility/Memory Care	n/a	n/a
Northwoods Lodge	Silverdale, WA	Skilled Nursing Facility	505484	CNs #1029 & #1753
The Ridge	Silverdale, WA	Assisted Living Facility/Memory Care	n/a	n/a
Aleca Home Health	Salem, OR	Home Health	pending	n/a
Aleca Home Health	Silverdale, WA	Home Health	507134	CN#1595 Kitsap County
VistaRiver Hospice - Portland	Wilsonville, OR	Hospice	381574	n/a
Sante Home Health	Scottsdale, AZ	Home Health	037271	n/a
Aleca Hospice	Scottsdale, AZ	Hospice	031670	n/a

[3] Washington State Secretary of State unified business identifier 604 848 639
[4] Jeff Baumgarner, Jonathan Bliss, and Geoff Schackmann
[5] Mark Hansen (45%), Jacob Schafer (19.5%), and Sterling Short (11.5%)
[6] Encore Home Health, LLC IHS.FS.60922864, CMS certification number 507134, sale became final February 2020

For this project, VistaRiver King County HoldCo, LLC is the applicant. If a certificate of need is issued for this project, the department recognizes that the in-home service license could be issued to VistaRiver of King County, LLC. [source: February 28, 2022, screening response, pdfs 5 and 37]

For reader ease, the applicant, VistaRiver King County HoldCo, LLC will be referenced as *VistaRiver* in this evaluation.

There were no public comments or rebuttal comments submitted for the VistaRiver project related to this topic.

Y.B.G. Healthcare LLC

Y.B.G. Healthcare LLC dba Heart and Soul Hospice is a Washington State limited liability company[7] which is wholly owned by two individuals[8] each with 50% share in the company. [source: Application, pdf 5 and Exhibit 1]

One of the owners Nathan Yemane, MSW, LCSW, LICSW a former hospice social worker was inspired by Heart and Soul Hospice, a Black-owned hospice company in Tennessee. Yemane founded Y.B.G. Healthcare LLC last year, named in memory of his father. [source: Agueda Pacheco Flores. (2022) Black-Owned Hospice Provider Makes Its Case to State Regulators, KNKX Public Radio. Available at: https://www.knkx.org/government/2022-05-26/black-owned-hospice-provider-makes-its-case-to-state-regulators (07/15/2022)]

This applicant does not currently hold a Washington State Department of Health credential for this proposed agency. One of its owners has ownership interests, and/or operational or management control in two other hospice agencies detailed in the following table. [source: Application, pdfs 6-7]

Department's Table 2
Y.B.G. Healthcare LLC Affiliates

Facility/Agency Name	Location	Service Type	CCN, if applicable	WA CN# and service area, if applicable
Heart and Soul Hospice	Nashville, TN	Hospice	441605	n/a
CNS Hospice	Troy, MI	Hospice	231635	n/a

Many comments in support and opposition of YBG's project brought up the owners' racial background. All research, statements, arguments, and analysis on this topic provided by the applicant, comments from the community and other providers, and rebuttal received were reviewed.

An applicant's race is not a CN reviewable criterion. Rather, as stated by YBG "*commitment to diverse governance, leadership and workforce and its impact on eliminating health care disparities are relevant and … part of the Department's decision-making*." [source: YBG rebuttal comment, pdf 20]

Therefore, the applicant's race is not a decision point of this review, rather the reasonableness and achievability of any applicant's plans and strategies related specifically to the population to be served and access to proposed services will be discussed in the relevant sections of this evaluation.

[7] Washington State Secretary of State unified business identifier 604 757 087
[8] Nathan Yemane, MSW, LCSW, LICSW and David P. Turner

For reader ease, the applicant, Y.B.G. Healthcare LLC will be referenced as *YBG* and the agency, Heart and Soul Hospice as *Heart and Soul* in this evaluation.

There were no public comments or rebuttal comments submitted for the YBG project related to this topic.

PROJECT DESCRIPTIONS

Under the Medicare payment system, hospice care benefit consist of the following services: physician and clinical services, nursing care, medical equipment and supplies, prescription drugs, hospice aide and homemaker services, physical and occupational therapy, speech-language pathology services, social worker services, dietary counseling, grief and loss counseling, short-term inpatient care (for pain and symptom management), and short-term respite care.[9] Hospice staff would be available 24/7 for emergencies.

Moments Hospice of King, LLC

Moments Hospice King proposes to establish a Medicare and Medicaid-certified hospice agency to be located at 14111 – 8th Avenue Southwest in Burien [98166], within King County. Moments Hospice King provided the following description of the services it intends to provide in King County. [source: Application, pdf 8]

"Hospice services will include nursing care, pastoral care, medical social work, respite services, home care, 24-hour continuous home care at critical periods, palliative care, and bereavement services for the family. Moments Hospice of King is not applying to construct a freestanding hospice inpatient facility. The program will provide services in the person's residence, which can be a private home, nursing home, or other type of long-term care facility, and for the homeless. Moments of King will contract with existing hospitals, skilled nursing facilities, and other residential facilities in King County for any beds needed to care for homeless patients or patients needing general inpatient care. This is not an application for an addition to an existing health care facility."

If approved, Moments Hospice King identified November 2022 as the anticipated month and year it would begin providing Medicare and Medicaid-certified hospice services to King County residents. This applicant also provided the following statements related to its accounting for potential COVID-related delays that could impact its timeline. [sources: Application, pdf 44 and February 28, 2022, screening response, pdfs 4-5]

"(To clarify, the table in the application listed September because we rounded up from the Department of Health's August 14 decision date.)

While the timeline submitted by Moments Hospice of King is more aggressive, compared to other Cycle 1 applicants, the Moments Hospice of King timeline is based upon Moments affiliates' actual, recent experience with start-up hospices. The timeline reflects Moment's confidence in its ability, which is based on Moments affiliates' experience taking de novo agencies from conception to certification in multiple states.

Moments Hospice of King believes the timeline in the application is reasonable because:

- *Moments Hospice of King is a nimble organization, whose leadership specializes in de novo hospices.*
- *All of the other Moments hospice affiliates were start-ups. None were acquired.*
- *Moments Hospice of King's leadership has extensive, replicable experience with de novo hospices, and Moments Hospice of King, through its shared services contract with Guardian Hospice MN, will have access to a dedicated team experienced with quickly getting de novo hospices up and running and certified.*

[9]Medicare Hospice Benefits, page 8 Centers for Medicare & Medicaid Services. CMS Product No. 02154, Revised February 2022.

- *Moments Hospice of King is highly motivated and eager to begin this project quickly. The Moments leadership team has a proven history of being able to execute under tight timelines.*
- *Moments has resources identified and ready to quickly pursue certification upon CN approval.*
- *We will prepare for State licensure prior to the CN decision, and will also begin the final review of our draft policies and procedures for Washington State.*

Additionally, the table below shows the recent timelines for other Moments affiliates, which were also start-up hospices:

Applicant's Table

	Moments Hospice of St. Cloud	Moments Hospice of Milwaukee	Moments Hospice of Appleton	(Proposed) Moments Hospice of King
NPI Enumeration	2/4/2019	2/27/2020	8/10/2020	8/14/2022
CHAP Certified	8/14/2019	8/17/2020	9/30/2020	11/15/2022
Days	191	172	51	93

As shown in the table above, earlier Moments affiliate start-ups took a longer time to achieve CHAP certification. However, Moments leadership has moved up the learning curve, and more recently has actually achieved certification within as little as 51 days of initiating a new location. Of note, this was achieved during the COVID-19 pandemic. Moments Hospice of King already has King County office space reserved, and has adequate time to achieve licensure and certification in the projected timeline.

Moments affiliates' experience shown in the table above already reflects COVID-related issues, labor force conditions, CMS credentialing experience, etc. Although it is always possible that something outside of our control could happen, this timeline represents what Moments Hospice of King is confident that we can achieve if things run their normal course. Consequently, Moments Hospice of King maintains that the 93 day estimated timeline in the application is attainable, in light of the organization's size, experience, and resources. During the technical assistance meeting on February 8, 2022, the Department of Health confirmed that this was an acceptable response to this screening question."

Based on the timeline identified by the applicant, calendar year 2022 is a partial year of operation, full calendar year one of the project is 2023, and full calendar year three is 2025.

Moments Hospice King identified an estimated capital expenditure of $83,353 for this project. These costs include moveable equipment, consulting fees, and Washington State sales tax. There is no construction associated with this project. [source: Application, pdf 113]

The applicant also identified another $56,772 in start-up costs for this project. The start-up costs include the CN application fee, (leased) space deposit, travel expenses, and staff expenses. [source: Application, pdf 114 and February 28, 2022, screening response, pdf 14] Both capital expenditure and start-up costs will be paid by the applicant.

During the review of this project, two entities expressed concerns with the timeline identified in the Moments Hospice King application. The comments are restated below.

<u>AccentCare/Seasons Public Comments</u>
"Question #6. On page 41 of the application Moments indicates it will be providing Medicare and Medicaid hospice services in the proposed county by November 2022, approximately two months after the expected

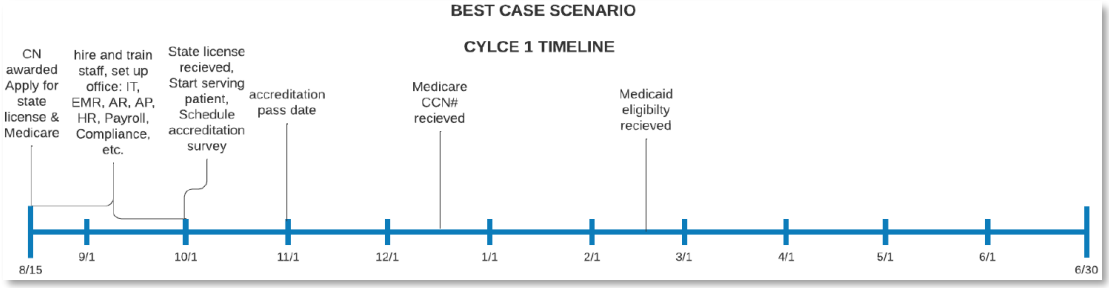
CN decision. However, the timeline is inconsistent with the experience of most new hospice providers in Washington State. If fact, in response to Screening Question #3, Moments provides a table of its recent start-ups from the date of NPI Enumeration to CHAP certified, indicating 191, 172, and 51 days for three recent hospice agencies. These three start-ups average 138 days to certification (four and a half months). Therefore, the proposed start date 93 days past CN decision is unreasonable which indicates the hospice will not likely meet its projections. If projections are not met, the proforma is incomplete since it does not go past 2025 and the lease term is insufficient, resulting in a proposal that is not financially feasible."

The Pennant Group Public Comments

"The timelines below are based on the best-case scenarios for actual timelines that are historically longer in some cases as discussed below. Please note that Moments' timeline is shorter than the timelines below by approximately 3.5 months. Moments would only have two months, after receiving the CN in September, to apply for and receive the state license, admit 5 patients, pass accreditation, receive their Medicare CCN# and receive Medicaid eligibility. This is not reasonable or realistic.

To illustrate this further, the first timeline below is a best-case scenario for a new hospice agency. Considering typical delays, the first timeline below is somewhat aggressive in its best-case scenario timeframes. This indicates feasibility and reliability. By contrast, Moment's more aggressive timeline is not feasible, especially given the inevitable delays that come with this process. Accordingly, Moment's timeline it claims it will meet should not be relied upon."

The Pennant Group Timeline Table



Pennant includes the following footnote in its comments:

> *"There can be delays in the Department's CN decision (in 2021 Pierce County's evaluation/decision was in October, King County's evaluation/decision was in November), delays in hiring required staff, delays in receiving the state license, delays in accrediting body survey dates, and if the agency does not pass the survey initially, more days are added to pass. Medicare is notified by the agency when the accreditation survey is passed, and Medicare will take 1-2 months on average to provide the Medicare CCN#. Once the Medicare CCN# is received, the agency notifies Medicaid to get Medicaid eligibility. Two months to receive Medicaid eligibility would be an aggressive expectation, whereas 3-5 months or more is a realistic expectation, depending on many factors. In the last two years, The Pennant Group Inc. has experienced Medicaid delays of more than six months each for two of our agencies in Washington State."*

Focusing on the timeline in the Moment's application, The Pennant Group further states:

"*In the timeline above the state license timeline is 1.5 months (typical timeline), the accreditation pass date is 1 month after state license reception (aggressive timeline assuming all requirements are met, including admitting a minimum of 5 patients with no deficiencies), Medicare CCN# reception is 1.5 months after the accreditation pass date (aggressive timeline), and Medicaid eligibility is 2 months after Medicare CCN# reception (extremely aggressive timeline). Each of these events is dependent on the prior event completing.*

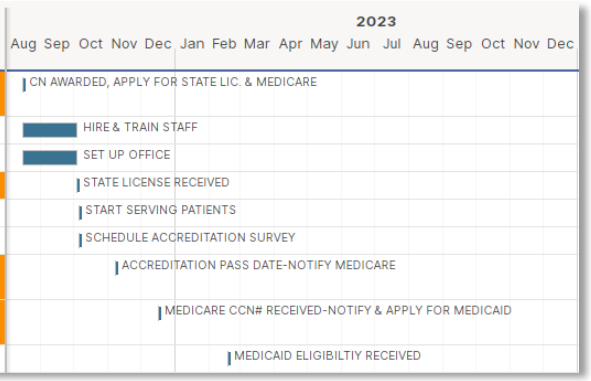
Both Vistariver and YBG projected Medicaid eligibility dates that are reasonable based on the realities of these timelines. Moments projected a Medicaid eligibility date in November of 2022 that requires Medicaid eligibility 3.5 months earlier than is feasible in the best-case scenario.

To view the timeline another way, in the chart below, the orange highlighted cells are the events that must happen before the next highlighted event can happen (dependent events). The timelines are aggressive, and as is shown, Medicaid eligibility happens in mid-February of 2023 in the best-case scenario. A date earlier than this is not feasible. All new agency applicants needed to provide pro forma financials through the end of 2026 to cover the first 3 full years past Medicare certification and Medicaid eligibility.

Under the Project Description section in the application the Department informs all applicants that their evaluation can take 6-9 months, thereby indicating to the applicant that an evaluation date of 8/15/22 for Cycle 1 counties could be delayed as far out as 11/15/22. Each applicant has the information to make conservative projections, and the Department has consistently recommended that applicants project conservatively.

Here is the excerpt from the Department application, "6. With the understanding that the review of a Certificate of Need application typically takes at least six to nine months, provide an estimated timeline for project implementation, below:". Knowing that the review process could take three more months past the Departments 8/15/22 evaluation date, any applicant that projects being Medicare certified and Medicaid eligible on or before February 15, 2023 is projecting a timeline that cannot realistically be achieved.

	CN TO MEDICAID ELIGIBILITY MAJOR EVENTS	START DATE	END DATE
1	CN AWARDED, APPLY FOR STATE LIC. & MEDICARE	08/15/22	08/15/22
2	HIRE & TRAIN STAFF	08/15/22	10/03/22
3	SET UP OFFICE	08/15/22	10/03/22
4	STATE LICENSE RECEIVED	10/03/22	10/03/22
5	START SERVING PATIENTS	10/05/22	10/05/22
6	SCHEDULE ACCREDITATION SURVEY	10/05/22	10/05/22
7	ACCREDITATION PASS DATE-NOTIFY MEDICARE	11/07/22	11/07/22
8	MEDICARE CCN# RECEIVED-NOTIFY & APPLY FOR MEDICAID	12/16/22	12/16/22
9	MEDICAID ELIGIBILTIY RECEIVED	02/17/23	02/17/23



Based on the above, it is clear Moments' unrealistic representations as to its projected timeline for its project are insufficient to meet the CN requirements set out in Washington Administrative Code (WAC) 246-310-290(6). Further, and significantly, Moments' timeline is too unreliable for the Department to rely upon in its determination as to whether Moments met the other criteria. Accordingly, Moments' application must be denied."

<u>Moments Rebuttal to AccentCare/Seasons Public Comments</u>

"Moments is confident in its timeline. We are already pursuing a state-only hospice license concurrent with this review, and have completed the State's required licensing course and received a certificate of completion for the Department's In-home Services Orientation Class. We anticipate that we will have our State license issued by the Department's CN decision date.

Please note that the steps being taken towards prelicensure are not based on any presumption that Moments will be granted a CN, as we are fully aware of the competitive nature of this process. Rather, these steps are being taken because the opportunity exists in Washington State to shorten the timeline to commence operations with minimal risk or downside to our agency. Furthermore, moving forward to secure State licensure does not violate any CN rule: a licensed only hospice agency is not subject to prior CN review,

though it does support Moments in nimbly moving forward, should a CN be awarded, to secure certification and to begin providing services.

Also, the CN Program recently found (in 2020) that a similar timeline from CN approval to hospice certification was reasonable. Specifically, with respect to its 2020 Pierce County decision, it wrote:

> *"Bristol identified a completion date for this project of January 2021. This date is based on the assumption that this evaluation will be released in October 2020 and the project would be approved to begin operations. Comments suggest that this timeline is unreasonable and unachievable.* ***While the timeline is ambitious, it is not completely unreasonable with the expectation that the applicant would begin implementation of its approval immediately after issuance of the CN. Further, Bristol's timeline is consistent with other timelines reviewed for hospice services."*** [emphasis in original]

Based on the above, this concern is without merit. Additionally,

1. *This item has already been addressed satisfactorily.*
   The record should reflect that Moments addressed the rationale for its timeline in detail in the Response to Screening by the Department of Health. Prior to submitting the Response to Screening, Moments discussed the rationale for the timeline with CN Program staff and they expressed no concern with the timeline assumptions. Our screening response already thoroughly addressed many of the concerns cited by Seasons.
2. *Seasons makes two math errors in its comment.*
   Seasons has made math errors. The "two months" cited by Seasons above is not equal to the 93 day timeline from CN issuance date proposed in Moments Hospice of King's application. The table we presented shows a November 15, 2022, CHAP certification date following a decision date of August 14, 2022. This does not add up to "2 months."

   Moments provided the table below in its response to screening specifically to illustrate its ability to move up the learning curve and substantially shorten timelines through the experience and efficiency our organization has gained from starting no less than 16 de novo hospices. We provided the St. Cloud example below to show that it took longer back in 2019, when we used to address each step of the process individually, in succession. St. Cloud's timeline is no longer applicable, because we have refined and adapted our approach—which is reflected in the more recent timeline associated with Moments Hospice of Appleton.

Moments Hospice of King Table Below

	Moments Hospice of St. Cloud	Moments Hospice of Milwaukee	Moments Hospice of Appleton	(Proposed) Moments Hospice of King
NPI Enumeration	2/4/2019	2/27/2020	8/10/2020	8/14/2022
CHAP Certified	8/14/2019	8/17/2020	9/30/2020	11/15/2022
Days	191	172	51	93

We provided these examples to demonstrate the profound impact our experience and improved approach has had on our team's ability to execute more aggressive timelines, and also to demonstrate that we were able to do this in the midst of the COVID-19 pandemic (and related PPE shortages, staffing shortages, etc.) in Appleton.

Attempting to straight-line average these examples of "before" and "after" scenarios— as Seasons has attempted to do in its comment—does not make sense mathematically. The "before" example is no longer

applicable, and the "after" example demonstrates our team's current, demonstrated capabilities. We provided the Appleton example to show why the 93 days proposed for King County is attainable. King County is the first area in which we have pursued pre-licensure, as there is little risk or cost associated with it, and no initial outlays for the proposed King County agency. Pre-licensure in King further illustrates how our processes keep improving to shorten the time to commencing operations and being Medicare and Medicaid certified.

Furthermore, with regards to Seasons' attempt to average timeframes for Moments' first hospices, when Moments was a newer organization with less experience and fewer resources, in the Department's 21-46 Pierce County evaluation of Envision's timeline and rebuttal, the Department of Health determined that:

> *"there are no requirements prescribed in law or rule that allow for approval or denial of a hospice application based on an applicant's past performance as related to meeting its projected timeline or census."*

In summary, Moments has transparently offered real data, including older timelines, to demonstrate the profound difference experience and an organizational philosophy of continuous improvement have when it comes to de novo hospices. Seasons misrepresents our response.

3. *Seasons provided no data to support its claim.*
   Seasons also claims that Moments Hospice of King's timeline "is inconsistent with the experience of most new hospice providers in Washington State." This statement is refuted by timelines submitted by other experienced hospice providers in Washington State (Pierce County, etc). Seasons does not name "most new hospice providers in Washington state," and provides no data to support this assertion.

   Also, in this group of unnamed "hospice providers," Seasons presumably lumps together inexperienced new providers, as well as larger, less nimble organizations—neither or which would be relevant to Moments Hospice of King. Moments Hospice King, as noted in its application, has considerable experience with de novo hospices. Moments has started up no less than 16 new hospices in recent years, across multiple markets. The state licensing process is currently underway and licensure is anticipated by the CN decision date."

<u>Moments Rebuttal for The Pennant Group Public Comments</u>

"As we noted in response to Seasons, the "two months" referenced above is an incorrect representation of the timeline we offered in our screening, reviewed with the Department of Health in our Technical Assistance meeting, and restated above in response to Seasons. It also fails to account for the pre-work which is already underway, which was discussed earlier in response to Seasons' comments.

Symbol compares Moments Hospice of King's timeline to Symbol's own timelines, and presents Symbol's own timeline as the ultimate authority—which it is not. Symbol's application timeline, in fact, is the anomaly.

*Symbol is the only Applicant—in both King and Pierce counties—claiming that it takes an entire year to receive Medicaid approval. Symbol then offers what it claims is the "Best Case Scenario Timeline for King County," shown below: [*Department note: table not recreated]

Symbol's "best case" timeline above contains several invalid assumptions which are not applicable to Moments Hospice of King:

- *Symbol adds a month and a half of its own timeline of activities, which have no relevance to Moments' project in King County (e.g. "EMR, AP, AR, Payroll, etc.) These activities are handled in advance of*

opening /simultaneously under a shared services arrangement, and therefore these activities do not extend the timeline for King County patient care operations or certification.

- *The Symbol team's experience is not the Moments' team's experience. Moments has only started de novo hospices, and is not bogged down in acquisitions, mergers and integrations, divestitures, etc. Moments' experience with de novo hospices is reflected in Moments' actual experience, which informed the timeline.*
- *In fact, Moments' recent experience with another de novo hospice was that surveyors showed up a month earlier than expected.*
- *As stated in a previous response, Moments Hospice of King is underway in the state licensing process—greatly reducing the time to obtain Medicare and Medicaid approval once a CN is approved. This is not reflected in Symbol's timeline.*

As stated in response to a previous comment, the state licensure process is already underway, and we anticipate it being completed prior to the Department's CN decision. Therefore, Symbol's "best case scenario timeline" is not relevant to Moments Hospice of King.

Furthermore, multiple applicants in Pierce County—including hospices with experience in Washington State—project simultaneous Medicare and Medicaid approval in their timelines.

Once again—only in a different format—Symbol incorrectly inserts its own activities and timeline as the ultimate authority or fact, including assumptions that are not valid for Moments Hospice of King. Just as in the timeline diagram, Symbol repeats the same assumptions in table format, claiming that Moments Hospice of King will need a month and a half to hire staff and complete the "office" set up. As discussed above, Moments operates differently than Symbol, and is a more nimble organization with access to start up help through its shared services agreement.

Additionally, we are well into the state-only licensure process, and anticipate being a state-licensed hospice agency prior to the Department's CN decision date.

Symbol has failed to account for the substantial pre-work towards licensure that Moments has undertaken prior to the CN decision, as noted earlier in our responses. Again, no other providers—other than Symbol—are claiming that it takes an entire year to obtain Medicaid approval. This calls into question the validity of Symbol's own pro forma financials. It is Symbol's timeline, in fact, that is inconsistent with other hospice providers' experience and timelines in Washington State.

In its Pierce County Response to Screening, where Symbol also indicated that it would take an entire year from CN approval to become Medicaid eligible, Symbol, on page 3 states:

"Medicaid may take months to process the application due to COVID or other delays on their end."

The CN application guidelines do not allow for items such as contingency, inflation, etc. in projections. It follows that the Applicant should not build in contingencies for the internal conditions of government agencies, such as internal short staffing—things which Applicants have no visibility into and which cannot be reasonably forecasted.

Additionally, several other experienced hospice applicants— in a cycle that began one month later than King County- projected Medicaid start dates as of January 2023, coinciding with Medicare. The timeline shown below in "Table A" is from WAC 246-310-290. The Moments Hospice of King Timeline was based on this statutory time table—not mere speculation on Medicaid delays such as internal staffing or other unknown issues within external governmental agencies, etc.

[Note: the concurrent review table in WAC 246-310-290 showing the two hospice review cycles is not recreated below.]

Finally, even accounting for the types of events which could not, and should not be forecasted—any delay would not result in any incremental costs or pro forma changes for Moments Hospice of King. All costs would simply move forward with the timeline, as the LOI for the lease, etc. all include provisions that allow for unanticipated delays. As stated in response to a previous question in this rebuttal, in the unlikely event that this timeline should change, the Shared Services Agreement covers related preopening expenses.

Moments maintains the position that its timeline is sound, and that it is 1) data-driven and based on the real, actual experience of the very same people who would be involved with Moments Hospice of King, and that 2) the Department was satisfied with the rationale for the timeline during the Technical Assistance call prior to our Screening Responses.

If anything, Symbol's comment calls into question the validity of its own pro forma, as well as its readiness and motivation to serve King County residents. Ultimately, Moments provided an experience-driven, aggressive timeline which is consistent with the Moment's team's aggressive approach and readiness to serve King County residents immediately. As it admitted in its Pierce County application, Symbol has built in contingencies for non-specific potential internal delays within external state agencies—based on factors which are unknown to Symbol. This amounts to a contingency which makes Symbol's pro forma likely to be inaccurate, and not comparable with the other Cycle 1 applicants, calling into question whether the department will be able to assess financial feasibility based on what Symbol submitted."

Department's Evaluation of Moments Hospice of King Timeline

If this project is approved in September 2022, Moments Hospice King projected to be providing Medicare and Medicaid hospice services to the residents of King County in November 2022. Based on its projected operational date, the applicant's projections include partial year 2022, and full three calendar years 2023 through 2025.

Both commenters assert that the timeline is not achievable. Within the comments, AccentCare/Seasons and Pennant suggest that the Moments Hospice King project should be denied based on the timeline identified in the application because Moments Hospice King did not provide three full years of operation following completion of the project. If Moments Hospice King's timeline is determined to be unrealistic, then the applicant should have extended its financial and other projections into full year 2026. In its rebuttal responses, Moments Hospice King provided extensive explanations to demonstrate that the November 2022 date is not only realistic, but achievable.

There is no question that the timeline is ambitious; however, Moments Hospice King outlined the steps it has already taken to ensure it can meet the November 2022 timeline identified in the application. Based on the explanation provided by the applicant, the department concludes that the timeline is acceptable, and Moments Hospice King is not required to extend its information to include full year 2026.

The Pennant Group, Inc.

The proposed agency, Puget Sound Hospice of Pierce County will be referenced as "*Puget Sound Pierce.*" Pennant proposes to establish Puget Sound Pierce at 4002 Tacoma Mall Boulevard, #204 in Tacoma [98409], within Pierce County. Given that the agency is not currently operational, Pennant provided the following clarification. [source: Application, pdf 10]

"We are applying for both King and Pierce Counties as new agencies under Symbol Healthcare Inc. Should we be awarded a certificate of need for both counties, we will serve both counties from the Tacoma office.

If either King or Pierce are awarded a certificate of need, we will serve the county from the Tacoma office. The King + Pierce pro formas are found at ***Exhibit 10****."*

Pennant provided a table showing the hospice services that would be provided to the King County residents. [source: Application, pdf 13]

Applicant's Table

X Skilled Nursing	X Durable Medical Equipment
X Home Health Aide	X IV Services
X Physical Therapy	X Nutritional Counseling
X Occupational Therapy	X Bereavement Counseling
X Speech Therapy	X Symptom and Pain Management
X Respiratory Therapy	X Pharmacy Services
X Medical Social Services	X Respite Care
X Palliative Care	X Spiritual Counseling
X Other (please describe) Massage, Pet Therapy, Music Therapy, Reiki, Aromatherapy, and We Honor Veterans program.	

If approved, Pennant identified several key dates for operations of the new agency and provided the following clarification based on the assumption of CN approval of this project in September 2022. [source: Application, pdfs 11-12]
"After applying for the state license and Medicare, we will be serving Medicare and Medicaid patients as a state licensed hospice starting January 1, 2023. May 2023 is the anticipated Medicare certification date, Medicare certification also initiates the Medicaid eligibility application process. Medicaid eligibility approval can take months with COVID slowdowns. We may be Medicaid eligible in September of 2023."

Pennant also provided the following statements related to its accounting for potential COVID-related delays that could impact its timeline. [source: February 28, 2022, screening response, pdf 3]
"We have considered currently known delays, including any delays falling within the categories the Department has enumerated above, and do not anticipate delays beyond what we stated regarding Medicaid approval. The result of those considerations led us to the September 2023 date listed in our application. In other words, our application accounts for currently known delays.

Regarding staffing, we continue to recognize the current strains on staffing in healthcare. As part of our recruiting efforts, we continuously seek staff for today or for the future and based on our recent hiring experiences in Washington State, we expect to recruit the required staff to serve patients in King County January 2023. In the event we are unable to initially hire staff for any given position, we are positioned to be able to utilize staff from our other agencies in Washington State until we are able to hire permanent staff.

The September 2023 date is the date we anticipate being Medicaid eligible. We will be serving patients (i.e., operating) from January 2023 forward. The September date in our application is reasonable as it allows us time to pass ACHC accreditation and then to receive the Medicare/CMS certification number (CCN). A provider cannot apply for Medicaid until they are first Medicare approved. Medicaid may take months to process the application due to COVID or other delays on their end. We are confident in these timeframes due to the experiences in this area of our Pennant-affiliate Washington agencies."

Based on the assumptions and clarifications above, year 2023 is considered a partial year of operation for the project. Year 2024 is full year one and 2026 is full year three as a Medicare and Medicaid certified hospice agency.

Pennant identified an estimated capital expenditure of $5,000 for this project. These costs include moveable equipment and Washington State sales tax. There is no construction associated with this project. [source: Application, pdf 24]

The applicant also identified another $15,500 in start-up costs for this project which includes staff recruitment, marketing/advertising, and travel costs. [source: Application, pdfs 26-27] Both capital expenditure and start-up costs will be paid by the applicant.

VistaRiver King County HoldCo, LLC

VistaRiver proposes to establish a new hospice agency to serve Medicare and Medicaid hospice patients who are residents of King County. The agency plans to offer King County hospice services from office space located at Laurel Cove Community, 17201 15th Avenue Northeast, in Shoreline [98155].[10] [source: Application, pdf 9 and 27]

VistaRiver provided the following table identifying the services it intends to provide in King County. [source: Application, pdf 12]

Applicant's Table

X Skilled Nursing	X Durable Medical Equipment
X Home Health Aide	X IV Services
X Physical Therapy	X Nutritional Counseling
X Occupational Therapy	X Bereavement Counseling
X Speech Therapy	X Symptom and Pain Management
X Respiratory Therapy	X Pharmacy Services
X Medical Social Services	X Respite Care
X Palliative Care	X Spiritual Counseling
X Other (please describe): Music Therapy, Pet Therapy, We Honor Veterans Program, and Gift of a Day, transitional care	

VistaRiver would provide directly: skilled nursing, home health aide, medical social services, bereavement counseling, symptom and pain management, and spiritual counseling services. It will contract for physical, occupational, speech, and respiratory therapies, palliative care, durable medical equipment, IV services, nutritional counseling, pharmacy, respite, and medical director services. [source: Application, pdf 13]

VistaRiver provided the following statement further detailing its proposed project. [source: Application, pdfs 10-11]

"*VistaRiver Hospice offers the highest quality of hospice and palliative care. We specialize in supporting individuals and families who are facing the physical, emotional, social and spiritual challenges confronted when dealing with terminal and chronic illness. Paramount to our philosophy is to ensure that our patient is experiencing their final passing on their own specified terms — in comfort and with dignity. In our care, our main objective is always to maximize patients' comfort and quality of life during the time that remains.*

VistaRiver is proposing to provide Medicare and Medicaid certified hospice services to King County residents' and their families.'

[10] More information related to VistaRiver's planned site discussed under WAC 246-310-220(1)

For us, hospice is about living. That is why we provide patients with a comprehensive care plan lead by dedicated interdisciplinary team. Our teams are made up of:

Physician	Our physicians lead the way to ensure each patient is receiving the proper medications and medical treatments in their care.
Nurse Practitioner	Our nurse practitioners work with our physicians to develop a comprehensive and individualized care plan for each patient.
Registered Nurse (RN)	Our nurses, who are available 24 hours a day 7 days a week, work with patients to execute a plan of care that will make them the most comfortable in hospice.
Certified Nursing Assistant (CNA)	CNAs are the 'guardian angels" that assist with the patient's personal care, as well as emphasize family support.
Dietitians	Our dietitians ensure patients are receiving the nutritional intake that best fits their plan of care.
Social Worker	Our social workers are experts in providing grief, bereavement, and mental health support to the patient and their family and continue to support the family after the patient's passing.
Chaplain	Our chaplains provide the spiritual and emotional support that many patients seek at the end of their lives.
Volunteers	Volunteers enrich our patients' lives by bringing them the things that matter most to them directly to their bedside.
Therapy	Physical, Occupational, and Speech Therapist

VistaRiver will offer hospice and palliative care in a variety of situations. We will serve King County patients no matter where they reside: a skilled nursing facility, assisted or independent living facility, an outpatient clinic, or in their own home. To us, each patient is unique – we tailor our plan of care to each individual patient's needs.

VistaRiver Hospice offers all levels of care. Hospice services are covered by the Medicare Part A Benefit. Medicaid and most private insurance plans ensure that hospice services come at no cost of the patient, and this covers all four levels of hospice care:

- *Routine Hospice Care*
- *Respite Care*
- *Continuous Care*
- *General Inpatient Care*

Alante Primary Care specializes in physician-based supportive hospice services: transitional care management, hospice care supervision (care plan oversight), home visits, palliative care and support hospice care to improve the quality and outcomes for hospice patients. Appendix 19 provides an in-depth summary into how Alante Health Services will increase access to timely care, decrease costs, and enhance the overall experience residents of King County will enjoy.

VistaRiver will provide hospice and palliative services to King County residents' including physician and clinical services, nursing care, symptom control and pain relief management, respite care, home health aide and homemaker services, physical, speech and occupational therapy, social worker services, dietary counseling, grief and loss counseling. Services may be provided directly or under contract."

When asked in screening to provide more detail on Alante Primary Care and Alante Health Services VistaRiver provided the following statement. [source: February 28, 2022, screening response, pdf 6]
"*Alante Primary Care and Alante Health Services are two branches of the same support company; Alante Primary Care and Palliative Care, LLC.*"

VistaRiver identified May 2023 as the anticipated month and year it would begin providing Medicare and Medicaid-certified hospice services to King County residents based on a CN decision in November 2022. This applicant additionally provided the following information related to its expected timeline. [sources: Application, pdf 12 and February 28, 2022, screening response, pdfs 6-7]

"*Licensed-only hospice services are assumed to take place between November 2022 and April 2023. The agency expects to be Medicare and Medicaid-certified as of May 2023 based on the applicant's experience.*

We expect it will take 6 months from the time we receive CN approval in November to pass Joint Commission Accreditation based on the applicants experience with the DOH CN approval and the respective accreditation organization. The 6-month time frame (November 2022 to April 2023) will be used to hire and on board clinical staff, train and prepare for survey, conduct mock survey, and admit patients onto services prior to survey. We would expect to be surveyed, based on experience, in April of 2023 and upon a successful April 2023 Joint Commission Survey be accessible and available to the residents of King County by May of 2023.

Activities that are needed and planned between being prepared for survey and the agency providing proposed services include but are not limited to the following:

- *Establishing office infrastructure*
- *Establishing Washington State Licensing for King County Clinical team*
- *Onboarding and orienting employees*
- *Relationship building with community providers*
- *Developing and Executing community programs and awareness of services*
- *Admitting patients onto services prior to accreditation survey*"

Based on the timeline identified by the applicant, full calendar year one of the project is 2024 and full calendar year three is 2026.

VistaRiver anticipates this project will require capital expense. During screening the department attempted to clarify the difference between start-up and capital expense. Then, based on various mismatched statements on the amounts in its initial application submission[11] asked VistaRiver for confirmation of its project's expected start-up and capital costs. In response VistaRiver provided the following statements and table. [source: February 28, 2022, screening response, pdf 20]

"*There are no construction costs associated with this project. The only capital expenditures are related to movable furniture and minimal technological (phone setup). The estimated costs of the proposed project are estimated to be $30,000 which includes the taxes. These estimates are consistent with the definition of 'capital expenditure' identified in WAC 246-310-010(10). Further, it is consistent with the approach taken in past home service applications submitted for review.*

[11] Application cover, pdf1 estimate capital expense $30,000; application, pdf28 estimated capital expense $0, start-up $9,828; application, pdf30 *With minimal capital, start-up, and operational costs of $30,000*; application, pdf30 lists $9,325 in equipment; and application, Appendix 9, letter of intent estimated capital expense $30,000.

Item	Cost
a. Land Purchase	$N/A
b. Utilities to Lot Line	$N/A
c. Land Improvements	$N/A
d. Building Purchase	$N/A
e. Residual Value of Replaced Facility	$N/A
f. Building Construction	$N/A
g. Fixed Equipment (not already included in the construction contract)	$N/A
h. Movable Equipment	$5,000
i. Architect and Engineering Fees	$N/A
j. Consulting Fees	$N/A
k. Site Preparation	$N/A
l. Supervision and Inspection of Site	$N/A
m. Any Costs Associated with Securing the Sources of Financing (include interim interest during construction)	$N/A
1. Land	$N/A
2. Building	$N/A
3. Equipment (Phone System, Cell Phones, Computers & other office IT misc.)	$20,000.00
4. Other	$N/A
n. Washington Sales Tax (10.00%) [6]	$2,725.00
Total Estimated Capital Expenditure	**$30,000.00**

With this information itemize [sic] the estimated capital expense and start-up costs for this project."[12] It is unclear whether VistaRiver's anticipated capital expense is $30,000 or $27,725.

Y.B.G. Healthcare LLC

YBG proposes to establish a new hospice agency to serve Medicare and Medicaid hospice patients who are residents of King County. The agency plans to offer King County hospice services from office space located at 15 South Grady Way, Suite 522, in Renton [98507]. [source: Application, pdf 8]

YBG provided the following table identifying the services it intends to provide in King County. [source: Application, pdf 11]

Applicant's Table

X Skilled Nursing	X Durable Medical Equipment (contracted)
X Home Health/Care Aide	X IV Services
X Physical Therapy (contracted)	X Nutritional Counseling
X Occupational Therapy (contracted)	X Bereavement Counseling
X Speech Therapy (contracted)	X Symptom and Pain Management
X Respiratory Therapy (contracted)	X Pharmacy Services (contracted)-
X Medical Social Services	X Respite Care
X Palliative Care	X Spiritual Counseling

[12] More discussion on VistaRiver's project costs will be discussed in detail under WAC 246-310-220(2) and (3)

YBG provided the following statement further detailing its proposed project. [source: Application, pdfs 8-10]
"*Heart and Soul Hospice is seeking approval to establish a hospice agency in King County. While we fully intend to serve all individuals that qualify for hospice and choose our care, we will have a strong emphasis on reducing disparities and increasing acceptance and use of hospice. We will accomplish this by addressing cultural relevance, by being of and from the community, and by increasing trust in the Black Indigenous, People of Color (BIPOC) community as well as in other traditionally underserved communities in King County.*

The BIPOC community is itself very diverse and includes both east and west Africans, and a multitude of languages and distinct cultures. In 2018, slightly more than 2 million immigrants from sub-Saharan Africa lived in the United States and the population has been rapidly growing. Between 2010 and 2018, the sub-Saharan African population increased by 52 percent, significantly outpacing the 12 percent growth rate for the overall foreign-born population during that same period. The diversity in origins for this population is mirrored by the diversity in reasons for coming to the United States, with the arrival of refugees from conflict-ridden countries such as Ethiopia, Somalia, and the Democratic Republic of the Congo (DRC) and high-skilled immigrants and foreign students from Nigeria, Kenya and Ghana. Eighty-one percent of all sub-Saharan Africans living in the United States as of 2018 had come from Eastern and Western Africa.

In 2016, the Office of Immigrant and Refugee Affairs (OIRA) and the City of Seattle commissioned a report entitled Voices of Seattle's East African Communities. According to the report:

> *Among all U.S. counties, King County ranks sixth for the number of people born in Africa and in the top three for Ethiopia and Kenya, amongst other individual countries. And according to the Department of State, of the nearly 33,000 refugees who've settled in Washington State since 2003, those from Somalia rank third (4,143), those from Eritrea rank ninth (813), and Ethiopian refugees rank tenth (746). Generally, more East African refugees settle in the greater Seattle area than any other place in Washington—nearly one-third of the total. Somalis, numbering 2,560, are the largest refugee group in the city and continue to grow. (Please note, this number does not capture East Africans born in the United States.)*
>
> *As relatively new arrivals to Seattle, East Africans are a tight-knit community that turns inwards, towards each other, to navigate their new American lives. The proverbial, 'It takes a village' concept rings true and remains the community's strongest asset. Stories of family support during times of hardship and times of joy are common. Word-of-mouth referrals, donations, and connections provide lifeline support to newcomers. Small businesses, faith-based organizations, and nonprofit organizations provide culturally appropriate and competent services.*

According to a 2016 King County Council Press Release:

> *Native American history is intertwined with both King County and Washington state. King County's largest city is named in honor of Duwamish leader Chief Sealth, and there are 29 federally recognized tribes in Washington.*
>
> *The remarkable survival of Native Americans in this region – after the coming of white settlers – has been amazing. They continue to fight hard to maintain that their culture, language, dance, food and values are not destroyed*
>
> *King County is on land that is home to the Muckleshoot and Snoqualmie Tribes. Along with the Duwamish Tribe, Native American culture and history has always been a vital part of the region that became King County.*

The growth of King County, along with an ever-growing State population, has brought challenges to Native Americans. Native Americans in our County continue to battle high rates of poverty, poor health indicators, homelessness, and high school drop-out rates.

Even with these challenges, Native American tribes in Washington State have been leaders in driving local economies, providing jobs, giving back to the community, and protecting the environment. From fishery conservation and habitat restoration, to the national effort to protect Mother Earth's lands from environmental destruction that could occur from fracking, oil pipelines, oil spills, and oil explosions, Native Americans have been on the frontlines protecting our earth for future generations.

Heart and Soul will be Medicare and Medicaid certified and will serve the BIPOC and immigrant communities, as well as any person seeking our care. We will support persons with terminal illness in managing pain and maintaining dignity through the end of life. Subpopulations within the BIPOC and other immigrant and underserved communities that we will target, include, but are not limited to:

- *The dual eligible Medicare/Medicaid*
- *Homeless/Housing Insecure*
- *LGTBQIA+*
- *Veterans*"

YBG identified July 2023 as the anticipated month and year it would begin providing Medicare and Medicaid-certified hospice services to King County residents based on a CN decision in September 2022. [source: Application, pdf 10]

This applicant provided the following additional information related to its expected timeline. [source: February 28, 2022, screening response, pdf 3]
"*As a new Hospice agency, and before requesting an initial certification survey from an accrediting entity, Heart and Soul will undertake the following:*

1) Hire Administrator
2) Complete policies and procedures with input from the Medical Director
3) Submit state license application and secure a license
4) Submit CMS 855A application to FI and secure approval
5) Formally arrange for all four levels of care
6) Formally arrange for all non-core services (therapies, DME, Pharmacy, volunteers, etc.)
7) Hire, train and orient key providers and staff
8) Confirm personnel records are up to date and accessible
9) Apply for CHAP Accreditation/Medicare Deemed Status

A condition of survey is that the agency has cared for a minimum of 5 patients and has three actives at the time of survey; so, after survey preparation, we will be preparing for the CHAP onsite survey including establishing this necessary caseload. These activities/services need to occur prior to providing services as a Medicare certified hospice agency.

1) Prepare for CHAP Site Visit.
2) Establish caseload for survey eligibility (minimum of 5 patients and three actives at time of survey)
3) Confirm medical records are up to date and accessible
4) Indicate Survey Readiness and Participate in Readiness Call with CHAP.
5) Participate in On-Site CHAP Survey and Review
6) Receive CHAP Accreditation and Medicare deemed status."

Based on the timeline identified by the applicant, year 2023 is a partial year of operation, and full calendar year one of the project is 2024, and full calendar year three is 2026.

YBG anticipates an estimated capital expenditure of $66,395 for this project. This includes movable equipment, reception furniture, and a vehicle. The applicant specified these estimates include Washington State sales tax. The applicant also expects $90,915 in estimated start-up costs. Which includes the CN application fee, pre-opening rent, pre-certification costs, office space security deposit, and attorney fees. [source: Application, pdf 27]

In summary, each of the four applicants identified a different timeline for beginning hospice services in King County. The timelines are summarized below by applicant.

Department's Table 3
Summary of Timeline by Applicant

Applicant	Begin Hospice Services	Three Full Calendar Years
Moments Hospice of King, LLC	November 2022	2023, 2024, and 2025
The Pennant Group, Inc.	September 2023	2024, 2025, and 2026
VistaRiver King County HoldCo, LLC	May 2023	2024, 2025, and 2026
Y.B.G. Healthcare LLC	July 2023	2024, 2025, and 2026

APPLICABILITY OF CERTIFICATE OF NEED LAW

Each of these four applications proposes to establish or expand Medicare and Medicaid-certified hospice services in King County. This action is subject to review as the construction, development, or other establishment of new health care facility under Revised Code of Washington (RCW) 70.38.105(4)(a) and Washington Administrative Code (WAC) 246-310-020(1)(a).

EVALUATION CRITERIA

WAC 246-310-200(1)(a)-(d) identifies the four determinations that the department must make for each application. WAC 246-310-200(2) provides additional direction in how the department is to make its determinations. WAC 246-310-290 contains service or facility specific criteria for hospice projects and must be used to make the required determinations.

To obtain Certificate of Need approval, an applicant must demonstrate compliance with the applicable criteria found in WAC 246-310-210 (need); 246-310-220 (financial feasibility); 246-310-230 (structure and process of care); 246-310-240 (cost containment); and WAC 246-310-290 (hospice standards and forecasting method).

MULTIPLE APPLICATIONS FOR THE YEAR 2021 HOSPICE CONCURRENT REVIEW CYCLES

The department received 17 separate applications during the year 2021 hospice concurrent review cycles. One of the four King County applicant's affiliates submitted more than one application during the 2021 review cycles. Below is a summary of the applications submitted by each of the four King County applicants:

- Moments Hospice of King, LLC – King County
- The Pennant Group, Inc. – King, Skagit, Spokane, and Pierce counties
- VistaRiver King County HoldCo, LLC – King County
- Y.B.G. Healthcare LLC – King County

While this evaluation focuses on each applicant's King County project, some areas of the evaluation must take into consideration the possibility of an applicant that applied for more than one county could be approved for more than one county.

TYPE OF REVIEW

As directed under WAC 246-310-290(3) the department accepted four projects under the 2021 cycle 1 concurrent review timeline for King County. A chronological summary of the four applications for 2021 annual review for King County is shown below.

APPLICATION CHRONOLOGY

Action	Moments	Pennant	VistaRiver	Y.B.G.
Letter of Intent Submitted	11/30/2021	11/17/2021	11/29/2021	11/24/2021
Application Submitted	12/30/2021	12/30/2021	12/30/2021	12/30/2021
Department's pre-review activities • DOH 1st Screening Letter • Applicant Responses Received	 01/31/2022 02/28/2022	 01/31/2022 02/28/2022	 01/31/2022 02/28/2022	 01/31/2022 02/28/2022
Beginning of Review	03/16/2022			
Public Hearing and End of Public Comment	05/25/2022			
Rebuttal Comments Deadline	06/24/2022			
Department's Anticipated Decision	09/07/2022			
Department's Actual Decision	09/07/2022			

AFFECTED PERSONS

Affected persons are defined under WAC 246-310-010(2). In order to qualify as an affected person someone must first qualify as an *interested person* defined under WAC 246-310-010(34). For concurrently reviewed applications such as these, each applicant is an affected person for the other applications. During the course of the review of these applications seven separate entities requested interested person status. Below is a review of each entity's affected person status.

Health Facilities Planning and Development

Health Facilities Planning and Development (HFPD) is a business located in Seattle that specializes in strategic planning, market intelligence, facility master plan development, business planning, feasibility studies, legislative/regulatory/policy support, community health needs assessments, and grant writing primarily for the health care sector throughout the Pacific Northwest. HFPD submitted a request for interested person status on January 5, 2022. On its own, this entity does not qualify for interested person status and, therefore, cannot qualify for affected person status.

Nancy Field, Principal, Field Associates, Sequim

Field Associates is a consultant agency for multiple providers of healthcare services throughout the state and region. On February 25, 2022, Ms. Field, Principal of Field Associates, requested to be added to distribution lists for all hospice Certificate of Need applications reviewed during the 2021/2022 cycle 1 and cycle 2 reviews. Nancy Field did not provide comments on these applications representing herself or another provider, therefore does not qualify as an affected person.

Providence Health & Services – Washington dba Providence Hospice of Seattle

Providence Health & Services – Washington operates Providence Hospice of Seattle an existing hospice agency located 2811 South 102nd Street, Suite 200, in Tukwila, within King County [98168]. The hospice agency is approved to provide Medicare and Medicaid hospice services to residents of King County. Providence Hospice of Seattle qualifies for interested person status for this King County concurrent review.

Since Providence Hospice of Seattle did not submit any comments during the review of these four projects, the hospice agency does not qualify as an affected person for these projects.

Dennis Barnes, Poulsbo, Washington

Mr. Barnes requested on March 12, 2022, to be included in the distribution lists for several CN hospice projects including King County. Mr. Barnes' affected person request and comment note him as residing in Poulsbo, Washington. The hospice services applied for and being reviewed in this evaluation are provided in the patient's residence. Based on the definition of affected person and being that this is an in-home services project review, Dennis Barnes does not qualify as an affected person for these projects.

Envision Hospice of Washington, LLC

Sherie Stewart is the Chief Operating Officer of Envision Hospice of Washington, LLC a current health care agency providing Medicare and Medicaid-certified hospice services to the residents of King County. On April 11, 2022, Ms. Stewart requested interested and affected person status for these applications. Sherie Stewart provided comments on the four King County applications on behalf of Envision Hospice of Washington and qualifies as an affected person.

EmpRes Healthcare Management, LLC

Jamie Brown is the Vice President of Home Services at Eden Health, a subsidiary of EmpRes Healthcare Management, LLC a current health care agency providing Medicare and Medicaid-certified hospice services to the residents of King County. On April 25, 2022, Ms. Brown requested interested and affected person status for these applications. Jamie Brown provided comments on the four King County applications on behalf of Eden Health and qualifies as an affected person.

AccentCare, Inc. Seasons Hospice & Palliative Care of King County, LLC

Dr. Russell Hilliard is Senior Vice President of Key Initiatives with AccentCare, Inc. On November 8, 2021, AccentCare, Inc. was issued CN #1916 approving Medicare and Medicaid-certified hospice services to the residents of King County. On April 27, 2022, Dr. Hilliard requested interested and affected person status for these applications. Dr. Hilliard provided comments on the four King County applications on behalf of AccentCare, Inc. and qualifies as an affected person.

SOURCE INFORMATION REVIEWED

- Four hospice applications received on or before December 31, 2021
- Four screening responses received on or before February 28, 2022
- Public comments received on or before May 25, 2022
- Rebuttal comments received on or before June 24, 2022
- Licensing and/or survey data provided by the Department of Health's Office of Health Systems Oversight
- Department of Health Integrated Licensing and Regulatory System database [ILRS]
- Washington State credential verification website at https://www.doh.wa.gov/licensespermitsandcertificates/providercredentialsearch
- Moments Hospice of King, LLC website at http://momentshospice.com
- The Pennant Group, Inc. website at https://pennantgroup.com
- CMS QCOR Compliance website: https://qcor.cms.gov/index_new.jsp
- CMS Hospice Quality Reporting Program: https://data.cms.gov/provider-data/topics/hospice-care
- Washington State Secretary of State corporation data

PUBLIC COMMENTS

During this King County hospice review much public comment, both in support and opposition, was submitted regarding the four projects. For reader ease, the department will identify who submitted the comments and whether the comments supported or opposed the project.

CONCLUSIONS

Moments Hospice of King, LLC

For the reasons stated in this evaluation, the application submitted by Moments Hospice of King, LLC proposing to establish a Medicare and Medicaid-certified hospice agency in King County is not consistent with applicable review criteria of the Certificate of Need Program and a Certificate of Need is denied.

The Pennant Group, Inc.

For the reasons stated in this evaluation, the application submitted by The Pennant Group proposing to establish a Medicare and Medicaid-certified hospice agency in Pierce County to serve the residents of King County, is consistent with applicable criteria of the Certificate of Need Program, provided The Pennant Group agrees to the following in its entirety.

Project Description:

This Certificate of Need approves The Pennant Group to establish a Medicare and Medicaid-certified hospice agency in Pierce County to serve the residents of King County, Washington. The hospice services will be provided from its office located at 4002 Tacoma Mall Boulevard, #204 in Tacoma [98409]. Hospice services provided to King County residents include skilled nursing, physical, occupational, respiratory, and speech therapies, medical social services, home health aide services, medical director services, palliative care, durable medical equipment, IV services, nutritional counseling, bereavement counseling, symptom and pain management, pharmacy, respite care, and spiritual counseling. Services may be provided directly or under contract.

Conditions:

1. Approval of the project description as stated above. The Pennant Group further agrees that any change to the project as described in the project description is a new project that requires a new Certificate of Need.
2. The Pennant Group will obtain and maintain Medicare and Medicaid certification.
3. The Pennant Group shall finance this project as described in the application.
4. Prior to providing Medicare and Medicaid-certified hospice services to King County residents, The Pennant Group will provide a listing of its credentialed staff to the Certificate of Need Program for review. The listing shall include each staff person's name and Washington State professional license number.
5. Prior to providing Medicare and Medicaid-certified hospice services to King County residents, The Pennant Group will provide a listing of ancillary and support vendors.
6. The proposed service area for this Medicare and Medicaid-certified hospice agency is King County. Consistent with Washington Administrative Code 246-310-290(13) The Pennant Group must provide hospice services to residents of the entire county for which this Certificate of Need is granted.
7. The Pennant Group must adhere to the requirements in Revised Code of Washington 70.245.190 for its King County services.

Approved Costs:

The approved capital expenditure for this project is $5,000. These costs include moveable equipment and Washington State sales tax. There is no construction associated with this project.

VistaRiver King County HoldCo, LLC

For the reasons stated in this evaluation, the application submitted by VistaRiver King County HoldCo, LLC proposing to establish a Medicare and Medicaid-certified hospice agency to serve the residents of King County is not consistent with applicable review criteria of the Certificate of Need Program and a Certificate of Need is denied.

Y.B.G. Healthcare LLC

For the reasons stated in this evaluation, the application submitted by Y.B.G. Healthcare LLC dba Heart and Soul Hospice proposing to establish a Medicare and Medicaid-certified hospice agency to serve the residents of King County, is consistent with applicable criteria of the Certificate of Need Program, provided Y.B.G. Healthcare LLC agrees to the following in its entirety.

Project Description:

This Certificate of Need approves Y.B.G. Healthcare LLC to establish a Medicare and Medicaid-certified hospice agency to serve the residents of King County, Washington. The hospice services will be provided from its office located at 15 South Grady Way, Suite 522, in Renton [98507] within King County. Hospice services provided to King County residents include skilled nursing, physical, occupational, respiratory, and speech therapies, medical social services, home health aide services, medical director services, palliative care, durable medical equipment, IV services, nutritional counseling, bereavement counseling, symptom and pain management, pharmacy, respite care, and spiritual counseling. Services may be provided directly or under contract.

Conditions:

1. Approval of the project description as stated above. Y.B.G. Healthcare LLC further agrees that any change to the project as described in the project description is a new project that requires a new Certificate of Need.
2. Y.B.G. Healthcare LLC will obtain and maintain Medicare and Medicaid certification.
3. Y.B.G. Healthcare LLC shall finance this project using its member's reserves, as described in the application.
4. Prior to providing Medicare and Medicaid-certified hospice services to King County residents, Y.B.G. Healthcare LLC will provide a listing of its credentialed staff to the Certificate of Need Program for review. The listing shall include each staff person's name and Washington State professional license number.
5. Prior to providing Medicare and Medicaid-certified hospice services to King County residents, Y.B.G. Healthcare LLC will provide a listing of ancillary and support vendors.
6. Prior to providing Medicare and Medicaid-certified hospice services to King County residents, Y.B.G. Healthcare LLC will provide the Certificate of Need Program with final versions of the following draft polices. Admission Criteria and Process No.1-009, Nondiscrimination Policy and Grievance Process No.5-017, Charity Care Policy No.8-013, and Recruitment, Retention, Development, and Continuing Education – Policy No. 1-007.
7. The proposed service area for this Medicare and Medicaid-certified hospice agency is King County. Consistent with Washington Administrative Code 246-310-290(13) Y.B.G. Healthcare LLC must provide hospice services to residents of the entire county for which this Certificate of Need is granted.
8. Y.B.G. Healthcare LLC must adhere to the requirements in Revised Code of Washington 70.245.190 for its King County services.

Approved Costs:
The capital expenditure for this project is $66,395. The costs are for movable equipment, reception furniture, a vehicle, and associated Washington State sales tax. These costs are to be paid by the applicant.

CRITERIA DETERMINATIONS

A. Need (WAC 246-310-210) and Hospice Services Standards and Need Forecasting Methodology (WAC 246-310-290)

Based on the source information reviewed, the department determines the following applicants **met the applicable need criteria in WAC 246-310-210 and the availability and accessibility criteria in WAC 246-310-290(8).**

- Moments Hospice of King, LLC
- The Pennant Group
- Y.B.G. Healthcare LLC

Based on the source information reviewed, the department determines the following applicant **did not meet the applicable need criteria in WAC 246-310-210 and the availability and accessibility criteria in WAC 246-310-290(8).**

- VistaRiver King County HoldCo, LLC

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

WAC 246-310-290(8)-Hospice Agency Numeric Methodology

The numeric need methodology outlined in WAC 246-310-290(8) uses hospice admission statistics, death statistics, and county-level population projections to predict where hospice services will be needed in Washington State. If a planning area shows an average daily census of 35 unserved hospice patients three years after the application submission year, there is numeric need and the planning area is "open" for applications. The department published the step-by-step methodology in November 2021; and it is attached to this evaluation as Appendix A. Following is the discussion and evaluation of this applicant's numeric need methodology outlined in WAC 246-310-290(8).

The numeric methodology follows the Washington Administrative Code standards as written. Any alternate methodologies that historically have been suggested or past public comments that suggest an alternative to the stated rules will not be included in this review.

Four Applicants' Numeric Methodology for King County

To demonstrate numeric need for each of their respective projects, all four applicants referenced the department's year 2021 numeric need methodology posted to the department's website on November 10, 2021. The numeric methodology projected a numeric need for two hospice agencies in King County for projection year 2023. [sources: Moments Hospice King Application, pdf 73; Pennant Application, pdf 16; VistaRiver King County HoldCo, LLC, Application, pdf 15-18; and Y.B.G. Healthcare, LLC, pdf 16]

The department received comments which questioned all four applicants' projected utilization in relation to duplication of services and whether the applicants can generate new need by outreach to unserved and underserved King County population. This and similar rationale for denial of applicants that stems from the assumption that the published numeric method is incorrect or not representative of future need have been reviewed. However, the department stands by the hospice numeric methodology as published[13] and reviewed by the hospice community.[14] As such, comments that suggest denial of applicants based solely on this premise or similar assumptions will not further be analyzed in this evaluation.

[13] The hospice numeric need methodology used for this review was published on November 10, 2021.

[14] The November 10, 2021, hospice numeric need methodology was available for a 17-day community review period prior to its final publication.

Department's Evaluation of Numeric Methodology and Need for King County Hospice Projects

The 2021-2022 hospice numeric need methodology was released on November 10, 2021; and followed the steps required by WAC 246-310-290(8). The methodology relies on three years of averaged historical death data, population data, existing hospice services, as well as a statewide average length of stay; and projects to year 2023. Each applicant acknowledged that the numeric methodology posted to the department's website identifies need for two Medicare and Medicaid certified hospice agencies in King County in projection year 2023. The result of the numeric methodology for King County is shown in the table below.

Department's Table 4
King County Hospice Methodology Summary

Step in WAC 246-310-290(8)		Resulting Calculations		
(a) Step 1: Anticipated statewide hospice use rates	(i) Aged 65 +	60.15%		
	(ii) Aged under 65	25.67%		
(b) Step 2: Three-year average of county's resident deaths by age cohort	Aged 65 +	10,439		
	Aged under 65	3,665		
(c) Step 3: Projected patients by county & age cohort, using statewide use rate by age cohort	Aged 65 +	6,279		
	Aged under 65	941		
		2021	**2022**	**2023**
(d) Step 4: Potential hospice volume (using a county-specific use rate) by county & age cohort	Aged 65 +	6,829	7,094	7,359
	Aged under 65	958	963	969
(e) Step 5: Combine the age cohorts & subtract the three-year average supply (the averaged supply for King 7,830.73)	All ages	(44)	226	497
(f) Step 6: Unmet need patient days, using the statewide ALOS (62.12)	All ages	(2,759)	14,070	30,899
(g) Step 7: Unmet need ADC	All ages	(8)	39	85
(h) Step 8: Needed hospice agencies, using ADC of 35*	All ages	0	1	2

*The numeric need methodology projects need for whole hospice agencies only – not partial hospice agencies. Therefore, the results are rounded down to the nearest whole number.

The numeric methodology is a population-based assessment used to determine the projected need for hospice services in a county (planning area) for a specific projection year. Based solely on the numeric methodology applied by the department, there is demonstrated need for two hospice agencies in King County. **The department concludes that all four applicants demonstrated numeric need for their respective projects**.

In addition to the numeric need, the department must determine whether existing services and facilities of the type proposed are not or will not be sufficiently available and accessible to meet the planning area resident's needs. Below is a review of each application as it relates to the department's criterion.

Moments Hospice of King, LLC

In response to this sub-criterion, Moments Hospice King provided extensive information related to factors in the county that could restrict patient access to hospice services and why this project should not be considered an unnecessary duplication of services for King County. While not all information is quoted below, all is considered in this evaluation. [source: Application, pdfs 76 – 89]

"King County's uniquely diverse population faces numerous barriers to patient access. Some of these barriers include:

- ***Community lack of education*** *and misperceptions regarding hospice services and eligibility.*
- ***Provider lack of education*** *regarding hospice services and eligibility, as well as individual provider comfort level with initiating difficult discussions with patients and families.*
- ***Lack of hospice agency responsiveness****. Lack of timely admission to hospice / timely initiation of hospice services deprives King County residents of the full benefits of hospice, including, but not limited to, symptom stabilization, averted unnecessary hospitalizations, irreplaceable time with loved ones, planning, and legacy activities.*
- ***Obstacles to discharge planning.*** *Area hospitals struggle to discharge patients to hospice care due to:*
  - *Staffing challenges such as staffing shortages and staff turnover*
  - *Lack of / inconsistent provider and staff education about hospice services and hospice eligibility*
  - *Lack of hospice agency responsiveness*
  - *Patient lack of health insurance*
  - *Homelessness*
- ***Cultural factors.*** *Family decision-making models (vs. individual autonomy) in Hispanic and Asian cultures and "filial piety" and other cultural concepts can create barriers to hospice admission, for example when family members feel a duty to protect the terminally ill from a terminal prognosis. Additionally, patients often have spiritual beliefs that conflict with hospice admission procedures, such as signing a DNR order.*

  As shown elsewhere in this application, Black King County residents have death service ratios lower than those of their white counterparts. Some of the most commonly cited barriers to hospice use among Black individuals are preferences for life-sustaining therapies, lack of knowledge about hospice, general mistrust of the health care system, and spiritual beliefs. A 2016 study found that while 75 percent of Black patients enrolled in a study on end-of-life care for chronic kidney disease had heard of hospice, only 17 percent had good knowledge of what hospice care provided. Over 60 percent of their white counterparts had good knowledge of hospice care. Similarly, a significantly higher percent of black patients than white patients in the study reported never discussing end-of-life preferences. Black Americans are also more likely than their white counterparts to choose aggressive medical care at the end of life. Other studies have shown that providers' conscious or unconscious stereotyping of patients has led to disparities in healthcare.
- ***Financial barriers to care.*** *The uninsured and underinsured suffer from lack of access to hospice services. In King County, terminally ill residents under the age of 65, and immigrants who do not have Medicare coverage, may be particularly vulnerable.*
- ***Systemic racism.*** *Systemic racism has deprived many residents of King County of healthcare system access, and has created other barriers to care, such as mistrust, housing insecurity, financial barriers, and a lack of minority providers and hospice staff.*
- ***Lack of trust in the healthcare system.*** *LGBTQ+ persons and racial/ethnic minorities in particular may harbor a general lack of trust in the medical system and healthcare providers.*
- ***Pandemic effect on health system utilization.*** *The COVID-19 pandemic has created a new set of barriers to hospice access. The pandemic has affected patient visits to providers who would potentially refer patients to hospice, nursing homes lock downs have affected access for hospice providers as well as family decision-makers**,** and many people continue to isolate themselves due to fear.*
- ***Communication barriers.*** *King County' foreign-born population makes up nearly a quarter of its population, according to the U.S. Census Bureau. 28 percent of foreign-born residents live in "linguistically isolated households," and 43 percent "speak English less than 'very well'" Language barriers create barriers to hospice care on many levels, including understanding the*

nature and availability of hospice services, the admissions process, and comfort levels with allowing hospice care staff into the home.

Moments Hospice of King has formulated strategies, based on an in-depth analysis of the unique needs of King County, to address these barriers to care. These strategies are summarized in response to question #6 in this section, below. Moments affiliates and Moments leadership have a proven track record reaching underserved patients in diverse communities with unique needs.

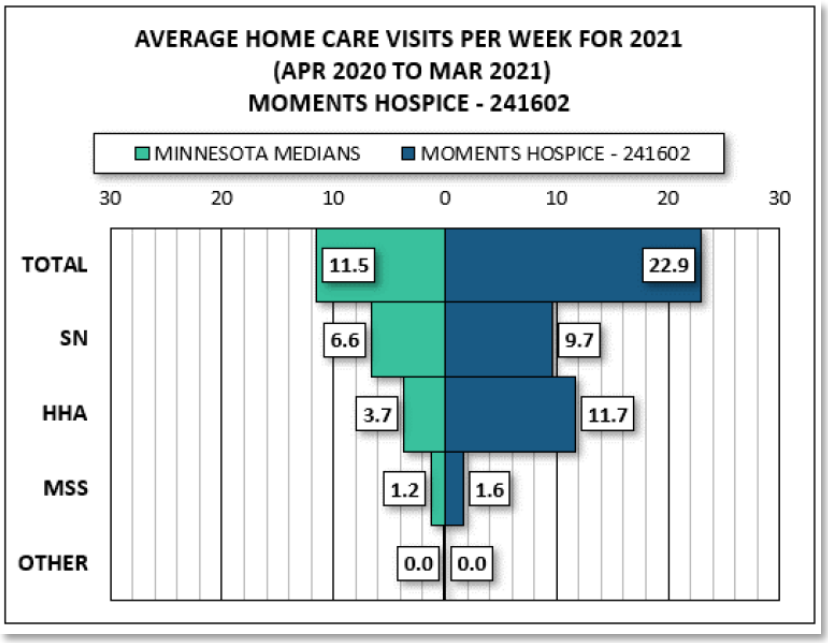
All hospice providers are not the same. Moments Hospice of King believes that the underserved residents of King County would be best served by multiple providers with differing approaches. Having multiple, "lookalike" hospices, with the same philosophies, programs and services, and strategies will further exacerbate gaps in service to currently and historically underserved populations, while depriving residents of a choice of the provider who fits their unique needs.

Moments Hospice agencies demonstrate a higher-than-average number of weekly visits to patients, and Moments offers numerous benefits to patients and families, above and beyond the standard hospice benefit. The table and chart below show how Moments Hospice agencies exceed state averages in the markets they serve, due to Moments hospice agencies' robust staffing and commitment to patient care:

Applicant's Tables

MOMENTS HOSPICE - 241602

VISIT TYPE	MOMENTS HOSPICE - 241602	MINNESOTA MEDIANS
TOTAL	22.9	11.5
SN	9.7	6.6
HHA	11.7	3.7
MSS	1.6	1.2
OTHER	0.0	0.0



[source: HealthPivots. Based on 12 months of Medicare FFS claims through March, 2021]

If the additional visits are not being provided, then this is not a duplication of services in King County. King County already has several health system owned providers. Moments Hospice of King, and the affiliated Moments hospice agencies, were founded in response to unmet needs identified in nursing home and ALF settings. Therefore, a hospice provider like Moments Hospice of King would complement the existing hospice providers in King County.

Moments Hospice of King has conducted a needs analysis of King County and has developed strategies to reach currently and historically underserved populations. By definition, this is not a duplication of services, since these subpopulations are currently not already receiving services."

Public Comments

During the review of this project, the department received letters of support from other healthcare providers specifically for the Moments Hospice King project. While not all letters are quoted below, all of the letters of support are considered in this review.

Terry Myers, Administrator at Kin On-Support

"…We are a 501(c)(3) not-for-profit health and social services provider for the Asian community in Seattle, WA. In 1985, we launched the nation's first bilingual Chinese-American nursing home catering to the unique cultural and dietary needs of Asian elders. We've expanded since then, offering home care, caregiver support services, assisted living apartments and Healthy Living classes. Kin On honors and supports our elders and families by offering culturally Asian and linguistically appropriate healthcare services in a healthy living community.

… I recently spoke with Moments Hospice about their planned expansion into King County. I learned about their values and care model. They have experienced significant growth introducing their agency attributes to new communities and it is obvious that their style and program is resonating. The Asian community in King County has historically been underserved in hospice. There are cultural barriers that make choosing hospice less likely for Asian families. The sense that hospice is "giving up" or "throwing in the towel" is a real concern for many Asian residents and their families. It is unfortunate, because the hospice benefit can be wonderful for many people who are experiencing life-limiting illnesses. Pain management, dignifying care, music therapy, and memory experiences are among just a few hospice qualities that our elders should be provided. Hospice provides closure for the family and an extra level of support while the resident is alive, as well as when they pass. We believe in the impact hospice can have, but unfortunately very few programs have successfully shed the stigma which causes many people to decline the benefits.

Moments Hospice takes a head on approach to tackling this issue. They employ the Open Access program, which focuses on eliminating cultural barriers by accepting patient's comfort level and allowing them to have a say on clinal matters. Those include do not resuscitate orders. Moments will not force our residents to sign if they wish to remain full code. They will also accept our residents who are utilize total parental nutrition or palliative chemotherapy treatments. Many times, hospice patients want to feel they are staying strong, even if their illness has been labeled terminal by their physician. It provides a sense of comfort to them which is so important. Moments looks to remove barriers that cause discomfort to patients and their families and aims to increase access by being accepting. I believe this quality can significantly increase utilization among the Asian community in Seattle.

Moments also commits to a very quick turn-around time. They admit new patients within hours of referral and their clinical staff maintains a frequent presence at facilities. They have earned the trust of hundreds of facilities whom they currently partner with, and I am confident they can expand that

trust to King County facilities and residents. A high-quality program will be good for all residents of King County and will hopefully have a positive ripple effect on the existing providers in our area as well."

Laura Iijima-Schergen, Health Services Director at Nikkei Manor Assisted Living Community-Support
… I am the Health Services Director at Nikkei Manor, a Seattle-based 50-unit Assisted Living community. Our Mission at Nikkei Manor is to make each day the best day for our residents, families, staff, and volunteers. We do this by honoring the values of Respect, Trust, Kimochi ("compassion"), Quality of Life, and Family.

Many of our residents are of Japanese American heritage and carry a rich history and culture. We have significant diversity among our residents, and we strive to create an environment that makes all of our residents comfortable and happy.

Moments Hospice recently visited me at Nikkei Manor and presented their vision for a new hospice agency in King County. I am fully supportive of Moments' efforts to address identified gaps in care that many of our county's residents are experiencing. To name a few, there needs to be quicker response time when referrals are made to hospice. Patients and their families cannot afford to wait days or longer for hospice to begin caring for them. Moments has an incredibly quick response time they strive to maintain which will be very beneficial to residents. Secondly, Moments' philosophy of open access will strongly resonate with the Asian and other minority communities (Hispanic, Jewish, etc.) in King County. The basis of the philosophy is that hospice agencies need to adapt to what the individual patient feels comfortable with, rather than force a set of "internal policies" on to the patient and their families.

Do not resuscitate orders are often required to be signed before admitting the patient, even if the patient and family are not comfortable with it. Such things as total parenteral nutrition, palliative chemo, etc. are often discontinued for patients because the hospice does not want to cover the costs. Moments will take patients who do not wish to sign DNR's and they will continue treatments that are palliative in nature because they put patient above profit and they serve the individual, not the collective.

I am supportive of Moments because I hope to see higher utilization in minority communities in King County through Moments' holistic and compassionate services. I am confident that Moments will be a great addition for King County."

Kim Duncan Martin, Executive Director of Medic One Foundation-Support
"We are a nonprofit organization dedicated to saving lives by improving pre-hospital emergency care. With more than forty years of demonstrated success in supporting research in new methods of out-of-hospital patient care, Medic One is proud of the fact that King County firefighters and paramedics consistently achieve patient survival rates for sudden cardiac arrest that are nearly double the national average. We work with the largest hospitals in King County, WA to collaborate on best practices and enhancing standards of education for emergency patient care.

Prior to joining Medic One in year 2000, I worked at Providence Hospice for several years and before that Evergreen Healthcare. I am well acquainted with the King County healthcare systems, and I have a unique vantage point as to what gaps persist in King County patient care. When Moments Hospice reached out to discuss their efforts to bring their hospice program to King County, I was delighted to learn that their model is perfectly positioned to eliminate (or at least further reduce) the lack of access to hospice that many King County residents have suffered from. Lack of access can be attributed to many factors, but chief among them is cultural barriers to education. The minority communities in King County have approximately half the amount of hospice utilization than the White population. King

County has a very large Asian community, comprised of many subpopulations; a large black community with a very wide array of cultures ranging from Somali to Ethiopian and Kenyan; and a large and growing Hispanic community as well. All of these minority groups add up to a very large number of King County residents who have vastly different cultures and require very different programming and education in order to effectively relay the benefits of hospice care to them and their loved ones.

Moments is distinctively capable of reaching the broad range of communities because their agency is built on the concept of eliminating the gap and driving utilization growth through education and patient-centered programming. They employ the Open Access philosophy which essentially means that they meet the patient wherever they are and do not impose any requirements outside of government regulations for eligibility. An example would be DNR. If a patient is in the hospital and they are declining in health with a life limiting terminal illness – that patient would in most cases be required to sing a do not resuscitate order before admitting to hospice. That requirement is not federal or state imposed, it is self-imposed by many of the large hospice agencies because they feel that hospice acceptance is akin to closing the chapter of life. Stated differently, they feel that hospice election is diametrical to patient revival attempts and full code status. While this viewpoint may be true for many people, it is not absolute and is actually very often the driving factor that people from minority communities will not sign on to hospice. Hospice care is meant to serve as a layer of support for patients and their families to increase comfort and promote dignity during the final weeks and months of life. For many cultures, they don't believe in "throwing in the towel" and opting for DNR. They want to live every breathe they can, while also benefiting from hospice services that focus on comfort, spiritual care, and family encirclement. But, if proposed as a package deal of hospice plus DNR, they would rather decline the hospice benefit completely. Additionally, many minority communities have a deep-seeded mistrust of the healthcare system and require a delicate approach to outreach. Moments' Open Access targets outreach to those communities with cultural barriers such as DNR (among others like TPN and Palliative Chemo) and aims at increasing utilization which would otherwise be overlooked.

At Medic One Foundation, our life's work is built around the mission of saving all lives and being accessible by all communities in King County. I am excited that Moments has a common mission to access all communities and serve as a King County healthcare provider with broad access and a heavy emphasis on inclusivity."

<u>Norma Dominguez, Low Income Housing Institute-Support</u>
Ms. Dominguez provided a copy of a signed Letter of Interest between itself and Moments Hospice of King, LLC. The Letter of Interest provides the following statements.
"This Letter of Interest serves to define the interest and intentions of Low Income Housing Institute ("LIHI") and Moments Hospice of King ("Moments"), collectively, the "Parties". The Parties have discussed a partnership relationship where Moments Hospice, upon obtaining a WA state license for hospice, will provide hospice services to residents of LIHI's communities who are currently homeless or living in a temporary dwelling. Moments will provide the hospice services free of charge for those hospice eligible residents who do not possess health insurance. LIHI case managers will identify residents that may be eligible for hospice services and notify Moments. Moments will conduct its standard eligibility check, in compliance with federal and local regulations. Moments will not deny services to any eligible LIHI residents on the basis of race, color, religion, age, sex (an individual's sex, gender identity, cost of therapy, sex stereotyping, pregnancy, childbirth and related conditions), sexual orientation, disability (mental or physical), communicable disease, national origin, life circumstances, or ability to pay.

Moments Hospice is devoted to helping the communities which it operates in. Homelessness is a terrible reality for many King residents and is the culmination of severe hardships, often stemming from

financial instability to domestic abuse and drug abuse. Organizations like LIHI have made it their life's missions to improve the quality of life for individuals lacking shelter and financial means. Over the past 25 years, LIHI has become one of the largest nonprofit housing organizations in Seattle currently operating over 70 properties containing more than 3,000 housing units. LIHI provides affordable housing to thousands of low income, homeless and formerly homeless people in six counties across the Puget Sound region.

Moments has significant experience developing charity partnerships. Moments conducts frequent food drives in their Mid-West locations and has a charity care program where they offer, among other things, free care to uninsured individuals – often times people for who have been denied care by other organizations uninterested in providing unreimbursed services. Moments is an organization that firmly believes in reinvesting into the greater community. Through the proposed partnership, Moments and LIHI will work together to bring dignity and comfort to homeless people who are suffering from terminal illness and lacking the means and ability to access high quality care. Additionally, Moments intends to make financial contributions to LIHI for its fundraising efforts to further support the expansion of LIHI properties and the reach and impact LIHI is having on the entire King County and surrounding areas.

This letter is non-binding and does not cause any obligation on either Moments Hospice or LIHI. The Letter serves as an outline for the partnership both organizations intend to forge upon Moments Hospice of King successfully establishing hospice services in King County, WA."

The department also received two letters of opposition that focus on this sub-criterion for all four applications under review for King County. Excerpts from those letters are below.

Sheri Stewart, Chief Operating Officer, Envision Hospice of Washington, LLC-Oppose
"Envision Hospice of Washington, LLC was approved to establish and operate a Medicare-certified hospice in King County on December 4, 2019. Envision opposes the approval of the certificate of need applications submitted by Heart and Soul, Moments, Symbol/Pennant and Vista River to establish now hospice agencies within King County. None of the 4 applicants meet all of the requirements under each of the 4 rules-based criteria:
A. Need (WAC 246-310-210)
B. Financial Feasibility (WAC 246-310-220)
C. Structure and Process (Quality) of Care (WAC 246-310-230)
D. Cost Containment (WAC 246-310-240)

The prime issue is that all 4 applications use "projected new volume" to determine project feasibility and that utilization has been reserved for the 4 recently approved applicants under the proxy utilization approach used by the Department. All 4 applications fail all 4 criteria because they did not respond to the Programs updated application packet (September 2021) which specifically requires applicants to demonstrate that their projects do not duplicate services. Therefore, approval of 2 additional agencies will eliminate the new population-based volume increase already allocated to Envision and the other approved projects adversely affecting Envision Hospice's ability to provide services described in its certificate of need #1823 for King County hospice services awarded on December 4, 2019.

Envision is not providing testimony on a line-by-line basis but is focusing on how each applicant addresses new need generated by outreach to unserved and underserved King County population cohorts. As part of that process, Envision is also commenting on Admission, Charity Care and discharge related policies that can serve as barriers to access to hospice services. If applicants are unable to demonstrate that they are addressing new need - and not relying upon already approved proxy need - then they fail the Need, Financial Feasibility and Cost Containment criteria outright. They will also

likely fail the Structure and Process of Care criteria by introducing fragmentation into the system as well as adding to access barriers ***because existing providers will have difficulty funding outreach."*** [emphasis in original]

Jamie Brown, VP Home Services for Eden Health-Oppose

"As Washington emerges from these COVID-19 challenging times, we need to focus on patients and their hospice needs by avoiding unnecessary duplication of services; eliminating access to care barriers and providing continuity of care for all hospice patients. My experience with our EmpRes-Eden hospice and home health program rollouts over the last four years is that King County has presented the greatest challenges in terms of nurse staffing and patient outreach, principally as a result of the havoc caused by the COVID-19 pandemic and its effects on the general population and especially disadvantaged populations.

Because of the delays in new agency licensing, the anticipated control of excess utilization through the proxy utilization methodology for 4 recently approved hospices further contributes to duplication caused by inadequately controlled capacity growth. EmpRes believes that the Department must address delays in licensing due the impact of Covid-19 on the normal functioning of the Department. Under the new normal, the Department needs to take a very conservative approach to adding to capacity as well as accelerating the licensing process so that hospice patients and newly approved agencies can receive the benefits of the certificate of need process.

The 4 hospice applicants that are here today conclude that the hospice need methodology identifies a need for 2 additional hospices based on utilization generated by population growth. In fact, the need identified by the 4 applicants should be fully allocated to the 4 ***approved*** *applicants from previous review cycles. [emphasis in original]*

- *None of the 4 applicants have identified the number of new patient cohorts living in poverty; or facing financial despair: or experiencing racial or cultural barriers or suffering from mental illness. In other words, the marginalized and challenged residents of King County.*
- *None of the 4 applicants have identified the number of new patients that they will serve that are due to disparity due to low income, discrimination, lack of knowledge and cultural barriers.*
- *None of the 4 applicants have identified the means to convert hospice disparity into hospice utilization, which is non-duplicative.*
- *None of the 4 applicants have identified specific staff and budgetary resources necessary to convert disparity in hospice access into hospice utilization.*

Sadly, if approved, the result of the unnecessary duplication in services caused by the 4 applicants' inability to build their hospices around new patients results in new barriers to access and exacerbates disparity in the following areas:

- *Higher unit costs of service for the 4 recently approved and protected hospice agencies because their volume will be reduced and part of their budgets are fixed*
- *Staffing shortages that result in higher labor costs per day or decreased growth in volume – currently EmpRes has FTE vacancies for registered nurses (RN) and is recruiting at least 2 RNs to accommodate growth in King County*
- *Reduced financial resources to support active outreach efforts to the low-income and marginalized dual eligible Medicare population, as well as Hispanic and other populations experiencing health disparity*

In our King County hospice application, EmpRes submitted detailed projections of the disadvantaged population and articulated a strategy of outreach particularly to the low-income, Medicare dual

eligibility (Medicare-Medicaid) population. This strategy requires a substantial commitment to working with clinics that already have outreach to this population. Still, creating relationships with these agencies and clinics and their patients is a significant challenge. It requires EmpRes to maintain a laser focus on outreach rather than a fragmented, reactive response to higher costs per patient and staffing shortages caused by duplication and fragmentation of services that will result from adding additional, new agencies at this time.

EmpRes urges the Department to deny all of the 4 applications until they can:

- *Fully quantify the number of new patients arising out of disparity;*
- *Identify the outreach steps that generate admissions from populations facing disparity;*
- *Show that these outreach steps are supported in the financial pro forma. "*

Moments Hospice King rebuttal to Envision Hospice

"Envision's statement that "Moments documents that all of its patient volume is based on taking patients away from existing providers" and that "this approach is clearly duplicated" is false and a misrepresentation of the admissions discussion in the Moments Hospice of King application.

Envision's statements are refuted by the original application. As clearly stated on page 73 of Moments Hospice of King's application (referenced by Envision) "projected volumes are based on several analyses"—the first of which is the Department's need analysis.

However, Moments did not solely rely on and restate the Department's need computation, because:

- *In our first technical assistance meeting, the Department of Health verified that restating the DOH methodology in the application is not necessary.*
- *Simply allocating a portion of calculated need does not represent a market-driven strategy. This approach does not offer any insight into where admissions will come from, i.e. setting, etc. Moments has offered the Department of Health, and all King County stakeholders, transparency and data regarding possible sources of admissions.*
- *Moments used a number of analytical approaches to developing pro forma volumes, in order to cross-validate our assumptions to ensure an accurate pro forma—an essential element for the Department to determine Financial Feasibility.*

As stated in the application, Moments Hospice of King believes that heterogenous hospice providers are better able to serve the community. "Cookie-cutter" applicants who have the same approach and patient base would necessarily be more likely to take admissions from existing providers and have a deleterious effect on the overall post-acute healthcare infrastructure of King County. Rather than just calculating a portion of the published need, Moments has offered additional thought and transparency regarding its strengths and experience as an organization, and where admissions are likely to come from.

For example, on page 99 of the application, we noted the specialized knowledge and experience of Moments' executive team with respect to long term care settings, which we believe would be complementary to the hospital system-owned hospice providers in King County.

Moments offered additional market share estimates as a "reasonableness check" for its projections, and this was clearly stated in the application on page 74 of 804:
"While Moments Hospice of King anticipates that admissions will come from currently unserved terminally ill patients, and not from the market share of other King County hospice providers, market share can nonetheless be used as a "reasonableness check" for projected admissions. Thus, Moments

of King has considered what percentage of overall market share has been attainable in other competitive counties. Thus, we also reviewed the Moments Hospice of King, LLC percentage of overall hospice market share in King County attained by new entrants historically, as another reasonableness test. Additionally, we relied upon data related to Moments' own start up hospice market share attainment in the first years of operation in other areas."

Once again, Envision misrepresents fact in its statement alleging that Moments Hospice of King's application says "that its Health Care Consultants are knowledgeable in obtaining these referrals from the current mix of services (page 74):

On page 74, the Moments Hospice of King application states:
"Hospice Care Consultants (HCCs) serve a key role in Moments Hospice of King's patient access strategy. Moments has utilized historical, internal data, correlating HCCs with hospice admissions. Provider and community education on the benefits and availability of hospice services, as well as the ability to facilitate timely admission of hospice referrals, are key drivers of hospice admissions. Moments utilized internal data on its affiliates' Hospice Care Consultants' historical ability to generate hospice admissions, as another means of projecting King County admissions, with adjustments for initial training and onboarding. Moments has considered the impact of COVID-19 in other markets, and it is reflected in the assumptions for the start-up months, and particularly the conservative nursing home census forecasted."

As shown above, the application clearly cites provider and community education and timely admission as key drivers of hospice admissions. There is no mention of a "current mix of services." Those terminally ill patients who are unaware of hospice services and those who are not being admitted timely are unfortunately not receiving hospice services from another provider—including Envision.

As stated above, Moments Hospice of King did in fact discuss on pages 81 and 82 of its application, as well as elsewhere throughout, how its services are not a duplication of existing services.

Moments has also devoted a substantial portion of the application to and even made voluntary commitments with respect to providing charity care to at least 5 percent of admissions. Voluntary commitments, while enforced in other states, appear to exceed the requirements of the Washington State CN process, but nonetheless the record reflects the intent and promise of Moments Hospice of King.

Moments Hospice of King specifically addressed this additional need for new admissions on page 26 of the application:

"The need methodology utilized by the Department of Health relies on historical use rates to project future hospice need. However, historical use rates reflect conditions where some subpopulations are underserved. As such, the patient volume estimated by the methodology assume continued underservice to certain groups. In other words, the numeric need published does not account for the entire needs of King County, since the future needs of historically underserved populations in King County are understated by the methodology. In addition to the numeric need published by the Department of Health, Moments Hospice of King's needs assessment determined that the specific populations below, in no particular order, are underserved for
hospice care in King County:"

Moments Hospice of King's application then proceeds to name and expand upon specific underserved populations, at length, providing supporting data demonstrating underservice.

Furthermore, Moments Hospice of King has met all the requirements of the CN application, and the Department of Health was satisfied with the answers provided, as evidenced by the Department's Screening."

Moments Hospice King rebuttal to Eden Hospice

"Moments Hospice of King has met the requirements of the application, in accordance with the governing Administrative Code. EmpRes is urging the Department to impose new, additional requirements on the applicants outside of the WAC and application—and deny all applications on that basis.

Moments Hospice of King's Pro Forma does include the expenses associated with the outreach efforts it identified in the application, including several voluntary conditions offered. Moments staffing models which are the basis for staffing in the pro forma financials, reflect outreach efforts to underserved communities, because Moments uses similar efforts in other communities Moments hospices serve, such as Miami/Dade County, Chicago, etc.

Moments did identify numerous underserved populations, as cited and described earlier in this rebuttal document."

Department Evaluation

The department considers the rationale relied upon by Moments Hospice King proposing the establishment of an additional Medicare and Medicaid-certified hospice agency to serve the residents of King County to be reasonable. The applicant relied on the department's numeric methodology to comply with this sub-criterion and included extensive discussion of specific populations that it believes are currently underserved in King County.

The approval of additional providers in the planning area will result in an additional hospice option for many terminally ill residents in the county. Based on the information above, the department concludes that Moments Hospice King provided a reasonable rationale to support its project and the statements in the application support need for this project.

If this application is approved, Moments Hospice King's approval would include a condition requiring the agency to be available and accessible to all residents of King County. With agreement to the condition, Moments Hospice King's application **meets this sub-criterion**.

The Pennant Group, Inc.

Pennant provided a description of the types of patients that would be served by the new King County agency. [source: Application, pdfs 14-15]

"Puget Sound Hospice of Pierce County will serve patients of all ages and diagnosis and is committed to serving all patients regardless of race, color, religion (creed), gender, gender expression, age, national origin, disability, marital status, sexual orientation, English proficiency, or military status, and will ensure that all populations have access to services through its charity care policy. Furthermore, Puget Sound Hospice of Pierce County's admission, charity care, and non-discrimination policies reflect our commitment to caring for Medicare, Medicaid, and any patients who may have an inability to pay for care.

The top three causes of death in King County are cancer, heart disease, and Alzheimer's Disease. According to a recent prospective cohort study on cancer and non cancer deaths, hospice is significantly underutilized, particularly in those with a noncancer diagnosis (heart disease and dementia). With heart disease being the second leading cause of death in Washington State, it is likely that residents of

King County are underutilizing necessary hospice care. With our proposed project, King County residents should have access to timely and high-quality hospice services. The benefits of providing those services can provide the residents of King County the most appropriate level of care at their most vulnerable time of life. For instance, research has shown that patients with Congestive Heart Failure who chose hospice care lived for an average 29 days longer and may be associated with a modest cost savings.

Alzheimer's disease is the third leading cause of death in King county. Dementia and Alzheimer's disease is expected to increase in King county two-fold from 27,887 in 2015 to 67,797 residents in 2040. Additional populations Puget Sound Hospice of Pierce County expects to care for, per the leading causes of death in King County include patients with diagnosis of stroke, chronic lower respiratory disease, diabetes, chronic liver disease, influenza/pneumonia.

The nature of hospice is to provide timely and high-quality care to the most vulnerable patients and families of all diagnoses and ages as they experience perhaps the most fragile time in their life. Patients and family are more likely to report a favorable end of life experience when hospice and palliative care is chosen as compared to hospitalization. Accessibility to a timely hospice provider of the patient's choice is critical to providing the most appropriate type of care and individualized care to best meet the patient's and family's needs. The mortality table below identifies Leading Causes of Death for Washington Residents.

Applicant's Table

Mortality Table C2. Leading Causes of Death for Residents, 2015

Rank	Causes of Death and ICD-10 Codes	Number	Percent[1]	Cumulative Percent
	All Causes	**54,514**	**100.0**	
1	Malignant Neoplasms (C00-C97)	12,658	23.2	23.2
2	Diseases of the Heart (I00-I09,I11,I13,I20-I51)	10,987	20.2	43.4
3	Alzheimer's Disease (G30)	3,489	6.4	49.8
4	Unintentional Injury (Accident) (V01-X59,Y85-Y86)	3,188	5.8	55.6
5	Chronic Lower Respiratory Diseases (J40-J47)	3,151	5.8	61.4
6	Cerebrovascular Diseases (I60-I69)	2,693	4.9	66.3
7	Diabetes Mellitus (E10-E14)	1,805	3.3	69.7
8	Intentional Self-Harm (Suicide) (X60-X84,Y87.0)	1,136	2.1	71.7
9	Chronic Liver Disease & Cirrhosis (K70,K73-K74)	1,021	1.9	73.6
10	Influenza and Pneumonia (J10-J18)	851	1.6	75.2
	All Other Causes	13,535	24.8	100.0

Washington State Department of Health, Center for Health Statistics, death certificate data 2015

Pennant provided the following information regarding factors that could restrict patient access to hospice services in King County. [source: February 28, 2022, pdfs 4-6]

<u>*Socioeconomic factors*</u> – Socioeconomic disparity in access to health care is well-established. King County officials have explained '[*i]nequalities by income, race, and place continue to shape the distribution of poor health … outcomes in King County*.'

<u>*Income and Poverty Disparity*</u>. *King County has noted that the limited availability of services and providers remains a major barrier to accessing appropriate care, further noting that low-income residents are most likely to report problems finding a health provider. King County presents a jarring statistic illustrating how poverty is predictive of reduced access to care: adults with household income below 100% of the federal poverty level were more than five times as likely as those with a household*

income at 400% or more of the federal poverty level to be uninsured. Widening gaps in household income increase the advantages for those with higher median household incomes to access to healthcare, and the racial/ethnic disparity in median household income is stark in King County.5 Relatedly, in King County Black adults are more than 2.9 times as likely to be living in poverty or near poverty compared to white adults.

Racial/ethnic disparities related to COVID-19. As the Washington Department of Health has published, during the COVID-19 pandemic it has become evident that those in poverty and minorities (e.g., persons of color) have been more negatively impacted than other demographic groups by the COVID-19 pandemic. This disparity was especially evident in King County, as stated in the recently published King County Community Health Needs Assessment 2021/2022: "In King County, coronavirus has disproportionately affected communities of color and residents of South King County. Communities of color are overrepresented in COVID-19 cases, deaths, and hospitalizations." The Assessment continues on to note that as of November 2020, case rates and hospitalization rates for nearly all communities of color are higher, with statistical difference, than for whites, further noting that the rate of confirmed cases was highest among Native Hawaiian/Pacific Islander and Hispanic communities, followed by Black and American Indian/Alaska Native populations.

The Assessment also notes the existence of geographic disparities when it comes to the impact of COVID-19. Specifically, that patterns of testing, positivity, hospitalizations, and deaths differ by geography, highlighting this is the high rate of positive cases and hospitalizations, and deaths being localized in South King County.

Inequalities Across Racial/ethnic minorities. The recently published King County Community Health Needs Assessment 2021/2022 notes: 'While overall life expectancy of King County residents has not significantly changed, recent analyses reveal worsening racial/ethnic disparities in life expectancy. Life expectancy of Native Hawaiian/Pacific Islander King County residents (72.2) has declined by more than five years from the 2011–2013 average life expectancy of 77.8 years to the 2016–2018 average of 71.9 years for this group. Hispanic residents' life expectancy is declining as well — by 3.6 years during that same time period. Life expectancy among South Region residents has declined for the past 10 years.'

The Assessment goes on to note that "communities of color continue to be disproportionately uninsured—before and after implementation of the Affordable Care Act." For example, in 2019, Hispanic adults were seven times as likely as non-Hispanic whites to be without health insurance coverage.

Cultural factors. King County has a wide range of cultural and linguistic diversity. The King County Community Health Needs Assessment 2021/2022 explains the needs for culturally competent providers who demonstrate cultural awareness and respect, the lack of which is a barrier especially for immigrants, people of color, residents with limited English proficiency, and those seeking gender-affirming care.

Language barriers. King County officials have explained that language barriers impact the ability of many immigrant residents to access healthcare, many fearing to ask for support due to the lack of interpreters.

Based on these socioeconomic factors, it is more than reasonable to expect that King County residents have less access to hospice services than is typical in the State of Washington.

Staffing shortages - The residual, ongoing impact of the global pandemic, which involved multiple COVID-19 surges, has put an inordinate strain on healthcare providers' ability to maintain adequate staffing levels. The State of Washington has particularly been impacted—even leading the nation in worst staffing shortages for nurses and aides. Hospices have also felt this impact acutely, with it being exacerbated by the nature of the hospice industry as well as the ever-increasing need for hospice care as the Baby Boom generation continues to age. Specifically, as the Baby Boomer generation continues to age. These factors related to staffing shortages and more have worked to decrease hospice agencies' capacity to care for hospice patients.

Hospice agency capacity and responsiveness - With more than half of the 2.3 million Medicare beneficiaries who die annually participating in the Medicare hospice benefit, and the median length of stay consistently being around just 18 days, timely initiation of care is of the utmost importance. As existing agencies have become overextended, their response times have been delayed, restricting patient access to timely hospice services.

Insufficient Education - Community Education. As Pennant has consistently seen across the 14 states in which it operates, the lack of education about hospice care and the Medicare hospice benefit continues to hinder patient access to hospice services. This lack of education leads to failure to take advantage of the hospice benefit, late utilization of hospice services, which lead to individuals receiving inadequate end-of-life care.

Insufficient Education - Provider Education. Similar to community education, Pennant has found in the numerous communities it operates a consistent need for educating providers about the purpose, availability, and benefit of hospice care. This lack of understanding has a ripple effect, causing providers to fail to share with their patients that same hospice education, as well as rendering them ill-equipped to adequately collaborate with hospice and other community providers to effectively render to the patient the right care at the right time. For example, a provider's discharge planner may lack an understanding of hospice eligibility causing him or her to not recognize the appropriate time to discharge patients to hospice, restricting access to hospice care to those patients who are in fact eligible and would benefit from that care."

Pennant provided the following discussion of the existing King County agencies and why this project would not duplicate services provided by them. [source: February 28, 2022, screening response, pdf 6]
"There are currently 10 Medicare certified hospice agencies in King County, including one provider, Kaiser Permanente Home Health and Hospice, who only serves its own members. Evergreen Health Home Care Services, Providence Hospice of Seattle, and Franciscan Hospice have the largest market share in King County. King County hospice referral sources consistently share with Puget Sound Home Health a community delay in access to timely hospice admissions, with delays in admissions up to two weeks, and sometimes longer. These referral sources have expressed a need for additional hospice services and would welcome another hospice provider to meet the needs of timely hospice services. Symbol already has well established relationships with the above home health and hospice providers to partner with and coordinate care to meet the timely hospice needs of King County. The numeric need for two additional hospice agencies in the need methodology in addition to the delayed admission times in the county, demonstrate there will not be an oversupply or duplication of hospice services in the county."

Public Comments
No public comments were submitted in support of this project that focus on this sub-criterion. As previously stated, two entities, Envision Hospice of Washington and Eden Health provided comments

in opposition of all four King County projects under review. The comments are identified in the previous applicant's section.

Rebuttal Comments
Pennant did not provide rebuttal responses specific to those comments.

Department Evaluation
This section of the application allows an applicant to explain why the proposed project is not an unnecessary duplication of services. The rationale and discussion provided by Pennant is based on information specific to King County. Pennant provided an analysis of the county's existing hospice agencies and ADC, relative to the county's population. The department finds this approach to be reasonable.

The numeric methodology projects need for two additional hospice providers in King County. The approval of additional providers in the planning area will result in an additional hospice option for many terminally ill residents in the county.

Based on the information above, the department concludes that Pennant provided a reasonable rationale to support its project and the statements in the application support need for this project.

If this application is approved, Pennant's approval would include a condition requiring the agency to be available and accessible to all residents of King County. With agreement to the condition, Pennant's application **meets this sub-criterion**.

VistaRiver King County HoldCo, LLC
In response to this sub-criterion, VistaRiver provided the following information and statements: [source: Application, pdfs 19-20]
"*Factors that could restrict patient access to hospice services can be identified by analyzing the county's existing hospice agencies and ADC, relative to the county's population.*

The need methodology revels [sic] the need for two additional hospice agencies by 2023 with each of the new agencies operating at an average daily census of 35 patients. VistaRiver projects it will reach an ADC of 15.4 for partial year 2023 increasing gradually to an ADC of 46.4 by the end of the third full year, 2026.

	Total					
Hospice Agency Name	Hospice Beneficiary	Died in 2020	Died in Hospice	Hospice Days Sum	Hospice Days Mean	Hospice Days Median
FRANCISCAN HOSPICE 501526	2,947	2,124	1,993	199,891	68	30
EVERGREEN HEALTH HOSPICE CARE 501523	2,341	1,839	1,751	125,056	53	19
PROVIDENCE HOSPICE OF SEATTLE 501515	2,172	1,577	1,484	151,601	70	28
MULTICARE HOSPICE 501508	1,191	930	876	69,765	59	24
KAISER FOUNDATION HEALTH PLAN OF WASHINGTON 501521	712	567	532	38,401	54	26
KINDRED HOSPICE 501541	239	163	150	22,477	94	37
PROVIDENCE HOSPICE AND HOME CARE OF SNOHOMISH CO 501514	167	121	114	9,842	59	16
ENVISION HOSPICE 501544	73	52	48	2,900	40	20
PROVIDENCE SOUNDHOMECARE AND HOSPICE 501511	57	41	38	3,357	59	33

Hospices Serving Beneficiaries Residing in Selected Counties (with 11+ Beneficiaries served)

Custom Report for VistaRiver Hospice using newly released Medicare 2020 Hospice Claims Information - King and Pierce Counties, WA.
4,764 Medicare Certified Hospices Served 1,714,371 Medicare Beneficiaries across 1,832,314 new admissions in the 50 US states and DC during 2020.
* Indicates cells blanked where N<11 (per CMS reporting requirements).
© Hospice Analytics, Inc., 12/23/21.

Table 1: 2020 Medicare Cost Report Data Agencies reporting data for hospice in King County

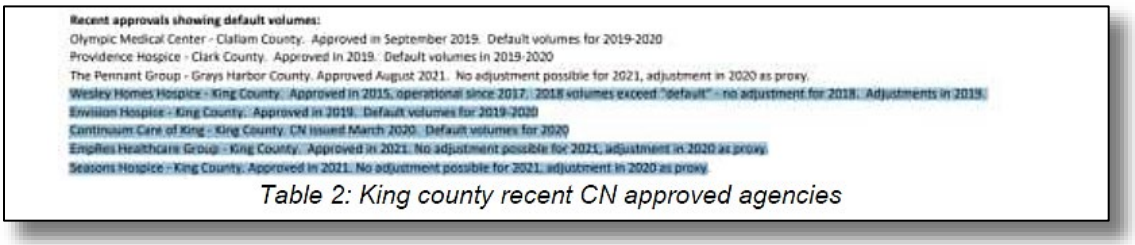


Table 2: King county recent CN approved agencies

King County is served by 14 agencies (9 presented in table 1; 5 agencies receiving CN approval in table 2).

Table 1 shows that three of the operational hospice agencies had average length of stays >62.66 that exceeded the Washington State need methodology length of stay average.

While the many of the hospice agencies are large and established there still exists access to care for many residents relatively compared to the county's population. Although these agencies provide a good service, they don't always have enough resources or staff members to meet all of their patient's [sic] needs. This is where new hospice organizations come into play, providing support services that can be tailored specifically towards those who need them.

Staffing will be a factor in the planning area that could restrict access to hospice care. VistaRiver has a plan that addresses this factor head on:

1) *Recruiting and retaining qualified healthcare personnel regionally to dedicate to establish, operate and grow the hospice agency. A core group of qualified healthcare professionals are identified and will be ready to relocate to King County to support this project upon a favorable decision.*
2) *Partnering with Alante Primary Care to provide transitional care management, Hospice Care Supervision (CPT Code: G0182), 24/7 access to a nurse practitioner, medically necessary home visits, palliative care and supporting the hospice services with dedicated Nurse Practitioners and personalized dedicated software solutions.*

Understanding another factor that could restrict access to hospice care is by analyzing and comparing the cause of deaths in King County helps to understand restrict patients access to services [sic].

The top three causes of death in King County are cancer, heart disease, and Alzheimer's Disease. A principal diagnosis of cancer (29.6 percent) was the leading diagnosis among Medicare hospice patients, followed by principle diagnosis of circulatory/heart disease (17.4 percent) and dementia (15.6 percent). Routine Home Care accounted for 98.2 percent of care provided according to NHPCO. Hospice is underutilized in cancer and non cancer deaths, notably in those with a non-cancer diagnosis (heart disease and dementia). Hospice utilization in King County (45.91%) trails the national average (46.14%).

Using King County demographic information, census data, 2020 Medicare claims data along with the numeric need methodology provides the general description of the types of patients to be served by this project.

- *Hospice Utilization (Medicare Hospice Deaths / Medicare Deaths):*
    - *o 46.14% 2020 National Hospice Utilization (of beneficiaries who died, died on hospice).*
    - *o 45.47% 2020 Washington State Hospice Utilization.*
    - *o 45.91% 2020 King County Hospice Utilization.*

Washington state and King County hospice utilization rates are all below the national average.

- *Hospice Utilization x Race: Breaking hospice utilization rates down further by race, we find hospice utilization for Whites in King County to be significantly higher than all other races:*
    - *o 46.96% White*
    - *o 34.93% Hispanic*
    - *o 34.81% Asian*
    - *o 32.00% Black*
    - *o 28.47% North American Native*

This trend for Whites to have higher hospice utilization rates is consistent and long-standing across both Washington state and nationally. Per the hospice utilization definition, this addresses hospice deaths by race.

We believe that everyone should have access to the end-of-life care they deserve. Racial and ethical [sic] disparities in hospice utilization are multi-factorial as observed by a prominent study. VistaRiver will stand out among other hospice providers by it's [sic] plans to address this disparity, among others, through it's [sic] partnership with MyCancerJourney's innovative health navigator tool which has been shown to help underserved groups, racial and ethnic minorities, in making decisions about their care.

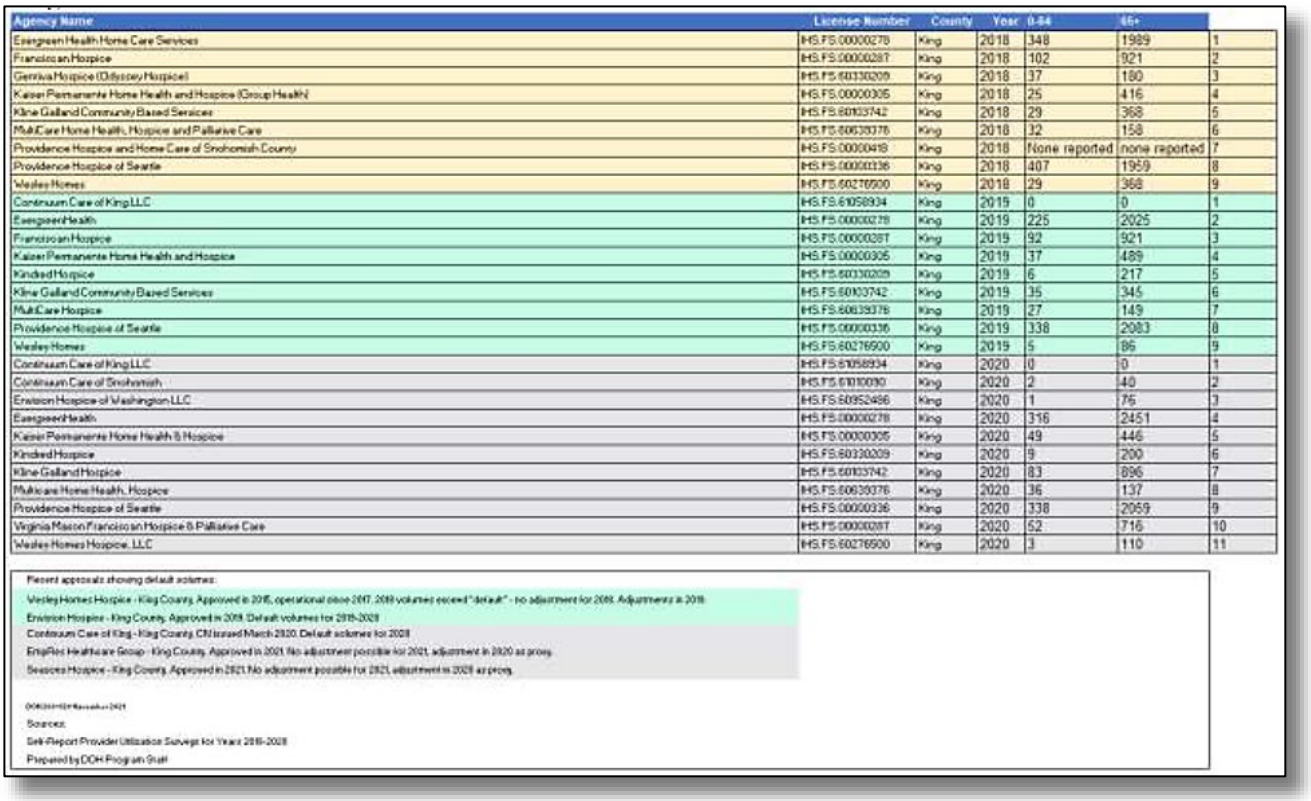
- *Hospice Admissions and Length of Stay x Race: Consistent with hospice utilization trends above, hospice admissions occur at higher percentages for Whites compared to all other races. Additionally, both mean and median hospice lengths of stay are longer for Whites compared to all other races. These trends hold true for beneficiaries residing in King County as well as Washington state and nationally.*

  In summary, VistaRiver is committed to being accessible and available to patients and helping alleviate the restrictions to hospice services in three distinct ways:
    - *1) Dedicated Quick Response RNs for timely admissions (timely admissions)*
    - *2) Increase hospice utilization through its MyCancerJourney (potentially increasing hospice utilization)*
    - *3) Increased care by way of Alante Primary Care*"

VistaRiver provided additional clarification related to the preceding statements. [source: February 28, 2022, screening response, pdf 13]
"*The study sought to understand racial / ethnic disparities not ethical*."

In response to a few screening questions VistaRiver clarified the above statements as related to the count of existing hospice services for King County residents and average length of stay.
"*Envision was unintentionally counted twice. The King County Hospice CN approved agencies in years 2018, 2019 and 2020 have been isolated in the table below sourced from the Washington DOH 2021 Need Methodology:*

2018: 9 Agencies
2019: 9 Agencies
2020: 11 Agencies
2021: 13 Agencies



Agency Name	License Number	County	Year	0-64	65+	
Evergreen Health Home Care Services	MS.FS.00000278	King	2018	348	1989	1
Franciscan Hospice	MS.FS.00000287	King	2018	102	921	2
Gentiva Hospice (Odyssey Hospice)	MS.FS.60330209	King	2018	37	180	3
Kaiser Permanente Home Health and Hospice (Group Health)	MS.FS.00000305	King	2018	25	416	4
Kline Galland Community Based Services	MS.FS.60103742	King	2018	29	368	5
MultiCare Home Health, Hospice and Palliative Care	MS.FS.60639378	King	2018	32	158	6
Providence Hospice and Home Care of Snohomish County	MS.FS.00000419	King	2018	None reported	none reported	7
Providence Hospice of Seattle	MS.FS.00000336	King	2018	407	1959	8
Wesley Homes	MS.FS.60276500	King	2018	29	368	9
Continuum Care of King LLC	MS.FS.61058934	King	2019	0	0	1
Evergreen Health	MS.FS.00000278	King	2019	225	2025	2
Franciscan Hospice	MS.FS.00000287	King	2019	92	921	3
Kaiser Permanente Home Health and Hospice	MS.FS.00000305	King	2019	37	489	4
Kindred Hospice	MS.FS.60330209	King	2019	6	217	5
Kline Galland Community Based Services	MS.FS.60103742	King	2019	35	345	6
MultiCare Hospice	MS.FS.60639378	King	2019	27	149	7
Providence Hospice of Seattle	MS.FS.00000336	King	2019	338	2083	8
Wesley Homes	MS.FS.60276500	King	2019	5	86	9
Continuum Care of King LLC	MS.FS.61058934	King	2020	0	0	1
Continuum Care of Snohomish	MS.FS.61010090	King	2020	2	40	2
Envision Hospice of Washington LLC	MS.FS.60952486	King	2020	1	76	3
Evergreen Health	MS.FS.00000278	King	2020	316	2451	4
Kaiser Permanente Home Health & Hospice	MS.FS.00000305	King	2020	49	446	5
Kindred Hospice	MS.FS.60330209	King	2020	9	200	6
Kline Galland Hospice	MS.FS.60103742	King	2020	83	896	7
Multicare Home Health, Hospice	MS.FS.60639378	King	2020	36	137	8
Providence Hospice of Seattle	MS.FS.00000336	King	2020	338	2059	9
Virginia Mason Franciscan Hospice & Palliative Care	MS.FS.00000287	King	2020	52	716	10
Wesley Homes Hospice, LLC	MS.FS.60276500	King	2020	3	110	11

Recent approvals showing default volumes:

Wesley Homes Hospice - King County, Approved in 2018, operational since 2017, 2019 volumes exceed "default" - no adjustment for 2019. Adjustment in 2019.

Envision Hospice - King County, Approved in 2019, Default volumes for 2019-2020

Continuum Care of King - King County, CN issued March 2020, Default volumes for 2020

EmpRes Healthcare Group - King County, Approved in 2021, No adjustment possible for 2021, adjustment in 2020 as proxy

Seasides Hospice - King County, Approved in 2021, No adjustment possible for 2021, adjustment in 2020 as proxy

Sources:

Self-Report Provider Utilization Surveys for Years 2018-2020

Prepared by DOH Program Staff

Kline Gallard Hospice was unintentionally omitted. The updated table above includes their data." [source: February 28, 2022, screening response, pdfs 9-10]

"*The ALOS has been corrected throughout the application and financial projections to reflect the Washington DOH ALOS of 62.12*." [source: February 28, 2022, screening response, pdf 11]

When asked in response to screening about whether the data in Table 1 included only King County data or another county's as implied by the highlighted footnote, VistaRiver provided the following partial response. [source: February 28, 2022, screening response, pdf 11]
"*The report had claims that included King and Pierce county [sic]. An updated report using Medicare 2020 Hospice Claims information for King County in listed here:*"

Although the report was not in the contents of the screening response PDF submission, it was detailed in a submitted Excel spreadsheet. Following is a screen capture of this submission.

Applicant's Excel
Table 1: 2020 Medicare Cost Report Data
Agencies Reporting Data for Hospice in King County

	Total					
	Hospice Beneficiary	Died in 2020	Died in Hospice	Hospice Days Sum	Hospice Days Mean	Hospice Days Median
FRANCISCAN HOSPICE 501526	1,959	1,438	1,356	130,021	66	29
KAISER FOUNDATION HEALTH PLAN OF WASHINGTON 501521	138	105	98	6,767	49	21
PROVIDENCE HOSPICE OF SEATTLE 501515	39	25	24	2,760	71	19
PROVIDENCE SOUNDHOMECARE AND HOSPICE 501511	34	26	25	2,071	61	42
WESLEY HOMES HOSPICE LLC 501543	16	*	*	773	48	23
PROVIDENCE HOSPICE AND HOME CARE OF SNOHOMISH CO 501514	11	*	*	331	30	*

When asked in screening specifically about barriers to care which existing experienced providers have not overcome; as well as VistaRiver's methods and plans for overcoming these barriers, VistaRiver provided the following response. [source: February 28, 2022, pdf 17]

"*a. Racial and ethnic barriers to hospice admissions*

'Lack of Knowledge about hospice programs' is cited as one of the main, among several, possible causes for racial disparity in hospice utilization among underutilized racial and ethnic groups.

VistaRiver believes the partnership with MyCancerJourney will help to address this main barrier head on by empowers [sic] newly diagnosed cancer patients with information tailored to their unique characteristics, clinical condition, and goals for care. MyCancerJourney combines personalized, high-tech analytics based on millions of real-world patients with the human touch of board-certified cancer support professionals to help you make informed care decisions

b. Timely admissions

VistaRiver plans to follow the NHPCOs best known practices to increase 'Service Excellence' and increase timeliness of admission.

- *Dedicated admission team consisting of RNs and LPNs*
- *Staggering Schedules to accommodate frequent evening admissions*
- *Adding support services such as chaplain, social work, spiritual care counseling services outside of business hours*
- *Ensuring capability of admission process to accommodate language needs and preferences by contracting with tele language services and hiring for clinicians fluent in multiple languages.*

c. Increase to ALOS

According to various studies palliative care may improve survival and quality of life in advanced cancer. VistaRiver's palliative program, in partnership with Alante, will seek input and collaboration with Washington State Hospice & Palliative Care Organization. Through increased educational program, palliative care programs and dedicated admission teams VistaRiver believes it has a comprehensive program to positively address the barriers of racial and ethnic groups, improve timely admissions and increase average length of hospice stays.

VistaRiver believes that it's program in partnership with MyCacnerJourney [sic] will help to address and alleviate the barriers mentioned by providing the medical providers, patients and families the individualized information designed to help increase the understanding through customized reports, decision aids, availability of informational telephone of [sic] in person sessions. Additionally, VistaRiver has begun the process of collaborating with King County communities to develop community specific programs."

In response to a screening question asking why its project is not an unnecessary duplication, beyond numerically, VistaRiver provided the following response. [source: February 28, 2022, screening response, pdf 18]

"*According to prior years [sic] successful hospice evaluations the depart [sic] have considered and accepted the rational who [sic] relied on the numeric methodology to meet the standard. VistaRiver puts forth the rational [sic] that by virtue of the need methodology showing two additional agencies need to address the unmet need in King County that that alone represents services would not be duplicated*."

To further its case VistaRiver provided an article titled *Racial/Ethnic Disparities in Hospice Utilization Among Medicare Beneficiaries Dying from Pancreatic Cancer* published March 19, 2020 sourced from the National Library of Medicine. VistaRiver provided the following statement to explain its relevance and inclusion. [source: February 28, 2022, screening response, pdfs 13-15]

"*The department should consider this article as it serves to illustrate the importance of the decisions [sic] making process and it's [sic] impact on racial / ethnic. According to the King County Community*

Health Needs Assessment Cancer is the leading cause of death across all communities and is either the 1st or 2nd cause of death for each of the individual categories.

Life Expectancy & Leading Causes of Death

Continued

King County Community Health Needs Assessment 2021/2022

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Leading causes of death (ranked by the number of deaths)

King County (average: 2014 - 2018)

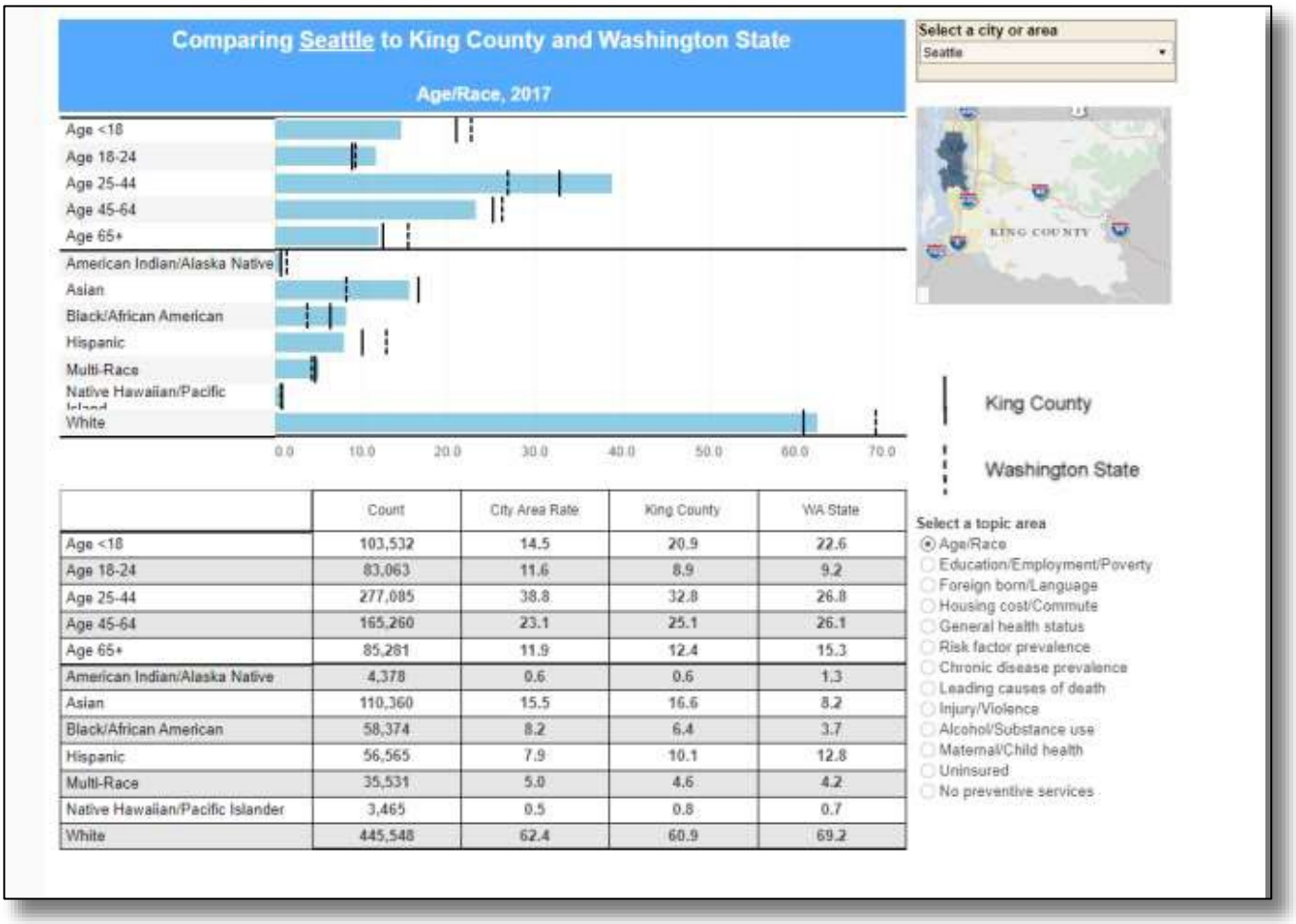
Rank	Total	AIAN	Asian	Black	Hispanic	NHPI	White
0	All causes 625.4 (12,958)	All causes 1,021.7 (112)	All causes 448.7 (1,146)	All causes 781.6 (785)	All causes 502.2 (369)	All causes 1,161.4 (88)	All causes 634.9 (10,231)
1	Cancer 149.6 (2,965)	Unintentional injuries 129.9 (18)	Cancer 111.3 (313)	Cancer 166.0 (173)	Cancer 105.7 (77)	Heart disease 239.1 (20)	Cancer 144.2 (2,320)
2	Heart disease 124.4 (2,593)	Cancer 115.1 (17)	Heart disease 79.2 (196)	Heart disease 154.8 (149)	Heart disease 95.7 (56)	Cancer 210.5 (18)	Heart disease 128.9 (2,128)
3	Alzheimer's disease 85.6 (924)	Heart disease 102.7 (16)	Stroke 53.8 (82)	Unintentional injuries 45.8 (59)	Unintentional injuries 33.7 (43)	Diabetes Mellitus 96.3 (7)	Alzheimer's disease 69.3 (822)
4	Unintentional injuries 54.9 (753)	Chronic liver disease 66.9 (9)	Alzheimer's disease 39.5 (56)	Diabetes Mellitus 47.3 (46)	Stroke 33.6 (17)	Stroke 109.4 (5)	Unintentional injuries 56.7 (937)
5	Stroke 31.6 (644)	Chronic lower resp. disease 42.0 (5)	Unintentional injuries 19.7 (55)	Stroke 43.7 (39)	Diabetes Mellitus 20.5 (14)	Unintentional injuries 25.8 (4)	Stroke 30.1 (490)
6	Chronic lower resp. disease 25.9 (523)	Stroke 59.7 (4)	Diabetes Mellitus 18.8 (47)	Chronic lower resp. disease 26.8 (27)	Chronic liver disease 12.2 (14) Suicide 6.6 (14)	Influenza/ pneumonia 21.9 (2)	Chronic lower resp. disease 28.4 (453)
7	Diabetes Mellitus 18.7 (385)	Diabetes Mellitus 31.2 (4)	Chronic lower resp. disease 11.1 (31)	Alzheimer's disease 34.6 (34)	--	Septicemia 20.9 (2)	Diabetes Mellitus 16.1 (261)
8	Suicide 12.1 (248)	Suicide 26.2 (3)	Suicide 7.3 (20)	Homicide 16.2 (23)	Alzheimer's disease 11.1 (12)	Essential (primary) hypertension 21.0 (2) Chronic lower resp. disease 21.0 (2)	Suicide 14.0 (205)
9	Chronic liver disease 9.6 (221)	Alzheimer's disease 41.2 (5)	Essential (primary) hypertension 6.6 (20)	Essential (primary) hypertension 19.2 (17)	Homicide 4.7 (11)	--	Chronic liver disease 10.2 (169)
10	Influenza/ pneumonia 9.9 (205)	Nephritis 14.4 (2)	Influenza/ pneumonia 6.4 (20)	Nephritis 12.4 (13)	Certain conditions originating in the perinatal period 2.1 (7)	Suicide 8.4 (2)	Influenza/ pneumonia 10.0 (161)

Source: WA State Department of Health, Death Certificate data

Note: For each cause, the first number shown is the 5-year average rate per 100,000 and the number in parentheses is the average annual count for that cause over the 5-year period. For leading causes by age, the rates are age specific. All other rates are age adjusted. Multiple race data is not accurately reported on death certificates and is not recommended for analysis.

Given the fact that cancer is the leading cause of death in King County it highlights the importance on it's [sic] impact across race & ethnicity on treatments and outcomes.

Although African Americans (AAs) make up 12% of the US population, they make up only 8.5% of hospice patients. AA make up 6.4% of the population in King County. Many studies have shown that AAs and members of other underrepresented groups tend to utilize hospice less often than their white counterparts. Research has shown that African Americans (AAs) are less likely to complete advance directives and enroll in hospice. Barriers identified included: lack of knowledge about prognosis, desires for aggressive treatment, family members resistance to accepting hospice, and lack of insurance.



	Count	City Area Rate	King County	WA State
Age <18	103,532	14.5	20.9	22.6
Age 18-24	83,063	11.6	8.9	9.2
Age 25-44	277,085	38.8	32.8	26.8
Age 45-64	165,260	23.1	25.1	26.1
Age 65+	85,281	11.9	12.4	15.3
American Indian/Alaska Native	4,378	0.6	0.6	1.3
Asian	110,360	15.5	16.6	8.2
Black/African American	58,374	8.2	6.4	3.7
Hispanic	56,565	7.9	10.1	12.8
Multi-Race	35,531	5.0	4.6	4.2
Native Hawaiian/Pacific Islander	3,465	0.5	0.8	0.7
White	445,548	62.4	60.9	69.2

Providers believed that acceptance of EOL care options among AAs could be improved by increasing cultural sensitivity through education and training initiatives and increasing staff diversity. A recent study indicated a need to develop new [sic] to increase awareness of EOL care options for underrepresented minorities.

AA patients are more comfortable working with providers of the same race. Still, only about 3% of US oncologists are Black, reducing participation during medical visits.

This is underscored by the fact that prognostic estimates and treatment decision-making in cancer care are primarily based on clinical trials and statistics published by the National Cancer Institute and the American Cancer Society. Both data sets suffer from low participation by ethnic and racial minorities even though members of these groups generally experience disproportionately higher mortality rates relative to the entire US population. The lack of widespread participation in clinical trials thus leads to problems in the scientific quality of the research, generalizability of the results, and speed of scientific discovery.

What can we do about it?

MyCancerJourney empowers newly diagnosed cancer patients with information tailored to their unique characteristics, clinical condition, and goals for care. MyCancerJourney combines personalized, high-tech analytics based on millions of real-world patients with the human touch of board-certified cancer support professionals to help you make informed care decisions

First, our data sets reflect millions of patients, including those not included in clinical trials and individuals with other health issues common in minority groups such as diabetes and heart disease. With this information, we can personalize treatment to minority patients.

Having the information is the first step; relating it to the individual makes the real difference. We can match patients with cancer with board-certified patient navigators of the same race to share information and provide support from a human perspective. When patients are provided information and support, they can better understand their treatment options and better advocate for resources available to them, such as genetic counseling and testing referrals.

The final step is awareness. Patients deserve to know this information and that support is available to them. MyCancerJourney provides answers to some of the most critical questions patients with cancer ask. Its groundbreaking data platform leverages the largest cancer outcomes dataset of its kind, offering the most comprehensive information available.

VistaRiver's partnership with MyCancerJourney program is aimed at helping to reduce the disparity in access to care while helping to serve all groups especially those who are underserved."

In response to a screening question about how VistaRiver will target underserved populations while not undermining existing services, VistaRiver provided the following statements. [source: February 28, 2022, screening response, pdf 32]
"*VistaRiver will take a collaborative and congenial approach to targeting populations that are under severed. We feel strongly that any programs [sic] should be developed to enhance and educate populations about their access to end-of-life care. It would be antithetical to the overall department's goal by adding an additional service provider who would potentially undermine existing services. The population will benefit from additional end of life services being provided to the King County population as demonstrated by the need for two additional agencies.*

An example of how VistaRiver will target underserved populations while not undermining existing services is that VistaRiver will build upon the efforts of NHPCO and Morgan State University who developed unique ways to spread hospice awareness to underserved African American populations in King County.

VistaRiver has had success in the greater Portland metropolitan area with diverse outreach campaigns aimed at educating many underserved populations via direct and joint marketing campaigns.

To understand the King County population that is underserved we researched and referenced several publicly available materials on Kingcounty.gov. VistaRiver will specifically target dual eligible Medicare and Medicaid, Unhoused, LBGTQIA+, Veterans via the WHV program and all racial, ethnic, minority groups without discrimination."

Public Comment
The department received no public comment in support of this project; however, the following opposition comment was received. As previously stated, two entities, Envision Hospice of Washington, LLC and EmpRes Healthcare Group, Inc. provided comments in opposition of all four King County projects under review. These comments are identified in a previous applicant's section and will not be repeated for VistaRiver.

Sol Miller, CEO, Moments Hospice of King, LLC – Oppose [source: pdfs 37-38]

"***Matching Hospice Cancer Patients to 'Board Certified Patient Navigators' by Race***

In response to Screening question #22, the Applicant states that

> *'We can match patients with cancer with board-certified patient navigators of the same race to share information and provide support from a human perspective. When patients are provided information and support, they can better understand their treatment options and better advocate for resources available to them, such as genetic counseling and testing referrals.'*

Given the breadth of racial and ethnic diversity within King County, and the degree of diversity within the Asian community alone, how does the Applicant and MyCancerJourney plan to ensure that they can pair all hospice patients with 'board certified patient navigators of the same race'?

The applicant should provide a copy of its policies and procedures for using patient race as the basis for patient navigator assignments.

Racial and Ethnic Barriers to Care

In response to Screening Question 23, the Applicant has not adequately addressed the Department's request to 'detail methods, plans, and other.' The Applicant's response suggests that the Applicant is of the belief that merely subscribing to MyCancerJourney will reduce race-specific barriers to care which have persisted for decades throughout the entire country.

The only 'method' the Applicant has offered for non-cancer patients is a more generalized effort to increase knowledge of hospice programs. Given that this is a standard marketing approach for most, if not all hospices throughout the U.S., and that racial and ethnic disparities in care persist nationwide, the Applicant has not adequately explained how this broad, general, and standard approach would eliminate or reduce racial and ethnic barriers to care.

The Applicant's response does not appear to demonstrate a thorough understanding of King County specific racial and ethnic barriers to hospice admission, nor has the Applicant offered real 'plans' or 'methods' to address racial and ethnic barriers to hospice admission."

Envision Hospice of Washington, LLC and EmpRes Healthcare Group, Inc. – Oppose [sources: Envision pdf 7 and EmpRes pdf 6]

"*Need and Duplication: The Vista River CoN application states on page 21 in response to Need Question 4 on why the application is not duplicative states the following: 'Based on the department's need methodology results for 2 additional hospice agencies in King County this application should not be considered unnecessary duplication of services.' The applicant repeated this response to Screening Question 24 (page 18). River Vista's [sic] application (like Moments, as seen in the previous section) does not address the proxy admissions and patient days that the Program Need methodology sets aside for a 3-year period for each new, approved application. Therefore, the application is duplicative and fails this Need test and should be denied.*"

Rebuttal Comments

VistaRiver did not provide rebuttal responses to any written comments in this review.

Department Evaluation

VistaRiver identified portions of King County's population that are underutilizing hospice services relative to average use rates nationally and in Washington State. It also outlined many barriers to care for these populations. It then discussed its plans and potential solutions to reach underserved groups and

references similar efforts of other organizations[15] that have been successful. This applicant listed potential solutions which includes:

- Dedicated quick response RNs
- Use of MyCancerJourney
    - Access to large database of minority-specific data, for personalized experience
    - Matching patients to board-certified patient navigators of the same race
    - Awareness, patient access to a database of FAQs
- Contracting with Alante Primary Care
- Increasing cultural sensitivity through:
    - Education and training initiatives
    - Increasing staff diversity

One of the competitors in this review questioned in comment whether VistaRiver's plans are achievable, realistic, or departing from standard strategies already in use by hospice providers in King County. VistaRiver's information includes: a plan to get staff on board quickly, accounted for its proposed *quick response* team in its projected staff and salaries, included in projected expenses *education and training* costs, provided information on a staffing contracting agency it plans to work with and accounted for these costs, and provided information on another contractor that with its extensive database will increase minority populations' use of hospice and accounted for these costs. Although this applicant included within its application costs and contracts to support this plan, in its staffing information *Total Payroll* was represented by significantly different amounts[16] in one document submitted by VistaRiver. It appears as though *Total Field Staff Payroll* amounts were excluded for unknown reason in one version. There also appears to be a mismatch between the applicant's assumption and submitted values for its personnel. On a single-line-item basis it appears as though the discrepancy could be related to rounding, but when looking at total staff salaries for all projection years it is a difference of almost 6% the applicant's calculations. When looking at *Field Staff* only the difference is closer to 8%.

Although the applicant provided a plan for reaching and serving underserved populations, it did not include a foundation for that plan. Namely evidencing that it can fund its necessary staffing; and as VistaRiver pointed out, the supply of minority medical professionals is limited.

There was additional comment on whether this applicant had considered *proxy admissions and patient days that the Program Need methodology sets aside for a 3-year period for each new, approved application.* This comment appears to restate comment earlier discussed in this evaluation and will not be reassessed here.

The department considers the **plan** relied upon by VistaRiver proposing the establishment of an additional Medicare and Medicaid-certified hospice agency to serve the residents of King County to generally be reasonable; however, this plan's success is contingent on foundational information that is not confirmable by the department. Based on the information above, public comment, and lack of rebuttal the department concludes that VistaRiver did not provide a reasonable rationale to support its project. The VistaRiver's application **does not meet this sub-criterion**.

Y.B.G. Healthcare LLC

In response to this sub-criterion, YBG provided the following statements and analysis. [source: Application, pdfs 16-23]

[15] Groups listed by VistaRiver include: NHPCO and Morgan State University located in Maryland.

[16] VistaRiver's February 28, 2022, screening response, pdf27 for years 2023, 2024, 2025, and 2026 respectively *$266,600; $266,600; $378,873; $477,091* and on pdf150 *$609,563; $857,468; $1,157,744; $1,666,500*

"*The Department of Health's 2022 hospice need methodology (included as Exhibit 3) projects immediate need (2022) for an additional hospice agency in King County, (increasing to 2 in 2023). In addition, King County has published data that identifies the magnitude and extent of inequities in our target communities.*

…

The reality is that even though numeric need exists, there are underserved communities in King County; and these inequities must be given a voice and addressed. Ten hospitals/health systems and Public Health of Seattle King County (PHSKC) recently conducted a 2021-2022 Community Health Needs Assessment (CHNA). The CHNA opens by explicitly stating that that PHSKC declared racism a public health crisis in 2020 and acknowledged the historical and present-day impacts of systemic oppression and racism on the well-being of King County residents. The report also states that racism and systemic oppression influence health outcomes by affecting social conditions as well as contributing to trauma that spans generations and persists throughout an individual's life span. Beyond its impact on access to high-quality healthcare, racism impacts access to education, housing, employment, nutrition, joy, and wellness—everything that communities need to thrive. To illustrate the inequities, the CHNA provides information organized by race, ethnicity, and place. Key findings noted in the CHNA include:

- *While King County is 6% Black, 29% of households in the homeless response system identified as Black or African American—this rate is 500 times higher than the community's representation in the larger population. The same holds true for the American Indian/Alaska Native population which compromises 1% of the King County population, but 4% of the homeless.*
- *Among King County's population, the life expectancy of Black people (77.6 years) is four years shorter than life expectancy of white residents (81.6 years). This gap is even greater by race and gender: life expectancy for a Black male is nine years less than for a white female (74.7 to 83.7 years, respectively).*
- *In 2019, Black adults were more than two times as likely to be uninsured (10.5%) compared to white adults (4.7%).*
- *In 2019, the King County Medicaid beneficiary population was more racially/ethnically diverse than the overall King County population. People of color made up the majority of Medicaid beneficiaries for both adults and children.*

These factors must be given full consideration in the review and CN award of any new hospice agency. Because Heart and Soul is both black owned and black governed, we are better positioned to gain trust and overcome the insensitivity to cultural variations in attitudes towards death and dying than many existing providers. A January 2015 publication on Equity of Care and Eliminating Health Care Disparities released by a partnership including the American Hospital Association, American College of Healthcare Executives, America's Essential Hospitals, Association of American Medical Colleges and Catholic Health Association of the United States, identified a three-fold process for reducing inequities. These include:

- *Increase the collection and use of race, ethnicity and language preference data;*
- *Increase cultural competency training; and*
- *Increase diversity in governance and leadership.*

Heart and Soul has addressed all three in this application.

The Lower Use of Hospice by the King County BIPOC Community Demonstrates the Magnitude of the Inequity.

Medicare data as well as data from the Centers for Disease Control confirms the underserved nature of the BIPOC community for hospice care. Table 5 includes both 2019 and 2020 King County specific data. The rate of use of hospice by the BIPOC community is consistently the lowest in King County. In 2019 it was only about 63% of the rate of the County at large and only 56% of the rate of the County's white population. 2020 reflects the disparity gap the BIPOC community experienced related to COVID:

while the entire County's deaths in hospice declined by 3.5%, the Black deaths in hospice in 2020 declined by 20% and American Native deaths declined by more than 12%.

Table 5
Hospice Death Data by Race

	2019			2020			
Race	Deaths in Hospice	All Beneficiary Deaths	Percent of Deaths in Hospice	Deaths in Hospice	All Beneficiary Deaths	Percent of Deaths in Hospice	Percent Change in Deaths 2019-2020
White	5,343	9,060	59.0%	5,484	9,444	58.1%	-1.5%
Black	***261***	***632***	***41.3%***	***221***	***670***	***33.0%***	-20.1%
Asian	352	746	47.2%	407	916	44.4%	-5.9%
Hispanic or Latino	36	77	46.8%	44	109	40.4%	-13.7%
American Native	***32***	***78***	***41.0%***	***28***	***78***	***35.9%***	-12.4%
Other	199	421	47.3%	198	454	43.6%	-7.8%
Unknown	75	151	49.7%	72	198	36.4%	-26.8%
Total	**6,298**	**11,165**	**56.4%**	**6,454**	**11,869**	**54.4%**	**-3.5%**

*Source: Developed from Medicare Files, 2021; Bergdata.com. *These are deaths for patients who were enrolled in hospice sometime in the year; these patients were not necessarily on hospice at the time of death. Those numbers would be lower.*

Using 2019 as the baseline, had the Black and American Indian communities accessed hospice at the same rate as the white community, a total of 126 additional individuals in these two communities (112 Black people and 14 American Indian) would have been served in hospice in 2019. If 2020 were the baseline, a total of 185 additional individuals in these two communities (168 Black people and 17 American Indian) would have been served in hospice.

Cancer Death Rates are Higher in King County's BIPOC Community

Further compounding the inequity is the fact that data shows that while incidence of cancer among the Black community in King County is not significantly different than the overall incidence (less than 1% lower), the death rate is nearly 19% higher. In the American Indian community, the incidence is nearly 19% higher and the death rate is about 10% higher. This data is shown in Table 6.

Table 6
King County Cancer Data by Race

	King County Cancer Incidence		Variance to "All in King County	King County Death Rates		Variance to "All in King County"
Racial/ Ethnic Group	Persons	Rate		Person	Rate	
American Indian/Alaska Native	515	525.8	+18.7%	126	147.9	+10.4%
White	40,562	457.8		12,134	138.5	
Black	2,792	439.1	-0.88%	902	159.5	+18. 6%
Hispanic as a Race	1,902	385.1		388	94.4	
Asian/Pacific Islander	515	314.7		1,709	147.9	
All	50,660	443		14,871	134	

Source: USCS Data Visualizations CDC , data for 2018, published 2021.

Dual eligible Medicare/Medicaid Enrollees are Disproportionately BIPOC, and Care Needs are Greater.

More than twelve million individuals nationally are simultaneously enrolled in Medicare and Medicaid. Per CMS, these dually eligible individuals experience high rates of chronic illness, with many having long-term care needs and social risk factors. A brief entitled, Data Analysis Medicare-Medicaid Dual Enrollment 2006 through 2018, prepared by CMS' Medicare-Medicaid Coordination Office in

September of 2019, evaluated twelve-year enrollment trends (the period of 2006-2018) and found that dually eligible beneficiaries are disproportionately younger, female, and of minority race/ethnicity, compared to other Medicare beneficiaries. From 2006 to 2018, the average annual growth rate for the number of dually eligible individuals with disabilities was 3.1 percent, as compared to 0.3 percent among Medicare-only beneficiaries with disabilities. As a result, among all Medicare-eligible individuals under age 65, the proportion who were dually eligible steadily shifted from 44.3 percent in 2006 to 52.3 percent in 2018.

A March 2020 CMS study noted that dual eligible individuals have high rates of chronic illness (60% have multiple chronic illnesses) and 18% reported 'poor' health status (compared to 6% of other Medicare beneficiaries). This report also demonstrates that while the dual eligible represent only 20% of the Medicare program enrollment, they account for 34% of the costs. There were similar findings for the Medicaid Program (15% of the enrollment but 30% of the cost).

CMS data for King County indicates that the rate of dual eligible Medicare/Medicaid enrollees electing hospice, in 2020, was 423.1 per 1,000 deaths (down from 501.0 per1,000 deaths in 2019). This rate is lower than the rate for non-dual eligible beneficiaries in King County of 585.1 per 1,000 deaths. The national rate for dual eligible beneficiaries was also higher than the King County rate in 2020 (473.9 per 1,000 deaths). Heart and Soul's goal will be to increase the rate to the rate of the non-dual eligible in King County. That said, we recognize that the BIPOC dual-eligible are a sub-set of our larger BIPOC community. In an effort to be conservative in our projections, we did not make this group an incremental add-on to our volume estimates.

The Homeless in King County is also disproportionately BIPOC

Table 3 of the 2020 Seattle/King County Point-in-Time Count of Individuals Experiencing Homelessness (duplicated below) shows the disproportionate impact of homelessness in the BIPOC community.

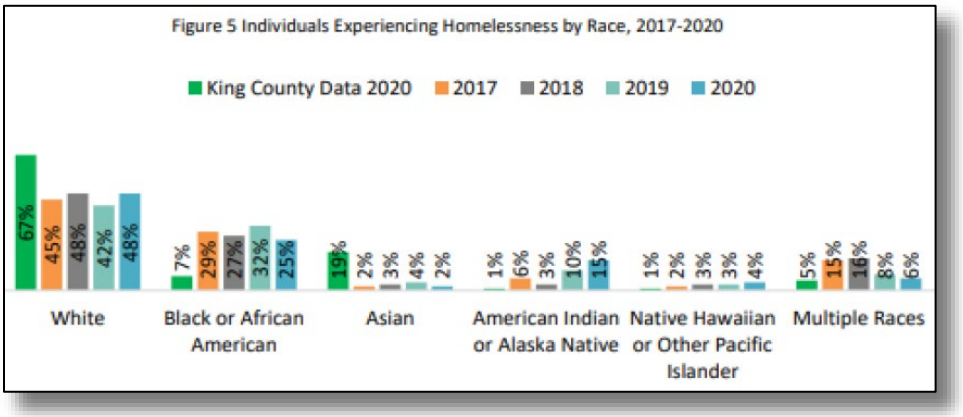
Table 3 Individuals Experiencing Homelessness by Race, Ethnicity, Gender, and Age, 2017-2020

	2017 N=11,643	2018 N=12,122	2019 N=11,199	2020 N=11,751
Race				
White	45%	48%	42%	48%
Black or African American	29%	27%	32%	25%
American Indian or Alaska Native	6%	3%	10%	15%
Asian	2%	3%	4%	2%
Native Hawaiian or Pacific Islander	2%	3%	3%	4%
Multiple Races	15%	16%	8%	6%
Hispanic or Latino	14%	15%	15%	15%
Gender				
Female	36%	35%	40%	41%
Male	62%	61%	56%	56%
Transgender	1%	1%	2%	1%
Gender Non-Conforming	1%	3%	3%	2%
Age				
<18	4%	2%	1%	19%
18-24	23%	22%	18%	9%
25+	74%	77%	82%	72%

According to the report:

> *compared to the overall population of Seattle/King County, homelessness disproportionately impacts people of color. Black/African Americans (7% of the population of Seattle/King County), American Indian/Alaska Native (1% of the population of Seattle/King County), Native Hawaiian/Other Pacific Islander (1% of the population of Seattle/King County) have disproportionately higher rates of individuals experiencing homelessness according to the 2020*

count. American Indian or Alaskan Native individuals experiencing homelessness, for example, make up just 1% of the Seattle/King County according to US census estimates, but they make up 15% of the total homeless population in 2020.



Heart and Soul intends to be an active participant in the Health Through Housing Initiative. This initiative is a regional approach to address chronic homelessness at a countywide scale. By the end of 2022, King County will partner with local jurisdictions to create up to 1,600 emergency housing and permanent supportive housing units for people experiencing chronic homelessness. These options include former hotels, nursing homes, and other similar properties. Onsite 24/7 staffing will include:

- *Case management*
- *Employment counseling*
- *Access to health and behavioral health services*

Our goal is to assure the homeless and those that are housing insecure have an opportunity to have end of life care provided in a safe and secure setting. We recognize that the BIPOC homeless are a sub-set of our larger BIPOC community, so again, in an effort to be conservative in our projections, we did not make this group an incremental add-on to our volume estimates.

The LGBTQIA+ Community in general, and the BIPOC LBGTQIA+ Community in particular have unmet needs for end of life care.

While specific data is harder to secure, Heart and Soul knows from experience that the LGBTQIA+ community is underserved. The issue can be magnified for the nonwhite members of the community who often do not feel included—or necessarily even safe— within the larger LGBTQIA+ community. As in other spaces, racism is all too prevalent. People who are part of communities across the BIPOC spectrum also face increased oppression and unique challenges because of the intersection of their cultural and LGBTQIA+ identities.

Heart and Soul will have specific programs for the LBGTQ IA+ community. Heart and Soul will formally participate in the Northwest LBGT Senior Care Providers Network, which is an informal group of providers working together to provide advocacy and quality of care for the LGBT seniors of Washington State. Its vision statement is to:

> *provide education and support for the LGBT senior community when navigating through the health care continuum, while ensuring that their dignity and individual choices are respected and honored.*

We recognize that the BIPOC LBGTQIA+ are a sub-set of our larger BIPOC community as well and so to be conservative in our projections, we did not make this group an incremental add-on to our volume estimates.

The BIPOC Veteran Community Would Also Benefit:
Improving end-of-life care has been a goal of the Department of Veterans Affairs (VA) for a number of years, either through the Veterans Health Administration (VHA), or through care provided in the community when needed care is not available within its networks. The VA began developing specific initiatives more than 10 years ago and has greatly improved the use of hospice by the VA population. It has done this by honoring Veterans' preferences for care at the end of life and by increasing enrollment in hospice. There are many BIPOC veterans in King County, and we believe that a cohort of these will prefer the specific BIPOC veteran programming Heart and Soul will operate under.

Again, we recognize that the BIPOC Veteran's population is a sub-set of our larger BIPOC community, so did not make this group an incremental add-on to our volume estimates.

Numeric need for an additional agency has been identified by the CN Program's methodology and our ADC will capture a portion of that defined need. Heart and Soul Hospice is part of the BIPOC community and is committed to increasing the acceptance and utilization of hospice in our target communities. Our goal is better end of life care, and while we will serve all, our greatest contribution will be in increasing the acceptance, trust and ultimately the use of hospice in the BIPOC and other underserved communities.

Our response to earlier questions in this section demonstrates the underserved nature of the communities we will target. As such, there is no unnecessary duplication. Importantly, our proposal aligns with the 2021 SB 5052.
…
The law requires that the Department of Health in coordination with the Governor's Interagency Council on Health Disparities, local health jurisdictions, and accountable communities of health, share and review population health data, to identify, or allow communities to self-identify, potential health equity zones in the state and develop projects to meet the unique needs of each zone. A health equity zone means a contiguous geographic area that demonstrates measurable and documented health disparities and poor health outcomes, which may include but are not limited to high rates of maternal complications, newborn health complications, and chronic and infectious disease, is populated by communities of color, Indian communities, communities experiencing poverty, or immigrant communities, and is small enough for targeted interventions to have a significant impact on health outcomes and health disparities. Health disparities must be documented or identified by the department or the centers for disease control and prevention.

The data contained in this application demonstrates the undeserved nature of end-of-life care in King County's BIPOC community. A member of Heart and Soul has applied to participate in the identification of health equity zones, and we intend to work closely with the forming health equity zone to assure a focus on end-of-life care."

<u>Public Comment</u>
Many letters were received which detailed various individuals' and organizations' support of the YBG project which are related to this sub-criterion. Following is a listing of commenters who signed letters of support not quoted here. Whether the comment is quoted here is not indicative of its weight or importance, each comment was reviewed and contents considered for this evaluation. Further, the order commenters are listed here is not suggestive of the department assigning a status or ranking to any commenter or organization.

- Frehiwot Bruce
- Dr. Abe, Chair, Mayor's Council on African American Elders

- Dick Woo, Chair, Aging and Disability Services Advisory Council
- Jim Segaar, Board of Trustees President, Hilltop House, Inc.
- Erik Norwood, MSPT, Physical Therapist & Owner, Renew Physical Therapy
- Pastor Carey G. Anderson, Senior Pastor, First African Methodist Episcopal Church
- Girmay Zahilay, King County Councilmember, District 2
- Tammy J. Morales, Seattle City Councilmember, District 2
- Senayet Negusse, SeaTac Councilmember, Position 1
- Benjamin Danielson, MD
- Andrea Raabe, Health Services Director, Aegis Living on Madison
- W. Victor Fitch, President, Dayspring & Fitch Funeral Home
- Jay Hunter, On-Site, Low Income Housing Institute
- Meti Duressa, MSW, LICSW, Harborview Medical Center
- Thornton Bowman, Executive Director, Hilltop House, Inc.
- Dave Kwok, Executive Director, HopeCentral
- Hind Essaluii, Business Office Manager, Patriots Glen Assisted Living
- Jordan Drew, LPN, Executive Director, Patriots Glen Assisted Living
- Muhammed Barrow, Wellness Director, Patriots Glen Assisted Living
- Malika Belali, Front Desk Supervisor, Patriots Glen Assisted Living
- Erik Norwood, MSPT, Owner, Renew Physical Therapy
- Michael Neguse, Community Organizer, Seattle Neighborhood Group
- Jamie Clark, LICSW, SouthEast Seattle Senior Center
- Sharon N. Williams, Executive Director, Central District Forum for Arts & Ideas
- Martha Zuniga, Deputy Director, Entre Hermanos
- Sophia Benalfew, Executive Director, Ethiopian Community – Seattle
- Tsegage Gebra, Executive Director, Horn of Africa Services
- Michael Swan, LMHC, LPN, Health Committee Chair, NAACP King County
- Ahmed Ali, Manager/Owner, Othello Station Pharmacy
- Ernest Kelly III, Director, Seattle Black Businesses
- Mohamed Shidane, Deputy Director, Somali Health Board
- Michelle Merriweather, President & CEO, Urban League of Metropolitan Seattle
- Pastor Berhanu F. Waldemariam, Bethel Ethiopian Church
- Reverend Yavea Endrios, House of Living God Church
- Pastor Girma Desalegne, Medhane-Alem Evangelical Church
- Assistant Pastor Ambrelie Nesash, Medhane-Alem Evangelical Church
- Phillip Miller, Staff Member, Mount Zion Baptist Church
- Senior Pastor Robert L. Jeffery Senior, New Hope Missionary Baptist Church
- Efrem Fesaha, CEO, BET Boon, Inc. dba Boon Bonna Coffee
- Lidia Ketema, Owner, Lidia's Salon
- Alicia Haskins, Director, Rainier Health & Fitness
- Karen Winston, Sr. Planner, Aging and Disability Services
- Pastor Ephraim Gebremariam, Family Life Pastor, Medhane-Alem Evangelical Church
- Trudy James, Founder and CEO, Heartwork/Speaking of Dying

Following is a representative sample of excerpts relevant to this sub-criterion from YBG's comment in support of its project.

Zyna Bakari, The Urban League of Metropolitan Seattle – Support

"*My name is Zyna Bakari. I am representing the Urban League of Metropolitan Seattle, a 91-year-old Black-led service organization based in the central district neighborhood of Seattle.*

I am here to ask the Washington State Department of Health to grant Heart and Soul Hospice a license to operate as the first Black-owned and Black-governed hospice in the state.

As the Public Health Program Manager for a prominent Black organization, my focus over the past year has been on the COVID vaccine. I work from a culturally competent lens; addressing with honesty and transparency the reasons why many of us are uncomfortable seeking health care. I do this so that we can be empowered and seen -- while ensuring we are not left behind on life-saving health services.

Unfortunately, many in our community avoid health care until it is an emergency.

This is of no small consequence. Black people in our state experience disparities from the moment they are born and throughout all stages of life.

From infant mortality, COVID-19, cancers, and chronic diseases, we are dying disproportionately and earlier.

Many link medical mistrust to the Tuskegee experiment and other past atrocities. But more often it is about how we were treated the last time we were at the doctor's office.

As a person of color, it can feel like a hit or miss whether we will be treated kindly in clinical settings. It is no wonder that in our dying days, we may not want to put ourselves or our loved ones through the chance of being treated poorly again.

To improve the use of hospice we must have an agency that is of and from the community, culturally relevant, and trusted. An agency where there is clear Black representation within the hospice agency, starting with its governing body.

4 years ago, my dad had massive strokes. Although he spent 30 years in America, with the same fervent desire of many immigrants to provide better opportunities for his family, and though he spent his career working in nursing homes, he knew this was not the place for him to age.

Thankfully, he was able to move back to his home country, Tanzania — where he felt he would be treated with dignity.

It is beautiful that he could go home. The only problem is-- I miss him. I wish there were a place for him here, in our state, in our County. I wish there were a place for people like him to age comfortably, with dignity, respect, and cultural competence. We are fortunate we could send him home, but I do think about all the people for whom this is home.

Granting a license to Heart and Soul Hospice is a practical step to ensure all people have access to culturally competent care in their final days.

I know it is a marathon not a sprint. While doing the hard, long, incredibly important work of dismantling racism within institutions, every decision counts. We cannot only have conversations; we must align them with action.

So, I urge you to support Heart and Soul Hospice, the first Black-owned hospice in the state of Washington."

Ashley McGirt-Adair, MSW, LICSW – Support
"*I am reaching out to you, making a public comment, regarding a proposed hospice project for Y.B.G., Healthcare, under Nathan Yemane's leadership. I am a licensed clinician, former hospice social worker, and an expert on racial trauma, and grief and loss...especially as it pertains to the Black community. I am a Washington native born and raised social justice advocate and most importantly a Black woman with a long standing in this community. I also worked for, what used to be the only Black owned health care facility in the State of Washington, Leon Sullivan. Losing Leon Sullivan was a huge shock to our community! The way Leon Sullivan served as a pillar in our community I see Y.B.G. Healthcare although I hope it has a much longer legacy.*"

Amal Bennani Grabinski, Director of Community Living, PROVAIL – Support
"*My name is Amal Grabinski and I am the Director of Community living for PROVAIL, a local non profit that supports people with intellectual and developmental disabilities. I am here to comment in support of Nathan Yemane's petition for YBG healthcare to be granted a license to open King County's first Black owned hospice.*
...
I have been with PROVAIL for 26 years now, and in that time have supported nearly 20 individuals through the hospice process -- these are long term clients who have had multiple disabilities and as they have experienced illness, they have opted to spend the end of their lives in their homes. It has been an honor to support this process, and I have found great comfort myself in knowing that hospice services exist in our community and that they are able to be so flexible at a person's greatest time of need.

One of the issues that I believe exists, that Mr Yemane seeks to address, is the lack of culturally relevant hospice services. At the end of a person's life, it is even more critical that they are offered the opportunity to surround themselves with the traditions and cultural practices that are most important to them. While hospice practices can be enormously flexible where it comes to faith practices and many cultural choices, I don't see that that there has been a purposeful move to offer Black Americans in our community, services that are culturally relevant -- that take into account the experience, traditions, history, and traumas of Black Americans. Many individuals in this community have deeply held fears and concerns about use of healthcare systems in general that often have not respected their needs; this is magnified as a person enters a hospice experience.

Being able to create and support a service that is Black-owned, Black-operated, and can specifically address the cultural needs and norms of the Black community, is an amazing move towards Washington continuing to invest in the local community AND address issues of equity that have long existed. I find that as we learn more and evolve as a community of many different people, it becomes even more critical to invest in our own local community. There are many nationally owned, large hospice services that do great work for a great number of people. This is a unique opportunity to fill a need in our local community that meets a variety of needs.

I wholeheartedly support Mr Yemane's petition and hope that the DOH will consider granting a license to this local business."

Stephanie Doss, RN, Health and Wellness Director, Brookdale Senior Living, Nashville, TN – Support
"*I am writing to share our facilities' great satisfaction with the Heart and Soul Hospice Nashville team. While our relationship is still relatively new, if the last several months have been an indication of the type of care and responsiveness our residents can expect we certainly see this as just the beginning.*

It is always difficult to have the ''hospice talk' with residents and families but having a trusted provider like Heart and Soul has made the task much easier for everyone. We especially appreciate the cultural competency and diverse makeup of the staff that come to our location.

Heart and Soul Hospice has become a trusted and valuable resource for us and we look forward to continuing to provide high quality, compassionate care together."

Amanda Stock, Executive Director, People's Memorial Association – Support

"*On behalf of People's Memorial Association (PMA), I would like to express my support of the establishment of Y.B.G. Healthcare.*

…

Hospice care is one of the most honorable and important services we as a society can offer. It is of utmost importance to provide the respect and dignity that each person deserves when the time for hospice care arrives. Unfortunately, Black communities find it more difficult to find this kind of culturally relevant, quality hospice care. As a Black-owned entity, Y.B.G. Healthcare is the right solution to this challenge. It is steeped in a multigenerational regard for the importance of culturally relevant care. It is informed by a depth of expertise in social work, in such a way that a person's life experiences, community context, and personal needs are prioritized. Washington State lacks access to Black owned, community-centered and culturally relevant healthcare infrastructure. Y.B.G. Healthcare represents a tangible and highly valued opportunity to move our state in the right direction. It is for these reasons that I urge you to approve their application."

Tracy Hirai-Seaton, MSW, LICSW, Co-Chair of UWMC Equity, Diversity, and Inclusion Committee – Support

"*As hospital based medical social worker for over 23 years in Seattle, WA, I support the establishment of a Black-owned hospital in King County and specifically with YBG Healthcare. In addition to my clinical social work role, I am the co-chair of our Medical Center's Equity, Diversity and Inclusion Committee where we advocate for those who were/ are historically excluded the need for such services are imperative. In my two roles, I advocate for the need of services targeted for the Black community as the disparities faced are numerous and having access to culturally and linguistically appropriate services is crucial for the community at the end of their life and their legacy. I worked numerous discharges and found it difficult for Black families to accept hospice referrals, often times opting not to have such services. Sadly, they would navigate their family's end of life journey on their own without formal, Medicare funded services that many are entitled to.*

If the Washington State Department of Health approves YBG Healthcare's Hospice Certificate of Need Application:

- *YBG healthcare, as a Black-owned hospice, will provide the necessary representation for people of color in the healthcare industry both locally and nationally*
- *YBG Healthcare will address health related racial disparities that have long impacted the African American and East African communities and many other minority communities in the US.*
- *YBG Healthcare will diversity the Black-owned business market in King County, WA and the hospice industry in the state.*
- *YBG Healthcare will have the opportunity to provide culturally competent end of life care to the Black population and the general population of King County, WA.*

A Black owned and centered hospice is much needed in King County and would help to address the structural inequities and hope you would consider YBG Healthcare's application."

Mary Louise Kelly, (December 28, 2021) Black-Owned Hospice Seeks to Bring Greater Ease in Dying to Black Families. *National Public Radio*
"*FARMER: In her view, Mason says there's nothing fundamental keeping a majority of Black patients from using hospice except learning what it really is and that it's basically free, paid for by Medicare. As Mason was hired to launch this new hospice agency focused on serving Black patients, called Heart & Soul, she started using new language, calling hospice an entitlement.*
…
FARMER: Hospice research hasn't come up with clear reasons why hospice is now the norm for white families but not for Black. Some speculate it's related to spiritual beliefs and widespread mistrust in the medical system due to decades of discrimination. And Lee says culture does play some role."

Carla Ainsworth, MD, Medical Director, Heart and Soul Hospice – Support
"*My name is Dr. Carla Ainsworth and I am speaking in support of YBG Healthcare and Heart and Soul Hospice. I am a family physician who lives and practices in Seattle. In addition to training and board certification in family medicine, I did a fellowship in geriatric medicine and I have additional certification in geriatric medicine and hospice and palliative care medicine. I have spent my entire professional career taking care of patients in Seattle, and I currently take care of older adults in an outpatient clinic based in the Central District. I talk with patients about advance care planning and end of life care on a daily basis. I have counseled patients about their options including Death with Dignity and have participated in that process as both a prescribing and consulting physician.*

I regularly refer my seriously ill patients to hospice. I know what a gift it can be to have skilled support at home for a loved one during that most vulnerable time. We all know that hospice is underutilized generally at the end of patients' lives, but particularly among families of color. Heart and Soul Hospice, as a Black owned hospice with a commitment to caring for patients from a frame of cultural humility, has an opportunity to engage patients who might not otherwise feel comfortable to do so.

I take care of patients whose diversity is as broad as western Washington's, but some of those patients have specifically sought my care because I am a [sic] African-American physician. There is clear data that racial concordance between care teams and patients can improve health outcomes. In an American healthcare system that has systematically mistreated Black and brown patients, something that has been laid bare in this pandemic, one of the barriers to enrolling in hospice is concern about being denied services. Patients want to focus on quality of life and comfort, but worry that a system that has harmed them previously may just be 'giving up on them.' YBG Healthcare and Heart and Soul Hospice wants to acknowledge that and confront it from the beginning.

It is scary to be facing the end of your life. It is difficult to invite people into your home when you or your loved one is seriously ill. So having an organization that combines proven hospice leadership with someone deeply rooted in King County with the intent of centering patients and families of color is an unprecedented opportunity. I am committed to supporting Heart and Soul Hospice as the founding medical director because I believe so strongly in their mission and the opportunity to make a difference for patients and families in the community where I live and work every day. Thank you for this opportunity to speak to you today."

In addition to letters of support, comment in opposition of the YBG project was also received and excerpts relevant to this sub-criterion are quoted here. As previously stated, two entities, Envision Hospice of Washington, LLC and EmpRes Healthcare Group, Inc. provided comments in opposition of

all four King County projects under review. These comments are identified in a previous applicant's section and will not be repeated for YBG.

Sol Miller, CEO, Moments Hospice of King, LLC – Oppose [source: pdfs 21-25 and 31]

"*The BIPOC community in King County is unequivocally underserved. We commend Y.B.G. for recognizing this important issue. However, while Y.B.G.'s application does a great job calling attention to this worthy issue—one which has persisted nationwide, for decades— Y.B.G has not provided compelling evidence of any concrete strategies, specific to the unique population of King County, which are likely to lead to substantial improvement in this problem.*

We do not necessarily disagree, in theory, that a minority-owned hospice in King County could possibly help improve hospice utilization among underserved groups within the owner's community, due to trust and community connections. However, we are unconvinced that Y.B.G. will be able to meet the needs of King County, based on the data and history of the other hospices owned by the same investors—hospices which made many similar claims to those found in Y.B.G.'s application.

Y.B.G.'s investors have made similar claims in other markets, such as Michigan. Data on the performance and history of David Turner's previous hospice venture:

- *Does not suggest that Y.B.G. will be able to make large scale inroads in serving the BIPOC population in King County.*
- *Raises concern as to whether the proposed new Y.B.G. hospice would remain a minority-owned hospice in King County for the long term, or if it will be sold.*

Heart & Soul Hospice in Tennessee is too new to have data available, or to know whether its owners will sell it, too. However, we were able to evaluate several years of Medicare cost reports and Medicare claims data for CNS Hospice of Michigan, Mr. Turner's other venture. We found discrepancies between the assumptions made in Y.B.G.'s application and accompanying pro forma financials, and its owner's prior hospice track record.

The overarching theme of Y.B.G.'s application is that because the proposed agency is owned by black investors, it will be better able to serve King County's underserved BIPOC community, relative to the other applicants. This premise is flawed, because:

- *Under current Washington law, the Department of Health is not permitted to assess and approve Certificate of Need applications on the basis of the owner(s) race, ethnicity, gender, age, etc. CN criteria is clearly codified in Washington's Administrative Code.*
- *Black ownership alone does not reflect the diversity of King County's entire BIPOC community. Nor does it address the differing religious, cultural, and other barriers to hospice utilization, which vary considerably within this BIPOC community. For example, King County's Asian population and subpopulations have unique needs and barriers to care.*
- *While there are studies indicating that the presence of minority staff and volunteers can increase diversity among patients, this is distinct and different from having minority or BIPOC representation among investors or shareholders.*

Furthermore, if there were any validity to this premise, then Y.B.G. would theoretically need to have Asian and Hispanic owners as well, in order to best serve the King County population. Again, Washington CN criteria is clear, and the race, gender, nationality, etc. of the ownership is not among the criteria to be used by the Department of Health in the CN decision making process.

Deficient Community Needs Assessment
While Y.B.G. acknowledges that King County's BIPOC community itself is diverse, the Applicant has failed to provide concrete strategies supporting its claims that its ability to reach these populations is superior to approaches offered by other applicants.

- *King County's Asian population is underserved and accounts for almost 20 percent of King County's residents. Black ownership of a new hospice agency is not a sufficient 'strategy' evidencing the ability to reach the sizable, underserved, hospice-eligible Asian community in King County.*

The tables below show:

1) Death Service Ratio by Race
2) Deaths in King County by Race

The Asian population is substantial, and underserved. The Hispanic population is more underserved than any other King County racial/ethnic group:

…

Statutory Criteria
Statutory Criteria does not allow for Certificate of Need awards based on the racial composition of a hospice agency's ownership.

The race, ethnicity, age, sexual orientation, gender, etc. of any Applicant hospice's owners is not a legal basis for granting a Certificate of Need in Washington State. None of these considerations are part of the statutory criteria the Washington Department of Health must use to determine a CN award.

WAC 246-310-290 clearly indicates that the department must evaluate CN applications on criteria including the determination of need, financial feasibility, structure and process of care, and determination of cost containment."

Envision Hospice of Washington, LLC and EmpRes Healthcare Group, Inc. – Oppose [sources: Envision pdfs 8-9 and EmpRes pdfs 11-12]
"*The applicant provides no documentation within the application regarding its active planning efforts within the community that would provide outreach to truly, high priority King County patients. In regard to pro forma support of outreach for unserved and underserved populations, Heart and Soul allocates $0.10 per patient day versus conventional marketing at $4.50 per patient day indicating the lack of importance that support from the community to support outreach that can generate an additional 56 to 107 hospice admissions over the first 3 years of operation (see Pro Forma Screening Response, Page 75).*"

In the rebuttal phase of this review YBG provided the following statements.
Y.B.G. Healthcare LLC Rebuttal to Moments' Comment [source: pdfs 19-24 and pdfs 26-27]
"*While Moment's comments are easily refutable, we must note for the record that it is culturally insensitive and inappropriate for Moments Hospice representatives to tell a Black-owned/Black-governed healthcare entity that it cannot relate to nor reach the BIPOC community of King County.*

Also, it is important to note that Moments' repeated assertation that under current Washington law, the Department of Health is not permitted to assess and approve Certificate of Need applications on the basis of the owner(s) race, ethnicity, gender, age, etc. is misleading and incorrect. Heart and Soul's governance and leadership is consistent with the National Standards for Culturally and Linguistically Appropriate Services (CLAS) standard to: 'Recruit, promote, and support a culturally and linguistically diverse governance leadership, and workforce that are responsive to the population in the service area.' The CLAS Standards come directly from the U.S. Dept of Health and Human Services - Office of Minority Affairs and CMS - Office of Minority Affairs and are intended to advance health equity,

improve quality, and help eliminate health care disparities by establishing a blueprint for health and health care organizations to: 'provide effective, equitable, understandable, and respectful quality care and services that are responsive to diverse cultural health beliefs and practices, preferred languages, health literacy, and other communication needs.'

In other words, Heart and Soul's commitment to diverse governance, leadership and workforce and its impact on eliminating health care disparities are relevant and not only can be, but are required to be, part of the Department's decision-making. The Department is specifically tasked with reviewing the patient population itself and take into consideration their needs. Specifically for need:

- *WAC 246-310-210 (1) designed for inclusions not limitations*
- *WAC 246-310-210 (2) calls out 'racial and ethnic minorities'*
- *Specifically for comparison: WAC 246-310-290 (11aii) emphasizes 'specific populations'*

A. Y.B.G has provided compelling and evidence-based strategies to increase the use of hospice in King County's BIPOC community.

The strategies in our application, including our incorporation of the CLAS Standards regarding reducing hospice disparities in BIPOC communities were provided in our screening response. The statement by Moments Hospice claiming that our strategies are not concrete directly implies that the strategies of the minority of health offices for CMS and the U.S. Dept. of Health and Human Services, which we have adopted, are inferior. Moments Hospice's statement is wildly flawed. The public comments received show that our engagement strategy (as stated in our application) is already successfully working as we were able to get 10+ BIPOC clergy from faith communities, 10+ BIPOC organizations, 15+ BIPOC health organizations/committees, 10+ BIPOC community members, and 10+ BIPOC medical professionals to engage in the public hearing and public comments process. No other King County hospice CN applicant in the past has been able to achieve this type of public engagement.

Secondly, Heart and Soul is the only applicant that has listed 'Freelance Interpreters' as services that we will directly provide for our service area because we understand how language barrier for persons with low English proficiency can impede the provision of adequate care. Moment's hospice states that it will use translation services offered by Guardian Hospice in MN. This completely lacks continuity of care if another hospice from another state has to provide translation services for Moments Hospice in King County. Symbol stated that it will use Pennant-affiliated operations to address language barriers. VistaRiver did not make mention of its strategy regarding language barriers.

We are the only applicant with a robust and intentional plan to hire local minority hospice professionals through utilizing existing relationships that we have in the BIPOC community so that the services that we offer to the BIPOC community are culturally relevant. As stated in our application: 'Further we will continue to engage/support BIPOC organizations and post to their job boards. These local organizations include but are not limited to the National Association for the Advancement of Colored People (NAACP), the Urban League, the Somali Health Board, the United Ways of King County's supported Black Community Building Collective, African American Health Board, Mary Mahony Association of Professional Nurses, and Washington State Commission on African American Affairs.' Of these local BIPOC organizations, almost all provided written and verbal public comments to the CN program in support of Heart and Soul.

Heart and Soul has also been in contact with both USHHS's and CMS's Office of Minority Health, Health Equity Technical Assistance Team and the Regional Minority Health Analyst in the Region 8 Office of Regional Health Operations. We have included in our application and screening response the

correspondence and resources provided by these agencies that will support Heart and Soul in their recruitment and retention (of minority hospice staff) and community engagement efforts.

…

D. Heart and Soul has exceptionally strong relationships with the BIPOC Community

Moments suggest that the Heart and Soul record does not reflect any relationships with the BIPOC community. By the close of public comment, Heart and Soul had dozens of community residents and over 70 letters submitted from persons of diverse backgrounds (clergy, civic leaders, medical providers, laypersons, members of historically Black organizations in Seattle, etc.)

Moments Hospice did not receive any public comments from members of the King County BIPOC community during the public hearing held on May 25th. In contrast, a dozen of King County community members and organizations from diverse backgrounds shared stories and expressed support of Heart and Soul Hospice at the hearing. They also acknowledged having established rapport with Heart and Soul Hospice. Moments received written public comments almost exclusively from individuals working in the medical community of King County. How is it possible for Moments Hospice to have a grassroots approach as they claim if they're not engaging those outside of the medical community?

While we, like Moments, received support from the medical community, we also received very strong public support from families of patients and individuals who reported actual stories and provided testimony of how the racial disparity in hospice and end-of-life care has impacted them in King County.

E. Our ownership is a much better reflection of the diversity of King County than is that of any other CN approved hospice or applicant in the current cycle.

Moments suggests that we are not addressing the differing religious, cultural, and other barriers to hospice utilization, which vary considerably within this BIPOC community. For example, King County's Asian population and subpopulations have unique needs and barriers to care.

The Asian population has unique needs and barriers to care, especially for their elder population. However, the Asian community also has Kin On and Seattle Keiro, both Asian governed Long Term Care facilities that are addressing King County Asian population's unique needs and barriers. Unlike the Asian community in King County, the Black community of King County has no such facilities.

The following public comment was provided to the CN program on May 25th by Tracy, a hospital discharge planner: 'In my experience as a hospital discharge planner in King County, we have been able to offer hospice services to our Jewish families by offering them Kline Galland hospice, a Jewish hospice and to our Asian families through Kin On, an Asian provider. We don't have anything to offer to our BIPOC families. We are not meeting the needs of our Black community in the hospital systems. I have worked for Seattle Keiro (a nursing home that specifically cares for patients in the Asian community). I have seen how their approach has improved access for the people in their community (Asian community).'

In regard to Black ownership not reflecting the diversity of King County's entire BIPOC community, we fully disagree with Moments Hospice's assessment of this matter. Heart and Soul Hospice has never implied nor insinuated that its Black ownership is intended to reflect the diversity of King County's entire BIPOC community. However, minority representation at the governing level matters as expressed and shown in the dozens of the public comments submitted by King County community members. Further, while it may be true that Black ownership doesn't address the entire BIPOC community, it does address a significant portion of it (literally the B in BIPOC). Comparatively speaking, based on Moments Hospice's logic, white or majority white ownership addresses NONE of the concerns within

the BIPOC community. An extension that this logic would mean that Moments is therefore even less able to provide adequate hospice care.

The public comment record reflects comments submitted by the BIPOC governing members of Othello Station Pharmacy, Renew Physical Therapy, and Nurture Well Primary Care. All of these governing members (including Erik Norwood, Dr. Margaret Towolawi) attested to how racial concordance in their practice has led to positive health outcomes which they have observed amongst their BIPOC patients of King County.

Per the American Journal of Hospice & Palliative Medicine (a copy was submitted into public comments): 'traditional hospice services are insufficient to increase enrollment of ethnic/racial minorities in palliative care. The study reviewed 3 main avenues for overcoming barriers to minority enrollment in palliative care: (1) enhancing patient education, (2) increasing access to healthcare, and (3) improving communication to establish better rapport with the target population. Outcomes can be improved by implementing tailored interventions to overcome barriers.' The journal agrees with Heart and Soul Hospice's premise that a non-traditional hospice with target populations should be given the opportunity to address disparities and inequities that traditional hospices have been insufficient in addressing.

F. BIPOC representation is a constant in the various studies documenting how to increase hospice penetration

Moments states that there is a 2004 study indicating that the presence of minority staff and volunteers can increase diversity among patients, but Moments argues that this is distinct and different from having minority or BIPOC representation among investors or shareholders.

First, we are not just investors or members. Nathan Yemane and David Turner will be intrinsically involved in the day-day operations of Heart and Soul Hospice. We would like to respond to Moments by stating that the same 2004 study also states that 'Ineffectual outreach to the community may also create barriers.' The only applicant with proven and effective BIPOC outreach is Heart and Soul Hospice.

In fact, the 2004 study's authors note that hospice organizations have been criticized for 'not making efforts toward community outreach' which again reflect poorly on those applicants (Moments) that have not effectively engaged the community when it comes to cultural competencies. As to Moments claim that this doesn't include investors or shareholders, the researcher state 'A scarcity of culturally diverse healthcare professionals exacerbates the disparity of cultural backgrounds between staff and clients.' Professionals presumably include C-Suite members. Heart and Soul Hospice will have culturally diverse professionals. Moments hasn't addressed if they will or will not and have not named a culturally appropriate method of hiring minority hospice staff. Heart and Soul has provided an elaborate method of hiring minority hospice staff members.

Moments incorrectly concludes that the presence of minority staff and volunteers can [sic] is distinct and different from having minority or BIPOC representation among investors or shareholders.

As stated in our application: a January 2015 publication on Equity of Care and Eliminating Health Care Disparities released by a partnership including the American Hospital Association, American College of Healthcare Executives, America's Essential Hospitals, Association of American Medical Colleges and Catholic Health Association of the United States, identified a three-fold process for reducing inequities. These include: 1. Increase the collection and use of race, ethnicity and language

preference data; 2. Increase cultural competency training; and 3. Increase diversity in governance and leadership.

CMS has adopted the CLAS Standards which states that in reaching underserved and underrepresented populations to 'recruit, promote, and support a culturally and linguistically diverse governance, leadership, and workforce that are responsive to the population in the service area.'

In fact, a huge concern is the fact Moments Hospice doesn't have much demonstrated ties to the local BIPOC community. Public comments submitted supporting Moments Hospice were almost exclusively from the medical community. The medical community alone does not define nor is truly representative of the BIPOC community in King County.

G. Heart and Soul does understand, and did quantify the utilization of the BIPOC community's hospice 'gap'
Pages 13 to 19 of our application reflect the incremental number of Medicare admissions to hospice from the BIPOC community if the penetration rate of those 65+ paralleled the penetration rate of other groups in King County. Further, Moments Hospice's assessment of the end of life needs pertaining to the East African diaspora community is highly inaccurate. Assessing the needs of a minority community in King County also needs to involve some form of engagement with its community leaders. Unlike Moments Hospice, Heart and Soul Hospice has engagement with community leaders and community members of the sub-Saharan/African diaspora in King County. The public comments and stories provided by four clergy from East African faith communities in King County and public comments provided the Somali Health Board of King County clearly show that there is great need for hospice education and hospice services in their community within King County. Please see the public comments (which were all submitted to DOH before May 25th) below from King County community members who are of the African/East African diaspora:.."

Y.B.G. Healthcare LLC Rebuttal to Envision and EmpRes' Comment [source: pdfs 11-16]
"***1. Response to Comments of Envision Hospice and EmpRes Healthcare***
While the organizations do not appear to be related, Envision Hospice and EmpRes Healthcare provided identical verbatim public comment. Our response to their comments are below:

A. The Department of Health has determined that there is numeric need for two additional providers in King County. Heart and Soul developed and submitted a CN application to address the published need.

The Department of Health (DOH) published its numeric need estimates for the 2021-2022 application cycle in November 2021. These projections identified a need for two (2) additional providers in King County. Envision and EmpRes suggest that there is no need and that each applicant incorrectly 'projected new volume to determine feasibility'. They also state that as of of [sic] 'September 2021 the CN Program requires applicants to demonstrate that their projects do not duplicate services'. To our knowledge there was no public notice, no notice to applicants that submitted letters of intent, no interpretive guideline issued, or no change in rule effective September 2021. We reviewed CN hospice application forms back to 2018 – and in all versions of the CN application forms, the question about unnecessary duplication was always included as a question to which applicants needed to respond, and Heart and Soul was fully responsive to this question.
…
Beyond the methodology, CN rules have always required applicants to discuss why other services and facilities of the type proposed are not or will not be sufficiently available or accessible to meet that need. The rules also require applicants to describe whether the proposed services make a contribution

toward meeting the health-related needs of members of medically underserved groups which have traditionally experienced difficulties in obtaining equal access to health services, particularly those needs identified in the applicable regional health plan, annual implementation plan, and state health plan as deserving of priority. Heart and Soul's application (see pages 14 to 18) includes explicit data to demonstrate the level of underutilization of hospice by King County's BIPOC community.

…

Further, and importantly, if there was a change, and we were somehow not informed, the Program had the opportunity to ask for supplemental information in screening. We were not asked any questions in screening about WAC 246-310 or specifically about the proxy method as outlined by the two parties.

That said, our application provides very specific detail about the underserved nature of the BIPOC population we intend to serve, including its hospice underutilization. As noted in our application, if the BIPOC community's utilization was the same as the rest of the County, there would have been 185 more residents served in hospice. Also, the letters of support and public testimony summarized above details the underserved. Heart and Soul did identify disparities and did detail the strategies we will employ to mitigate. Our strategies flow into our staffing plan and pro formas.

B. Concern about a lack of active planning efforts in the Community is without merit.

As stated in our application: while serving the public at large, we will focus on the reduction of disparities in access to and use of hospice among certain historically underserved ethnicities and races. We will do so by in-reach, building trust, developing culturally appropriate services and by assuring our staff is trained and respectful of culture, values, and beliefs.

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

- *The local Chapter of the NAACP*
- *Urban League,*
- *Black Collective,*
- *BIPOC Churches and BIPOC Community Centers (we have received support in public comments from over 20 BIPOC Churches and Community Centers)*
- *Tribal leadership, and tribal health care.*
- *Northwest LBGT Senior Care Providers Network*
- *The Health Through Housing Initiative*
- *Mary Mahoney Professional Nurses Organization (only Black nurses' organization in King County).*
- *BIPOC Health Boards (e.g., the Somali Health Board of Washington State, the African American health Board of Washington State).*
- *Washington State Commission on African American Affairs*
- *Washington State Office of Equity*
- *Black-owned healthcare facilities in King County (Renew Physical Therapy, Othello Station Pharmacy, Nurture Well Center-primary care clinic, etc.).*

As evidenced by the overwhelming support that we received in the form of public comments from BIPOC individuals and organizations in King County, Heart and Soul has established extensive rapport through in-reach and plans to work with BIPOC individuals and organizations to provide competent end of life education and care.

The public comments received shows that our engagement strategy (as stated in our application) is already successfully working as more than 10+ BIPOC clergy from faith communities, 10+ BIPOC organizations, 15+ BIPOC health organizations/committees, 10+ BIPOC community members, and 10+ BIPOC medical professionals engaged in a public hearing about hospice and/or submitted public comments, showing support for our application. No other hospice applicant in the past has achieved this level of community support.

We are the only applicant that shared a robust and intentional plan to hire local minority hospice professionals through utilizing existing relationships that we have in the BIPOC community so that the services that we offer to the BIPOC community are culturally relevant. As stated in our application: 'Further we will continue to engage/support BIPOC organizations and post to their job boards. These local organizations include but are not limited to the National Association for the Advancement of Colored People (NAACP), the Urban League, the Somali Health Board, the United Ways of King County's supported Black Community Building Collective, African American Health Board, Mary Mahony Association of Professional Nurses, and Washington State Commission on African American Affairs.

Heart and Soul has also been in contact with both CMS's Office of Minority Health, Health Equity Technical Assistance Team and the Regional Minority Health Analyst in the Region 8 Office of Regional Health Operations.'

We have included in our screening responses/application the correspondence and resources provided by these agencies that will support Heart and Soul in their recruitment and retention and community engagement efforts.

…

D. Heart and Soul has dedicated sufficient dollars and staffing to support its grass roots organizing and outreach.

In regard to pro forma support of outreach for unserved and underserved populations, the parties suggest that our budget of only $0.10 per patient day is too small without recognizing that in addition to the $0.10 PPD specific to our cultural competency marketing, we have $4.50 PPD dedicated to our overall advertising and marketing campaign. Further and unlike other applicants, we also have additional dollars dedicated specifically to community engagement staffing (community education representative). Our CN application and the staffing and wages tables in Attachment 4 of our screening response provides documentation to support this staffing resource.

The $0.10 PPD allows for additional funds to support culturally competent materials necessary to support our overall grassroots community campaign ($4.50 PPD). These committed dollars and our dedicated community engagement staffing together demonstrate without a doubt that we are truly committed to 'walking our talk'.

As noted in Table 1, even without considering the dedicated staffing, Heart and Soul has committed significantly more resources to advertising and marketing than any of the other applicants. Clearly, Heart and Soul's expenses do support its efforts and commitment to generate new volume and to specifically targeting the underserved.

Table 1
Marketing/Advertising Assumptions

Applicant	Marketing Assumption	Marketing Expense (3rd full year of operation)	ADC (3rd full year of operation)	Patient Days (3rd full year of operation)	Marketing /PPD
Heart and Soul	$4.50/PPD in the Advertising/ Marketing Line Item + $.10/PPD in the Cultural Competency Line Item (Total: $4.60/PPD)	$76,296	45.4	16,586	**$4.60/PPD**
Symbol	Advertising Line Item: $4,000 launch and 1% of revenue	43,413	61.3	22,381	$1.94/PPD
Moments	Advertising and Marketing Line Item: Based on FTEs	6,000	43.4	15,841	$0.38/PPD
VistaRiver	Advertising Line Item: 1.25% (did not indicate what the percentage is based on)	2,250	52.8	19,257	$0.12/PPD

Source: Certificate of Need Program CN Applications and Screening Responses: Symbol (CN # and screening response, p. 19), Moments (CN # and application p. 96 and 108), VistaRiver CN # and screening response, p. 151)

Envision and EmpRes also do not acknowledge that our grass roots efforts have already had us featured on 5 local media outlets. (South Seattle Emerald, KNKX Public Radio, Converge Media, Rainier Avenue Radio, Seniors Matter and Reddit.com, with more than 461,000 subscribers in Seattle). We obtained over 70 public comments from local individuals and organizations without spending money on advertising. This is because we have engaged the community and are being noticed by the media. Our budget is more than realistic based on what we have accomplished to date. More importantly, it reflects our grassroots efforts to engage and build trust.

Finally, the two parties agree with Heart and Soul Hospice's observation that a quantitative analysis to identify disparities and inequities at end of life care (for underrepresented and underserved communities) is necessary for Washington state yet disagrees that these disparities and inequities should be addressed. We would be interested in hearing if they have any ethical justification for denying health equity to underrepresented and underserved groups."

Department Evaluation

YBG first acknowledged that the department's numeric hospice method finds need for additional King County hospice agencies, then discussed several barriers to receiving hospice care in King County that it proposes to address with this project.

- Lower use rates by the underserved BIPOC community
  - Higher cancer death rates among the underserved BIPOC community
  - Dual-eligible Medicare/Medicaid enrollees disproportionately from the underserved BIPOC community
  - Persons experiencing homelessness disproportionately from the underserved BIPOC community
- Patient misunderstanding benefits or services
- Lack of communication between providers and target populations
- Exclusion from access to larger groups' resources and safety concerns for:
  - LGBTQIA+ BIPOC persons and
  - Veteran BIPOC persons

It also discussed its plans and potential solutions to reach these specific underserved groups.

- Providing cultural competency training[17]
  - Incorporating CLAS standards
- Diversity in governance and leadership[18]
- Hiring local minority hospice professionals using its existing network
- Active participation and/or alliance with or in groups working with the BIPOC community
  - Health Through Housing Initiative
  - Northwest LBGT Senior Care Providers Network
  - National Association for the Advancement of Colored People (NAACP)
  - Urban League
  - Somali Health Board of Washington State
  - United Ways of King County's supported Black Community Building Collective
  - African American Health Board of Washington State
  - Mary Mahony Association of Professional Nurses
  - Washington State Commission on African American Affairs
  - Washington State Office of Equity
  - BIPOC Churches and Community Centers
- Providing freelance interpretation services
- Enhancing patient education about services and benefits
- Improving communication between providers and target populations, establishing rapport
- Programing specifically designed for underserved BIPOC, LGBTQIA+-BIPOC, and veteran-BIPOC persons

These specific strategies will be employed with the larger goal of "*better end of life care, and while we will serve all, our greatest contribution will be in increasing the acceptance, trust and ultimately the use of hospice in the BIPOC and other underserved communities.*" [source: Application, pdf 22]

Many of these plans were adopted from research or reports from the following sources.

- CMS's Office of Minority Health
- The US Department of Health and Human Services
- Public Health of Seattle King County 2021-2022 (Community Health Needs Assessment)
- January 2015 publication on *Equity of Care and Eliminating Health Care Disparities* released by a partnership including the American Hospital Association, American College of Healthcare Executives, America's Essential Hospitals, Association of American Medical Colleges and Catholic Health Association of the United States
- Medicare beneficiary statistics
- Centers for Disease Control statistics
- Washington State Legislature (Engrossed Second Substitute Senate Bill 5052)

Using Medicare's 2019 beneficiary data YBG then compared rates of hospice use of white beneficiaries relative to those of BIPOC beneficiaries. By assigning the 2019 white beneficiaries' hospice use rate to those of BIPOC beneficiaries YBG determined a count of BIPOC beneficiaries that did not receive hospice benefits in year 2019. YBG assumed its projected admissions based partially on serving these persons.

[17] A January 2015 publication on Equity of Care and Eliminating Health Care Disparities released by a partnership including the American Hospital Association, American College of Healthcare Executives, America's Essential Hospitals, Association of American Medical Colleges and Catholic Health Association of the United States identified this as part of a strategy to reduce inequities.
[18] ibid

One of the competitors in this review and several planning area providers submitted comments related to this part of YBG's proposal. Some comment questioned YBG's lack of inclusion of other underserved populations even though services are needed. YBG rebutted this assertion by stating, in summary it proposes to target a significant portion of the BIPOC population, and restated the comment from a King County hospital discharge planner that says they have placement options for other groups but not BIPOC discharges. This criterion does not suggest that an applicant must target all populations, rather services are needed and not duplicated, and available and accessible to all populations.

Other comment questioned whether concordance of an applicant's race to that of its proposed patients is a rationale for approval. YBG research and its supporting comments state that matching an applicant's race to that of its proposed patients can be a factor that would assist providers in reaching underserved populations. This sub-criterion does not suggest that approval or denial of an application, or meeting or not meeting a criterion is contingent on an applicant's race, rather on the reasonableness of an applicant's project.

Additional critical comment questioned whether YBG has provided documentation of its active planning efforts. However, this effort and planning was evidenced in community participation in public comment and hearing, as well as expenses assumed for outreach/education (*Advertising & Marketing*, $4.50 PPD, *Cultural Competency Marketing*, $0.10 PPD, and *Community Education Representative* $75,000 annually, two FTEs by year 2026).

Another comment stated YBG "*has not provided compelling evidence of any concrete strategies, specific to the unique population of King County, which are likely to lead to substantial improvement in this problem.*" However, quoted and summarized earlier in this evaluation is a list of YBG's evidence-based plans and potential solutions

In contrast YBG also received a significant amount of comment in support of its project including statements relevant to proposed services being needed, following is a summary of these comments.

- Loss of Leon Sullivan[19] which *served as a pillar in our community.*
- YBG is seeking to address the lack of culturally and linguistically relevant hospice services.
- At the end of a person's life it is critical that people are offered the opportunity to surround themselves with the traditions and cultural practices that are most important and familiar to them.
- First-hand knowledge that Black patients lack access to culturally informed care.
- First-hand experience with Heart and Soul Hospice's Nashville hospice operations and its diverse staff.
- YBG has a clear understanding of the healthcare barriers experienced by the BIPOC community.
- The presence of minority staff and volunteers can increase diversity among patients.

The department considers the research relied on and the plan proposed by YBG to be reasonable. The applicant relied on the department's numeric methodology to comply with this sub-criterion and included an extensive analysis of specific populations that it believes are currently underserved in King County and then detailed how it plans to reach these populations.

The approval of additional providers in the planning area will result in an additional hospice option for many terminally ill patients in the area. Based on the information above, the department concludes that YBG provided a reasonable rationale to support its project and the statements in the application support need for this project. If this application is approved, YBG's approval would include a condition

[19] A black-owned skilled nursing facility once located in Seattle.

requiring the agency to be available and accessible to all residents of King County. With agreement to the condition, YBG's application **meets this sub-criterion**.

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

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

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

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

Charity care shows a willingness of a provider to provide services to individuals who do not have private insurance, do not qualify for Medicare, do not qualify for Medicaid, or are under insured.

The review of these applications proposing King County hospice services included community interest specifically related to death with dignity services. Community members provided comments, rebuttal, and participated in a public hearing. Comments reasoned that access to such services is reviewable under this sub-criterion and that all applicants are unnecessarily duplicating services. The department's position is that this sub-criterion allows the department to confirm an applicant's intention to provide services to all members of the service planning area. Not to require applicants to provide a specific set of services.

The department considers community involvement, comments, and rebuttal helpful in making its determinations, however, in this specific case, this sub-criterion **does not** allow the department the authority to require death with dignity policies and procedures as some comments contend.

Moments Hospice of King, LLC

In response to this sub-criterion, Moments Hospice King provided the following statement. [source: Application, pdf 83]

"The proposed agency, Moments Hospice of King, will be available and accessible to the entirety of King County (the entire planning area)."

Further Moments Hospice King provided extensive information to demonstrate that the new agency would be available and accessible to under-served groups. The information broke down the philosophy and process the new agency would put into practice to serve the specific underserved groups listed below. While all information is not quoted below, all information is considered in this review. [source: Application, pdf 83 – 90]

- Racial / Ethnic Minorities
- LGBTQIA+ Persons
- Homeless Persons
- Nursing Home and Assisted Living Patients

- Adult patients under age 65
- Foreign-born and Patients with Limited English Proficiency

Processes Used to Serve Hospice Patients

- *Education and Outreach - Moments understands that community members and healthcare providers need education on what hospice is, its benefits, and how to access it. Often, a non-hospice healthcare provider or family member is with a person when they receive an end-of-life diagnosis. To be able to determine whether hospice care is the right choice for each patient, it is vital that healthcare providers be well informed on hospice.*
- *Provider Education - Moments provides outreach and education to healthcare providers at skilled nursing facilities, assisted living facilities, and hospitals in the communities it serves, and intends to do the same in King County. Moments staff use outreach events as an opportunity not only to provide end-of-life-specific education, but also to nurture relationships with other healthcare providers and welcome open conversations about hospice care. Several of the educational offerings Moments has developed for healthcare providers are summarized below. Moments has also developed a Physicians Guide to Hospice Eligibility brochure that serves as a reference for hospice admissions. This 36-page educational material provides detailed clinical guidelines designed to assist physicians in determining when their patients are eligible for hospice. It includes tools such as the Palliative Performance Scale and Functional Assessment Scale. Moments sees physicians in hospitals, nursing homes, and assisted living facilities as partners in care, and is committed to providing them with information that helps them make determinations on the best options for their patients at the end of their lives. A copy of the Physicians Guide to Hospice Eligibility and copies of the educational materials used for outreach is in Exhibit 32.*
- *Community and Patient Education - Before COVID-19, Moments conducted in-person community education events in the areas it serves. Moments understands that facing an end-of-life care decision is very difficult for patients and their families. To ease the burden and make decision-making a less overwhelming process, Moments has developed concise, easy-to-digest educational materials for potential patients and their families. These materials were created in keeping with Moments' vision to create a better understanding of the hospice benefit "through educational empowerment." Besides brochures with basic hospice eligibility information and contact information for Moments' local admissions teams, Moments has developed brochures that give information on Moments' Circle of Care approach to hospice. Having detailed information on the interdisciplinary team approach to end-of-life care in a printed format allows patients and families to process the information in their own time. Moments also has brochures on its specific programs, such as music therapy, with information on how those programs can benefit patients by providing pain management, opportunities for socialization, and an outlet for spiritual and emotional distress. Copies of these materials, including a Circle of Care brochure, are included in Exhibit 33. Moments Hospice of King will utilize these materials and approaches.*
- *Moments Hospice Education Trailer - When the COVID-19 pandemic hit in spring 2020, Moments searched for a safe way to continue offering education to its referral partners and the communities it serves, particularly for people without access to or the ability to use online meeting platforms. Moments decided to invest in a trailer that was originally designed as a food trailer. As shown in the picture below, Moments modified the trailer to bring its educational efforts on the road. The trailer allows Moments staff to bring educational materials, supplies, and complimentary food on the road for safe, socially distanced outdoor education events. Moments also plans to use the trailer to host veteran ceremonies, to give back to those who have fought for our freedoms and to honor our commitment to the We Honor Veterans program.*

Moments Hospice King provided the following statement in the application regarding pediatric patients. [source: Application, pdf 68]
"*Moments Hospice of King will serve King County terminally ill residents of all ages. However, Moments Hospice of King does not have a pediatric hospice program. Because King County's pediatric hospice population is small, and already served by existing King County hospice providers, Moments will provide resources for families of pediatric hospice-eligible patients and refer to area hospice providers with a pediatric-focus. This is one of many ways Moments will complement, rather than compete with, existing King County hospice providers*."

In response to the department's request for clarification of the statement above, Moments Hospice King provided the following statements. [source: February 28, 2022, screening response, pdfs 6-7]
"As Moments Hospice of King builds relationships and markets its services to referral sources in the community, it is unlikely that pediatric referral sources will be inquiring about Moments Hospice of King's services. Since Moments Hospice of King did not find a need for another pediatric hospice program in King County, Moments will not expend resources marketing its services to pediatric hospice referrers.

If, for example, Moments Hospice of King received a community referral for a pediatric hospice patient, the patient's family would call Moments Hospice of King and be connected with the Admissions team. The conversation with the admissions team members would identify the patient as a pediatric patient. In accordance with Standard Operating Procedures and training, the Moments Hospice of King admissions team member would provide the family with information for King County pediatric hospice programs.

Moments Hospice of King conducted a thorough Community Needs Assessment prior to applying for this CN. This assessment determined that:

1. *There is already another hospice provider with a robust pediatric program that meets the needs of a diverse community.*
2. *A CN for Seasons was recently approved for King County. Seasons also offers a pediatric hospice program.*
3. *According to Vital Statistics, in 2020, 65 children died in King County. Because this number includes trauma, accidents, etc., the pediatric hospice-eligible population is smaller, and at this time does not warrant another pediatric hospice provider.*

Thus, hospice services will be available and accessible to all residents of the planning area, as Moments will partner with existing providers who already serve this population. Please reference the project evaluation criteria within WAC 246-310-230 "Criteria for Structure and Process of Care", which states:

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

The decision of the Applicant, Moments Hospice of King, not to propose its own pediatric hospice program at this juncture reflects careful consideration of the current needs of King County and the existing health care system. At this point in time, Moments Hospice of King does not find a need for another pediatric hospice program.

However, if the need for an additional pediatric hospice provider were to emerge in King County in the future, Moments would respond to that need. As described in the application, Moments continuously monitors the needs of the unique communities that Moments hospices serve, and targets underserved

populations. Moments Hospice of King would develop a pediatric program to respond to unmet pediatric hospice needs in King County, if, in the future, there was a need for another pediatric hospice provider.

Pediatric hospice programs require specialized skill sets. To create another pediatric hospice program in King County, at this time, without sufficient need, would fragment pediatric hospice care by making it more difficult for the existing King County pediatric hospice service providers to recruit and retain qualified staff and ensure continuity of high quality services.

Should the unlikely scenario above occur, Moments Hospice of King would collaborate with other area providers to connect pediatric patients and their families to appropriate, quality hospice care. If Moments encountered a capacity issue, this would trigger a reassessment as to whether something has changed and whether the needs of pediatric patients in the community are still being served. However, Moments Hospice of King would already be proactively monitoring King County data, needs, and trends."

In addition to the statements and clarification above, Moments Hospice King provided copies of the following draft policies to be used for the new hospice agency. [source: February 28, 2022, screening response, Exhibits 2, 3, 4, 5, 6, 7, 8, 9, and 10]

Admission Criteria and Process – Draft
Stated purpose: *To establish standards and a process by which a patient can be evaluated and accepted for admission.*

This policy states that patients will be admitted for care based on need for hospice services. It also details the admission process and provides the following non-discrimination language, *"Patients will be accepted for care without discrimination on the basis of race, color, religion, age, gender, sexual orientation, disability (mental or physical), communicable disease, place of national origin, or ability to pay for hospice services*."

Washington Charity Care – Draft
Stated purpose: *To identify the criteria to be applied when accepting patients for charity care.*

This policy identifies the types of patients that would be accepted for charity care by stating:
- *Patients without third-party payer coverage and who are unable to pay for medically necessary care will be accepted for charity care admission, per established criteria.*
- *Moments Hospice will establish objective criteria and financial screening procedures for determining eligibility for charity care.*
- *The organization will consistently apply the charity care policy.*
- *No patient shall be turned away because of an inability to pay.*

Advance Directives Policy – Draft
Stated Purpose: *To support the implementation of the Patient Self-Determination Act within the framework of state and federal law and organization polices*.

This policy provides the following clarification by stating:
"Moments Hospice recognizes that all adult persons have a fundamental right to make decisions relating to their own medical treatment, including the right to accept or refuse medical care. It is the policy of Moments Hospice to encourage individuals and their family/caregivers to participate

in decisions regarding care, treatment, and services. Valid Advance Directives, such as living wills, Durable Powers of Attorney, and DNR (Do Not Resuscitate) or DNI (Do Not Intubate) orders will be followed to the extent permitted and required by law. In the absence of Advance Directives, Moments Hospice will provide appropriate care according to the plan of care/service or as authorized by the attending physician. Moments Hospice will not determine the provision of care/service or otherwise discriminate against an individual based on whether or not the individual has executed an Advance Directive."

[Patient] Bill of Rights – Draft
Stated Purpose: *To encourage awareness of patient rights and provide guidelines to assist patients in making decisions regarding care and for active participation in care planning*.

This policy provides the following clarification by stating:
Each patient will be an active, informed participant in his/her plan of care. To ensure this process, the patient will be empowered with certain rights and responsibilities as described. A patient, who has not been judged to lack legal capacity, may designate someone (surrogate decision maker), to act as his/her representative. This representative, on behalf of the patient, may exercise any of the rights provided by the policies and procedures established by the organization.

If the patient has been judged to lack legal capacity to make health care decisions as established by state law by a court of proper jurisdiction:

1. *The rights of the patient may be exercised by the person appointed by the state court to act on the patient's behalf, OR*
2. *The patient may exercise his or her rights, or designate a legal representative to exercise his or her rights to the extent allowed by court order.*

To assist with fully understanding patient rights, all policies will be available to the organization personnel, patients, and his/her representatives as well as other organizations and the interested public."

Nondiscrimination Policy and Grievance Process – Draft
Stated Purpose: *To prevent organization personnel from discriminating against other personnel, patients, or other organizations on the basis of race, color, religion, age, sex (an individual's sex, gender identity, cost of therapy, ability to pay, sex stereotyping, pregnancy, childbirth and related conditions), sexual orientation, disability (mental or physical), communicable disease, national origin, life circumstances*.

The policy provides the procedures to be used to be consistent with Civil Rights Acts of 1964, 1973, 1975, and 1990.

Care of Homeless Policy – Draft
Stated Purpose: *To ensure patient centered care is provided to patients who are homeless*.

The policy provides the definitions necessary to implement the policy and the procedures used to ensure appropriate and timely care is provided to homeless individuals.

Hospice Admission Booklet – Draft
This 76 page booklet provides detailed information for hospice patients and families. It includes a section on the agency's Mission Statement and Philosophy of Care, services offered by the hospice

agency, outlines rights and responsibilities for both patients and the agency, and includes a section on home safety, pain management, and primary caregiver guidelines.

Discharge from Hospice Program Policy – Draft
Stated Purpose: *To establish standards and a process by which patients are discharged from the hospice program.*

The draft policy includes the following language for Washington State patients.
"Once hospice services are established as evidenced by signed admission forms and plan of care Moments Hospice will not end the care relationship without referring to an appropriate alternative agency or caregiver, and follow all applicable discharge requirements in WAC 246-335-420, 246-335-520, and 246-335-620."

Moments Hospice King provided its projected payer mix for the new agency which is summarized in the table below. [source: Application, pdf 117]

Department's Table 5
Moments Hospice of King County Projected Payer Mix

Payer	Percent of Gross Revenue	Percent by Patient
Medicare / Medicare Advantage	87.4%	87.4%
Medicaid	3.0%	3.0%
Other (includes self pay)	9.6%	9.6%
Total	**100.0%**	**100.0%**

Moments Hospice King provided the following assumptions and statements to support its anticipated payer mix for the King County agency. [source: Application, pdfs 117-118]
"Payer mix assumptions were applied to admissions. Because the average length of stay is assumed to be the same—the Washington State average published in the 2021-2022 Hospice Numeric Need Methodology posted on November 10, 2021—the ALOS and patient days per admission are presumed to be the same across all payers.

Because gross charges are the same for all payers, while net revenue varies by payer due to differing fee schedules and contractual arrangements, the payer mix by gross revenue is the same as payer mix by patient (admission) in the pro forma.

The payer mix for Moments Hospice of King was developed starting with the Washington State hospice census-based payer mix. Based on 2020 Medicare Hospice Cost Reports, the Washington State hospice payer mix comprises 87.4 percent Medicare, 1.8 percent Medicaid, and 10.8 percent "Other". This data does not separate commercial insurers from government plans such as Tricare.

Moments Hospice of King used HealthPivots Medicare Cost Report data to analyze the payer mix of other hospices in King County. Because of the substantial variation between individual hospice providers in King County, Moments Hospice of King began its projection with a baseline equal to the Washington state hospice payer mix. We then increased the share of Medicaid to 3 percent of the payer mix. We believe this is reasonable because:

- *Moments anticipates serving a greater percentage of Medicaid enrollees due to targeting underserved populations.*

- *Racial/ethnic minorities represent a greater proportion of Medicaid recipients versus their respective proportion of the overall population of King County, and Moments initiatives are expected to reach underserved minorities who are more likely to have Medicaid41 (See Exhibit 13, King County Community Health Needs Assessment 2021/2022)*
- *CMS data show that Moments exceeds state averages of hospice Medicaid patients served in other markets. For example, in Hennepin County, Minnesota, Moments served 20 percent more Medicaid patients as a percent of its total payer mix compared to the Minnesota state average.*
- *Reaching underserved hospice patients in nursing home and ALF settings has been a "niche" area for Moments. Data shows that nursing home patients represented 39.1 percent of other Moments affiliates' 2021 census, compared to 9.7 percent in King County. The tables showing this appear under the "Patient Days by Care Setting" heading, later in this section.*
- *Moments' founders/executives have long term care backgrounds, and created the organization in response to unmet needs in the nursing home and ALF settings, and have specialized knowledge of the specific needs of this population—a population which is characterized by a high percentage of Medicaid residents.*

All other non-Medicare, non-Medicaid plans, including commercial plans, Tricare, Veterans, etc., are combined under the "Other Net Patient Service Revenue" line, because:

- *The payer mix used for Moments of King County projections is not so granular as to include individual payer contracts.*
    - *The Hospice-specific data sources we used, which utilize Medicare cost report and other data, do not have payer information at this level of detail.*
    - *Commercial payer-provider contracts generally contain confidentiality clauses.*
    - *Commercial insurance plans vary by state and even by city. Large employers who utilize a particular carrier can change the payer mix for the local area. Therefore, we do not feel that internal data from other markets is predictive of Moments Hospice of King County's experience.*

Moments has projected that 9.6 percent of its payer sources will come from non-Medicare, non-Medicaid ("Other") sources, such as commercial plans and Tricare, etc. This assumption reflects:

- *Moments Hospice of King's aim to serve terminally ill residents under the age of 65, who are typically do not have Medicare benefits, and who are currently underserved.*
- *Persons with HIV and Cancer diagnoses, who are often under the age of 65, and who also may not yet be Medicare eligible.*
- *Moments' focus on Veterans, includes partnering with area military medical facilities and physicians*
- *Immigrants who may not be eligible for Medicare*
- *Self pay / uninsured patients, particularly homeless persons*

Just as in other markets, Moments Hospice of King will credential with as many area payers as possible, to give all King County terminally ill residents access to hospice care. Currently, Moments affiliates participate in approximately 12 insurance plans including major commercial payers such as Blue Cross and Aetna, as well as veterans' plans, including VA Community Care.

Additionally, Moments is hiring a Revenue Cycle Management executive during the first quarter of 2022, to lead the expansion of commercial and other contracts. This role, and contracting and credentialing in general, are included in the Shared Services Agreement. The cost is included in the Management Fees line item on the pro forma income statement."

WAC 246-310-290(13) Any hospice agency granted a certificate of need for hospice services must provide services to the entire county for which the certificate of need was granted.
To demonstrate compliance with this sub-criterion, the applicant provided the following statement. [source: Application, pdf 41]
"Moments Hospice of King, LLC, confirms that this agency will be available and accessible to the entire geography of King County, Washington."

There were no public comments or rebuttal comments submitted for the Moments project that focus on this sub-criterion.

Department Evaluation
Given that Moments Hospice King is proposing a new agency, the majority of the policies provided in the application are in draft format. This approach is acceptable for a new provider in Washington State. The draft policies include:

- Admission Criteria and Process
- Washington Charity Care
- Advanced Directives
- [Patient] Bill of Rights
- Nondiscrimination Policy and Grievance Process
- Care of Homeless
- Discharge from Hospice Program

Moments Hospice King also created a Hospice Admission Booklet that would be provided patients upon admission to the hospice agency. This booklet is also in draft format.

Moments Hospice King provided assurances that it would be available and accessible to all residents of the services area. The applicant also provided extensive clarification regarding its intent to serve pediatric patients by stating it would work within the existing healthcare infrastructure for pediatric patients, but does not intend to deny access to hospice services for pediatric patients. Additionally, Moments Hospice King's non-discrimination language in its Admission Criteria and Process Policy specifically includes "*age*" as a protected category. This approach is acceptable for pediatric patients. Even though pediatric patients are a small percentage of hospice patients, it is vital that these patients and families have access to a full spectrum of hospice services.

Moments Hospice King anticipates its combined Medicare and Medicaid revenues for the proposed hospice agency will be approximately 90.4% of its total revenues. Additionally, the financial data provided shows that Medicare and Medicaid revenue is expected and identifies charity care as a deduction from revenue. Moments Hospice of King's policies along with its projected revenue from Medicare and Medicaid, and its anticipation of deductions from revenue for charity care substantiate its intention of providing charity care.

If this project is approved, the department would include a condition requiring Moments Hospice of King to submit to the department executed policies, consistent with the draft policies provided in the application. The policies must be provided prior to providing hospice services to the residents of King County. Based on the information above and provided that the applicant agrees to the condition, the department concludes that all residents of the service area will be accepted for services, regardless of the ability to pay. The department concludes that **this sub-criterion is met**.

The Pennant Group, Inc.

In response to this sub-criterion, Pennant provided copies of many policies in use at its hospice agencies. Of the policies provided, the following policies are directly related to this sub-criterion. [source: Application, Exhibit 6]

Language Access Policy-Executed

Stated Purpose: *The purpose of this policy is to describe and outline how Pennant-affiliated facilities and entities will provide individuals with meaningful access to healthcare and prohibit discrimination on the basis of race, color, national origin, sex, or disability. The use of the term individual within this policy shall denote patient or resident.*

This policy includes the following non-discrimination language, *"As recipients of Federal financial assistance, operations do not exclude, deny benefits to, or otherwise discriminate against any individual on the basis of race, color, national origin, sex, age, or disability. Operation will provide individuals with limited English proficiency (herein "LEP") and disabilities meaningful and equal access to health programs and activities in accordance with Section 1557 of The Patient Protection and Affordable Care Act*."

Admission Criteria and Process – the stated purpose of this policy is "*To establish standards and a process by which a patient can be evaluated and accepted for admission.*" This policy states that patients will be admitted if they meet the admission criteria, and then identifies the admission criteria. The policy also provides the following non-discrimination language: "*Patients will be accepted for care without discrimination on the basis of race, color, religion, age, gender, sexual orientation, disability (mental or physical), communicable disease, or place of national origin.*"

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

Pennant provided the following clarification regarding the statement above in the Admission Policy. [source: February 28, 2022, screening response, pdf 12]

"We would first note that the policy's language states unequivocally what determines whether a patient is admitted or not: the patient's hospice care needs. Having established that, the policy goes on to note that as part of the admissions process we will factor in the patient's ability to pay for hospice services. This must be factored in to ensure the patient is admitted under the appropriate payor structure (i.e., accurately identifying the party that will be responsible for paying for care), including, as applicable, the payment structure outlined in our charity care policy. This is what is meant by 'factors that will be considered.'"

Charity Care Policy – the stated purpose of this policy is "*To detail the process utilized for patients in need of hospice services under the charity care policy as required by the Washington State Department of Health. Patients without third-party payer coverage and who are unable to pay for medically necessary hospice care will be accepted for charity care admission, per established criteria set forth by Federal and Washington State Department of Health. Alpha Hospice will establish objective criteria and financial screening procedures for determining eligibility for charity care*."

The policy includes the following non-discrimination language: "*Once Federal and State hospice clinical admission guidance, all patients in need of hospice will receive Puget Sound services expeditiously regardless of ability to pay, race, color, gender, gender identity, religion, age, or*

citizenship." The policy identifies that the Executive Director/Administrator and appropriate program director will determine the appropriate amount of charity care to be provided.

Pennant provided the following clarification regarding the 'objective criteria' statement above in the Charity Care Policy. [source: February 28, 2022, screening response, pdf 12]
"*Objective criteria' refers to the hospice eligibility criteria that the federal government has established as guidance. No patient will be turned away from hospice due to an inability to pay but the individual needs to qualify for hospice by having a life limiting illness and a prognosis that if the illness continues on its normal course the client will perish in 6 months or less. This charity policy is being utilized by our other Washington State agencies and has been approved by the DOH and the outside accreditors on several occasions.*

Hospice care is a benefit under the hospital insurance program. To be eligible to elect hospice care under Medicare, an individual must be entitled to Part A of Medicare and be certified as being terminally ill. An individual is considered to be terminally ill if the medical prognosis is that the individual's life expectancy is 6 months or less if the illness runs its normal course. Only care provided by (or under arrangements made by) a Medicare certified hospice is covered under the Medicare hospice benefit. Just as CMS uses these objective measures; we must use objective criteria to determine the applicability of our charity care policy. Without objective criteria supporting terminality, a hospice agency runs the risk of providing an inappropriate level and/or type of care, which may put the patient, out staff, and our agency's viability at risk."

Nondiscrimination Policy and Grievance Process
The stated purpose of this policy is: *"To prevent organization personnel from discriminating against other personnel, patients, or other organizations on the basis of race, color, religion, age, sex (an individual's sex, gender identity, sex stereotyping, pregnancy, childbirth and related conditions), sexual orientation, disability (mental or physical), communicable disease, or national origin."* It includes additional assistance the agency has available to patients, as well as internal and external contact information for filing complaints. The policy is used to ensure Pennant hospice patients are aware of what services are available to them, how to access services, and how to air grievances if standards are not met.

Pennant provided its projected payer mix for the new agency which is summarized in the table below. [source: Application, pdf 26]

Department's Table 6
Pennant King County Hospice Projected Payer Mix

Payer	Percent of Gross Revenue	Percent by Patient
Medicare / Medicare Advantage	94.6%	95.2%
Medicaid	4.0%	3.4%
Other (includes commercial and self pay)	1.4%	1.1%
Total	**100.0%**	**100.0%**

Pennant provided the following assumptions and statements to support its anticipated payer mix for the King County agency. [source: February 28, 2022, screening response, pdf 7]
"We based our assumptions on what we have learned in the last two years with Pennant's two hospice startups in Snohomish and Thurston Counties, as well as our hospice startups in California and Texas. All these startups started or operated at an early stage during the COVID-19 pandemic. This created unique insight into the needs, trends, and opportunities that must be considered when planning for

and/or operating a startup hospice agency during the ongoing global pandemic. The market share numbers are conservative and consider the potential challenges surrounding staffing, COVID-19, and restrictions at skilled nursing facility, assisted living facility, hospitals, adult family homes and the like.

The assumed market share is also conservatively based on our experience with growth trends for acquired hospice agencies across Pennant in multiple states, including Washington, Oregon, California, Arizona, Idaho, Utah, Texas, and Montana. While acquisitions and startups are different in many ways, the ability of our local teams to build relationships in their respective communities and to grow market share are similar."

WAC 246-310-290(13) Any hospice agency granted a certificate of need for hospice services must provide services to the entire county for which the certificate of need was granted.
To demonstrate compliance with this sub-criterion, the applicant provided the following statement. [source: Application, pdf 20]
"King County will be served in its entirety by Puget Sound Hospice of Pierce County. Puget Sound Hospice of Pierce County clinical staff will be available 24hours/per day, seven days a week, to meet patient and family needs. We plan to provide our full range of services for all residents of King County.

Within King County, gaps of up to 10 years in life expectancy have been found in different neighborhoods. Residents in South King County have been identified as one of the most diverse communities in the county and experience disparities in multiple health and social indicators. Puget Sound Home Health of King County has an established footprint in South King County to align with hospice and other upstream healthcare providers to bridge the gap of some of these health disparities and to transition patients to hospice services faster and more appropriately."

Public Comment
Moments Hospice of King, LLC provided public comments that focus on this sub-criterion for the Pennant application. The comments are below.

Moments Hospice of King Public Comment-Oppose
"Symbol cites its Tacoma-based Home Health Agency as 1) an indicator of its ability to serve King County residents, and 2) an "upstream" source of hospice admissions for its proposed new hospice agency:
"Lastly, as a long-standing home health provider within King County, Symbol has become a trusted community partner that has provided diverse and unique care for thousands of patients that has resulted in clinical outcomes that rank among the best in the country. Our locally led care team understands the home health needs of King County and the Puget Sound area, and continue to make uncompromising strides to provide not only comprehensive patient care, but exceptional clinical quality outcomes."

Also, on page 19 of its application, Symbol states:
"Within King County, gaps of up to 10 years in life expectancey [sic] have been found in different neighboords [sic]. Residents in South King County have been identified as one of the most diverse communities [sic] in the county and experience disparities in multiple health and social indicators.

Puget Sound Home Health of King County has an established footprint in South King County to align with hospice and other upstream healthcare providers to bridge the gap of some of these health disparities and to transition patients to hospice services faster and more appropriately,"

However, the publicly available CMS Medicare Post-Acute Care & Hospice – By Provider and Service data set shows that Puget Sound Home Health serves patients in the following race categories:

Race	Percentage of Medicare Beneficiaries
White	89%
Black	3%
API	3%
Hispanic	3%
NatInd	1%
Other	1%

Queried on 4/22/22. Latest available data is from 2019. Criteria: State = "WA"; and Srvc_Ctgry = "HH"

The racial composition of Symbol's Home Health patients diverges greatly from the overall population of King County. For example, the U.S. Census for King County indicates that 19.7 percent of the population is Asian, 7 percent black, and 9.9 percent Hispanic or Latino.

The racial mix of Puget Sound Home Health's patient population, found in CMS data, does not suggest an ability to reach the underserved populations of King County. This is important, since Symbol has asserted that its home health and hospice will be linked together in the continuum of care, and that the home health company will be a significant source of hospice admissions:
"We anticipate many of our Puget Sound Home Health of King County patients choosing to bridge to our hospice if they elect the hospice benefit. Puget Sound Home Health of King County's average daily census is approximately 90. Based on historical averages, 5-10% of these patients will bridge to hospice."

If Symbol's home health agency is referring hospice patients, we would expect to see a racial/ethnic composition of hospice patients similar to Symbol's home health population. Based on this information, racial and ethnic minorities are likely to continue to be underserved by a Symbol hospice agency.

Other applicants have made a more compelling case in terms of their ability to reach underserved minorities in the King County community.

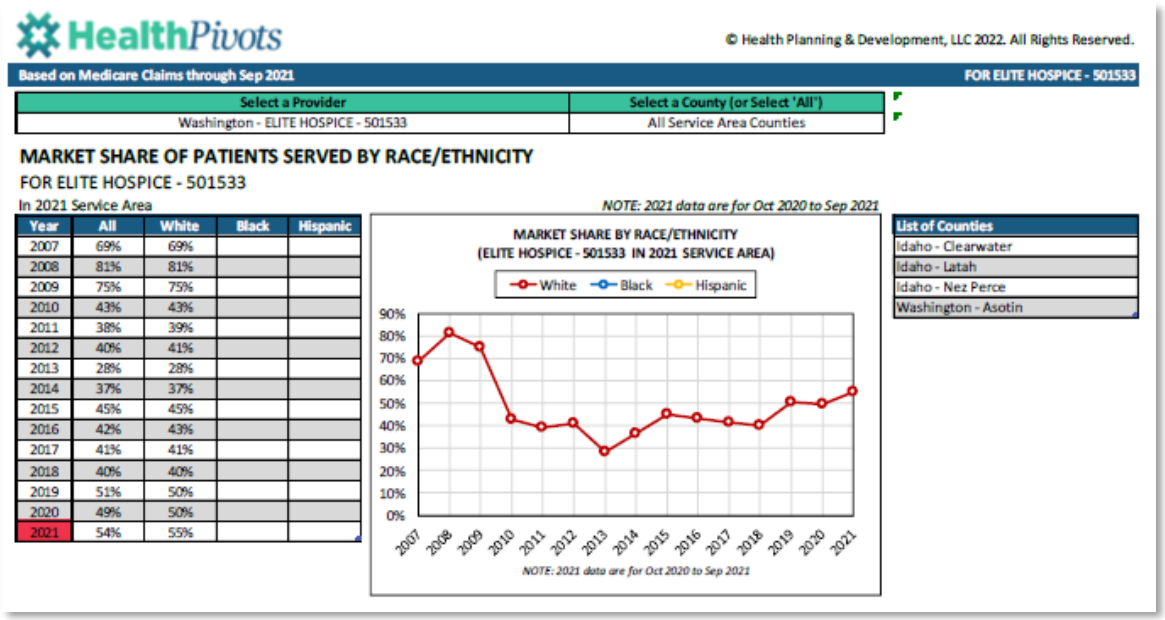
King County has declared racism a public health crisis. However, unlike other applicants, Symbol's application lacks specific initiatives or programs uniquely designed to increase minority access to hospice services.

On page "19 of 42" the Applicant states:
"Within King County, gaps of up to 10 years in life expectancey [sic] have been found in different neighboords [sic]. Residents in South King County have been identified as one of the most diverse communites [sic] in the county and experience disparities in multiple health and social indicators. Puget Sound Home Health of King County has an established footprint in South King County to align with hospice and other upstream healthcare providers to bridge the gap of some of these health disparities and to transition patients to hospice services faster and more appropriately [sic]."
Data indicate otherwise. Medicare Home Health Care FFS claims data show that Puget Sound Home Health's "footprint" in the counties with a high percentage of minorities is minimal to nonexistent. The tables below show Puget Sound Home Health's market share of Medicare FFS claims in zip codes with

a high proportion of African American residents, the zip code where Chinese is spoken at home, and the zip code with a high proportion of foreign-born residents. All 3 tables suggest that Puget Sound Home Health has not demonstrated an ability to reach these underserved populations. [The three tables referenced are not recreated here.]

Based on Medicare FFS data, Minority Market Share is also lacking among other Pennant-owned hospices operating in Washington State. The tables below shows a lack of market share among Black and Hispanic hospice patients at Elite and Alpha Hospices:

Elite Hospice Market Share of Patients Served by Race/Ethnicity



HealthPivots

Based on Medicare Claims through Sep 2021 — FOR ELITE HOSPICE - 501533

Select a Provider	Select a County (or Select 'All')
Washington - ELITE HOSPICE - 501533	All Service Area Counties

MARKET SHARE OF PATIENTS SERVED BY RACE/ETHNICITY

FOR ELITE HOSPICE - 501533

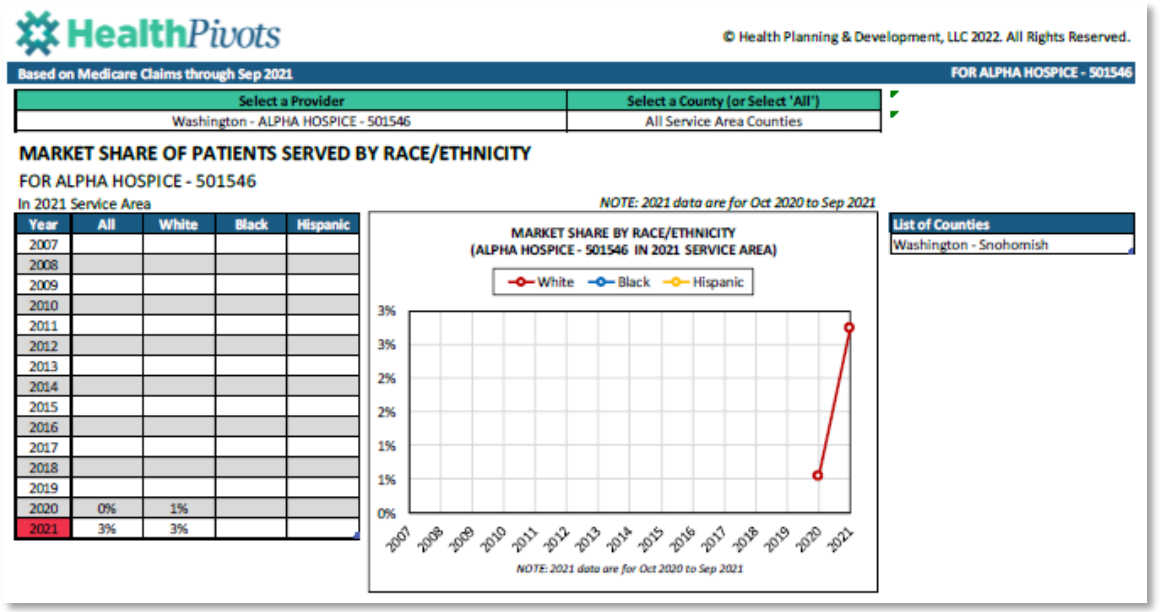
In 2021 Service Area

NOTE: 2021 data are for Oct 2020 to Sep 2021

Year	All	White	Black	Hispanic
2007	69%	69%		
2008	81%	81%		
2009	75%	75%		
2010	43%	43%		
2011	38%	39%		
2012	40%	41%		
2013	28%	28%		
2014	37%	37%		
2015	45%	45%		
2016	42%	43%		
2017	41%	41%		
2018	40%	40%		
2019	51%	50%		
2020	49%	50%		
2021	54%	55%		

List of Counties
Idaho - Clearwater
Idaho - Latah
Idaho - Nez Perce
Washington - Asotin

Alpha Hospice Market Share of Patients Served by Race/Ethnicity



HealthPivots

Based on Medicare Claims through Sep 2021 — FOR ALPHA HOSPICE - 501546

Select a Provider	Select a County (or Select 'All')
Washington - ALPHA HOSPICE - 501546	All Service Area Counties

MARKET SHARE OF PATIENTS SERVED BY RACE/ETHNICITY

FOR ALPHA HOSPICE - 501546

In 2021 Service Area

NOTE: 2021 data are for Oct 2020 to Sep 2021

Year	All	White	Black	Hispanic
2007				
2008				
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020	0%	1%		
2021	3%	3%		

List of Counties
Washington - Snohomish

In Snohomish County, although the county overall did not show a huge gap in hospice penetration by race in 2021, Alpha Hospice lacked minority market share:

Snohomish County Overall Death Service Ratio by Race/Ethnicity

HealthPivots

Based on Medicare Claims through Sep 2021 — Snohomish County, WA

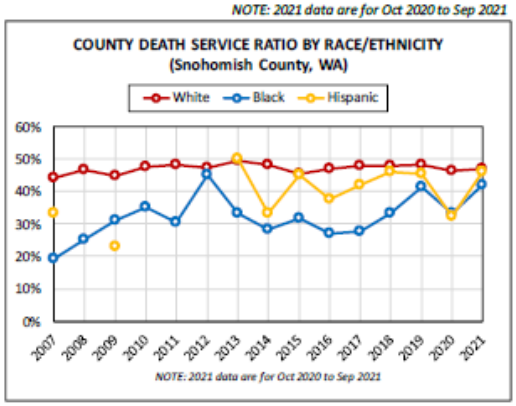
Single County or Service Area?	Select a County
Single County	Washington - Snohomish

DEATH SERVICE RATIO BY RACE/ETHNICITY

Snohomish County, WA

NOTE: 2021 data are for Oct 2020 to Sep 2021

Year	All	White	Black	Hispanic
2007	44%	44%	19%	33%
2008	46%	47%	25%	
2009	44%	45%	31%	23%
2010	47%	48%	35%	
2011	48%	48%	31%	
2012	47%	47%	45%	
2013	49%	50%	33%	50%
2014	47%	48%	28%	33%
2015	45%	45%	32%	45%
2016	46%	47%	27%	38%
2017	47%	48%	28%	42%
2018	47%	48%	33%	46%
2019	47%	48%	41%	45%
2020	45%	46%	33%	32%
2021	46%	47%	42%	46%



List of Counties: Washington - Snohomish

[source for all three tables: *Healthpivots Hospice Minority Access report.]*

Symbol's application does not convey any specific strategies or outreach efforts that will allow it to increase access to "underserved groups" and "specific populations" in King County. Therefore, Symbol's application does not satisfy "adequate access" criteria. Given the performance of its home health company in King County, Symbol would need to have articulated a clear strategy for obtaining different results, in terms of minority access, with a new hospice agency."

<u>The Pennant Group rebuttal to Moments Hospice King public comments</u>

"Moments's comments on our ability to reach underserved patients. Moments used 2019 Medicare fee for service (FFS) data to show our home health patient's racial composition. Though this data is outdated, it shows that 11% of our Medicare patients were non-white. This data does not show the percentage of our home health patients that had insurances other than Medicare. Commercial or managed care contracts are more prevalent with home health. Many of our home health patients have insurance other than Medicare, and many of them are non-white. We anticipate both white and non-white home health patients choosing Puget Sound Hospice of King County for their hospice care. We serve patients of all races, we do not discriminate, and our policies reflect this.

In addition, the Department does not ask us to identify underserved groups, it asks us to identify how we will be available and accessible to them. The Department's question is, "Identify how this project will be available and accessible to under-served groups". Our answer is reasonable and has been accepted by the Department in multiple applications we have submitted. Moments's comments on this issue should not be given consideration."

<u>Department Evaluation</u>

The Admission Criteria and Process Policy provided describes the criteria for admission and the procedure Pennant would use to admit a patient to its hospice agency. The policy includes language to ensure all patients will be admitted for treatment without discrimination.

It is expected that both the executed Language Access Policy and the executed Nondiscrimination and Grievance Process policy would be used in conjunction with the Admission Criteria and Process Policy described above. The Language Access Policy includes appropriate nondiscrimination language and references. The Nondiscrimination and Grievance Process policy also includes appropriate nondiscrimination language and includes the process one would use to file a complaint.

The executed Charity Care Policy includes the necessary nondiscrimination language and Pennant clarified the reference to 'objective criteria' as used in the policy.

Pennant anticipates its combined Medicare and Medicaid revenues for the proposed hospice agency will be approximately 98.6% of its total revenues. In addition, the financial data provided shows that Medicare and Medicaid revenue is expected.

During public comment Moments Hospice King expressed concerns with Pennant's assertion that it would be available and accessible to minorities. Moments Hospice King provided data from 2019 showing that the majority (89%) of Pennant's Puget Sound Home Health agency's patient mix are not typically described as 'minority' and the remaining 11% of its patients are in the various 'minority' categories. Using statistical data on the racial composition of King County, Moments Hospice King asserts that Pennant's existing home health agency may not have the ability to reach the underserved populations of King County.

In response, Pennant clarifies that the 2019 information provided by Moments Hospice King is both outdated and reflective of Medicare patients only. Since home health patients have other types of payer source (commercial or managed care), the data does not provide the full picture of Pennant's services provided to 'non-white' patients. Pennant provides assurances that it will be available to all residents of the service area and it currently serves, and will continue to serve, all races regardless of payer source.

The department notes that Pennant is an existing provider in Washington State and, as such, understands the importance of patient access to hospice care (and home health care) for all residents of the service area. Without specific patient or family complaints about Pennant regarding discrimination, the department would not consider the outdated home health data for Medicare-only patients grounds for denial of this King County hospice application.

Financial data provided in the application shows revenues for both Medicare and Medicaid patients and includes deductions from revenue for charity care.

Based on the information above the department concludes that Pennant's application demonstrates all residents of the service area will be accepted for services, regardless of the ability to pay. The department concludes that **this sub-criterion is met**.

VistaRiver King County HoldCo, LLC

In response to this sub-criterion, VistaRiver provided the following statements and copies of its policies that evidence support of these statements.

"*The agency will be available and accessible to the entire geography of King County. This includes Pediatric patients. The agency will work within the community and with other hospice agencies while VistaRiver develops a pediatric program*." [source: Application, pdfs 11 and 21]

"*VistaRiver will provide, support, and comfort to those who are facing life limiting illness (6 months or less to live) and elect comfort care instead of curative care. We take a whole-person approach, addressing physical pain as well as emotional and spiritual needs. As such we are committed to serving*

all patients regardless of age, race, gender, religion, diagnosis, gender expression or orientation. Our commitment to caring for all patients is reflected in our admission and non-discrimination policies. Our charity care policy is available for those who are unable to pay for end-of-life care. VistaRiver will meet the needs of all King County residents, regardless of geography, race or ethnicity, and will operate with a special emphasis on serving traditionally underserved populations." [source: Application, pdf 14]

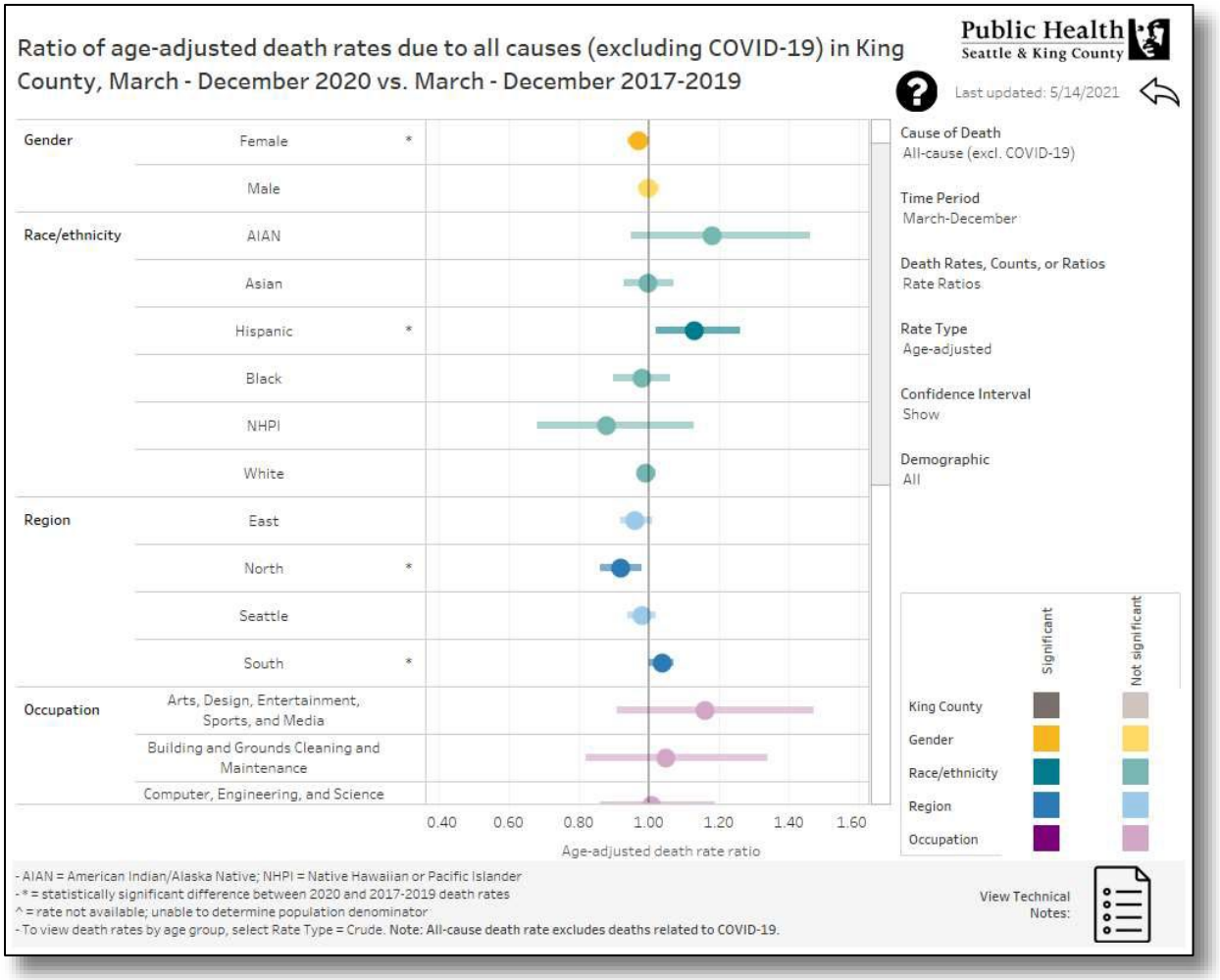
"*King County's hospice utilization for 2020 was 45.91% which is slightly above the State average of 45.47% yet lags the National Hospice utilization 46.14%.*

Breaking hospice utilization rates down further by race, we find hospice utilization for Whites in King County to be significantly higher than all other races:

- *46.96% White*
- *34.93% Hispanic*
- *34.81% Asian*
- *32.00% Black*
- *28.47% North American Native*

This trend for Whites to have higher hospice utilization rates is consistent and long-standing across both Washington state and nationally. Per the hospice utilization definition, this addresses hospice deaths by race.

'The two leading causes of death in King County each year, going back to the earliest available data from 1999, are cancer and heart disease. No other causes of death come close.'



Under-served groups in King County include but are not limited to low-income persons, racial and ethnic minorities, women, handicapped persons, and the elderly. VistaRiver is committed to being available and accessible to all under-served groups. We submit the admission policy to demonstrate the overall guiding principles ensuring all residents in King County will have access to end-of-life care.

The follow excerpt from VistaRiver's admission policy states the following:
'…patients would be admitted without regard to race, ethnicity, national origin, age, sex, pre-existing condition, physical, or mental status.'

King County has a large and diverse population and understanding the following statistics will help clarify how this project will be available and accessible to underserved groups.

- *Hospice Admissions and Length of Stay x Race: Consistent with hospice utilization trends above, hospice admissions occur at higher percentages for Whites compared to all other races. Additionally, both mean and median hospice lengths of stay are longer for Whites compared to all other races. These trends hold true for beneficiaries residing in King County as well as Washington state and nationally.*
- *Hospice Levels of Care x Race: Because 99%+ of hospice days are billed at the Routine Home Care level of care, there is little differentiation across the four hospice levels of care by race. This is expected, and holds true across beneficiaries residing in King County as well as Washington state and nationally.*
- *Hospice Locations of Care: Hospice beneficiaries in King County are slightly more likely to receive care at Home and less likely to receive care in other settings compared to Washington state and national averages.*
    - *64% Home location of hospice care in King and Pierce Counties*
    - *62% Home location of hospice care in Washington state*
    - *59% Home location of hospice care Nationally*

There were slight differences in all other hospice locations of care, generally falling between Washington state and national averages. Other hospice locations of care include: Assisted Living Residences, Skilled Nursing Facilities, Non-skilled Nursing Facilities, Hospice Inpatient, Hospital Inpatient, Long Term Care Hospital, Psychiatric Inpatient, and Other.

- *Hospice Locations of Care x Race: Whites received hospice care slightly less frequently at the Home location of care and more frequently across all other locations of care. All other races were significantly more likely to receive hospice care at Home, and less likely to receive hospice care across all other locations of care.*" [source: Application, pdfs 21-23]

<u>Intake Process – Effective 12/01/2021</u>
Stated purpose: *To establish the process for acceptance and entry of patients into hospice.*

This policy outlines its purpose and provides the procedure to be used when a hospice referral is received. [source: February 28, 2022, screening response, Appendix 6]

<u>Admission Criteria and Process</u>
Stated purpose: *To establish standards and a process by which a patient can be evaluated and accepted for admission 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.*

This policy states that patients will be admitted if they have a life-limiting illness and meet the admission criteria, then identifies the admission criteria. It also details the admission process, and includes the following non-discrimination language, "*Patients will be accepted for care without discrimination on the basis of race, color, religion, age, gender, sexual orientation, disability (mental or physical),*

communicable disease, or place of national origin." [source: February 28, 2022, screening response, Appendix 6]

Patient Rights Policy
This policy lists patients' rights and includes toll-free phone numbers of regulatory agencies with which complaints can be filed. [source: Application, Appendix 24]

Charity Care Policy
Stated purpose: *To help patient's access to hospice care regardless of payor source and identify the criteria to be applied when accepting patients for charity care.*

This policy lists its eligibility criteria and provides the procedure to determine if a patient qualifies for charity care. [source: February 28, 2022, screening response, Appendix 5]

VistaRiver's project includes being available and accessible to Medicare and Medicaid patients who reside in King County, following is its projected payer mix. [source: February 28, 2022, screening response, Appendix 8]

Department's Table 7
VistaRiver's King County Projected Payer Mix

Payer	Percent of Gross Revenue	Percent by Patient
Medicare	90%	90%
Medicaid	5%	5%
TriCare / VA / Private Pay	5%	5%
Total	**100.0%**	**100.0%**

VistaRiver provided the following statements and table to support its anticipated payer mix for the proposed King County hospice services. [source: February 28, 2022, screening response, pdf 23]
"*The company's founders bring with them a wealth of knowledge and experience in the home health industry. The owners have served as corporate officers for home health and hospice agencies, negotiated contracts with payers, managed billing operations at both the agency level and multi-agency system level. Additionally, they've helped write successful certificate of need applications to be able to serve patients across Clark County and King County in home health while also writing policies that are compliant under CMS regulations.*

The application's assumptions are founded on the owner's [sic] 20+ years of experience in healthcare. The experience spans a variety of different fields, including hospitals and home care services, such as hospice or palliative medicine and technology that helps empower exceptional care for patients."

Applicant's Table

Agency Name	Area	LOB	Current or Prior	Notes
VistaRiver Hospice	Portland, OR	Hospice	Current	NPI 1487257424 Joint Commission Accredited
Aleca Home Health	Kitsap County, WA	Home Health	Current	
Snate Home Health	Scottsdale, AZ	Home Health	Current	NPI 1629217278
Aleca Hospice	Scottsdale, AZ	Hospice	Current	NPI 1639559982
Healthy Living at Home	Vancouver, WA	Home Health	Previous	
Healthy Living at Home	Portland, OR	Home Health	Previous	
Healthy Living at Home	Salem, OR	Home Health	Previous	
Healthy Living at Home	Bend, OR	Home Health	Previous	

WAC 246-310-290(13) Any hospice agency granted a certificate of need for hospice services must provide services to the entire county for which the certificate of need was granted.
The applicant provided the following statement related to this sub-criterion. [source: Application, pdf 21]
"*VistaRiver of King County, LLC will be available and accessible to the entire planning area of King County.*"

Public Comment
The following comment opposing VistaRiver's project was received.
Group of Individuals Represented by Dennis Barnes – Oppose [source: pdfs 10-11]
"*Vista River's Admissions policy includes the incomplete phrase that leaves open the question if ability to pay is a requirement of Vista River hospice admission:*

> *While patients are accepted for services based on their hospice care needs, a patient's ability to pay for such services, whether through state or federal assistance programs, private insurance, or personal assets or the Vista River Hospice Charity Care eligibility criteria.*"

Sol Miller, CEO, Moments Hospice of King, LLC – Oppose [source: pdf 36]
"***Pediatric Program***
On page 11 of its application, the Applicant states:

> *'The agency will be available and accessible to the entire geography of King County. This includes Pediatric patients. The agency will work within the community and with other hospice agencies while VistaRiver develops a pediatric program.'*

The Applicant does not provide an assessment of hospice-eligible pediatric deaths in King County, or any justification for a need for an additional pediatric program. The Applicant should explain what portion of its projections are attributable to this proposed pediatric program, how it plans to maintain adequate staff trained specifically in pediatric hospice care, and how this program will not adversely impact the existing pediatric hospice providers in King County by competing for labor, admissions, etc. Additionally, when is this Program operational, and what pediatric census is the Applicant anticipating? What will be the source of admissions for the new pediatric patient volume?"

Envision Hospice of Washington, LLC and EmpRes Healthcare Group, Inc. – Oppose [sources: Envision pdf 7 and EmpRes pdf 6]
"*Admissions, Charity Care and Discharge Policies and Procedures: Vista River Admissions and Charity Care Policies and Procedures do not create barriers for admitting patients. However, Vista Rivers [sic] did not include a Discharge Policy and Procedure. The Charity Care policy indicates that patients can be reviewed at the time of admission for charity care, which would indicate that medical indigency would not be a cause for discharging a patient.*"

Rebuttal Comments
VistaRiver did not provide rebuttal responses to any written comments in this review.

Department Evaluation
The submitted *Intake and Admission Criteria and Process Policies* provided by the applicant describe the process VistaRiver would use to admit a patient to its hospice agency. The policies work in tandem and include language to ensure all patients will be admitted for treatment without discrimination.

The submitted *Charity Care Policy* describes the process VistaRiver would use to determine a patient's eligibility for charity care, it also includes the criteria for eligibility. Similar to the earlier policies, although the *Charity Care Policy* does not include its own non-discrimination language, it is used in tandem with the *Admission Criteria and Process Policy* which includes such language.

Public comment was provided by several entities opposing VistaRiver's project. These entities question VistaRiver's justification for a pediatric program, and whether the language within the *Admission Criteria and Process Policy* suggest the ability to pay is a criterion of admission.

A competitor in this review questioned the basis for VistaRiver's pediatric program. Specifically, asserting that VistaRiver should have provided more detail regarding projected pediatric admits, need for services, specialized pediatric staffing plans, impact on existing pediatric programs in King County, and pediatric referrals. Although it seems likely that VistaRiver intends to be available and accessible to pediatric patients, it is not targeting them and does not appear to include them in assumed projections, however, no rebuttal from the applicant was provided to clarify the criticism.

The department concurs that the revised language in the updated *King County Admission Criteria and Process Policy* submitted in response to screening is confusing. VistaRiver did not provide rebuttal comments to clarify the intent of the sentence highlighted in comment. One could suggest that if the first and second versions of the two policies were combined, the applicant's intent is clearer. However, once a revised policy is submitted in screening, the revised policy takes the place of the initial policy, rather than supplementing it. The revised policy is inadequate and cannot be conditioned if this project is approved.

VistaRiver anticipates its combined Medicare and Medicaid revenues for the proposed hospice agency will be approximately 95% of its total revenues. Additionally, financial statements show that Medicare and Medicaid revenue is expected and identifies charity care as a deduction from revenue. Although VistaRiver's policies along with its projected revenue from Medicare and Medicaid, and its anticipation of deductions from revenue for charity care show some intention of VistaRiver's claims to provide charity care, there was no response to direct questioning in public comment clarifying its *Admission Criteria and Process Policy*. This policy is a necessary part of meeting this sub-criterion since it would assure the department that hospice patients would be clearly aware of their option for admission without the ability to pay. As stated earlier, without a final version of a policy the department is left with no final version to condition if approved.

In conclusion, based on application materials, comment, and lack of rebuttal the department is unable to determine that VistaRiver would accept all residents of the service area, regardless of the ability to pay and the department concludes that **this sub-criterion is not met**.

Y.B.G. Healthcare LLC

In response to this sub-criterion YBG provided the following statements and copies of its policies that evidence operational support of these statements.

"*The need for an additional provider is demonstrated via WAC and the data on King County's disparities is both compelling and documented. While serving all, Heart and Soul will focus on the reduction of disparities in access to and use of hospice among certain historically underserved ethnicities, races, and other underserved populations.*

Historically, to evaluate this requirement, the Department has evaluated an applicant's admission policies, willingness to serve Medicare and Medicaid patients, and to serve patients that cannot afford to pay for services. Heart and Soul will secure both Medicare and Medicaid certification and has included a charity care allowance in our pro forma that acknowledges the social determinants of the communities we intend to target." [source: Application, pdfs 23-24]

Specific to its policies YBG provided the following statement. [source: February 28, 2022, screening response, p14]

"*Yes, the policies in the Exhibit are the same policies in use at Heart and Soul in Nashville. These policies were reviewed by surveyors at the initial survey and found to be in full compliance with Medicare requirements.*"

YBG provided the following specific clarification about its planned pediatric services. [source: February 28, 2022, screening response, pdf 4]

"*A dedicated pediatric program requires a full range of trained staff, specific policies and procedures, and marketing and outreach; but a pediatric patient and their family can be supported without a formal pediatric program. Today, Providence's Stepping Stones program provides the only specialized palliative and hospice care to infants, children, and adolescents with chronic and terminal illnesses in King County. At this time, we expect to first offer any family desiring pediatric hospice the choice of the Stepping Stones program; and if the family chooses that path, we will work with them and Providence to assure a smooth transition; but if the family continues to request our services, we will, of course, support them. To do so means that we will ideally hire staff with pediatric expertise, and also provide pediatric continuing education even before having a formal program. Assuming demand, the timeframe for Heart and Soul to have a formal pediatric program is estimated at four to five years after opening*."

Admission Criteria and Process No.1-009 – Draft

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

This policy states that patients will be admitted if they have a life-limiting illness and meet the admission criteria, then identifies the admission criteria. It also details the admission process, and provides the following non-discrimination language, "*Patients will be accepted for care without discrimination on the basis of race, color, religion, age, gender, sexual orientation, disability (mental or physical), communicable disease, place of national origin, or ability to pay.*" [source: Application, Exhibit 4]

Nondiscrimination Policy and Grievance Process No.5-017 – Draft

State purpose: *To prevent organization personnel from discriminating against other personnel, patients, or other organizations on the basis of race, color, religion, age, sex (an individual's sex, gender identity,*

sex stereotyping, pregnancy, childbirth and related conditions), sexual orientation, disability (mental or physical), communicable disease, national origin, or ability to pay.

This policy identifies the procedure for ensuring nondiscrimination information is accessible to patients, as well as the process and timeline to file, review, and appeal a grievance. [source: Application, Exhibit 4]

Charity Care Policy No.8-013 – Draft
Stated purpose: *To identify the criteria to be applied when accepting patients for charity care.*

This policy outlines the procedure to determine if a patient qualifies for charity care, in which it states eligibility criteria. This policy does not include its own non-discrimination language, but rather works in conjunction with the previously detailed *Nondiscrimination Policy and Grievance Process*. [source: Application, Exhibit 4]

YBG's project includes being available and accessible to Medicare and Medicaid patients that reside in King County, following is its projected payer mix. [source: February 28, 2022, screening response, pdf 7]

Department's Table 8
YBG's King County Projected Payer Mix

Payer	Percent of Gross Revenue	Percent by Patient
Medicare / Medicare Advantage	80.0%	80.0%
Medicaid	15.0%	15.0%
Commercial	1.5%	1.5%
Self-Pay / Private	2.0%	2.0%
VA	1.5%	1.5%
Total	**100.0%**	**100.0%**

YBG provided the following assumptions and statements to support its anticipated payer mix for the King County hospice services. [source: February 28, 2022, screening response, pdfs 7-8]
"*As the CN Program is aware, Medicare is the primary payer for hospice services as the majority of patients receiving hospice are age 65+. As such, and unsurprisingly, the other applicants submitting certificate of need applications this cycle in King County assumed a Medicare payer mix, ranging from 87% to 95%. Heart and Soul has also assumed, based on its knowledge of the hospice industry, that the vast majority of its patients and revenue will be Medicare; but at a rate that is slightly lower than the lower end of the range (80%). This is due to the fact, as noted in the application, that the BIPOC community dies years earlier, and that there is more Medicaid and dual-eligibles in the BIPOC community.*

As a starting point for estimating non-Medicare revenue, Heart and Soul reviewed 2020 hospice survey data for King County providers and found that about 11% of admissions were for patients under the age of 65. As noted above, data demonstrates that the BIPOC community dies younger than the population at large and as such, we will by definition, have more non-Medicare. Prior to submitting this application, Heart and Soul reviewed data from the 2021-2022 Community Health Needs Assessment (CHNA) from Public Health of King County (see p. 14 of the application). The data in the CHNA provided other statistics strongly suggesting that Medicaid will be higher than that of a traditional hospice agency. Specifically, the CHNA compared key statistics of black residents to white residents. This data demonstrates why Medicaid will be higher in the population we are targeting. This data include:

- *Black residents are two times less likely to have health insurance*
- *Life expectancy is four years shorter for black residents*
- *Median household income for blacks is about half the income of whites*
- *While blacks are 6% of the population, they are 29% of the homeless population.*
- *According to the Health Care Authority, 17% of Medicaid recipients are black (this compares to the King County public health data which estimates that only 6% of the total population is black).*

Additionally, more than half of King County's Medicaid recipients are non-White. Heart and Soul assumed that the remaining 5% of patients and gross revenue would be split between self-pay, VA (most VA recipients elect the hospice benefit, therefore, they would be Medicare) and commercial."

WAC 246-310-290(13) Any hospice agency granted a certificate of need for hospice services must provide services to the entire county for which the certificate of need was granted.
The applicant provided the following statement related to this sub-criterion. [source: Application, pdf 23]
"*Heart and Soul intends to be available and accessible to residents residing throughout King County.*"

Public Comment
Many letters were received which detailed various individuals' and organizations' support of the YBG project related to this sub-criterion. Following is a listing of commenters who signed letters of support not quoted here. Whether the comment is quoted here is not indicative of its weight or importance, each comment was reviewed and contents considered for this evaluation. Further, the order commenters are listed here is not suggestive of the department assigning a status or ranking to any commenter or organization.

- Jennifer Kropack, Certified Facilitator for End of Life Planning, Speaking of Dying
- Kathleen Wilcox, MBA, BSN, Executive Director, AARTH Ministry
- Amanda Stock, Executive Director, People's Memorial Association
- Brenda Charles-Edwards, Certified Facilitator for End of Life Planning
- Paul R. Edwards, Retired Washington State Employee

Following are excerpts from YBG's supporting comments which serve as a representative sample relevant to this sub-criterion.
Ashley McGirt-Adair, MSW, LICSW – Support
"*I am reaching out to you, making a public comment, regarding a proposed hospice project for Y.B.G., Healthcare, under Nathan Yemane's leadership. I am a licensed clinician, former hospice social worker, and an expert on racial trauma, and grief and loss...especially as it pertains to the Black community. I am a Washington native born and raised social justice advocate and most importantly a Black woman with a long standing in this community.*
...
Racism and systemic oppression is embedded into the very fabric of this country's being. Health care, especially palliative/hospice care, is not exempt! I have watched firsthand while advocating for my own family members, who were in hospice, to innumerous hospice patients I professionally cared for. I left a prominent, predominantly white, hospice organization in Seattle two years ago, after watching how the company handled a situation where a nurse treated a patient under my care, with racism.
...
I watched my aunt die at 51 years old, as she received poor hospice support from a predominantly white hospice agency here in Washington, because she was poor, on medicaid, and Black. My mother and I witnessed their implicit bias and addressed their lack of effort in attending to my aunt, but we were met with dismissiveness and unimportance. It wasn't until we demanded their most professional efforts and

attention, and made known that I was an expert mental health professional and my mother a registered nurse, that they then began to treat my aunt better...but she died a few days later. I can tell you the same story about my Uncle Wayne who died in a hospital in Auburn who was disregarded and not provided with care until my mother brought things up. Not every person has a nurse or medical professional in their family to advocate for them nor should they have to. Black people and other minorities need a space where they can go that is Black owned. We need Y.B.G Healthcare."

Margaret Towolawi, MD, Medical Director, Nurture Well Center – Support

"*I am writing in support of Y.B.G healthcare's hospice application. I have practiced as a family physician in King County for close to a decade. I have worked as an inpatient and outpatient provider. I have seen the disparities as it pertains to access for patients in the BIPOC community --- and this access becomes a greater issue with the aging BIPOC community. There is no clear voice representing BIPOC elder care or even general population care as it pertains to hospice offerings in King County.*

The use of hospice in the BIPOC community is the lowest of any people group in King County… Lack of trust, systemic racism and cultural insensitivity of existing providers to cultural variations in attitudes towards death and dying in our community all play a role.

According to the Kaiser Foundation, Black Medicare beneficiaries/Black elderly individuals have the highest mortality rate out of any other people group in this country for the following diseases: cancer, heart disease and lung disease. Further, Black Medicare beneficiaries were seen in ER departments and were hospitalized for 2+ days at a higher rate than their counterparts. They also have the highest hospital readmission rate and have the highest barrier to care due to cost out of Medicare beneficiaries. These disparities are partly due to lack of access and lack of education regarding adequate end-of-life care within BIPOC communities. We need an alternative provider if we are going to increase the use of culturally relevant hospice.

Y.B.G Healthcare seeks to narrow the above gaps. As a Black woman physician, I make up only 2% of the physician workforce in the United States. I understand the need for BIPOC representation in healthcare systems on a personal level. Should their application be accepted, Y.B.G Healthcare would be Washington's first Black owned hospice agency. This representation will ultimately improve access and patient outcomes. I strongly recommend Y.B.G Healthcare as recipient of a certificate of need for hospice care in King County."

Veronica R. Abram – Support

"*My experience as a medical social worker for hospice patients, has exposed me to multiple racial disparities in health care. I have witnessed many of my minority patients both: either revoke hospice care, or specific disciplines from the assigned care team due to lack of trust in the existing health care system, those that were not of minority descent, and previous negative experiences from the majority.*

The rate of use of hospice by the BIPOC community is consistently the lowest in King County: in 2019 it was only about 63% of the rate of the County at large and only 56% of the rate of the County's white population. 2020 reflects the disparity gap the BIPOC community experienced related to COVID: while the entire County's deaths in hospice declined by 3.5%, the Black deaths in hospice in 2020 declined by 20%.

I am familiar with YBG Healthcare's hospice application and I am writing today to state that I am in agreement with what they are proposing to provide in King County. A Black-owned hospice is necessary for King County's BIPOC residents, the general public, and for the hospice landscape in the county. It

would allow people of color to have the same compassionate care from those that they feel identify with them, and have peace and dignity at end of life."

In addition to letters of support, comment opposing YBG's project was also received.
Group of Individuals Represented by Dennis Barnes – Oppose [source: pdf 10]
"*The Heart and Soul Charity Care policy indicates it establishes criteria for determining eligibility of a patient for charity care. Yet, no such criteria are provided in the application materials. Heart and Soul does not meet the Non-Numeric Need Criteria.*

Conclusion regarding King County hospice applicants meeting the charity care standard under non-numeric need.
Members of the public and the Certificate of Need Program must see a complete statement of an applicant's Charity Care policy during review of hospice Certificate of Need application. The applicant cannot just 'hand it in' after approval. And having a percent 'charity care' in the projected financial statement does not confirm that policy is in place to spend that money. Heart and Soul, Moments and Symbol/Pennant have not yet described how they will determine charity care eligibility. This prevents any effective review to determine how they will proceed to care for disadvantaged and underserved residents of King County. All four applicants fail to meet the Non-Numeric Need criteria related to provision of Charity Care."

Sol Miller, CEO, Moments Hospice of King, LLC – Oppose [source: pdfs 25-26]
"***Pediatric Program***
Hospice Pediatric Programs are another area where Y.B.G.'s analysis of the King County community is lacking.

The Applicant's position on whether or not it will have a pediatric hospice program appears to have changed from the time the application was submitted to the time the Applicant responded to the screening questions. In its original application, the Applicant stated that:
…
Yet, when probed by the department in screening questions to 'provide a timeline by which planned pediatric hospice services would be available,' the Applicant responded:
…
The Applicant's response to the screening question goes beyond mere clarification. The Applicant has completely restated its position on whether there is a need for additional pediatric services in King County.

Without knowing whether there is sufficient demand, how can the applicant estimate a timeline for a new 'formal pediatric program' of 'four to five years after opening'? This response seems to be crafted to avoid accounting for discrepancies in the Applicant's 3 year pro forma, related to the existence of—and then nonexistence of-- pediatric demand, pediatric admissions volume, and related specialized staffing needs and costs.

The Applicant's original application stated that these services are already being requested by families and the community. The subsequent screening response says they will hire staff with 'pediatric expertise and provide pediatric continuing education even before having a formal program.' Where is this accounted for in the recruitment strategies response and pro forma costs for labor and continuing education?

How will Y.B.G. not adversely impact the staffing, recruitment, and retention efforts of the two existing pediatric hospice programs?

Finally, a solid application would be based upon a needs assessment. The Applicant should do the research, and demonstrate a clear understanding of whether or not a new program is needed, or if it would harm or fragment existing programs. In order to demonstrate compliance with WAC 246-310-230, it is necessary to understand the King County market:

WAC 246-310-230 'Criteria for Structure and Process of Care' states:

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

Y.B.G. appears to equivocate about whether or not there is actually a need for a pediatric program, and conveniently proposes a timeline just outside of the pro forma requirements. Y.B.G. has not offered any data or analysis supporting its 'estimated' 4 or 5 years for a pediatric hospice need to develop."

Envision Hospice of Washington, LLC and EmpRes Healthcare Group, Inc. – Oppose [sources: Envision pdf 9 and EmpRes pdf 8]

"*Admissions, Charity Care and Discharge Policies and Procedures: The Admissions and Charity Care Policies and Procedures do not create to barriers to care. However, there is no Discharge Policy and Procedure presented. The Charity Care policy indicates that patients can be reviewed at the time of admission for charity care, which would indicate that medical indigency would not be a cause for discharging a patient.*"

Y.B.G. Healthcare LLC Rebuttal Comment to Moments' Comment [source: pdfs 27-28]

"***I. Heart and Soul is fully committed to serving all populations in need of hospice services when that is the choice of the patient and family, but also to collaboration with existing providers and not unnecessarily duplicating services. Our approach to the pediatric population is consistent with these commitments.***

Heart and Soul has consistent responses throughout the CN and screening response that support our patient centered and collaborative approach to service provision. In our CN application, we acknowledge that we would 'as requested by families and the community' provide services for pediatric patients. We DO NOT state in our CN application that we plan to develop a dedicated pediatric program, and in fact in our screening clarify that: a pediatric patient and their family can be supported without a formal pediatric program.

We also very clearly state support for the existing dedicated pediatric program in the community, for the choices of pediatric patient and their families, and for only proceeding with a dedicated program in the future if demand warrants. Moments claims that we are changing positions or planning on 'taking pediatric patients and staff' from other providers are completely inaccurate and misleading. The language below from our screening response actually suggests the exact opposite: we will collaborate with existing providers, respect patient choice, and only consider creating a dedicated program when and if demand warrants:

…

The estimated timeline of considering a formal pediatric program is not an effort to avoid the costs in the current pro forma per Moment's accusation, but instead to recognize that the focus during these first three years of operation is on Heart and Soul's commitment to the underserved BIPOC community that is clearly underserved and the need to ensure demand exists prior to establishing a program.

Finally, Moments suggests that we have not accounted for any continuing education or training needed if we do accept a pediatric patient due to patient/family preference. Again, this statement is inaccurate,

we have a comprehensive training and continuing education program spelled out in our policy included in Exhibit 4 and through our CHAP accreditation have additional training and continuing education resources available to us. Heart and Soul is fully committed to equipping our staff and providers with the tools they need to meet the unique needs of each of our patients and have the staffing, resources and policies to do so."

Department Evaluation

The draft *Admission Criteria and Process Policy* provided by the applicant describes the process YBG would use to admit a patient to its hospice agency. The policy includes language to ensure all patients will be admitted for treatment without discrimination. While the policy does not specifically state that pediatric patients would be served by the agency, it does not definitively exclude them. Additionally, the policy includes *age* as a category on which admission eligibility is not based.

An agency's policies are typically used in conjunction; therefore, although the draft *Charity Care Policy* does not include non-discrimination language it would rely on the *Admission Criteria and Process Policy* and *Nondiscrimination Policy and Grievance Process* policies which do include non-discrimination language. Additionally, the draft *Charity Care Policy* does state "*It is the policy of Heart and Soul that to provide hospice services to eligible community members without delay, regardless of their ability to pay*." The *Charity Care Policy* also includes the process to obtain charity care and criteria to qualify.

Public comment was provided by many entities which support YBG's project. These entities include credentialled professionals, industry representatives, and members of the public who emphasize not only the need for services to specific populations but also YBG's commitment to provide access to all. Some commenters have firsthand experience working in King County as medical professionals and believe that YBG would be able to meet growing need for services to all.

Comment opposing YBG's project raised concerns around several topics. First, that the applicant's *Charity Care Policy* is lacking eligibility criteria, thus not meeting this sub-criterion. Second, that YBG's commitment to pediatric patients does not include all required elements (recruitment plans and costs, impact on existing programs, and a need study).

To address the first comment the department finds that there is listed eligibility criteria in the applicant's draft *Charity Care Policy*. Within the *Procedure* section it is listed that a review of "*all applicable patient information, including financial declarations, physician (or other authorized licensed independent practitioner) orders, initial assessment information, and social work notes to determine acceptance for charity care*" then continues in the next part of the procedure to state "*The full amount of hospice services will be determined to be charity care for any guarantor whose gross household income is at or below the state regulatory federal poverty guideline level provided that such persons are not eligible for other private or public health coverage sponsorship*." These two statements clarify what documentation will be needed to assess eligibility and what threshold needs to be met.

YBG in its rebuttal responded to the other criticism related to its commitment to be available and accessible to all patients. YBG stated that it will serve pediatric patients upon request, that pediatric patients and their families can be served without a formal pediatric program, and that they only will proceed with a formal program should demand warrant such a program. Further YBG stated that it wants to respect existing pediatric programs by not duplicating them, and instead of competing, collaborating with them. Also, YBG clarified that its program timing is due to its focus on its primary target population, the underserved BIPOC population in its first several years. Lastly, YBG stated that its project includes comprehensive planning and resources for training and continued education.

The applicant's approach to provide pediatric services as needed, but not immediately develop a formal pediatric program until, or unless, an additional program is warranted in King County is acceptable. As previously stated in this evaluation, even though pediatric patients are a small percentage of hospice patients, it is vital that these patients and families have access to a full spectrum of hospice services. YBG has demonstrated that it would be available for pediatric patients.

YBG anticipates its combined Medicare and Medicaid revenues for the proposed hospice agency will be approximately 95% of its total revenues. Additionally, YBG's financial statements show that Medicare and Medicaid revenue is expected and identifies charity care as a deduction from revenue. YBG's policies along with its projected revenue from Medicare and Medicaid, and its anticipation of deductions from revenue for charity care, substantiate YBG's intention of providing care to Medicare and Medicaid patients and indigent persons.

In conclusion, YBG's *Charity Care Policy*, *Admission Criteria and Process Policy*, and *Nondiscrimination Policy and Grievance Process* demonstrate that all residents of the service area will be accepted for services, regardless of the ability to pay. Since its submitted policies are all in draft form, if this application is approved, YBG's approval would include a condition requiring submission of final policies for review prior to providing services to King County residents. With agreement to the condition, YBG's application **meets this sub-criterion**.

(3) The applicant has substantiated any of the following special needs and circumstances the proposed project is to serve.

(a) The special needs and circumstances of entities such as medical and other health professions schools, multidisciplinary clinics and specialty centers providing a substantial portion of their services or resources, or both, to individuals not residing in the health service areas in which the entities are located or in adjacent health service areas.

(b) The special needs and circumstances of biomedical and behavioral research projects designed to meet a national need and for which local conditions offer special advantages.

(c) The special needs and circumstances of osteopathic hospitals and non-allopathic services.

(4) The project will not have an adverse effect on health professional schools and training programs. The assessment of the conformance of a project with this criterion shall include consideration of:

(a) The effect of the means proposed for the delivery of health services on the clinical needs of health professional training programs in the area in which the services are to be provided.

(b) If proposed health services are to be available in a limited number of facilities, the extent to which the health professions schools serving the area will have access to the services for training purposes.

(5) The project is needed to meet the special needs and circumstances of enrolled members or reasonably anticipated new members of a health maintenance organization or proposed health maintenance organization and the services proposed are not available from nonhealth maintenance organization providers or other health maintenance organizations in a reasonable and cost-effective manner consistent with the basic method of operation of the health maintenance organization or proposed health maintenance organization.

Department Evaluation

This sub-criterion under WAC 246-310-210(3), (4), and (5) is not applicable for these four applications.

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

Based on the source information reviewed, the department determines the following applicants **met the applicable financial feasibility criteria in WAC 246-310-220:**

- The Pennant Group
- Y.B.G. Healthcare LLC

Based on the source information reviewed, the department determines the following applicants **did not meet the applicable financial feasibility of care criteria in WAC 246-310-220:**

- Moments Hospice of King, LLC
- VistaRiver King County HoldCo, LLC

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

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

To evaluate this sub-criterion, the department reviews the assumptions provided by an applicant, projected revenue and expense (income) statements, and projected balance sheets. The assumptions are the foundation for the projected statements. The income statement is a financial statement that reports a company's financial performance over a specific period—either historical or projected. Projected financial performance is assessed by giving a summary of how the business expects its revenues to cover its expenses for both operating and non-operating activities. It also projects the net profit or loss incurred over a specific accounting period.[20]

The purpose of the balance sheet is to review the financial status of company at a specific point in time. The balance sheet shows what the company owns (assets) and how much it owes (liabilities), as well as the amount invested in the business (equity). This information is more valuable when the balance sheets for several consecutive periods are grouped together, so that trends in the different line items can be viewed.

As a part of this Certificate of Need review, the department must determine that an approvable project is financially feasible – not just as a stand-alone entity in a new county, but also as an addition to its own existing operations. To complete its review, the department requested each applicant (when applicable) provide projected financial information for the parent corporation if the proposed agency would be operated under the parent.

The department received comments which questioned all four applicants' projected utilization in relation to duplication of services and whether the applicants can generate new need by outreach to unserved and underserved King County population. This and similar rationale for denial of applicants that stems from the assumption that the published numeric method is incorrect or not representative of future need have been reviewed. However, the department stands by the hospice numeric methodology as published and reviewed by the hospice community. As such, comments that suggest denial of

[20] One purpose behind the income statement is to allow key decision makers to evaluate the company's current situation and make changes as needed. Creditors use these statements to make a decision on loans it might make to the company. Stock investors use these statements to determine whether the company represents a good investment.

applicants based solely on this premise or similar assumptions will not further be analyzed in this evaluation.

Moments Hospice of King County, LLC

Moments Hospice King will be a new agency in Washington State. If approved, the new King County agency is expected to be Medicare and Medicaid certified in November 2022. Based on that timeline, year 2022 is a partial year of operation, and 2023 – 2025 are full years one and three, respectively.

The applicant provided the following assumptions used to determine the projected number of patients and visits for the proposed King County agency. [source: Application, pdfs 92 - 95 and February 28, 2022, screening response, pdfs 8-9]

"With the exception of market share calculations, the assumptions described on pages 92-93 of the application also apply to the partial year of 2022. Specifically, admissions assumptions are based on:

- *Moments' experience with de novo hospices in other competitive markets*
- *Historical data on the ability of Hospice Care Consultants to generate admissions*

The first three months represent initial ramp up months, and initial volume in the first 3 months would be too low to use market share as a reasonableness check. Recent start-ups in other markets suggest that the estimated admissions and ADC is reflective of what is likely to occur.

As stated in the application:

Average Length of Stay:

We utilized the Washington State average length of stay of 62.12 published in the Department of Health 2021-2022 Hospice Numeric Need Methodology posted on November 10, 2021. We expect a shorter length of stay initially, in the first months, as admissions ramp up. However, we expect the average length of stay to quickly reach the Washington state average. CMS data in other markets demonstrates Moments' ability to quickly attain higher lengths of stay. This is due to Moments' ability to identify and partner with facilities to admit terminally ill patients earlier in their illness, as well as Moments' demonstrated ability to reach patients with non-cancer diagnoses which typically are associated with longer lengths of stay, and Moments historical success in ALF and Nursing Home facilities.

Patient Days:

Patient days were calculated by multiplying Moments Hospice of King's projected admissions by the King County ALOS published in the November 10, 2021, Department of Health 2021-2022 Hospice Numeric Need Methodology, with the exception of 4 month ramp up period, when initial length of stay was assumed to be 50 days for patients admitted during the first month of operation, ramping up monthly to reach the King County ALOS by the end of the fourth month of operation.

Average Daily Census (ADC):

ADC is the result of a formula summing the total patient days within the specified time frame, divided by the sum of calendar days within the same time frame.

Attainable Market Share:

While Moments Hospice of King anticipates that admissions will come from currently unserved terminally ill patients, and not from the market share of other King County hospice providers, market share can nonetheless be used as a "reasonableness check" for projected admissions. Thus, Moments of King has considered what percentage of overall market share has been attainable in other competitive counties. We also reviewed the percentage of overall hospice market share in King County attained by other new entrants historically, as a reasonableness test. We also relied upon data related

to Moments affiliates' own start up hospice market share attainment in the first years of operation in other areas.

Of note, Moments Hospice of King, and all Moments affiliates, are not a hospital/health system owned hospice entities. Therefore, Moments Hospice of King's and Moments Hospice affiliates' operations are not subsidized by a larger health system. Similarly, funding for Moments hospice agency operations does not come from donations. Moments' affiliates' admissions in other new markets are solely due to the success of Moments' strategies for reaching underserved patients in new markets, Moments' provision of a valuable, patient-centered service that patients and families want, and Moments' ability to admit patients timely and deliver services in an efficient, cost-effective manner.

Applicant's Market Share Table

	Year 1 (2023)	Year 2 (2024)	Year 3 (2025)
Market Share Assumption	1.6%	2.6%	2.9%
King County Estimated Market	8,328	8,495	8,664
Estimated Patients Served	136	221	247
Admissions: Patients Served	1.033	1.033	1.033
Estimated Admissions	140	228	255
Avg. Admissions Per Month	12	19	21

The table above shows the underlying assumptions for admissions. The market share assumptions were determined based on affiliated Moments Hospice's performance in other highly competitive U.S. markets. The King County market size in year one is based on adding the projected need in terms of admissions for the two age cohorts in the Department of Health's 2021-2022 Hospice Numeric Need Methodology. Year 2 and 3 market size estimates assume a 2 percent average annual growth rate, based on the most recent U.S. Census data for King County.

The data utilized included patients served, rather than admissions. Since admissions are typically greater than patients served, because of the fact that some patients have more than one hospice admission, we multiplied projected patients served by affiliated Moments hospices' historical ratio of Admissions to Patients Served. This resulted in admission projections of 140, 228, and 255 for the first full 3 years of operation, respectively. Moments Hospice of King believes the projected admissions volumes for Moments Hospice of King are reasonable, attainable estimates."

Based on the assumptions above, Moments Hospice King provided a table showing projected utilization of the new King County agency including partial year 2022 and full years 2023 – 2025. The table is below. [source: February 28, 2022, screening response, pdf 8]

Applicant's Utilization Project Table

	2022	2023	2024	2025
Key Statistics				
Admissions	21	140	228	255
Patient Days	1,157	8,697	14,163	15,841
ALOS	55	62	62	62
ADC	6	24	39	43

Moments Hospice King also provided the following statements and assumptions used to project its pro forma financial statements. [source: Application, pdfs 103-109]

"*Charity Care*

Moments Hospice of King has projected Charity Care equal to 5 percent of total net patient service revenue for the first three full years of operations. However, there is no cap on the amount of charity care that will be provided to King County residents. The five percent assumption was based on Moments affiliates' recent, actual financial results in other markets.

During the first months of operations, while Moments Hospice of King is still in the process of credentialing with payers, we assume that the first patients will be pro bono patients. Charity care was projected at 100 percent of net revenue during the first 6 weeks of operations, to account for credentialing lag time.

Other Operating Revenue

Per the medical director contract (Exhibit 41), physician services are contracted, so any Medicare Part B revenue from physician visits would be billed and collected directly by the physician, and would therefore not appear in Moments Hospice of King financial statements. Moments Hospice of King does not anticipate any material amounts of other operating revenue during the first three full years of operation.

Other Non-Operating Revenue

Moments Hospice of King has not projected any other non-operating revenue, as none is anticipated.

Direct Expenses

Direct patient care expenses were projected on a per patient day basis, based on other Moments affiliates' experience. The exception to this is medical supplies, which were projected on a per census basis. Direct patient care expense assumptions are summarized in the table below:

Applicant's Direct Expenses Table

Direct Expenses1	Cost PPD
Drugs and Pharmacy	$ 7.50
Medical Supplies	75/ census
Labs/ Other	$ 3.00
DME/ Oxygen	$ 6.50
Radiology	$ 0.25
Physical Therapy	$ 0.05
Speech Therapy	$ 0.05
Occupational Therapy	$ 0.05
Respiratory Therapy	$ 0.50

Nursing Home Room and Board expense was calculated using the per diem rate of $232.58 published in the Washington State Department of Social and Health Services Nursing Facility and Rate Reports38 using the current rate in effect from July 1, 2021, through Jun 30, 2022. Nursing Room and Board revenue was projected as 95 percent of Moments Hospice of King's Nursing Home Room and Board expense, based on similar contracts for other Moments affiliates.

Salaries and Wages

Salaries and wages expenses were computed based on Moments Hospice of King's census-driven staffing ratios. Detailed assumptions pertaining to the staffing model can be found elsewhere in this application.

Using Moments Hospice's paid time off policy, which is standard across all Moments affiliates, we computed a 91 percent productive time / 9 percent nonproductive time split. Because certain field staff roles who provide direct patient care, such as RNs and PCAs, requirement replacement by another person when an employee is out due to illness, vacation, etc. (For example, if the patient census requires 2 RN FTEs, not all of the 2,080 hours of that FTE will be available for patient care, since the employee has paid time off approximately 9 percent of the time).

Patient care visits do not stop when someone is using paid time off. Therefore, we "grossed up" clinical, patient-facing FTEs by taking the FTEs required per the staffing model for patient care, divided by the percentage of productive hours. This accounts for the cost of replacing those staff who are receiving paid time off. (When a staff member is out for paid time off, they are still paid, as is the replacement team member who must provide patient care in their absence. Thus, one direct patient care FTE is really equal to approximately 1.1 paid FTEs. The Moments Hospice of King Pro Forma accounts for these costs.

Other roles, such the Regional Director of Operations, do not require replacement when they are out of the office for paid time off. Consequently, the paid hours associated roles that are not essential to direct patient care were not adjusted for replacement.

Full time equivalents (FTEs) generated by the staffing model were multiplied by the full time equivalent hours (1 FTE = 2080 hours per year, and 2088 hours in 2024 due to the extra day in the leap year) to calculate the number of hours paid. Paid hours were then multiplied by local average and mean salary/wage rates specific to the King County and Seattle area. Average rates of pay and average annual salaries were estimated from various sources such as Salary.com, Indeed.com, and local health system job postings.

Per the CON guidelines, no wage inflation was projected. There are no applicable contracts containing any wage increases for employed staff.

Employee Benefits

Based on the common benefits packaged shared among Moments Affiliates, we estimated benefits to be 15 percent of salaries and wages expenses. This reflects employer-funded health insurance benefits, paid time off, employer 401K contributions, and dental and vision benefits. The E-fleet car leasing benefit is reflected in the "Other – Auto/Mileage" line item, and is discussed in greater detail later in this application, in relation to recruitment and retention strategies.

Payroll taxes

Payroll tax assumptions were based on 2022 federal and state rates for employer-paid taxes of 6.2% Social Security capped at 147,000 per year, 1.45% Medicare, FUTA 0.60% capped at $7,000 and SUTA/SUI estimated at 1.06% with a cap of $57,500.

Equipment Rental

Equipment rental expense of $500 per month includes office equipment, such as a copier / scanner.

Rental / Lease

Moments Hospice of King County has entered into a Letter of Intent to execute a lease agreement (Exhibit 4). Per the terms of the agreement, Moments Hospice of King will pay an all-inclusive (no separate fees, and utilities are included) rate of $18 per square foot for a 1707 office space. The LOI states that the price shall increase by 3.5 percent each year. The purpose of this space is for meetings, training events, etc., as field staff will travel directly from their own homes to the patient's location to provide services. Therefore, the space should be adequate to meet the agency's needs during the first three full years in the pro forma.

Utilities

Utilities are included in the lease agreement, and therefore are already represented in the costs on the "Rental/Lease" line.

B & O Taxes

Business and Occupation taxes were assumed to be equal to 1.5 percent of total revenue.

Accounting

Accounting expenses of $500 per month represent Certified Professional Accountant fees, paid to a CPA firm external to the organization. Bookkeeping and general accounting expenses are included in the Management Fee described in the shared services agreement. CPA costs were estimated based upon other Moments affiliates' actual experience.

Consultants

Consulting fees of $500 per month were estimated based on other Moments affiliates' experience.

Legal and Professional

Legal and professional fees of $1,000 per month were estimated based on other Moments affiliates' experience.

Software Licenses

Software and license fees were modeled based upon contracts with vendors. Drivers of software and licensing expenses include role-based EMR and CRM licenses (PCA EMR licensing costs differ from other clinical team member EMR licenses). The staffing model drives user, role-based fees in the pro forma. This line item also includes per patient day driven expenses for clinical software (MUSE data mining tool). The amounts in this line also include software licenses for HCCs, which are also staffing model driven.

Dues & Subscriptions

Dues and Subscriptions expense assumptions were based on historical, internal data from other Moments affiliates, and equate to $20 per FTE per month.

Insurance

Insurance expenses of $600 per month include both general and professional liability insurance, and were based on quotes from Moments' insurance carrier for other Moments recent start up hospice agencies.

Advertising & Marketing

Advertising and marketing expense was estimated based on historical spending of $250 per month per Hospice Care Consultant FTE at other Moments affiliates, and is aligned with staffing projections in the pro forma.

Education & Training
Education and training expense assumptions are based $25 per FTE per month, based on historical spending per at other Moments affiliates.

Office Supplies
Office supplies expense assumptions of $50 per FTE per month reflect Moments affiliated start-up hospices' experience in other markets.

Telephones
Telephones expense assumes $50 per FTE based on typical reimbursement amounts at other Moments hospice affiliates.

Postage & Printing
Postage and printing expense was estimated at $150 per month per office location based on other Moments affiliates' historical expenses.

Repairs & Maintenance
Repairs and maintenance expenses were based on historical expenses of $250 per month per office location for other Moments affiliates.

Other: Travel, Meals, & Entertainment
Travel, meals, and entertainment expense assumptions of $500 per month in year 1, and $1000 per month in subsequent years excludes field staff travel and mileage (which is include under "Other: Auto / Mileage"). This reflects anticipated travel by Moments executives and other key staff.

Other: Auto / Mileage
Auto / mileage expense assumptions include the 2022 mileage reimbursement rate of $0.585 published by the IRS. It was assumed that 65 percent of staff would elect to be reimbursed on a per mile basis, while 35 percent of team members would use the E-Fleet benefit, at a cost of $600 per month per team member. Auto and mileage expenses per patient day were also compared to Moments affiliates in other large counties as a reasonableness test.

Other: Contract Labor
Other: Contract Labor expense includes fees paid to the Medical Director. Paid hours were estimated based on Moments Hospice of King's staffing model, which has a minimum of 0.3 FTEs for a medical director, and ramps up with census. It is assumed that even with low initial census levels, the Medical Director will be paid for training related to the EMR and Muse systems, on Moments Hospice of King's policies and procedures, etc. The rate is contained within the Medical Director LOI, which is attached as Exhibit 41.

Other: Miscellaneous
This line on the income statement includes items such as forms, IT support, medical waste disposal, individual employee computer expenses that do not meet the IRS capital threshold, and the contributions listed in the commitments. Other than the contributions, amounts are based on Moments Hospice affiliates actual experience with other de novo hospice agencies.

Management Fees
Management fees match the terms described in the Shared Services Agreement, and are equal to 5 percent of operating revenue."

In response to the department's request for clarification regarding line items for room and board, consultant fees, and other: contract labor, Moments Hospice King provided the following information. [source: February 28, 2022, screening response, pdfs 12-13]

Room and Board
When a patient elects the hospice benefit, the nursing home can no longer bill insurers for room and board. Because Moments Hospice of King will bill insurers for Room and Board for nursing home patients, we expect, based on actual experience of Moments affiliates and industry trends, to be reimbursed at 95 percent of the published Medicaid reimbursement rate. Nursing homes still provide room and board for these patients, and invoice hospice. Market forces and experience drive the assumption that nursing homes will be paid an amount equal to 100 percent of Medicaid reimbursement rates for hospice patients residing in nursing homes. Therefore, Moments Hospice will take a loss of approximately 5% on each dollar of room and board reimbursement it collects on behalf of the nursing home.

Consultants Fee
The $6,000 annual amount is a placeholder--an estimate, based on Moments affiliates' actual historical experience. Moments hospices often utilize consultants for special projects, or to provide specialized skills when there is not a need for a full time FTE or a need to create an employed position. This amount is a reserve for the typical expenditures we would expect.

Please note that this amount does not include CON consulting. The CON consultant expenses are reflected in Capital Expenditures. This item is not related to any of the Shared Services provided under the arrangement with Guardian Hospice of MN.

Other: Contract Labor
No other contract labor expenses are included in this line item. This line item is fees paid to the Medical Director.

Other contracted expenses, such as physical, respiratory, occupational, and speech therapy expenses, are listed separately under the "direct expenses" section under the following line items:

- *Physical Therapy*
- *Respiratory Therapy*
- *Speech Therapy*
- *Occupational Therapy*

Services provided under the Shared Services Agreement with Guardian Hospice of MN, LLC, are included in the "Management Fees" line.

Within the application, Moments Hospice King did not include a breakdown of gross expenses, which would show the amounts subtracted for contractual allowances, bad debt, and charity care, resulting in net revenue. Rather, the financial statement started with 'net revenue.' In response to the department's request for the gross revenue and deductions, the applicant provided the following table and assumptions for the table. Moment's Hospice King also provided the following clarification, [source: February 28, 2022, screening response, pdfs 10-11]
"*None of the responses to this screening letter result in any changes to the financial projections."*

Applicant's Gross Revenue Table

Gross Revenue	2022	2023	2024	2025
Medicare / MA	$ 209,999	$ 1,578,495	$ 2,570,692	$ 2,875,115
Medicaid/ MCO	$ 7,208	$ 54,182	$ 88,238	$ 98,688
Other (Commercial, VA, Tricare, Private Pay, etc)	$ 22,813	$ 171,648	$ 279,541	$ 312,644
Subtotal	**$ 242,042**	**$ 1,806,348**	**$ 2,940,495**	**$ 3,288,472**

Deductions from Revenue, Contractual Allowances, and Bad Debt	2022	2023	2024	2025	%
Medicare / MA	$ (2,100)	$ (15,785)	$ (25,707)	$ (28,751)	1%
Medicaid/ MCO	$ (72)	$ (542)	$ (882)	$ (987)	1%
Other (Commercial, VA, Tricare, Private Pay, etc)	$ (2,281)	$ (17,165)	$ (27,954)	$ (31,264)	10%
Subtotal	**$ (2,431)**	**$ (31,469)**	**$ (52,519)**	**$ (58,977)**	

Net Revenue Before Charity Care	2022	2023	2024	2025
Medicare / MA	207,899	$ 1,562,710	$ 2,544,985	$ 2,846,364
Medicaid / MCO	7,136	$ 53,640	$ 87,356	$ 97,701
Other (Commercial, VA, Tricare, Private Pay, etc)	20,532	$ 154,483	$ 251,587	$ 281,380
Subtotal	**237,589**	**$ 1,770,833**	**$ 2,883,928**	**$ 3,225,445**

Charity Care	2022	2023	2024	2025
Charity Care	$ 95,416	$ 88,542	$ 144,196	$ 161,272
Charity Care %	*40%*	*5%*	*5%*	*5%*

Net Patient Services Revenue (Ties to Pro forma)	$ 177,920	$ 2,033,745	$ 3,319,800	$ 3,718,464

- *Private pay has been negligible for other Moments affiliates, and is included in "other."*
- *Moments Hospice of King projects charity care globally, as 5 percent of net revenue.*
- *Net patient services revenue, net of charity, ties to the revenue line on the pro forma income statement.*
- *Charity care as a percent of net revenue in the partial year 2022 is higher, because Moments Hospice of King anticipates writing off the first month and a half of revenue due to the credentialing timeline.*
- *Deductions from revenue, contractual allowances, and bad debt for Medicare (including Medicare managed care) and Medicaid (including Medicaid managed care) were projected as 1% of gross revenue. This level of detail was not shown in the original application, which reflected net revenue and expected collections. Because this additional information is "above the line", there is no change to the original pro forma.*
- *Gross charges reflect reasonable and customary charges for Moments Hospice affiliates."*

Moments Hospice King also provided the clarifications regarding two line items in the pro forma Revenue and Expense Statement. [source: February 28, 2022, screening response, pdfs 17 – 18]

"Shared Services [Medical Director] Agreement
Because Moments Hospice of King's leadership has extensive experience with de novo hospices, and has dedicated resources and systems for start-ups, any initial implementation (start-up) work that is performed through the Shared Services Agreement has already contemplated and included in the shared services fee structure (percent of revenue).

As is typical of the percent-of-revenue shared services agreements that are widely used by health systems, compensation for implementation (start-up) activities is bundled into the global percent of revenue fee structure. Therefore, there are no costs associated with the shared services agreement prior to the generation of revenue. All costs are shown in the "Management Fees" line item on the pro forma income statement.

Executed letter of Intent to Lease Space and Draft Lease Agreement

	Partial 2022	2023	2024	2025
Rate per sf: Jan- Sep Oct-Dec:	 N/A $18.00 /sf	 $18.00 $18.63	 $18.63 $19.28	 $19.28 $19.95
Square footage	1,707	1,707	1,707	1,707
# of Months	3	12	12	12
Calculated Rent* Jan-Sep Oct-Dec Total Annual Rent	 N/A x 9 mo. $2,560.50 x 3 mo. = **$7,682**	 $2,560.50 x 9 mo. $2,650.12 x 3 mo. = **$30,995**	 $2,650.12 x 9 mo. $2,742.87 x 3 mo. = **$32,080**	 $2,742.87 x 9 mo. $2,838.87 x 3 mo. = **$33,202**
Pro Forma Rent	$7,682	$30,995	$32,080	$33,202

Per the lease agreement, rent includes all "taxes, utilities, insurance, and maintenance" The annual increase of 3.5% is assumed to take effect in October of each subsequent year, as the lease would commence, according to the timeline, on October 1, 2022."

Within the application, Moments Hospice King provided a summary of the pro forma Revenue and Expense statement for the new agency. This summary begins with the net patient services revenue identified in the '*Applicant's Gross Revenue Table'* previously discussed. Below is the statement provided by the applicant. [source: Application, pdf 96]

Applicant's Table

Moments Hospice
Moments are Forever

Moments Hospice of King County, LLC
Pro Forma Income Statement
--

	2022	2023	2024	2025
Revenue	**177,920**	**2,033,745**	**3,319,800**	**3,718,464**
MCR Net Patient Service Revenue	241,624	1,883,341	3,074,792	3,444,394
MCD Net Patient Service Revenue	8,197	62,191	101,348	113,397
Other Net Patient Service Revenue	23,515	176,754	287,857	321,945
Charity Care	(95,416)	(88,542)	(144,196)	(161,272)
Other Revenue	--	--	--	--
Other Operating Revenue	--	--	--	--
Other Non-Operating Revenue	--	--	--	--
Total Revenue	**177,920**	**2,033,745**	**3,319,800**	**3,718,464**
Direct Expenses	**(19,191)**	**(188,383)**	**(306,745)**	**(343,178)**
Drugs and Pharmacy	(6,653)	(65,226)	(106,225)	(118,805)
Medical Supplies	(2,163)	(21,426)	(34,844)	(39,077)
Labs/ Other	(2,661)	(26,090)	(42,490)	(47,522)
DME/ Oxygen	(5,766)	(56,529)	(92,062)	(102,964)
Room and Board (net)	(1,151)	(11,285)	(18,378)	(20,554)
Radiology	(222)	(2,174)	(3,541)	(3,960)
Physical Therapy	(44)	(435)	(708)	(792)
Speech Therapy	(44)	(435)	(708)	(792)
Occupational Therapy	(44)	(435)	(708)	(792)
Respiratory Therapy	(444)	(4,348)	(7,082)	(7,920)

SG&A Expenses	(283,955)	(1,616,019)	(2,318,219)	(2,531,391)
Salaries and Wages	(143,877)	(888,306)	(1,319,006)	(1,460,232)
Employee Benefits	(21,582)	(133,246)	(197,851)	(219,035)
Payroll Taxes	(12,588)	(75,853)	(109,769)	(120,175)
Equipment Rental	(1,500)	(6,000)	(6,000)	(6,000)
Rental/ Lease and Utilities	(7,682)	(30,995)	(32,080)	(33,202)
B & O Taxes	(2,669)	(30,506)	(49,797)	(55,777)
Accounting	(1,500)	(6,000)	(6,000)	(6,000)
Consultants	(1,500)	(6,000)	(6,000)	(6,000)
Legal and Professional	(3,000)	(12,000)	(12,000)	(12,000)
Software Licenses	(18,432)	(14,782)	(27,363)	(20,638)
Dues & Subscriptions	(577)	(5,714)	(9,292)	(10,421)
Insurance	(1,800)	(7,200)	(7,200)	(7,200)
Advertising & Marketing	(750)	(3,250)	(6,000)	(6,000)
Education & Training	(575)	(3,850)	(5,775)	(6,400)
Office Supplies	(1,150)	(7,700)	(11,550)	(12,800)
Telephones	(1,150)	(7,700)	(11,550)	(12,800)
Postage & Printing	(450)	(1,800)	(1,800)	(1,800)
Repairs & Maintenance	(750)	(3,000)	(3,000)	(3,000)
Other: Travel, Meals, & Entertainment	(1,500)	(6,000)	(12,000)	(12,000)
Other: Auto / Mileage	(9,287)	(80,488)	(129,183)	(144,163)
Other: Contract Labor	(39,321)	(156,000)	(156,600)	(156,000)
Other: Miscellaneous	(3,421)	(27,942)	(32,415)	(33,826)
Management Fees	(8,896)	(101,687)	(165,990)	(185,923)
Total Expenses	**(303,146)**	**(1,804,402)**	**(2,624,965)**	**(2,874,569)**
EBITDA	**(125,226)**	**229,343**	**694,836**	**843,895**
EBITDA Margin	(70.4 %)	11.3 %	20.9 %	22.7 %

EBITDA	(125,226)	229,343	694,836	843,895
EBITDA Margin	(70.4 %)	11.3 %	20.9 %	22.7 %
Depreciation & Ammortization	(2,892)	(10,277)	(10,277)	(10,277)
EBIT	(128,118)	219,066	684,559	833,618
Interest expense	--	--	--	--
Taxable income	--	--	--	--
Carry forward loss	(128,118)	--	--	--
Federal Income Tax	--	--	--	--
State income tax	--	--	--	--
Net Profit / (Loss)	**(128,118)**	**219,066**	**684,559**	**833,618**
Net Margin	(72.0 %)	10.8 %	20.6 %	22.4 %

Moments Hospice King also provided projected balance sheets for the proposed King County hospice agency. Below is a listing of the assumptions used followed by the three year balance sheets. [source: Application, pdfs 111-112]

"Balance sheet assumptions include the following:

- *Cash comes from earnings after the initial $400,000 zero-interest loan from another Moments affiliate.*
- *Payback of the $400,000 loan is deferred for 5 years.*
- *"Long term note" refers to the zero-interest loan from the other Moments Affiliate. See term sheet in Exhibit 43.*

- *Accounts Receivable: Patient care revenue will be collected in the month following the month in which services were performed, based on payer mix assumptions and historical payer payment patterns.*
- *Provision for Doubtful accounts refers to the 5 percent Charity Care assumption.*
- *Accounts payable: The pro forma assumes that 30 percent of amounts payable to vendors will be paid in the same month, and the remaining 70 percent the following month, based on other Moments affiliates' experience.*
- *Depreciation and amortization relate to the items listed on the Capital Expenditures schedule.*

Moments Hospice of King

Pro Forma Balance Sheet

	Jul - Dec 2022	2023	2024	2025
Assets	**284,870**	**513,135**	**1,203,097**	**2,040,830**
Current assets	**236,377**	**474,919**	**1,175,158**	**2,023,168**
Cash and cash equivalents	113,402	157,047	621,240	1,242,445
Prepaid expenses	--	--	--	--
Accounts Receivable	114,079	207,289	277,344	318,226
Provision for doubtful accounts	8,896	110,583	276,573	462,496
Other current assets	--	--	--	--
Net PP&E	**15,476**	**12,274**	**9,072**	**5,870**
Buildings	--	--	--	--
Furniture & Fixtures	--	--	--	--
Office Equipment	10,643	8,441	6,239	4,037
Equipment	4,833	3,833	2,833	1,833
Vehicles	--	--	--	--
Accumulated Depreciation	267	267	267	267
Intangible assets	**33,017**	**25,942**	**18,867**	**11,792**
Industrial & similar rights	--	--	--	--
Other Capitalized Expenses	33,017	25,942	18,867	11,792
Amortization	590	590	590	590

Liabilities and Equity	284,870	513,135	1,203,097	2,040,830
Current liabilities	12,988	22,187	27,590	31,706
Accounts Payable	7,899	14,100	18,800	21,620
Income taxes payable	--	--	--	--
Unearned revenue	--	--	--	--
Payroll Taxes Payable	5,089	8,087	8,790	10,086
Deferred tax liabilities	--	--	--	--
Accrued expenses on notes	--	--	--	--
Long-term Liabilities	400,000	400,000	400,000	400,000
Long-term notes	400,000	400,000	400,000	400,000
Convertible notes	--	--	--	--
SBA loan	--	--	--	--
Other non-current liabilities	--	--	--	--
Equity	(128,118)	90,948	775,507	1,609,125
Common stocks	--	--	--	--
Additional Paid-In Capital	--	--	--	--
Capital reserves	--	--	--	--
Retained Earnings	(128,118)	90,948	775,507	1,609,125

The Pennant Group (competing applicant) Public Comment – Opposed

1) *Moments projected unreasonable dates for Medicare certification and Medicaid eligibility. Please reference the timelines on p. 2 and p. 3 above. Moments projected Medicaid eligibility in November 2022 after receiving the CN in September, and they provided pro formas and other assumptions for 2022, 2023, 2024, and 2025. As set out above, Medicaid eligibility by November 2022 is not reasonable or feasible. For all the reasons stated in the timeline section, Moments needed to include 2026 in their projections. Without 2026 projections the Department cannot determine financial feasibility. In addition, the revenue that Moments shows for 2022 is not feasible.*
2) *Moments does not show the initial ($3,283) or bi-annual (varies based on census) state license costs in the pro forma or elsewhere. As a result, Moments has not met the financial feasibility criterion.*
3) *Moments does not show the accreditation costs in the pro forma or elsewhere, which are approximately $10,000 for ACHC or CHAP. As a result, Moments has not met the financial feasibility criterion.*
4) *Moments projected payer mix by revenue and by patient is identical. The Department has challenged other applicants on the likelihood of these being the same. As a result, Moments has not met the financial feasibility criterion.*
5) *Moments medical director (MD) is paid per hour. The specific hours per year are not shown in the pro forma or elsewhere. The MD costs for 2024, 2025 and 2026 are all $156,000, even though the census grows from 24 in 2023 to 43 in 2026. More census requires more hours from an MD. The MD costs cannot be calculated because they do not specify the hours per year the MD will work. As a result, Moments has not met the financial feasibility criterion. This is also illustrative of Moments's inability to set out sufficient cost containment and structure and process."*

AccentCare, Inc./Seasons Hospice & Palliative Care of King County, an existing provider Public Comments-Opposed

"Question 3. The lease agreement provided in Exhibit 4, beginning on page 155 of the application, is an unsigned draft that does not identify a commencement date or termination date. Item 4 of the signed letter of intent (Lease Payment) appearing on page 155 states, "The Lease shall be for a term of three

(3) years from the date of the signing of the lease, and shall encompass one (1), two (2) year extension option.

Moments stated the proposed hospice agency would be licensed and operational by November 2022. If the lease is signed in November, and is only for three years, it will not extend through the third full year, 2025. Although the required two-year extension option is provided, the lease should extend for the first full three calendar years, plus any additional months prior to the first calendar year. Therefore, the applicant does not demonstrate sufficient site control."

Moments Hospice of King rebuttal comments to The Pennant Group (Symbol) public comments

"Licensure and Accreditation Fees
These activities are performed centrally for all Moments' affiliates. The Guardian Hospice of MN staff that perform the "compliance" function listed in Exhibit A of the Shared Services agreement with Moments Hospice of King are responsible for monitoring and ensuring ongoing, uninterrupted licensure and accreditation. Each Moments Hospice affiliate's licensure and accreditation is tracked and maintained centrally, because the high-level Quality and Compliance team members who are responsible for accreditation activities reside within the shared services center. Thus, the ACHC and CHAP and licensure fees are disbursed and tracked at the corporate level, and are accounted for in Exhibit A of Moments Hospice of King's Shared Service Agreement. (See "Compliance" and also "The above services may include ***material*** *items purchased on behalf of company, services provided on behalf of company, or personnel dedicated on behalf of company.")*

Payer Mix
Gross revenue payer mix is equal to patient payer mix because necessarily, by federal law, gross charges must be the same for all patients (regardless of payer). Net revenues differ due to negotiated discounts, such as contractual allowances, however the gross "price list" must be the same before any charity, contractuals, etc. are applied. Once gross charges are discounted to reflect negotiated contract payment rates, only then would reimbursement differ by payer.

Because the same statewide ALOS assumptions, and the same level of care mix, were applied to admissions to determine the patient days that drive revenue, payer mix by gross charges and by patient would be the same. This is especially true for new agencies versus existing providers. This is because existing providers may be basing their pro forma revenue on internal historical data, which contains different lengths of stay, and different level of care mix, etc., at the payer level.

This concept was discussed with the Department of Health during a Technical Assistance meeting, in which we discussed the Department's request that we provide a schedule of deductions from revenue and contractual allowances, and the department understood and agreed that our answer was acceptable.

Furthermore, there are numerous examples of Applicants who show identical patient and revenue payer mixes—presumably for the same reasons stated above. Importantly, the Department of Health did not raise any objection to Moments Hospice of King's payer mix during the screening of the Application.

Medical Director Hours and Compensation (1 of 2)
As is typical for hospices, Moments Hospice staffing models include a mix of variable positions (based on continuous ratios for direct patient care staff), fixed positions (e.g. 1 Executive Director), and quasi-variable or "step" positions, which are fixed up until a designated increase in census.

The Medical Director position is a "step" position, with 0.3 full time equivalents (FTEs) on a contract basis (not as employed staff). Because the next "step" or increase, from 0.3 to 1.0 FTEs, does not occur until the census reaches 50, the Medical Director position is 0.3 FTEs throughout the pro forma, because the start-up average daily census does not exceed 50 in the years within the pro forma.

As a quasi-variable ("step") position, the Medical Director would have less patient care initially, while census is lower, but would have initial administrative time which would be compensated by Moments Hospice of King, such as attending Moments organizational training, meeting with referring facility leaders, etc. Therefore, compensating the Medical Director a fixed amount for a range of census in the initial months when census is lower in no way represents waste or failure to contain costs- it reflects the realistic requirements of a de novo hospice."

Moments Hospice of King rebuttal comments to AccentCare, Inc/Seasons public comments

"In its certificate of need application (CN), Moments provided an executed letter of intent and draft lease agreement that is fully consistent with Certificate of Need requirements. Contrary to the comments submitted above, the executed letter of intent lays out the specific terms of the lease agreement and indicates that Moments has the option to lease space up through December 31, 2022, which would be the latest "commencement date". Moments is confident that the CN Program found its site control documentation to meet all CN requirements as no additional questions were asked during the screening process. In fact, the executed letter of intent identified all terms of the lease agreement (annual lease expense, which is all inclusive) as well as the terms of the lease. The lease term is for three years with an option to renew for two more years (for a total of five years, which also meets CN requirements)."

Department Evaluation

Utilization Assumptions

An applicant's utilization assumptions are the foundation for the financial review under this sub-criterion. Moments Hospice King based its projected utilization of the new hospice agency on specific factors:

- Unmet need in King County;
- Moments Hospice's substantial start-up experience in multiple diverse markets;
- Internal data on hospice care consultants as a drive of hospice admissions; and
- Attainable market shares of 1.6%, 2.6%, 2.9% for years 2023, 2024, and 2025, respectively.

Additional calculations used by Moments Hospice of King:

- The Washington State average length of stay (ALOS) of 62.12 days as published in the numeric methodology;
- Patient days were calculated by multiplying the projected admissions by the ALOS of 62.12; and
- Average daily Census (ADC) is the result of dividing the total patient days by each year's calendar days.

For a new provider in Washington State, the approach described above is reasonable.

As previously stated, Moments Hospice King proposes a new agency in Washington State and expects to be Medicare and Medicaid certified in November 2022. Based on that timeline, year 2022 is a partial year of operation, and 2023, 2024, and 2025 are full years one, two, and three, respectively. Concerns were raised in public comment regarding the timeline identified in the Moments Hospice King application. These concerns were addressed in the 'Project Description' section of this evaluation where

the department concluded that the timeline, while ambitious, was acceptable based on the pre-certification work the applicant has done to ensure it meets its November 2022 start date.

During its review of this project, the department noted several discrepancies in the pro forma Revenue and Expense Statement. Below is the discussion of discrepancies noted.

Pro Forma Revenue and Expense Statement

Gross Revenue: For gross revenues in partial year 2022 and full years 2023 – 2025, the applicant inadvertently added in the 'year' to the revenue column for all four years shown. This error is evident by comparing the tables below.

Applicant's Table

Gross Revenue	2022	2023	2024	2025
Medicare / MA	$ 209,999	$ 1,578,495	$ 2,570,692	$ 2,875,115
Medicaid/ MCO	$ 7,208	$ 54,182	$ 88,238	$ 98,688
Other (Commercial, VA, Tricare, Private Pay, etc)	$ 22,813	$ 171,648	$ 279,541	$ 312,644
Subtotal	**$ 242,042**	**$ 1,806,348**	**$ 2,940,495**	**$ 3,288,472**

Department's Table 9 Used for Comparison-Gross Revenue

Gross Revenue	Partial Year 2022	Full Year 1 2023	Full Year 2 2024	Full Year 3 2025
Medicare/MA	$209,999	$1,578,495	$2,570,692	$2,875,115
Medicaid/MCO	$7,208	$54,182	$88,238	$98,688
Other	$22,813	$171,648	$279,541	$312,644
Total Gross	**$240,020**	**$1,804,325**	**$2,938,471**	**$3,286,447**

Department's Table 10 Showing Differences

Gross Revenue	Partial Year 2022	Full Year 1 2023	Full Year 2 2024	Full Year 3 2025
Department Total Gross	$240,020	$1,804,325	$2,938,471	$3,286,447
Applicant Total Gross	$242,042	$1,806,348	$2,940,495	$3,288,472
Difference	**$2,022**	**$2,023**	**$2,024**	**$2,025**

As shown in the Department's Table 10 directly above, partial year one revenues are overstated by $2,022, full year one by $2,023, and so on.

Deductions from Revenue, Contractual Allowances and Bad Debt Table: Moments Hospice of King's Deductions from Revenue for contractual allowances and bad debt table also shows calculation errors in partial year 2022 and full years 2023 – 2025. This is also evident by comparing the tables below.

Applicant's Table

Deductions from Revenue, Contractual Allowances, and Bad Debt	2022	2023	2024	2025
Medicare / MA	$ (2,100)	$ (15,785)	$ (25,707)	$ (28,751)
Medicaid/ MCO	$ (72)	$ (542)	$ (882)	$ (987)
Other (Commercial, VA, Tricare, Private Pay, etc)	$ (2,281)	$ (17,165)	$ (27,954)	$ (31,264)
Subtotal	**$ (2,431)**	**$ (31,469)**	**$ (52,519)**	**$ (58,977)**

Department's Table 11 Used for Comparison-Gross Revenue

Deductions from Revenue*	Partial Year 2022	Full Year 1 2023	Full Year 2 2024	Full Year 3 2025
Medicare/MA	$2,100	$15,785	$25,707	$28,751
Medicaid/MCO	$72	$542	$882	$987
Other	$2,281	$17,165	$27,954	$31,264
Total Deductions	**$4,453**	**$33,492**	**$54,543**	**$61,002**

*-Includes Contractual Allowances and Bad Debt Only

Department's Table 12 Showing Differences

Deductions from Revenue*	Partial Year 2022	Full Year 1 2023	Full Year 2 2024	Full Year 3 2025
Department Total	$4,453	$33,492	$54,543	$61,002
Applicant Sub-Total	$2,431	$32,469	$52,519	$58,977
Difference	**$2,022**	**$2,023**	**$2,024**	**$2,025**

The extent of the applicant's calculation errors above are not completely evident; it appears that the year may have been added into this table and other numbers inadvertently omitted. Clearly the table does not add to the amounts shown in the applicant's table. This resulted in a lower deduction from revenue for contractual allowances and bad debt in the applicant's table for all three full years shown.

All Deductions from Revenue: Moments Hospice King did not provide a separate table showing gross revenue minus all deductions for contractual allowances, bad debt, and charity care, resulting in net revenue. Based on the tables provided in the application, the department was able to create such a table below.

Department's Table 13
Showing Applicant's Calculations Summarized

Applicant's Summary	Partial Year 2022	Full Year 1 2023	Full Year 2 2024	Full Year 3 2025
Total Gross Revenue	$242,042	$1,806,348	$2,940,495	$3,288,472
Minus Deductions from Revenue*	$2,431	$31,469	$52,519	$58,977
Minus Charity Care	$95,416	$88,542	$144,296	$161,272
Applicant's Total Net Revenue	**$177,920**	**$2,033,745**	**$3,319,800**	**$3,718,464**

*-Includes Contractual Allowances and Bad Debt Only

Department's Table 14
Department's Calculations Summarized

Department's Summary	Partial Year 2022	Full Year 1 2023	Full Year 2 2024	Full Year 3 2025
Total Gross Revenue	$240,020	$1,804,325	$2,938,471	$3,286,447
Minus Deductions from Revenue*	$4,453	$33,492	$54,543	$61,002
Minus Charity Care	$95,416	$88,542	$144,196	$161,272
Department's Total Net Revenue	**$140,151**	**$1,682,291**	**$2,739,732**	**$3,064,173**

*-Includes Contractual Allowances and Bad Debt Only

The department's table below shows the differences in each period calculated.

Department's Table 15
Differences in Calculations Summarized

Department's Summary	Partial Year 2022	Full Year 1 2023	Full Year 2 2024	Full Year 3 2025
Department's Total Net Revenue	$177,920	$2,033,745	$3,319,800	$3,718,464
Applicant's Total Net Revenue	$140,151	$1,682,291	$2,739,732	$3,064,173
Differences in Total Net Revenue	**$37,769**	**$351,454**	**$580,068**	**$654,291**

Using partial year 2022 and full year 2023 for discussion purposes, the applicant projected using erroneous calculations, net revenues higher than the department's calculations by $37,769 and $351,454 in years 2022 and 2023, respectively. While it is difficult to pinpoint all of the errors in the applicant's tables, it is clear that none of the years add to the correct net revenue as calculated by the department using the applicant's other figures.

The applicant's breakdown of expenses shown in the pro forma Revenue and Expense Statements add to the amounts shown, with minor rounding differences. The expense statement is not recreated in this evaluation.

To determine the extent of the errors to the applicant's Net Profits/Loss line item, the department begins with a summary of the applicant's pro forma Revenue and Expense Statement.

Department's Table 16
Summarizing Applicant's Calculations

Applicant's Summary	Partial Year 2022	Full Year 1 2023	Full Year 2 2024	Full Year 3 2025
Total Net Revenue*	$177,920	$2,033,745	$3,319,800	$3,718,464
Minus Direct Expenses	$19,191	$188,383	$306,745	$343,178
Minus SG&A Expenses	$283,955	$1,616,019	$2,318,219	$2,531,391
Minus Depreciation/Amortization	$2,892	$10,277	$10,277	$10,277
Applicant's Net Profit / Loss	**$128,118**	**$219,066**	**$684,559**	**$833,618**

*-Includes Deductions for Contractual Allowances, Bad Debt, and Charity Care

Below is a summary of the department's recalculation of Moments' pro forma Revenue and Expense Statement.

Department's Table 17
Summarizing Department's Calculations

Department's Summary	Partial Year 2022	Full Year 1 2023	Full Year 2 2024	Full Year 3 2025
Total Net Revenue	$140,151	$1,682,291	$2,739,732	$3,064,173
Minus Direct Expenses	$19,192	$188,383	$306,746	$343,178
Minus SG&A Expenses	$283,957	$1,616,019	$2,318,221	$2,531,392
Minus Depreciation/Amortization	$2,892	$10,277	$10,277	$10,277
Department's Net Profit / Loss	**$165,890**	**$132,388**	**$104,488**	**$179,326**

*-Includes Deductions for Contractual Allowances, Bad Debt, and Charity Care

Below is the comparison table showing the differences between the two net profit/loss amounts for all projection years.

Department's Table 18
Differences in Calculations Summarized

Department's Summary	Partial Year 2022	Full Year 1 2023	Full Year 2 2024	Full Year 3 2025
Department's Net Profit / Loss	$165,890	$132,388	$104,488	$179,326
Applicant's Net Profit / Loss	$128,118	$219,066	$684,559	$833,618
Difference	**$37,772**	**$351,454**	**$580,071**	**$654,292**

Again, using partial year 2022 and full year 2023 for discussion purposes, the applicant projected a net loss of $128,188, while the department's calculated net loss is $165,890, resulting in a difference of $37,772 in additional net loss. Comparing full year 2023, between the applicant's calculated net profit and the department's continued calculated net loss, the difference is $351,454.

To summarize, the errors previously discussed in the revenue section of the statement, result in a greater net loss in year 2022 and a continued net loss, rather than a net profit, in year 2023. Year 2024 and 2025 profits are also significantly lower than projected by the applicant. The department cannot conclude the applicant provided a reliable and accurate pro forma Revenue and Expense Statements for the new King County hospice agency.

Pro Forma Balance Sheet

Moments Hospice King also provided its pro forma Balance Sheet for projection years 2022 through 2025. Net incomes (or loss) at the bottom of the Revenue and Expense Statement link to the current assets and the equity line items in the balance sheet. A review of the applicant's pro forma Balance Sheet for years 2022 through 2025 demonstrate that the agency would be financially healthy for all projection years; however, with the errors in the pro forma Revenue and Expense Statement discussed above, the pro forma Balance Sheet is not an accurate reflection of the agency's financial health and also cannot be considered a reliable financial statement.

In a recent '*Findings of Fact, Conclusions of Law, and Final Order*[21]' the health law judge concluded that inconsequential financial errors in a pro forma Revenue and Expense Statement should not be viewed as grounds for denial of a project, provided that the error has no cascading effect on an applicant's other financial projections. While the CN Program concurs, the financial errors noted above cannot be described as 'inconsequential.'

The errors significantly affect both partial year 2022 and full year 2023 by resulting in net losses in both years, rather than just partial year 2022. The effect on projection years 2024 and 2025 shows that net profits are substantially less than the applicant's projections in both years. By the end of year three (2025), the cumulative result of the errors in the pro forma Revenue and Expense statement reduces the applicant's net profits by 78.5%.

Further, as concluded above, the pro forma Balance Sheet provided by Moments for all projection years is not an accurate reflection of the agency's projected financial health since it relies on the portions of the pro forma Revenue and Expense Statement.

[21] Master Case Numbers: M2020-1076(lead), M2020-1073, M2020-1047, M2020-1077, and M2021-121.

During the review of this project, two entities submitted public comments that focus on specific line items within the pro forma Revenue and Expense Statement. Within its rebuttal, Moments Hospice King provided clarification intended to alleviate some of the concerns raised. Given the errors in the financial statement discussed above, the department cannot rely on the financial projections and the financial review of this project cannot be completed. For these reasons, the department will not continue with its financial review of the application under this sub-criterion, which includes an evaluation of both public comments and rebuttal statements provided.

In summary, based on the information available, the department cannot complete the review of the immediate and long-range operating costs of the Moments Hospice King project. **This sub-criterion is not met.**

The Pennant Group, Inc.

Through its subsidiaries Pennant currently owns and operates several in-home services agencies in Washington State. For this project, Pennant proposes to provide hospice services to the residents of King County from offices of another new agency located in Pierce County. For clarification, Pennant provided the following information regarding the proposed King and Pierce County agencies. [source: Application, pdf 10]

"We are applying for both King and Pierce Counties as new agencies under Symbol Healthcare Inc. Should we be awarded a certificate of need for both counties, we will serve both counties from the Tacoma office. If either King or Pierce are awarded a certificate of need, we will serve the county from the Tacoma office. The King + Pierce pro forma's are found at Exhibit 10."

Pennant provided the following assumptions used to determine the projected number of patients and visits for the King County hospice services. [source: February 28, 2022, screening response, pdf 7]

Market Share

"We based our assumptions on what we have learned in the last two years with Pennant's two hospice startups in Snohomish and Thurston Counties, as well as our hospice startups in California and Texas. All these startups started or operated at an early stage during the COVID-19 pandemic. This created unique insight into the needs, trends, and opportunities that must be considered when planning for and/or operating a startup hospice agency during the ongoing global pandemic. The market share numbers are conservative and consider the potential challenges surrounding staffing, COVID-19, and restrictions at skilled nursing facility, assisted living facility, hospitals, adult family homes and the like.

The assumed market share is also conservatively based on our experience with growth trends for acquired hospice agencies across Pennant in multiple states, including Washington, Oregon, California, Arizona, Idaho, Utah, Texas, and Montana. While acquisitions and startups are different in many ways, the ability of our local teams to build relationships in their respective communities and to grow market share are similar."

Pennant provided a pro forma Revenue and Expense Statement showing partial year 2023 and full years 2024 through 2026 that included the assumptions used to determine the amounts in the statement. The statements are below. [source: February 28, 2022, screening response, Exhibit 10]

SYMBOL HEALTHCARE, INC. 2021-2022
Hospice assumptions and calculations

	2021	2022	2023	Estimated 2024	Estimated 2025	Estimated 2026	
KING COUNTY UNMET NEED ADC	**(8)**	**39**	**85**				WA DOH Numeric Need Methodology 11/10/21
NUMERIC NEED OF 2	**2**	**2**	**2**				WA DOH Numeric Need Methodology 11/10/21
TOTAL ADC PER AGENCY	(4)	20	43	66	89	112	WA DOH Numeric Need Methodology 11/10/21

KING COUNTY UNMET NEED PATIENT DAYS	**-2759**	**14070**	**30899**				WA DOH Numeric Need Methodology 11/10/21
Numeric need	2	2	2				WA DOH Numeric Need Methodology 11/10/21
unmet patient days	-1380	7035	15450	23864	32279	40693	WA DOH Numeric Need Methodology 11/10/21

ALOS IN WASHINGTON STATE	**62.12**	**62.12**	**62.12**	**62.12**	**62.12**	**62.12**	WA DOH Numeric Need Methodology 11/10/21

KING County unduplicated admissions calculation							
Unmet annual admits	(22.21)	113.25	248.70	384.16	519.62	655.07	
Monthly admits	(1.85)	9.44	20.73	32.01	43.30	54.59	*Unduplicated Admissions required to cover 100% of unmet need

Assumptions and Projections

Assumes 1/1/23 start date	**2023**	**2024**	**2025**	**2026**
Patient Days	**6180**	**10739**	**16139**	**22381**
Annual admissions - Unduplicated Patients with ALOS of 62.12	**99**	**173**	**260**	**360**
Monthly Unduplicated Patient admissions	**8**	**14**	**22**	**30**
Average Daily Census (ADC)	**17**	**29**	**44**	**61**

	2023	**2024**	**2025**	**2026**
	40%	45%	50%	55%

Projected service for 40% in 2023, 45% in 2024, 50% in 2025, 55% in 2026

National Hospice and Palliative Care Organization (NHPCO)
2017 Facts and Figures updated as of April 2018
Table 10: Level of Care by Percentage of Days of Care

	DOC %
Routine Home Care (RHC)	**98.0%**
Inpatient Respite Care (IRC)	**1.5%**
Continuous Home Care (CHC)	**0.2%**
General InPatient Care (GIP)	**0.3%**

CMS WA percentages of care
PIERCE County- Days of Care (DOC)

	2023	2024	2025	2026	
Routine Home Care (RHC)	6,056	10,524	15,816	21,934	Level of Care Percentage x Projected service of unmet days
Inpatient Respite Care (IRC)	93	161	242	336	Level of Care Percentage x Projected service of unmet days
Continuous Home Care (CHC)	12	21	32	45	Level of Care Percentage x Projected service of unmet days
General InPatient Care (GIP)	19	32	48	67	Level of Care Percentage x Projected service of unmet days
Total Days of Care	6,180	10,739	16,139	22,381	

Referral resources based on Cornerstone averages

	# of Referrals by Source				Avg referral %
Physician Referral	2.7	4.7	7.1	9.9	32.9%
Clinic Referral	3.0	5.3	7.9	11.0	36.5%
Transfer from Hospital	1.0	1.8	2.6	3.7	12.2%
Transfer from SNF	1.4	2.4	3.6	5.0	16.7%
All other	0.1	0.2	0.4	0.5	1.7%
Subtotal Referrals	8.3	14.4	21.7	30.0	

Per Diem Rates - 2022

KING County	Days 1-60	Days > 60		
Routine Home Care	$ 241.05	$ 190.49	$ 201.55	Blended rate of 30% Tier 1 and 70% Tier 2 based on
Inpatient Respite	$ 561.44		Per Day	Cornerstone averages, includes 2% sequestration
Continuous Home Care	$ 68.91		Per Hour	Per Hour, minimum 8 hours required
General InPatient	$ 1,266.02		Per Day	

REVENUE

Gross revenue by type of care

KING County	2023	2024	2025	2026	
Routine Home Care	1,220,608	2,121,082	3,187,756	4,420,630	Days of Care x Per Diem Rates
Inpatient Respite	52,044	90,438	135,919	188,485	Days of Care x Per Diem Rates
Continuous Home Care	6,814	11,841	17,795	24,678	Days of Care x Per Diem Rates: Assumes one 8 hour shift per each unmet day
General InPatient	23,471	40,787	61,298	85,005	Days of Care x Per Diem Rates
Gross revenue subtotal	1,302,937	2,264,148	3,402,768	4,718,798	

Payor Mix					
Medicare	94.6%	94.6%	94.6%	94.6%	Based on total Cornerstone averages
Medicaid	4.0%	4.0%	4.0%	4.0%	Based on total Cornerstone averages
Commercial	1.2%	1.2%	1.2%	1.2%	Based on total Cornerstone averages
self pay	0.2%	0.2%	0.2%	0.2%	Based on total Cornerstone averages
Subtotal	100%	100%	100%	100%	

Gross revenue by Payor Mix

KING County	2023	2024	2025	2026	
Medicare	1,232,578	2,141,884	3,219,018	4,463,983	Gross revenue by Type of Care x Payor Mix
Medicaid	52,117	90,566	136,111	188,752	Gross revenue by Type of Care x Payor Mix
Commercial	15,635	27,170	40,833	56,626	Gross revenue by Type of Care x Payor Mix
self pay	2,606	4,528	6,806	9,438	Gross revenue by Type of Care x Payor Mix
Gross revenue subtotal	1,302,937	2,264,148	3,402,768	4,718,798	

Adjustments to revenue	2023	2024	2025	2026	
Contractual adjustments Medicare Managed Care, Medicaid Managed Care, Private Pay, Third Party Ins	(26,059)	(45,283)	(68,055)	(94,376)	Assumed 2%
Charity Care	(65,147)	(113,207)	(170,138)	(235,940)	Assumed 5%
Provisions for Bad Debt	(13,029)	(22,641)	(34,028)	(47,188)	Assumed 1%
Total Adjustments to Revenue	(104,235)	(181,132)	(272,221)	(377,504)	
Total Net Revenue	1,198,702	2,083,016	3,130,546	4,341,294	

PATIENT CARE COSTS

Clinical Staff by FTE	2023	2024	2025	2026	Annual Comp/FTE	Note
Registered Nurse	2.5	4.4	6.6	9.2	80,000	1 RN/12 ADC and .8 RN/12 ADC for weekend/night/call rotation
Certified Nursing Assistant	1.7	2.9	4.4	6.1	31,200	1 CNA/10 ADC
Licensed Clinical Social Worker	0.6	1.0	1.5	2.0	71,000	1 LCSW/30 ADC; Also covers Volunteer Coordinator until ADC of 60
Spiritual Care Coordinator	0.6	1.0	1.5	2.0	56,000	1 SCC/30 ADC; Also covers Bereavement Coordinator until ADC of 60
Director of Clinical Services	0.4	0.7	1.1	1.5	110,000	1/DPS/40 ADC includes QAPI
Total	5.8	10.1	15.1	21.0		

Clinical Staffing	2023	2024	2025	2026	Note
Compensation and Benefits					
Registered Nurse	203,172	353,056	530,605	735,819	FTE x Annual Compensation
Certified Nursing Assistant	52,825	91,795	137,957	191,313	FTE x Annual Compensation
Licensed Clinical Social Worker	40,070	69,631	104,647	145,120	FTE x Annual Compensation
Spiritual Care Coordinator	31,604	54,920	82,539	114,461	FTE x Annual Compensation
Director of Clinical Services	46,560	80,909	121,597	168,625	FTE x Annual Compensation
Payroll Taxes & Benefits	112,269	195,093	293,204	406,601	30% of Base Compensation
Total	486,500	845,403	1,270,550	1,761,938	

Contracted Patient Care	2023	2024	2025	2026	Note	
Medical Director	28,952	50,311	75,611	104,854	MD rate of $190/hr. per contract. Assumption of .75hrs/ADC	
Physical Therapist	646	1,122	1,687	2,339	$42.38/hr	1.5 hours/20 ADC/Month
Occupational Therapist	598	1,040	1,562	2,167	$39.26/hr	1.5 hours/20 ADC/Month
Speech Therapist	542	941	1,415	1,962	$35.55/hr	1.5 hours/20 ADC/Month
Dietitian	507	881	1,325	1,837	$33.29/hr	1.5 hours/20 ADC/Month
Total	31,245	54,295	81,600	113,159		

Direct Patient Care Costs	2023	2024	2025	2026	Note
DME	37,326	64,862	97,481	135,182	$6.04/PPD based on Cornerstone averages
Pharmacy	43,815	76,138	114,427	158,682	$7.09/PPD based on Cornerstone averages
General Inpatient Costs	23,471	40,787	61,298	85,005	$1180.67 per General Inpatient DOC
Medical Supplies	16,006	27,813	41,801	57,967	$2.59/PPD based on Cornerstone averages
Inpatient Respite	52,044	90,438	135,919	188,485	$520.36 per Inpatient Respite DOC
Room and Board	2,781	4,832	7,263	10,072	$.45/PPD based on Cornerstone averages
Mileage	22,247	38,660	58,101	80,572	Estimate 8 miles/DOC reimbursed at $.45/mile based on existing local agency
Subtotal	197,690	343,531	516,289	715,966	
Total Direct Patient Care Costs	715,435	1,243,229	1,868,439	2,591,062	

Applicant's Tables Continued

ADMINISTRATIVE COSTS

Administrative Staff by FTE	2023	2024	2025	2026	Annual Comp/FTE	Note
Administrator	0.5	0.5	0.5	0.5	100,000	
Business Office Manager, Medical Records, Scheduling	0.6	1.0	1.5	2.0	50,000	1 BOM/30 ADC
Intake	1.0	1.0	1.0	1.0	52,000	
Community Liaison	0.6	1.0	1.5	2.0	65,000	1 CL/30 ADC
Total	2.6	3.5	4.4	5.6		

Administrative Compensation and Benefits	2023	2024	2025	2026	Note
Administrator	50,000	50,000	50,000	50,000	FTE x Annual Compensation, represents 50% of HH Administrator
Business Office Manager, Medical Records, Scheduling	28,218	49,036	73,695	102,197	FTE x Annual Compensation
Intake	52,000	52,000	52,000	52,000	FTE x Annual Compensation
Community Liaison	36,684	63,746	95,804	132,856	FTE x Annual Compensation
Payroll Taxes & Benefits	50,071	64,435	81,450	101,116	30% of Base Compensation
Total	216,973	279,216	352,949	438,169	

Administration Costs	2023	2024	2025	2026	Note
Advertising	15,987	20,830	31,305	43,413	$4,000 launch plus 1% of revenue
Allocated Costs	65,147	113,207	170,138	235,940	5% Allocation to Cornerstone Service Center for support; Legal, HR, Accounting, IT, and Clinical
B & O Taxes	19,544	33,962	51,042	70,782	1.5% of Gross Revenue
Dues & Subscriptions	4,500	4,500	4,500	4,500	$375/month, primarily Medbridge
Education and trainings	10,000	10,000	10,000	10,000	$10,000/year, Continuing education including Clinical education and compliance
Information Technology/Computer/Software Maintenance	15,000	15,000	15,000	15,000	$1250/month
Insurance	1,200	1,200	1,200	1,200	Liability and property content
Legal and professional	-	-	-	-	Included in Allocated Costs to Cornerstone Service Center
Licenses and Fees	13,883		2,383		First year Accreditation $3,100, Survey $7,500, initial State License $3,283, bi-annual state lic based on FTE $2,383
Postage	6,000	6,000	6,000	6,000	$500/month
Purchased services	12,000	12,000	12,000	12,000	$1000/month; bank fees, system access: HCHB, SHP, Workday
Repairs and Maintenance	1,800	1,800	1,800	1,800	$150/month
Cleaning	2,520	2,520	2,520	2,520	$210/month
Office supplies	3,000	3,000	3,000	3,000	$250/month
Equipment lease & maintenance	6,000	6,000	6,000	6,000	$500/month, copier and postage machines
Building rent or lease	25,455	26,091	26,742	27,544	Lease is 25% of Puget Sound HH lease
Lease NNN or Common Area Maintenance charges					No NNN costs
Recruitment	5,000	3,000	3,000	3,000	$5,000 startup and $250/month following
Telephones	8,553	11,919	15,907	20,515	$55/FTE/month + $250/month for landlines
Travel	6,500	5,000	5,000	5,000	First year $6,500 support and launch, $5,000 thereafter
Subtotal	222,089	276,030	367,537	468,214	
Total Administrative Expense	439,061	555,246	720,486	906,383	

	YEAR	MO LEASE	25%	LEASE PER YR

TOTAL COSTS	1,154,496	1,798,476	2,588,924	3,497,446
EBITDA	44,206	284,540	541,622	843,848
EBITDA Margin %	3.7%	13.7%	17.3%	19.4%
Depreciation	1,333	1,333	1,334	-
Amortization	-	-	-	-
EBIT	42,873	283,207	540,288	843,848
Interest Expense	-	-	-	
Earnings before Taxes	42,873	283,207	540,288	843,848

Pennant provided the following information in response to the department's request for clarification of line items in the statement above. [source: February 28, 2022, screening response, pdfs 10, 11, 13, and 15]

<u>No Costs Identified (blank cells)</u>

"The blank cells are blank because the costs are included in the Pennant Service Center allocated costs, or there is no cost for the relevant line items. These include:

- *Legal and Professional - Legal and professional are costs that are covered under the 5% Pennant Service Center allocation, which is the 5% shown in the Consulting, Professional, and Operational Support Services Agreement. Please see our answer to #25 above*
- *Lease NNN or Common Area Maintenance charges - King will pay 25% of the lease, with no additional NNN costs.*
- *Licenses and Fees for 2024 and 2026 - These are bi-annual fees."*

Medical Director Compensation

MD	2023	2024	2025	2026
ADC	17	29	44	61
HOURLY RATE	$ 190.00	$ 190.00	$ 190.00	$ 190.00
HR. PER ADC	0.75	0.75	0.75	0.75
# MONTHS	12	12	12	12
TOTAL	$ 28,952	$ 50,311	$ 75,611	$ 104,854

Lease Costs

"The King County operation will pay 25% of the lease, as shown in the Assumptions and Calcs and the income statement at Exhibit 10. The table below shows the costs:"

Applicant's Table

YEAR	MO LEASE	25%	LEASE PER YR
2023	$ 8,485.00	$ 2,121.25	25,455.00
2024	$ 8,697.00	$ 2,174.25	26,091.00
2025	$ 8,914.00	$ 2,228.50	26,742.00
2026	$ 9,181.42	$ 2,295.36	27,544.26

Consulting, Professional, and Operational Support Services Agreement

"Each agency pays a flat 5% of its revenue for all the support services, both clinical and administrative, that the Pennant Service Center provides. The 5% can be thought of as acting as a retainer fee, allowing the agency to use all services however and whenever it chooses. Nowhere in Pennant is a ledger kept for the allocation of the costs, as the variance of need and use of services is too nuanced, fluid, and broad. After meeting with Randy Huyck on 2/18/22 on this question, he understood and accepted the explanation given here."

Pennant also provided projected balance sheets for the proposed King County hospice agency summarize below. [source: February 28, 2022, screening response, Exhibit 10]

Department's Table 19
Pennant King County Operations
Balance Statement Summary for Years 2023 through 2026

ASSETS	CY 2023 Partial Year	CY 2024 Full Year 1	CY 2025 Full Year 2	CY 2026 Full Year 3
Current Assets	$82,118	$402,563	$989,052	$1,884,318
Property and Equipment	$3,667	$2,334	$1,000	$1,000
Other Assets	$21,864	$22,023	$22,186	$22,386
Total Assets	**$107,649**	**$426,920**	**$1,012,238**	**$1,907,704**

LIABILITIES	CY 2023 Partial Year	CY 2024 Full Year 1	CY 2025 Full Year 2	CY 2026 Full Year 3
Current Liabilities	$64,775	$100,840	$145,869	$197,487
Long-Term Debt	$0	$0	$0	$0
Equity	$42,873	$326,080	$866,369	$1,710,217
Total Liabilities and Equity	**$107,648**	**$426,920**	**$1,012,238**	**$1,907,704**

As stated in the Applicant Description section of this evaluation, Pennant operates its home health and hospice agencies under an entity know as Cornerstone HealthCare, Inc. Given that the King County agency would be co-located with the proposed Pierce County agency, and Pennant submitted applications for four separate counties (King, Pierce, Skagit, and Spokane), Pennant also provided a combined pro forma Revenue and Expense Statement showing operations of Cornerstone HealthCare, Inc. if all four projects are approved. A summary of that statement is below. [source: Application, Exhibit 10]

Department's Tables 20-22
Pennant's Cornerstone Operations Combined
King, Pierce, Skagit, and Spokane County Operations
Revenue Summary for Years 2022 through 2026

	CY 2022 Current Year	CY 2023 Implementation	CY 2024 Full Year 1	CY 2025 Full Year 2	CY 2026 Full Year 3
Total Net Home Health Revenue	$136,834,183	$136,834,183	$136,834,183	$136,834,183	$136,834,183
Total Net Hospice Revenue	$152,937,081	$152,937,081	$152,937,081	$152,937,081	$152,937,081
Total Net CN Hospice App Revenue	$0	$3,940,522	$6,040,451	$8,487,137	$11,280,580
Total Net Other Revenue	$21,867,362	$21,867,362	$21,867,362	$21,867,362	$21,867,362
Total Net Revenue	**$311,638,626**	**$315,579,148**	**$317,679,077**	**$320,125,763**	**$322,919,206**

Expense Summary for Years 2022 through 2026

	CY 2022 Current Year	CY 2023 Implementation	CY 2024 Full Year 1	CY 2025 Full Year 2	CY 2026 Full Year 3
Total Direct Costs-Home Health	$79,589,425	$79,589,425	$79,589,425	$79,589,425	$79,589,425
Total Direct Costs-Hospice	$70,918,848	$70,918,848	$70,918,848	$70,918,848	$70,918,848
Total Direct Costs-Palliative	$313,071	$313,071	$313,071	$313,071	$313,071
Total Direct Costs-Private Duty	$12,423,412	$12,423,412	$12,423,412	$12,423,412	$12,423,412
Total Direct Costs-Finding Home	$2,410,252	$2,410,252	$2,410,252	$2,410,252	$2,410,252
Total Direct Costs-Hospice CN	$0	$2,445,369	$3,745,559	$5,260,012	$6,988,730
Total Indirect Costs w/ Hospice CN	$89,716,218	$91,211,224	$91,478,302	$91,881,367	$92,327,263
Bad Debt	$11,753	$11,753	$11,753	$11,753	$11,753
Total Expenses	**$255,382,979**	**$259,323,354**	**$260,890,622**	**$262,808,140**	**$264,982,754**

Net Profit Summary for Years 2022 through 2026

	CY 2022 Current Year	CY 2023 Implementation	CY 2024 Full Year 1	CY 2025 Full Year 2	CY 2026 Full Year 3
Sub Net Profit or (Loss)	**$56,255,647**	**$56,255,794**	**$56,788,455**	**$57,317,623**	**$57,936,452**
Minus: Combined Service Center Allocations, Property Expenses	$30,914,000	$30,915,333	$30,915,333	$30,915,335	$30,915,333
Net Profit (Loss)	**$25,341,647**	**$25,340,461**	**$25,873,122**	**$26,402,288**	**$27,021,119**

Pennant also provided a combined pro forma Balance Sheet showing operations of Cornerstone if all four projects are approved. A summary of that statement is below. [source: February 28, 2022, screening response, Exhibit 10]

Department's Table 23
Pennant's Cornerstone Operations Combined
King, Pierce, Skagit, and Spokane County Operations
Balance Statement Summary for Years 2022 through 2026

ASSETS	**CY 2022** Current Year	**CY 2023** Implementation	**CY 2024** Full Year 1	**CY 2025** Full Year 2	**CY 2026** Full Year 3
Current Assets	$42,644,002	$42,780,232	$43,416,255	$44,609,638	$46,443,131
Property and Equipment	$2,456,043	$2,470,711	$2,465,379	$2,460,043	$2,460,043
Other Assets	$132,414,614	$132,494,366	$132,494,886	$132,495,421	$132,496,038
Routine Assets	$9,968,057	$9,968,057	$9,968,057	$9,968,057	$9,968,057
Total Assets	**$187,482,716**	**$187,713,366**	**$188,344,577**	**$189,533,159**	**$191,367,269**

LIABILITIES	**CY 2023** Partial Year	**CY 2023** Implementation	**CY 2024** Full Year 1	**CY 2025** Full Year 2	**CY 2026** Full Year 3
Current Liabilities	$21,420,813	$21,645,882	$21,735,572	$21,847,509	$21,974,069
Long-Term Debt	$10,447,033	$10,447,033	$10,447,033	$10,447,033	$10,447,033
Equity	$155,614,870	$155,620,451	$156,161,972	$157,238,617	$158,946,167
Total Liabilities and Equity	**$187,482,716**	**$187,713,366**	**$188,344,577**	**$189,533,159**	**$191,367,269**

Moments Hospice of King Public Comments-Opposed

"Invalid Pro Forma
The Department of Health cannot adequately assess whether Symbol's project is financially feasible due to invalid pro forma financials, and missing, incomplete, and/or undocumented assumptions.

Payer Mix
In lieu of using Washington State and King County-specific data for its pro forma payer mix assumptions, or identifying areas with similar characteristics to King County, Symbol simply averaged data from various other states, including Iowa, Arizona, Oklahoma, Texas, and Wisconsin. Symbol has not sufficiently explained how these Pennant-owned hospices in remote states are relevant to King County's payer mix.

Factors that determine payer mix for a particular service area are local: local demographics related to age (e.g. over 65 Medicare population), income, local employer group plans, local presence of military/former military personnel, etc. Pennant portfolio hospices in other far off states and counties are not a reasonable driver of payer mix for a proposed hospice in King County. Payer mix determines revenue, therefore the financial feasibility of Symbol's project cannot be determined when it is based on erroneous underlying assumptions.

The comparison below shows Symbol's proposed Payer Mix by Patients compared to the Washington State average, based on 2020 Medicare cost report data. Additionally, we have added the 2020 Medicare Cost Report payer mix for some of the other Pennant-owned hospices which Symbol has assumed are relevant to King County. The variation from community to community is evident, as again, local factors drive payer mix:

Moments Hospice King Public Comment Comparison Table

Hospice Agency	Medicare	Medicaid	Other
Symbol King County Pro Forma	**95.2%**	**3.73%**	**0.89%**
State of Washington Average	**87.4%**	**1.8%**	**10.8%**
Excell Hospice of Oklahoma City (OK)	89.5%	0%	10.5%
Preceptor Hospice of German Town (WI)	99.9%	0%	0.1%
All County Hospice (TX)	98%	0%	2%
Emblem Hospice Phoenix (AZ)	89.0%	8.6%	2.4%
Sequoia Hospice (CA)	98.9%	0%	1.1%

On page 7 of its response to the Department of Health's screening questions, when asked to explain why its approach of averaging payer mixes from places like Iowa, Oklahoma, and Arizona is relevant to King County, Washington, Symbol stated:
"The averages have proven to be similar to our hospice agencies in Snohomish, Thurston, Pierce (we are serving Pierce under the COVID waiver from Thurston based Puget Sound Hospice), and Asotin County, with minor variances. Stated another way, we have found that the averages we've provided to be reliable considering King County holistically, including its demographics, availability of particular payor types, and community/provider types, and then comparing that to the experience and community dynamics of the Pennant-affiliated agencies that we've referenced above and in our application."

Averaging payer mixes from places that bear no demographic resemblance to King County simply does not make any sense.

In its unsubstantiated, blanket answer, Symbol has failed to make any attempt to explain why the "demographics, availability of particular payor types, and community/provider types" found in Arizona, Texas, Wisconsin, etc. are comparable to King County—because they clearly are not.

On page 45 of its application, Symbol lists these hospices. Included are hospices in places such as Grapevine, Boerne, and Lubbock, TX, Dewey and Tucson, AZ, Germantown, WI, Oklahoma City, OK, etc. These places are not demographically similar to King County, nor are their payer mixes similar.

Since Symbol claims these averages "have proven to be similar" to its Washington State hospices, [w]e also looked at 2020 Medicare Cost Report data for other Symbol-affiliated hospices operating in Washington State, specifically Alpha Hospice and Elite Hospice. (Because Puget Sound Hospice is newer, data was not yet available through CMS).

The Medicare cost report data in the table below shows that Alpha Hospice's payer mix in 2021 was 100% Medicare:

HealthPivots

Based on Medicare Claims for 2021 (Oct 2020 to Sep 20

Select a List, State, County, or Hospice
Washington - ALPHA HOSPICE - 501546

2021 HOSPICE BENCHMARKING R

All Hospices Operating in the Service Area of Select

Hospice	MEDICARE CLAIMS DATA						MEDICARE COST REPORTS		
	Days per Patient (ALOS)	% Patients Served by Diagnosis Category					% Days by Payer Class		
		Cancer	Heart Disease	Alzh. Disease	COPD	Stroke	Medicare	Medicaid	Other
AVERAGE OF ALL SELECTED HOSPICES	59	27%	15%	12%	3%	7%	86.4%	1.4%	12.2%
ALPHA HOSPICE - 501546	39	13%	16%			38%	100.0%	0.0%	0.0%
CONTINUUM CARE OF SNOHOMISH LLC - 501545	53	22%	8%	19%		4%	88.3%	0.8%	10.9%
EVERGREEN HEALTH HOSPICE CARE - 501523	57	24%	15%	12%	3%	8%	93.3%	0.8%	6.0%
FRANCISCAN HOSPICE - 501526	56	25%	12%	11%	4%	5%	91.5%	3.1%	5.4%
HOSPICE OF THE NORTHWEST - 501505	59	33%	17%	7%	3%	4%	91.3%	0.2%	8.4%
KAISER FOUNDATION HEALTH PLAN OF WASHINGTO	52	33%	22%	12%	3%	7%	93.0%	0.6%	6.5%
PROVIDENCE HOSPICE AND HOME CARE OF SNOHOM	57	28%	15%	9%	4%	11%	51.4%	0.4%	48.2%
PROVIDENCE HOSPICE OF SEATTLE - 501515	74	28%	15%	14%	3%	9%	88.2%	0.5%	11.3%
WHATCOM HOSPICE - 501537	57	26%	17%	14%	4%	7%	85.6%	1.8%	12.5%
WASHINGTON (ALL HOSPICES)	57	28%	15%	12%	4%	9%	87.5%	1.8%	10.8%
WASHINGTON (NOT FOR PROFIT)	57	28%	15%	11%	4%	9%	86.8%	1.8%	11.5%
WASHINGTON (PROPRIETARY)	60	25%	16%	19%	5%	7%	93.6%	1.7%	4.6%
NATIONAL (ALL HOSPICES)	67	23%	18%	11%	6%	10%	92.2%	2.9%	4.9%
NATIONAL (NOT FOR PROFIT)	56	26%	16%	9%	5%	10%	90.9%	2.7%	6.3%
NATIONAL (PROPRIETARY)	78	19%	20%	13%	7%	11%	93.1%	2.9%	4.0%

In contrast, Elite Hospice has a very different payer mix of 87.5% Medicare, 6.3% Medicaid, and 6.2% Other:

HealthPivots

Based on Medicare Claims for 2021 (Oct 2020 to Sep 2021) and Cost Report

Select a List, State, County, or Hospice
Washington - ELITE HOSPICE - 501533

2021 HOSPICE BENCHMARKING REPORT

All Hospices Operating in the Service Area of Selected Hospice (50153

Hospice	CARE CLAIMS	MEDICARE COST REPORTS		
		% Days by Payer Class		
	Days per Patient (ALOS)	Medicare	Medicaid	Other
AVERAGE OF ALL SELECTED HOSPICES	62	93.3%	2.8%	3.9%
ADVANCED HOME CARE AND HOSPICE OF COEUR D'ALENE - 131582	66	95.6%	0.3%	4.2%
ELITE HOSPICE - 501533	56	87.5%	6.3%	6.2%
GENTIVA HOSPICE - 501534	71	96.0%	1.4%	2.7%
ST JOSEPH REGIONAL MEDICAL CENTER HOSPICE - 131528	32	93.8%	1.7%	4.5%
WASHINGTON (ALL HOSPICES)	57	87.5%	1.8%	10.8%
WASHINGTON (NOT FOR PROFIT)	57	86.8%	1.8%	11.5%
WASHINGTON (PROPRIETARY)	60	93.6%	1.7%	4.6%
NATIONAL (ALL HOSPICES)	67	92.2%	2.9%	4.9%
NATIONAL (NOT FOR PROFIT)	56	90.9%	2.7%	6.3%
NATIONAL (PROPRIETARY)	78	93.1%	2.9%	4.0%

The variation between hospices in terms of payer mix, even in Washington State, shows that Symbol Hospices do not perform consistently, even within the same state, and that averaging other hospices within the Symbol portfolio is clearly not a valid assumption or indicative of performance in King County.

Based on Medicare Freestanding Hospice Cost Reports for 2020

Select a Primary Hospice (Select Additional Hospices in QuickPix)	Select a Year
Washington- ALPHA HOSPICE- 501546	2020

Hospice Costs per Patient Day in 2020	WASHINGTON STATE AVERAGE	ALPHA HOSPICE - 501546		
Report Type	**NA**	**Freestanding**		
Reporting Period Days	**NA**	**112**		
Total Costs per Day (Worksheet C-0)	**$191.51**	**$188.45**		
Level of Care Costs				
Continuous Home Care Costs	$16,304.67			
Routine Home Care Costs	$172.90	$188.45		
Inpatient Respite Care Costs	$1,952.77			
General Inpatient Care Costs	$2,093.94			
Revenue Statement				
Net Patient Revenue	$77.86	$128.72		
Total Revenue	$224.18	$128.72		
Total Operating Expenses	$171.31	$284.49		
Net Income	$52.87	-$155.77		
Net Income as % of Revenue	23.6%	-121.0%		
Hospice Utilization				
Average Daily Census	164.2	12.1		
% CHC Days	0.0%	0.0%		
% RHC Days	99.0%	100.0%		
% IRC Days	0.2%	0.0%		
% GIP Days	0.8%	0.0%		
% Medicare Census	87.4%	100.0%		
% Medicaid Census	1.8%	0.0%		
% Other Census	10.8%	0.0%		

Based on Medicare Freestanding Hospice Cost Reports for 2020

Select a Primary Hospice (Select Additional Hospices in QuickPix)

Washington - ELITE HOSPICE - 501533

Hospice Costs per Patient Day in 2020	WASHINGTON STATE AVERAGE	ELITE HOSPICE - 501533
Report Type	**NA**	**HHA**
Reporting Period Days	**NA**	**366**
Total Costs per Day (Worksheet C-0)	**$191.51**	**$98.48**
Level of Care Costs		
Continuous Home Care Costs	$16,304.67	$2,261.00
Routine Home Care Costs	$172.90	$97.87
Inpatient Respite Care Costs	$1,952.77	$1,509.13
General Inpatient Care Costs	$2,093.94	
Revenue Statement		
Net Patient Revenue	$77.86	
Total Revenue	$224.18	
Total Operating Expenses	$171.31	
Net Income	$52.87	
Net Income as % of Revenue	23.6%	
Hospice Utilization		
Average Daily Census	164.2	60.7
% CHC Days	0.0%	0.0%
% RHC Days	99.0%	100.0%
% IRC Days	0.2%	0.0%
% GIP Days	0.8%	0.0%
% Medicare Census	87.4%	87.5%
% Medicaid Census	1.8%	6.3%
% Other Census	10.8%	6.2%

Source: HealthPivots. Medicare Cost Report data.

<u>Purchased Services</u>
Hospice EMR systems are critical to hospice operations, and are therefore an essential component of the pro forma financials. Symbol's application discusses its use of Home Care Home Base ("HCHB"), a commonly used hospice EMR system. (HCHB is referenced on 32 of 42, page 33 of 42, and 34 of 42 in Symbol's application.)

The image below is the pro forma profit and loss statement submitted on page 257 of 456 of the PDF application submitted by Symbol. Under "Purchased services" Symbol has projected an annual expense of $12,000 ($1,000 per month) across all of the years of the pro forma, which Symbol's footnotes state includes $1,000 per month for all of the following:
- *Bank fees*
- *System access*
- *HCHB (Home Care Home Base)*
- *SHP*
- *Workday*

Administration Costs	2023	2024	2025	2026	Note
Advertising	15,987	20,830	31,305	43,413	$4,000 launch plus 1% of revenue
Allocated Costs	65,147	113,207	170,138	235,940	5% Allocation to Cornerstone Service Center for support; Legal, HR, Accounting, IT, and Clinical
B & O Taxes	19,544	33,962	51,042	70,782	1.5% of Gross Revenue
Dues & Subscriptions	4,500	4,500	4,500	4,500	$375/month, primarily Medbridge
Education and trainings Information	10,000	10,000	10,000	10,000	$10,000/year, Continuing education including Clinical education and compliance
Technology/Computer/Software Maintenance	15,000	15,000	15,000	15,000	$1250/month
Insurance	1,200	1,200	1,200	1,200	Liability and property content
Legal and professional	-	-	-	-	Included in Allocated Costs to Cornerstone Service Center
Licenses and Fees	13,883		2,383		First year Accreditation $3,100, Survey $7,500, Initial State License $3,283, bi-annual state lic based on FTE $2,383
Postage	6,000	6,000	6,000	6,000	$500/month
Purchased services	12,000	12,000	12,000	12,000	$1000/month; bank fees, system access: HCHB, SHP, Workday
Repairs and Maintenance	1,800	1,800	1,800	1,800	$150/month
Cleaning	2,520	2,520	2,520	2,520	$210/month
Office supplies	3,000	3,000	3,000	3,000	$250/month
Equipment lease & maintenance	6,000	6,000	6,000	6,000	$500/month, copier and postage machines
Building rent or lease Lease NNN or Common Area Maintenance charges	25,455	26,091	26,742	27,544	Lease is 25% of Puget Sound HH lease No NNN costs
Recruitment	5,000	3,000	3,000	3,000	$5,000 startup and $250/month following
Telephones	8,553	11,919	15,907	20,515	$55/FTE/month + $250/month for landlines
Travel	6,500	5,000	5,000	5,000	First year $6,500 support and launch, $5,000 thereafter

In Symbol's response to the Department of Health's screening, these assumptions were reaffirmed by Symbol on 26 of 183 of the PDF, shown in the image below. Please reference "Purchased services" line item, and related footnotes to the right:

Mileage	46,449	71,584	100,895	134,380	Estimate 8 miles/DOC reimbursed at $.45/mile based on existing local agency
Subtotal	**410,755**	**633,385**	**893,021**	**1,189,662**	
Total Direct Patient Care Costs	**1,491,740**	**2,299,317**	**3,241,065**	**4,316,982**	

ADMINISTRATIVE COSTS

Administrative Compensation and Benefits	2023	2024	2025	2026	Note
Administrator	100,000	100,000	100,000	100,000	FTE x Annual Compensation, represents 50% of HH Administrator
Business Office Manager, Medical Records, Scheduling	58,916	90,797	127,974	170,446	FTE x Annual Compensation
Intake	104,000	104,000	104,000	104,000	FTE x Annual Compensation
Community Liaison	76,591	118,036	166,366	221,580	FTE x Annual Compensation
Payroll Taxes & Benefits	101,852	123,850	149,502	178,808	30% of Base Compensation
Total	**441,359**	**536,683**	**647,841**	**774,834**	

Administration Costs	2023	2024	2025	2026	Note
Advertising	30,710	44,139	59,802	77,700	$6000 launch + 1% revenue
Allocated Costs	134,296	207,278	292,405	389,676	5% Allocation to Cornerstone Service Center for support; Legal, HR, Accounting, IT, and Clinical
B & O Taxes	40,289	62,183	87,721	116,903	1.5% of Gross Revenue
Dues & Subscriptions	4,500	4,500	4,500	4,500	$375/month, primarily Medbridge
Education and trainings Information	10,000	10,000	10,000	10,000	$10,000/year, Continuing education including Clinical education and compliance
Technology/Computer/Software Maintenance	15,000	15,000	15,000	15,000	$1250/month
Insurance	1,200	1,200	1,200	1,200	Liability and property content
Legal and professional	-	-	-	-	Included in Allocated Costs to Cornerstone Service Center
Licenses and Fees	13,883	-	2,383	-	First year Accreditation $3,100, Survey $7,500, Initial State License $3,283, bi-annual state lic based on FTE $2,383
Postage	6,000	6,000	6,000	6,000	$500/month
Purchased services	12,000	12,000	12,000	12,000	$1000/month; bank fees, system access: HCHB, SHP, Workday
Repairs and Maintenance	1,800	1,800	1,800	1,800	$150/month
Cleaning	2,520	2,520	2,520	2,520	$210/month
Office supplies	3,000	3,000	3,000	3,000	$250/month
Equipment lease & maintenance	6,000	6,000	6,000	6,000	$500/month, copier and postage machines
Building rent or lease Lease NNN or Common Area Maintenance charges	25,455	26,091	26,742	27,544	Lease is 25% of Puget Sound HH lease No NNN costs
Recruitment	5,000	3,000	3,000	3,000	$5,000 startup and $250/month following
Telephones	17,507	22,662	28,673	35,541	$55/FTE/month + $250/month for landlines
Travel	6,500	5,000	5,000	5,000	First year $6,500 support and launch, $5,000 thereafter
Subtotal	**335,660**	**432,374**	**567,747**	**717,384**	
Total Administrative Expense	**777,019**	**969,057**	**1,215,588**	**1,492,218**	
TOTAL COSTS	**2,268,759**	**3,268,374**	**4,456,653**	**5,809,200**	

Since Home Care Home Base (HCHB) is widely used in the hospice industry, anyone familiar with these systems knows that EMR systems are typically priced on a per license basis. Therefore, EMR software expense is typically driven by FTEs, and increases with growth. The flat $1,000 per month for multiple years, for multiple systems, including HCHB, is far too low, and does not account for the additional licenses which will be needed with additional FTEs.

The pro forma assumption for HCHB alone is invalid—not to mention the additional systems such as Workday and SHP, which are supposedly included within the same purchased services line item.

Symbol has not provided the required detail regarding its cost assumptions. Workday is an HRIS system, and an expensive one. Symbol does not appear to have included any implementation costs for Workday, nor does it appear to have projected any increase in expense for Workday as we would expect to accompany growth in FTEs, especially in later years, since Workday expense should be FTE driven.

These numbers call into question the financial feasibility of Symbol's project. Symbol has also materially understated other key expenses, which we address later in these comments, invalidating its entire pro forma to the extent that the Department will not be able to determine the project's ability to meet the standards of WAC 246-310-220.

Summarily, Symbol has not provided an adequate breakdown of its costs on the purchased services expense line item to show the amounts and rationale for bank fees, HCHB, SHP, and Workday. The numbers submitted do not appear to be valid.

Labor Supply, Labor Cost, and Recruitment

Symbol's parent entity, Pennant Group, is a publicly traded company, trading under stock symbol PNTG. As such, Pennant Group must comply with SEC filing requirements and disclose business risks to shareholders. There are notable inconsistencies in some of Symbol's application responses, compared to Pennant's disclosures to its shareholders. For example:

The pro forma financial statement assumptions provided in the application do not account for the labor cost concerns that Pennant has disclosed to its shareholders. Symbol's response to the Department of Health's questions about recruitment and retention seems to be contradicted by its disclosures to its own shareholders. Pennant's 10Q SEC filing paints a very different picture of labor costs and recruitment compared to what is portrayed in Symbol's CN application.

For example, in its application, Symbol states that "Both Symbol and its affiliates also have strong and proven histories of recruiting and retaining quality staff." This appears to gloss over the recruitment challenges the new agency would likely face in King County.

On page 229 of the PDF application, The 10Q Report states, under "Home Health and Hospice":
"We have experienced and expect to continue to see increased labor costs due to increased overtime and premium pay and the increased need for temporary labor to supplement our existing staffing. We are monitoring the ongoing impact of our COVID-19 response actions on our revenue and expenses, including labor acquisition and turnover costs that may be imposed by existing and anticipated state and federal vaccination mandates…"

Also, on page 249 of the application, Pennant's 10Q discloses the risk of labor shortages as a result of federal and Washington State vaccine mandates.

In light of these disclosures, Symbol's response to Application question #9 appears to be insufficient and/or inconsistent with its disclosures to shareholders.

Wage Rates

Page 28 of the application states that the salaries and wages projected in the pro forma are "based on average numbers and types used across all Cornerstone-affiliated hospice agencies, which include two Washington State hospice agencies," and, that "the Washington state hospice numbers are consistent with these averages."

The Wage Index for King County, published in conjunction with CMS hospice reimbursement rates, is 1.1851, one of the highest in the country. Consequently, using average wages based on Pennant's portfolio of hospices elsewhere in the country, where the wage index is much lower, understates labor rates.

Conclusion

In summary, Symbol's pro forma lacks credibility, due to:

➢EMR costs which do not reflect the nature of EMR contracts. EMRs are essential to hospice operations.

➢Other software costs which also appear understated and which should be FTE driven and therefore increase in later years.

➢Labor costs based on averages of Pennant-owned hospices in other areas with a much lower wage index, which are not reflective of conditions in King County.

➢Inexplicable attempts to average other states' payer mixes—states and counties which bear no demographic resemblance whatsoever to King County- and apply them to King County pro formas, even though payer mix is determined by local factors such as age, income, veteran population, large employers, etc."

The Pennant Group Rebuttal Comments to Moments Hospice King public comments

Payer Mix

"Moments's comments on our payer mix. Our payer mix numbers are similar to the mix we have submitted in previous applications, and the Department has approved them previously. The reason our payer mix is weighted with Medicare and Medicaid is because these are the payers' we can reasonably predict for the first few years of operation. Other insurance contracts can take two or more years to secure. Because the Department encourages applicants to project conservatively, we project conservatively with the payer mix. The comparisons that Moments uses in many cases are agencies that have been operating for years, including our Asotin County agency, Elite Hospice, and they have had time to build up their other insurance contracts. The Washington State averages reflect this. Alpha Hospice did not begin receiving Medicaid reimbursement until the end of 2021 because of Medicaid delays. We have since been reimbursed for Medicaid. Our payer mix is reasonable. Moments's comments on these issues should not be given consideration."

Leadership

"Moments's comments on our flat leadership, service center, and Puget Sound Home Health of King County. We do not expect Moments to agree that our flat leadership, service center and local home health agency in King County set us apart as the superior applicant, but we think they do. One example of the superiority of our model is the shared costs across Pennant. Our startup costs, capital expenditures and purchased services costs are well below those of the other applicants. Moments's comments on this issue should not be given consideration."

Purchased Services

"Moments's comments on our Home Care Home Base (EMR), Workday, and other purchased service costs. Moments makes many incorrect assumptions about the accuracy of our purchased services costs. These costs are the same costs we have used in prior applications, and they have been accepted by the Department each time. We apply a fixed cost for the purchased services costs to create consistency for CN projects. Pennant shares the costs of HCHB, Workday, etc. across all our agencies and the service center. The cost of $1,000 per month is the correct CN project cost for purchased services. Moments's comments on this issue should not be given consideration."

Labor, Supply, Recruitment and Costs

"Moments's comments on labor supply, recruitment, and costs. Moments compares our 2021 10Q report's acknowledgement of the staffing challenges related to COVID with our response to the Department's question related to potential staffing challenges with our project. Our response to the staffing challenges in our screening response was, "Regarding staffing, we continue to recognize the current strains on staffing in healthcare. As part of our recruiting efforts, we continuously seek staff for today or for the future and based on our recent hiring experiences in Washington State, we expect to recruit the required staff to serve patients in King County January 2023. In the event we are unable to initially hire staff for any given position, we are positioned to be able to utilize staff from our other agencies in Washington State until we are able to hire permanent staff". This response is consistent with our 10Q statements. If staffing shortages in 2023 are similar to what they were in 2021 when the 10Q was reported, we still anticipate being able to appropriately staff for our King County hospice project. While it is possible that we will need to use overtime and premium pay, the amount of overtime and premium pay used for our current CN hospices in Snohomish and Thurston has been minimal. The Department asks applicants to project conservatively, and we projected conservatively. Moments's comment on this issue should not be given consideration.

While we are constantly adapting and improving, our recruiting methods are sound, and they have proven to be effective. Regarding Moments's comments on diversity recruitment, we do not highlight diversity recruiting because we do not discriminate in our recruiting efforts. Each local agency recruits staff based on their local needs. That said, because of our nondiscrimination policies, our practices and our efforts to provide job opportunities to the members of our communities, our staff end up being as diverse as the communities in which we serve. Moments's comment on this issue should not be given consideration.

Wage Rate

Pennant's structure gives each local agency the freedom to compensate their clinical staff in ways that attract the best talent and lead to the best clinical outcomes. The local agencies are free to give bonuses or incentives based on performance and clinical results, and they inform candidates that this is their practice during recruiting. The bonuses or incentives are designed to result in higher-than-average compensation per market, and many of our field staff benefit from these bonuses or incentives. Our local staff wages are often considerably higher than market wages when bonuses and incentives are included. Because we do not know with certainty how the local agency will choose to compensate all staff, and the Department requests that we project conservatively, we generally project wages conservatively. Moments's comment on this issue should not be given consideration."

Department's Evaluation

An applicant's utilization assumptions are the foundation for the financial review under this sub-criterion. Pennant based its projected utilization of the hospice agency on specific factors:

- Admissions were based on unduplicated patient market share of 40% for 2023, 45% in 2024, 50% in 2025 and 55% in 2026. Pennant provided its rationale for this assumed market share;
- Average annual length of stay at 62.12 days, in line with statewide average used in the department's methodology; and
- Average Daily Census (ADC) calculated as a product of patient days divided by days in a year.

When asked during screening to provide the assumptions used to determine the market shares in the application, Pennant stated it used its experience of the most recent startups in Snohomish and Thurston counties, and startups in California and Texas. Pennant also asserted that the market share percentages

are reliable because the agencies started or operated at an early stage during the COVID 19 pandemic. For those reasons, Pennant views the market share percentages to be conservative. Pennant also states the market shares are conservative based on experience in growth trends for acquired hospices in Washington, Oregon, California, Arizona, Idaho, Utah, Texas, and Montana. Given that Pennant is not a new provider in Washington State, the approach described above to determine market share is reasonable.

As previously stated, during the 2021/2022 hospice concurrent review cycles, Pennant submitted four separate hospice applications. Pennant proposes to establish a new hospice agency in Tacoma within Pierce County that will provide Medicare and Medicaid hospice services to residents of both King and Pierce counties. If this King County project is approved, the new agency is expected to be Medicare and Medicaid certified in September 2023. Based on that timeline, year 2023 is a partial year of operation and 2024 – 2026 are full years one and three, respectively.

The department first examined the financial feasibility of the King County project alone. Pennant provided extensive assumptions used to prepare the proposed agency's pro forma Revenue and Expense Statement, and included a payer mix table. Pennant expects Medicare/Medicare Advantage to be 94.6% of its gross revenue; Medicaid to be 4.0%; and Other (commercial and self-pay) to be 1.4% of gross revenue.

In public comment, Moments Hospice King questions the basis for the payer mix assumptions of "*averaging data from various other states, including Iowa, Arizona, Oklahoma, Texas, and Wisconsin*." Moments further asserts that '*[F]actors that determine payer mix for a particular service area are local: local demographics related to age (e.g. over 65 Medicare population), income, local employer group plans, local presence of military/former military personnel, etc. Pennant portfolio hospices in other far off states and counties are not a reasonable driver of payer mix for a proposed hospice in King County."*

Moments Hospice King then provided a comparison table showing Pennant's proposed Payer Mix by patients compared to the Washington State average, based on year 2020 Medicare cost report data. The commenter added the 2020 Medicare Cost Report payer mix for some of the other Pennant-owned hospices that are stated to be relevant to King County.

Moments Hospice King Public Comment Comparison Table

Hospice Agency	Medicare	Medicaid	Other
Symbol King County Pro Forma	**95.2%**	**3.73%**	**0.89%**
State of Washington Average	**87.4%**	**1.8%**	**10.8%**
Excell Hospice of Oklahoma City (OK)	89.5%	0%	10.5%
Preceptor Hospice of German Town (WI)	99.9%	0%	0.1%
All County Hospice (TX)	98%	0%	2%
Emblem Hospice Phoenix (AZ)	89.0%	8.6%	2.4%
Sequoia Hospice (CA)	98.9%	0%	1.1%

Moments Hospice King provided extensive information and comparisons regarding Pennant payer mix in other states and compared it to King County to support its conclusion that '[t]*he variation from community to community is evident, as again, local factors drive payer mix.*

In response to the comments regarding payer mix, Pennant asserts that the payer mix is reasonable for three reasons:

1. *Payer mix numbers are similar to the mix we have submitted in previous applications, and the Department has approved them previously.*
2. *The payer mix is weighted with Medicare and Medicaid is because these are the payers' we can reasonably predict for the first few years of operation. Other insurance contracts can take two or more years to secure. Because the Department encourages applicants to project conservatively, we project conservatively with the payer mix.*
3. *The comparisons that Moments uses in many cases are agencies that have been operating for years, including our Asotin County agency, Elite Hospice, and they have had time to build up their other insurance contracts. The Washington State averages reflect this. Alpha Hospice did not begin receiving Medicaid reimbursement until the end of 2021 because of Medicaid delays. We have since been reimbursed for Medicaid.*

The first rationale is not a reliable explanation for the assumption. All applicants are required to provide a variety of assumptions in an application. If the assumptions are not challenged or otherwise questioned by competitors, then the department may conclude that the assumptions is reasonable. However, if a competitor provides comments with supporting data that questions the reasonableness of an assumption, the department thoroughly reviews the application information, public comments, and rebuttal comments and may come to a different conclusion than it has in previous reviews.

Pennant's second and third rationale are logical reasons why the comparisons provided by Moments Hospice King may be <u>different</u> from a new agency in King County, rather than used as a reliable assumption for the new agency. In rebuttal, Pennant states that the projected payer mix is the result of "*averaging data from various other states, including Iowa, Arizona, Oklahoma, Texas, and Wisconsin.*" Moments Hospice King included comparison tables intending to demonstrate that it is not a reasonable approach to average from these states and used for a new agency in King County.

To review the reasonableness of Pennant's payer mix, the department reviewed its own questions regarding the payer mix assumptions and Pennant's responses. The department's screening questions and Pennant's responses are below.

- <u>Department's Question #7 of January 31, 2022, screening</u>
  The projected payer mix table provided on page 28 is stated to be based on '*averages across all Pennant affiliated hospice agencies*.' Identify the number of agencies and the states used to determine the average referenced above. [source: Question #7]

  <u>Pennant's Response</u>
  All forty-four Pennant-affiliated hospice agencies are included in the payer mix averages, including our Washington State hospices: Elite Hospice, Alpha Hospice, and Puget Sound Hospice. The states used to determine the averages include Arizona, California, Colorado, Iowa, Idaho, Montana, Nevada, Oklahoma, Oregon, Texas, Utah, Washington, Wisconsin, and Wyoming. [source: February 28, 2022, screening response, pdf 7]

- <u>Department's Question #7 of January 31, 2022, screening</u>
  In a related question, explain why the average referenced in the question above would be relevant to an agency proposing to serve King County located in Washington State. [source: Question #8]

Pennant's Response

The averages have proven to be similar to our hospice agencies in Snohomish, Thurston, Pierce (we are serving Pierce under the COVID waiver from Thurston based Puget Sound Hospice), and Asotin counties, with minor variances. Stated another way, we have found the averages we've provided to be reliable considering King County holistically, including its demographics, availability of particular payor types, and community/provider types, and then comparing that to the experience and community dynamics of the Pennant-affiliated agencies we've referenced above and in our application. [source: February 28, 2022, screening response, pdf 7]

The rationale for the payer mix assumptions are clearly explained in the screening responses. Pennant states "*all forty-four Pennant-affiliated hospice agencies are included in the payer mix averages, including our Washington State hospices*…" In public comment, Moments Hospice King provided data on a sampling of Pennant-affiliated hospice agencies. In fairness, the department did not request, and Pennant did not identify, the 44 agencies it used to determine the payer mix. For these reasons, the department concludes that Pennant's payer mix assumptions are reasonable.

Focusing on the pro forma Revenue and Expense Statement provided by Pennant for the new agency, for clarity, below is the department's summary of the applicant's tables above. [source: February 28, 2022, screening response, Exhibit 10]

Department's Table 24
Pennant's King County Operations
Revenue and Expense Statement Summary for Years 2023 through 2026

	CY 2023 Partial Year	CY 2024 Full Year 1	CY 2025 Full Year 2	CY 2026 Full Year 3
Net Revenue	$1,198,702	$2,083,017	$3,130,547	$4,341,294
Total Expenses	$1,155,830	$1,799,808	$2,590,259	$3,500,446
Net Profit / (Loss)	**$42,872**	**$283,209**	**$540,288**	**$840,848**

The 'Net Revenue' in the table above is gross revenue, minus deductions for contractual allowance, charity care and bad debt. 'Total Expenses' include all expenses identified by Pennant under the categories of clinical staffing, contracted patient care, direct patient care, administrative staff, depreciation, and administrative costs. As summarized, the new agency is expected to operate at a net profit in partial year one (2023) that increases in the projection years through full year 2026.

Moments Hospice King provided comments that focus on the following items included in the revenue and expense statement: Purchased Services, Labor Supply/Labor Cost/Recruitment, and Wage Rates. Each of the concerns are addressed below by topic.

Purchased Services

For this expense line item, Pennant identified a flat amount of $12,000 annual, which equates to $1,000 month. Pennant's footnote identifies bank fees, system access, HCHB (home care home base) SHP, and workday are included in the category. Moments Hospice King concludes that this line item is understated because of its experience with the costs of many of the line items.

In its rebuttal, Pennant asserts that the $12,000 is accurate, in part, because '*Pennant shares the costs of HCHB, Workday, etc. across all our agencies and the service center. The cost of $1,000 per month is the correct CN project cost for purchased services*.' The assumption is considered reasonable.[22]

Labor Supply/Labor Cost/Recruitment

Moments Hospice King's concern under this topic is the possible inconsistency between Pennant's statements in its CN application regarding recruitment efforts during the nationwide staff shortage and Pennant's SEC filing where it addresses concerns with labor supply, labor costs, and recruitment efforts.

In rebuttal, Pennant restated its response to the department's question about nationwide staff shortages and its intent to ensure appropriate and safe staffing for the new agency. Pennant's rebuttal response is accurate and reasonable.

For clarification, though, the department does not consider the information in the SEC filing and the CN application inconsistent. Rather, the SEC filing is a report to its shareholders outlining its concerns with staff and recruitment and includes strategies it has used, or may begin to use, to alleviate them. The department's screening question already acknowledges the nationwide staff shortage, and asks the applicant to provide recruitment strategies it has used, or may begin to use in the future, to alleviate them. They are not different and Pennant did not imply in the application that it was not concerned about staff shortages or recruitment.

Wage Rates

Moments Hospice King's concern is the assumption used for the staff wage rate for an agency in King County. The commentor provided statistics from the Wage Index for King County. Moments Hospice King asserts that '*using average wages based on Pennant's portfolio of hospices elsewhere in the country, where the wage index is much lower, understates labor rates.'*

In its rebuttal responses, Pennant clarifies that each local agency has the '*freedom to compensate their clinical staff in ways that attract the best talent and lead to the best clinical outcomes.'* Pennant further clarifies that the local agencies '*are free to give bonuses or incentives based on performance and clinical results, and they inform candidates that this is their practice during recruiting. The bonuses or incentives are designed to result in higher-than-average compensation per market, and many of our field staff benefit from these bonuses or incentives.'* Pennant concludes that '*we do not know with certainty how the local agency will choose to compensate all staff, and the Department requests that we project conservatively, we generally project wages conservatively.'*

Pennant's response that the department requests applicants to project conservatively is mostly correct, with some clarification. The department advises applicants to provide estimates that are supported by evidence and not wildly speculative. As a result, an unrealistically low set of projections with strong evidence that the real numbers would be higher may not be considered truly conservative. Conservative is generally associated with little deviation from the current state or from what is known. Pennant's assumptions used for its wage rates are based on its experience in Washington and other states. For this reason, the department can conclude that they are a reasonable estimate.

[22] Pennant's full response to the public comment implies that the cost is also accurate because the amount has been identified in Pennant's financial statements in past CN applications, and the department has not questioned the costs. As previously stated in the payer mix review above, this is not a reasonable explanation for the assumption, and should not relied upon in future applications.

In summary, Moments Hospice King provided thoughtful and detailed comments regarding some line items included in Pennant's pro forma Revenue and Expense Statement for its King County operations. The department concludes, though, that none of the concerns are grounds for denial of the Pennant application.

Pennant provided its pro forma Balance Sheet for the King County only agency. The balance sheet demonstrates that Pennant does not intend to assign any debt to the agency; rather, all debt will be assigned to the parent—The Pennant Group.

Given that Pennant submitted four separate applications during the two 2021/2022 hospice review cycles, Pennant was required to provide a variety of financial statements to allow the review of a variety of outcomes. Once such statement is a pro forma Revenue and Expense Statement and Balance Sheet for Cornerstone Healthcare that assumes approval of all four of the applications submitted. After reviewing these two statements, the department concludes this applicant's financial health would not be negatively affected by approval of all or one of the projects submitted by Pennant.

In addition to the financial statements discussed above, Pennant provided three separate documents that tie into the financial statements. The three documents are discussed below:

Lease Agreement
Pennant provided all information to demonstrate site control for the space at 4002 Tacoma Mall Boulevard, #204, in Tacoma, within Pierce County. The information in the lease agreement is also substantiated in the pro forma Revenue and Expense Statement.

Medical Director Agreement
Pennant provided a copy of the executed Medical Director Agreement between Symbol Healthcare, Inc. and William Elledge, MD. The agreement was executed on December 21, 2020, and effective for one year, with automatic one year renewals. The compensation identified in the agreement is $190/hour. Within its screening responses, Pennant provided a table showing the hourly rate and connected the annual compensation amounts to the costs identified pro forma Revenue and Expense Statement.

Consulting, Professional, and Operations Support Services Agreement
This agreement was executed on October 1, 2019, and is between Cornerstone Service Center, Inc. (consultant) and Symbol Healthcare, Inc. dba Puget Sound home Health of King County (facility). The agreement ensures that each entity entitled to support services, both clinical and administrative, at a flat rate of 5% of revenue. The costs can be substantiated in the pro forma Revenue and Expense Statement.

After reviewing the financial information provided, the department concludes that Pennant's project **meets this sub-criterion**.

VistaRiver King County HoldCo, LLC
VistaRiver affiliates currently own and operate post-acute facilities in King and Kitsap counties and in-home services agencies that operate in Washington (Kitsap County), Oregon, and Arizona. It also previously owned and operated in-home services agencies in Washington (Clark County) and Oregon.

VistaRiver provided the following assumptions used to determine the projected number of patients and visits for the proposed King County agency:
"*Assumed admissions are based on a conservatives [sic] projection of what the operators of VistaRiver have experienced in other start-up agencies.*" [source: Application, pdf 18]

"*The statewide 62.12 ALOS has been updated…*" [source: February 28, 2022, screening response, pdf 8]

VistaRiver provided the following statements and tables to support its anticipated projections for the proposed King County hospice services.
"*The company's founders bring with them a wealth of knowledge and experience in the home health industry. The owners have served as corporate officers for home health and hospice agencies, negotiated contracts with payers, managed billing operations at both the agency level and multi-agency system level. Additionally, they've helped write successful certificate of need applications to be able to serve patients across Clark County and King County in home health while also writing policies that are compliant under CMS regulations.*

The application's assumptions are founded on the owner's 20+ years of experience in healthcare. The experience spans a variety of different fields, including hospitals and home care services, such as hospice or palliative medicine and technology that helps empower exceptional care for patients." [source: February 28, 2022, screening response, pdf 23]

Applicant's Table

Agency Name	Area	LOB	Current or Prior	Notes
VistaRiver Hospice	Portland, OR	Hospice	Current	NPI 1487257424 Joint Commission Accredited
Aleca Home Health	Kitsap County, WA	Home Health	Current	
Snate Home Health	Scottsdale, AZ	Home Health	Current	NPI 1629217278
Aleca Hospice	Scottsdale, AZ	Hospice	Current	NPI 1639559982
Healthy Living at Home	Vancouver, WA	Home Health	Previous	
Healthy Living at Home	Portland, OR	Home Health	Previous	
Healthy Living at Home	Salem, OR	Home Health	Previous	
Healthy Living at Home	Bend, OR	Home Health	Previous	

[source: February 28, 2022, screening response, pdf 23]

Applicant's Table

REFERRAL BY SETTING ASSUMPTIONS

King County	2023*	2024	2025	2026	%
Hospital	6.00	15.40	20.30	31.00	10%
SNF	9.00	23.10	30.45	46.50	15%
Physican	21.00	53.90	71.05	108.50	35%
Clinic	22.50	57.75	76.13	116.25	38%
Home Health & Other	1.50	3.85	5.08	7.75	3%
Total	60.00	154.00	203.00	310.00	100%

**is based on experience from Hospice in Portland, OR and MyCancerJourney's impact with Physicians and Clinics*

[source: February 28, 2022, screening response, Appendix 8]

VistaRiver also clarified a few assumptions in response to screening. [source: February 28, 2022, screening response, pdf 47]
"*Community Referral by Setting includes a category HH & Others include referrals received from the community such as Adult Foster Homes, other Home Health and Hospice agencies, and direct patient referrals via calls into the office from patients and families.*

The experiences used as the basis for the applications [sic] underlying projections and assumptions are derived from experiences, current and previous, in owning and operating Hospice companies.

The experience operating a hospice agency in Portland, OR and Scottsdale, AZ serve as the source of the assumptions guiding the referral by setting, contractual adjustment, contracted patient care cost and direct patient care cost."

Based on the preceding assumptions, VistaRiver provided the following projections for utilization of the hospice agency. [source: February 28, 2022, screening response, pdf8 and Appendix 8]

Department's Table 25
VistaRiver's Projected Utilization for King County Hospice Operations

	2023 Partial Year (8 months)	**CY 2024** (Year 1)	**CY 2025** (Year 2)	**CY 2026** (Year 3)
Admissions	60.3	154.7	203.6	309.9
Market Share of King County Unmet Admits	12.1%	20.1%	19.6%	24.2%
Total Days	3,745.8	9,609.9	12,647.6	19,250.9
Average Length of Stay	62.12	62.12	62.12	62.12
Average Daily Census	15.3	26.3	34.7	52.7

If this project is approved, the new hospice agency would be operated separately from any other entity and it would contract some services from multiple vendors. The proposed hospice services and service area are not an expansion of any agency's existing services. Rather, it is a subsidiary under the control of a parent entity, which has multiple other facilities and existing operations. VistaRiver provided projected financial statements for this project as a stand-alone agency.

VistaRiver submitted the following tables of assumptions used to project its pro forma financials. [source: February 28, 2022, screening response, Appendix 8]

Applicant's Tables

CARE LEVEL UTILIZATION BY SETTING

	%
Routine	99.0%
Continuous Care	0.2%
Respite	0.3%
GIP	0.5%
Total	100%

Medicare Rates BKD	Composition Rate	Day 1-60	Days 61+	Day 1-60 %	Day 61+	osition Rate
Routine (daily) (REV 0651)	200.23	223.69	176.77	0.50	0.50	200.23
Continous Care* (hourly rate) (REV 0652)	544.24	68.03				
Respite (daily) (REV 0655)	516.70					
GIP (daily) (REV 0656)	1,169.96					

**Continuous Care Rate assumed per day rate to be 8 hours x hourly rate = daily reimburseable rate)*

WA HCA Medicaid	Composition Rate	Day 1-60	Days 61+	Day 1-60 %	Day 61+	osition Rate
Routine (REV 651)	204.32	228.25	180.38	0.50	0.50	204.32
Continous Care (REV 652) (Houirly)	555.36	69.42				
Respite (REV 655)	527.04					
GIP (REV 656)	1,193.84					

**Continuous Care Rate assumed per day rate to be 8 hours x hourly rate = daily reimburseable rate)*

PAYOR MIX

Projections	%
Medicare, including Managed Care	90%
Medicaid, including Managed Care	5%
TriCare, VA, PP	5%
Total	100%

ADJUSTMENTS TO REVENUE

Payor Mix (Medicare, Medicaid, Managed, PP, VA)	2%
Charity Care	3%
Bad Debt	1.5%

ADMINISTRATIVE/OFFICE PERSONNEL

	2023*	2024	2025	2026	Staffing
Administrative Staff Count					
ED / Director of Patient Care Svcs	1.0	1.0	1.0	1.0	2023 Hire
Clinical Supervisor	0.0	0.0	1.2	1.8	1:30 ADC
Intake/Scheduling	1.0	1.0	1.0	1.1	Hire then additional 1:50 ADC
Community Patient Coordinator	1.0	1.0	1.2	1.8	Hire then additional 1:30 ADC
Total Administrative Staff	3.0	3.0	4.4	5.6	

FIELD STAFF PERSONNEL

	2023*	2024	2025	2026	Staff to Patient Ratio
Field Staff Count					
Hospice Aides	1.3	2.2	2.9	4.4	12.0
SW	0.5	0.9	1.2	1.8	30.0
Spiritual Care	0.2	0.4	0.5	0.8	65.0
Physician	0.1	0.2	0.2	0.4	150.0
Admissions Dedicated RN (Quick Response	0.3	0.5	0.7	1.1	50.0
Bereavement	0.3	0.5	0.7	1.1	50.0
Volunteer	0.3	0.5	0.7	1.1	50.0
RN	1.3	2.2	2.9	4.4	12.0
LPN	0.6	1.0	1.4	2.1	25.0
Total Field Staff	4.9	8.4	11.1	17.0	

Applicant's Tables Continued

CONTRACTED PATIENT CARE COST

Speech Language Pathology	$250 per visit, 1 visit every 5 ADC
Occupational Therapy	$250 per visit, 1 visit every 5 ADC
Physical Therapy	$250 per visit, 1 visit every 5 ADC
Music Therapy	$175 per visit, 1 visit every 5 ADC
Dietician	$250 per visit, 1 visit every 5 ADC
Total Contracted Cost	

DIRECT PATIENT CARE COST

DME	2.9% of Revenue
Pharmacy	3.38% of Revenue
GIP Cost	2.89% of Revenue
Medical Supplies	1.45% of Revenue
Respite Cost	.76% of Revenue
Room & Board	.24% of Revenue
Mileage	2% of Revenue

Expenses	
Advertising	1.25%
Allocated Costs	10% (HR, Accounting, IT, Clinical, QA, Training, Legal)
B&O Taxes	1.75%
MyCancerJourney	$75 set up fee + 150 per month
EMR (MatrixCare)	See appendix
Education & Training	1.00%
Insurance	$1500 per year
Licensure (JCO)	$8k first year and $1,200 annually
Computer Maintenance	$200/month
Legal and Professional	$200/month
Licenses and Fees	$1200/annually
Purchased Services	$500/month
Recruitment	$2000/month indeed, monster, careerbuilder, radio and web
Rental/Lease	$6000/annual
Repairs and Maintenance	$200/Month
Supplies	$100/Month General Office Supplies
Telephone	$100/month LogMeIn
Payroll Tax & Benefites	33% of Total Admin & Total Field Staff Payroll
Depreciation	$1000/ year

VistaRiver also clarified a few assumptions in response to screening.
"*PT, OT, SLP Cost Estimated to be $250 per visit. 1 visit per every 5 ADC*" [source: February 28, 2022, screening response, pdf 47]

"*The salaries are projected to stay as stated. The 2% figure has been corrected and removed*." [source: February 28, 2022, screening response, pdf 48]

"*No costs are associated with 'travel expenses and taxes' because corresponding costs are expected based on the applicants experience.*

The costs associated with and for Alante are not listed as they are the responsibility of Alante. The professional liability insurance for Alante is not listed as it is not the responsibility of the applicant." [source: February 28, 2022, screening response, pdf 49]

VistaRiver further clarified what specific line items in its financial statements represent in response to screening. [source: February 28, 2022, screening response, pdf 41]
"*Define the following line items.*

a. Other Revenue – This is primarily revenues from dining, bistro, salon, bad debt reimbursement, and admission fees.
b. Ancillary – This expense line includes medical supplies, labs, x-rays, wound supplies, equipment rentals, oxygen, and COVID screening.
c. Activities – This includes expenses for the activities programs run at each of our buildings.
d. Admissions – This is our admission teams, admission supplies, and other costs related to this department.
e. General & Administration – This includes administrator/business office for each business line, taxes, insurance, IT, workers compensation, PTO accrual, bad debts, recruiting costs, health insurance, medical directors, legal, management fees and other administrative items related to operations."

Since its initial submission contained an unusual wealth of 61 documents, some seemingly duplicates, some unopenable, and many nested four folders deep, VistaRiver provided the following response related to some of those initially submitted documents. [source: February 28, 2022, screening response, pdf 48]
"*VistaRiver King County Overview.pdf is an internal document that was erroneously included a part of the files submitted.*

The statement related to Management Fee was a part of internal discussion. It was determined thereafter that no such management will be needed.

The corrected financial statements which reflect the updated decision to remove the management fee have been submitted."

VistaRiver provided in response to screening **two different versions** of pro forma revenue and expense statements for VistaRiver's proposed agency. Following are summaries of the two versions. Although not always labeled, in both summaries, "*Net Revenue*" represents revenue minus contractual adjustments, charity care, and bad debt; while "*Total Expenses*" represents all anticipated operational costs, leaving "*Net Profit / (Loss)*" to represent the difference between revenues and expenses for VistaRiver's King County proposed agency.

Department's Table 26
VistaRiver's First King County Revenue and Expense Statement Summary

	2023 (Partial Year)	**CY 2024** (Year 1)	**CY 2025** (Year 2)	**CY 2026** (Year 3)
Net Revenue	$772,044	$1,981,579	$2,612,082	$3,988,893
Total Expenses	$787,145	$1,143,405	$1,510,371	$2,116,263
Net Profit / (Loss)	**($15,101)**	**$838,174**	**$1,101,710**	**$1,872,630**

[source: February 28, 2022, screening response, pdf35]

Department's Table 27
VistaRiver's Second King County Revenue and Expense Statement Summary

	2023 (Partial Year)	**CY 2024** (Year 1)	**CY 2025** (Year 2)	**CY 2026** (Year 3)
Net Revenue	$721,861	$1,852,777	$2,442,296	$3,729,615
Total Expenses	$1,130,108	$1,734,273	$2,289,242	$3,305,672
Net Profit / (Loss)	**($358,064)**	**$247,306**	**$322,839**	**$683,220**

[source: February 28, 2022, screening response, Appendix 8]

VistaRiver also provided projected balance sheets for the proposed King County hospice agency. A three-year summary is shown in the following table. [source: February 28, 2022, screening response, Appendix 8]

Department's Table 28
VistaRiver's King County Balance Statement Summary

ASSETS	**2023** (Partial Year)	**CY 2024** (Year 1)	**CY 2025** (Year 2)	**CY 2026** (Year 3)
Current Assets	$2,004,369	$2,673,148	$3,642,521	$4,882,925
Property and Equipment	$0	$0	$0	$0
Other Assets	$9,173	$8,518	$7,862	$7,207
Total Assets	**$2,013,542***	**$2,681,321***	**$3,649,694***	**$4,889,098***

** These amounts are taken directly application materials and do not sum correctly*

LIABILITIES	**2023** (Partial Year)	**CY 2024** (Year 1)	**CY 2025** (Year 2)	**CY 2026** (Year 3)
Current Liabilities	$119,248	$155,797	$237,144	$274,471
Long-Term Debt	$0	$0	$0	$0
Equity	$1,894,294	$2,525,524	$3,412,550	$4,614,627
Total Liabilities, Long-Term Debt, and Equity	**$2,013,542**	**$2,681,321**	**$3,649,694**	**$4,889,098**

Public Comment
Sol Miller, CEO, Moments Hospice of King, LLC – Oppose [source: pdfs 35-36 and pdf 38]
"***FTE and Salary Calculations***
Reviewing the pro forma submitted with the initial application, it does not appear that the Applicant has planned for any replacement FTEs to cover non-productive time for direct patient care staff.

In order to maintain the staffing ratios put forth in the application, the proforma FTEs and related payroll costs would need to reflect replacement hours and costs for any paid time off such as vacation, company holidays, sick days, jury duty, bereavement, etc. for direct patient care staff. For example, if the patient to home health aide ratio is 1:12, and the census is 12, more than 1.0 home health FTE is actually required to maintain a 12:1 ratio, because hospice patients require care 24/7, including holidays. A hospice agency must therefore provide HHA coverage when staff are out sick, on vacation, etc. The additional hours (FTEs) required (and the associated costs) depend on the company's paid time off benefits. Companies with more paid time off will need more replacement hours and associated costs, as they must cover the direct patient care staff when those team members are out.

However, spot checking the Applicant's pro forma, nonproductive coverage does not appear to be included. For example, where the Applicant projects an ADC of 52, the applicant has budgeted 4.33

FTEs (52 ADC /12 patients per HHA). The pro forma does not show any hours (FTEs) or dollars to provide direct patient care coverage for nonproductive time.

Therefore, necessarily, either the staffing ratios are in fact lower than what is stated in the application (since no care would be provided when patient-facing staff are on leave), or, the pro forma financials are understated in terms of FTEs and salary costs.

Consequently, either the financial feasibility of this project cannot be accurately assessed based on the applicant's pro forma financials (because there would be additional, unaccounted for costs to cover replacement of direct patient care staf, [sic] in order to maintain the stated staffing ratios), or VistaRiver's staffing models are inaccurate and overstate the level of direct patient care available to patients.

Pediatric Program

On page 11 of its application, the Applicant states:

> *'The agency will be available and accessible to the entire geography of King County. This includes Pediatric patients. The agency will work within the community and with other hospice agencies while VistaRiver develops a pediatric program.'*

The Applicant does not provide an assessment of hospice-eligible pediatric deaths in King County, or any justification for a need for an additional pediatric program. The Applicant should explain what portion of its projections are attributable to this proposed pediatric program, how it plans to maintain adequate staff trained specifically in pediatric hospice care, and how this program will not adversely impact the existing pediatric hospice providers in King County by competing for labor, admissions, etc. Additionally, when is this Program operational, and what pediatric census is the Applicant anticipating? What will be the source of admissions for the new pediatric patient volume?

Pro Forma Balance Sheet

On page 152 of the Applicant's response to the screening questions, the Applicant has provided a revised Pro Forma Balance Sheet. The numbers, specifically those in the asset section in 2023 (total current assets, total fixed assets) do not appear to sum…

…

Pro Forma Expenses

The excerpt below is from the Applicant's Screening response (page 43 of the PDF). It does not appear that the Applicant has sufficiently answered the Department's inquiry.:

> *'Appendix17–MyCancerJourneyContract*
>
> *This contract specifies that it does not include: training, configuration, implementation, among other things. How are these systems useful without these other aspects?'*
>
> *Update current contract to remove this specification? Add how these systems are useful without these other aspects?'*

The revised Pro Forma Income Statement provided in the appendix in the Applicant's response the Screening Questions does not appear to conform to the requirements of the application, which states that the applicant must provide a pro forma 'using at a minimum the following revenue and expense categories identified at the end of this question. ***Include all assumptions.****'*

Conclusions

VistaRiver has made a number of lofty claims of superior care, which are not supported by its staffing model. Vista River's staffing model is either overstated, or its pro forma expenses understated, by it's failure to account for nonproductive replacement FTEs for direct patient care staff. VistaRiver has failed to demonstrate due diligence or expertise with respect to pediatric hospice needs, and has not put

forth any serious strategies for reaching underserved populations. Financial feasibility cannot be assessed by the Department of Health using a balance sheet which does not balance."

Tracy Merritt, Authorized Representative of AccentCare, Inc. and Seasons Hospice & Palliative Care of King County, LLC – Oppose [source: pdf3]
"***Question 15:*** *VistaRiver fails to provide audited financial statements of the applicant. The financial statements included in Appendix 10 are unaudited*.
…
Screening Question 85*. In Appendix 28, VistaRiver fails to indicate what portion of operations this balance sheet represents. The Department asks for clarification, but VistaRiver does not respond.*"

Lee Johnson, Treasurer, Symbol Healthcare Inc., – Oppose [source: pdfs 6-7]
"***ii) VistaRiver***

(1) Vistarivers [sic] capital expenditure table does not total correctly, they show the total as $30,000, it is $27,725.
(2) Vistariver does not show the initial state license and bi-annual costs correctly. The Initial state license is $3,283, and the bi-annual (every other year) is based on census. As a result, Vistariver has not met the financial criterion.
(3) Vistariver does not show MD costs in the pro forma or elsewhere. As a result, Vistariver has not met the financial feasibility criterion.
(4) Vistariver does not show the direct cost staff breakdown or the indirect cost staff breakdown in the pro forma or elsewhere. As a result, Vistariver has not met the financial feasibility criterion.
(5) Vistariver did not provide the updated lease. As a result, Vistariver has not met the financial feasibility criterion.

…

ii) Vistariver

(1) A series of questions in the Vistariver screening response were not answered. Question 58 was not answered, and there is no answer to question 60 or 84, 85, 86. Without answers the Department cannot determine if their structure and process meet requirements.
(2) Vistariver did not provide the updated lease. Without an executed lease there is no site control."

Rebuttal Comments
VistaRiver did not provide rebuttal responses to any written comments in this review.

Department Evaluation
Utilization Assumptions
An applicant's utilization assumptions are the foundation for the financial review under this sub-criterion. VistaRiver based its projected utilization of the new hospice agency on specific factors:

- Average annual length of stay at 62.12 days.
- Average daily census starting at 15.3 for partial year 2023; increasing to 52.7 in full year 2026.
- Percentages of King County's unmet market share[23] are 20.1% in Year 1, 19.6% in Year 2, and 24.2% in Year 3 (2026).

These utilization assumptions are based on the operator's *experience in other start-up agencies* as well as *the owner's 20+ years of experience in healthcare*.

When asked during screening to provide the assumptions used to determine the projected utilization in the application, VistaRiver stated it used experience of its most recent home health startups in Clark and King counties as well as the owner's years of experience. Being that this applicant has in-home services'

[23] Calculated by using the department's hospice need methodology and extrapolating it to 2026.

start-up experience in Washington State the approach to determine a King County hospice start-up is reasonable.

Pro Forma Financial Statements

This applicant initially appeared to plan to apply for both King and Pierce counties' hospice need. In its initial application VistaRiver provided:

- Two years of historical income statements for its parent, [Application, Appendix 10]
- Income statements for its:
    - projected King hospice operations, [Application, pdf 43 and Appendix 27]
    - projected Pierce hospice operations, and [Application, pdf 44]
    - combined operations, [Application, pdf 45]
- Balance sheets for its projected King hospice operations, [Application, Appendix 28]
- And among 61 separate files containing duplicates and some unopenable files an Excel workbook showing some of its calculations and assumptions.

However, despite a listing of statements that the department assumed were in the initial application, and a table outlining what statements were needed in its screening response VistaRiver only provided:

- Two different updated income statements for King hospice operations, [source: February 28, 2022, screening response, pdf 35 and Appendix 8]
- An updated balance sheet for its projected King hospice operations, [source: February 28, 2022, screening response, Appendix 8]

As stated in screening, for the department to do a complete review of this project and understand its impacts on and from existing operations, specific income statements and balance sheets are required. These variations help the department understand whether a proposed project is able to subsist independently and not jeopardize an applicant's existing operations. Although it was helpful that assumptions were more clearly organized and complete in the screening response version, it was contradictory of itself (two different versions) and not all scenarios or periods (outlined in screening) were provided.

In addition to these two significant issues there are a number of other issues that could on their own be reason for failure of this sub-criterion, summarized in the following list.

- Unanswered questions related to lease costs and balance sheets.
- Missing expense line items for necessary aspects of the project.
- While the projected balance sheet provided in the application balanced, the revised balance sheet provided in screening response does not balance as shown in the following comparison tables.

Department's Table 29
VistaRiver's King County Balance Statement Summary as Submitted

ASSETS	**2023** (Partial Year)	**CY 2024** (Year 1)	**CY 2025** (Year 2)	**CY 2026** (Year 3)
Current Assets	$2,004,369	$2,673,148	$3,642,521	$4,882,925
Property and Equipment	$0	$0	$0	$0
Other Assets	$9,173	$8,518	$7,862	$7,207
Total Assets	**$2,013,542***	**$2,681,321***	**$3,649,694***	**$4,889,098***

** These amounts are taken directly application materials and do not sum*

LIABILITIES	**2023** (Partial Year)	**CY 2024** (Year 1)	**CY 2025** (Year 2)	**CY 2026** (Year 3)
Current Liabilities	$119,248	$155,797	$237,144	$274,471
Long-Term Debt	$0	$0	$0	$0
Equity	$1,894,294	$2,525,524	$3,412,550	$4,614,627
Total Liabilities, Long-Term Debt, and Equity	**$2,013,542**	**$2,681,321**	**$3,649,694**	**$4,889,098**

[source: February 28, 2022, screening response, Appendix 8]

Department's Table 30
VistaRiver's King County Balance Statement Summary Recalculated

ASSETS	**2023** (Partial Year)	**CY 2024** (Year 1)	**CY 2025** (Year 2)	**CY 2026** (Year 3)
Current Assets	$2,004,369	$2,673,148	$3,642,521	$4,882,925
Property and Equipment	$0	$0	$0	$0
Other Assets	$9,173	$8,518	$7,862	$7,207
Total Assets	**$2,013,197***	**$2,681,976***	**$3,651,349***	**$4,891,753***

** These amounts are **recalculations** using information in VistaRiver's application*

LIABILITIES	**2023** (Partial Year)	**CY 2024** (Year 1)	**CY 2025** (Year 2)	**CY 2026** (Year 3)
Current Liabilities	$119,248	$155,797	$237,144	$274,471
Long-Term Debt	$0	$0	$0	$0
Equity	$1,894,294	$2,525,524	$3,412,550	$4,614,627
Total Liabilities, Long-Term Debt, and Equity	**$2,013,542**	**$2,681,321**	**$3,649,694**	**$4,889,098**

Public comment opposing this project questioned many aspects of this project's financial assumptions and projections, including its calculations, reasonableness, missing or erroneous expenses, missing contracts, and unanswered questions. VistaRiver did not provide any rebuttal comment to clarify any of the criticisms noted in comments.

Without the complete picture of VistaRiver King County's projected hospice operations relative to that of Sante, the department is unable to gauge this project's financial feasibility. In conclusion, based on the information provided, public comment, and lack of rebuttal comment, the department concludes that the financial information provided is incomplete for this review and has substantial errors. As a result, the department concludes that this King County project, **does not meet this sub-criterion**.

Y.B.G. Healthcare LLC

YBG does not currently operate in King County. However, its members do own hospice agencies licensed and operational in Tennessee and Michigan states.

YBG provided the following assumptions used to determine the projected number of patients and visits for the proposed King County agency:

"***Admissions:*** *Admissions were developed for two cohorts separately: the unserved BIPOC and minority communities and the general population. For the unserved, Heart and Soul estimated admissions by*

using CMS data to quantify the unserved BIPOC community, and market share assuming strategies to engage the community and increase acceptance, trust and ultimately use. For the general population, we estimated reasonable market shares and applied those to the DOH defined hospice population.

***Unserved**:*
The Department of Health's WAC-based projections average three years of historical data; as such, the extent that the BIPOC and other underserved communities underutilize hospice, the projections understate future demand and perpetuate the underutilization. Heart and Soul believes that the approach of comparing how many more individuals would have been served if they enjoyed the same penetration rates as the larger community is reasonable.

As is discussed in further detail in a later section (see Table 5), Medicare data as well as data from the Centers for Disease Control confirms the underserved nature of the BIPOC community for hospice care. The rate of use of hospice by the BIPOC community is consistently the lowest in King County. In 2019 it was only about 63% of the rate of the County at large and only 56% of the rate of the County's white population. 2020 reflects the disparity gap the BIPOC community experienced related to COVID: while the entire County's deaths in hospice declined by 3.5%, the Black deaths in hospice in 2020 declined by 20% and American Native deaths declined by more than 12%.

Using 2019 as the baseline, had the Black and American Indian communities accessed hospice at the same rate as the white community, a total of 126 additional individuals in these two communities (112 Black people and 14 American Indian) would have been served in hospice in 2019. If 2020 were the baseline, a total of 185 additional individuals in these two communities (168 Black people and 17 American Indian) would have been served in hospice. We averaged the 2019 and 2020 incremental volumes realized if the BIPOC community used hospice at the same rate as the white community (156 new cases) to estimate 2021 incremental volumes and assumed a 1% growth per year for each year after (which is the average annual Black and AI population change between 2020 and 2025). The volumes are detailed in Table 2.

Heart and Soul believes that this estimate is conservative estimate as we did not separately estimate services to other minority groups.

Table 2
Heart and Soul Admission Assumptions for Unserved

	2023 (6 months only)	2024	2025	2026
Estimated BIPOC admissions to reach same hospice penetration rate as White community;	160	161	163	164
Estimated market share from underserved BIPOC community, inclusive of dual eligibles, LBGTQAI+ and Veterans. Estimated based on community input and member experience	20.0%	35.0%	50.0%	65.0%
Estimated admissions from underserved BIPOC community	16[4]	56	81	107

General Community:
Per the WAC-based methodology, the unmet Average Daily Census (ADC) in King County is estimated at 85 in 2023. Assuming the historical rate of growth continues at the same rate through 2025, the unmet ADC is expected to be about 175 in 2025.

In our 2023 partial year, we are estimating that we will have a 1% total market share of King County hospice patients. We reviewed CMS data on new starts to determine the reasonable of this assumption. Heart and Soul conservatively estimated that market share will grow by 0.25 each year, such that by 2026, we will have a 1.75% market share of King County patients in hospice.

Table 3
Heart and Soul Admission Assumptions for General Community

	2023 (6 months only)	2024	2025	2026
King County Hospice total volumes estimated per WAC methodology	8,328	8,599	8,870	9,141
Market share of total volumes per WAC methodology	1.00%	1.25%	1.50%	1.75%
Estimated admissions from total potential market (non-underserved populations)	42[5]	107	133	160

Total Admissions:
Combining the unserved and the general community results in the admission estimates by year depicted in Table 4.

Table 4
Heart and Soul Total Admissions

	2023 (6 months only)	2024	2025	2026
Estimated admissions from underserved BIPOC community	16	56	81	107
Estimated admissions from general population	42	107	133	160
Total admissions[6]	58	164	214	267

Average Length of Stay: *We have assumed the Washington State average, per the CN Program's methodology (62.12).*

Patient Days: *Admissions x the ALOS calculate to the projected patient days.*

Average Length of Stay: *Patient days/365 = ALOS*" [sources: Application, pdfs 13-16]

"*Table 1 below provides the numbers and formulas used to estimate the 156 BIPOC admissions included in Table 2 on page 12 of the original application. All of the data sources are from Table 5 on page 15 in the application. Please note that an average of 2019/2020 data was used to estimate the numbers in Table. 2 of the original application.*" [source: February 28, 2022, screening response, pdf 5]

Applicant's Table

Table 1
Calculations for Projected BIPOC Admissions

	A	B	C	D	E
Year of Data: 2019	**All Beneficiary Deaths**	**Adjusted Rate for Hospice (White rate)**	**Estimated Deaths at White Rate**	**Actual Deaths in Hospice**	**Difference/Formula**
Black Population	632	59.0%	373 (A*B)	261	112 (C-D)
AI/AN Population	78	59.0%	46 (A*B)	32	14 (C-D)
Total	710	59.0%	419 (A*B)	293	126 (C-D)
Year of Data: 2020					
Black Population	670	58.1%	389 (A*B)	221	168 (C-D)
AI/AN Population	78	58.1%	45 (A*B)	28	17 (C-D)
Total	748	58.1%	435 (A*B)	249	186 (C-D)
Average of 2019/2020					**(126+186)/2 = 156**

[source: February 28, 2022, screening response, pdf 5]

Applicant's Table

Table 5
Hospice Death Data by Race

	2019			2020			
Race	**Deaths in Hospice**	**All Beneficiary Deaths**	**Percent of Deaths in Hospice**	**Deaths in Hospice**	**All Beneficiary Deaths**	**Percent of Deaths in Hospice**	**Percent Change in Deaths 2019-2020**
White	5,343	9,060	59.0%	5,484	9,444	58.1%	-1.5%
Black	***261***	***632***	***41.3%***	***221***	***670***	***33.0%***	-20.1%
Asian	352	746	47.2%	407	916	44.4%	-5.9%
Hispanic or Latino	36	77	46.8%	44	109	40.4%	-13.7%
American Native	***32***	***78***	***41.0%***	***28***	***78***	***35.9%***	-12.4%
Other	199	421	47.3%	198	454	43.6%	-7.8%
Unknown	75	151	49.7%	72	198	36.4%	-26.8%
Total	**6,298**	**11,165**	**56.4%**	**6,454**	**11,869**	**54.4%**	**-3.5%**

*Source: Developed from Medicare Files, 2021; Bergdata.com. *These are deaths for patients who were enrolled in hospice sometime in the year; these patients were not necessarily on hospice at the time of death. Those numbers would be lower.*

[source: Application, pdf 18]

In response to a screening question asking the applicant to elaborate on earlier mentioned *community input* and *member experience* YBG provided the following statement. [source: February 28, 2022, screening response, pdfs 5-6]

"*For the better part of the past 18 months Heart and Soul has been actively engaging with the BIPOC community and with those that are advocating for equity and access for individuals and communities facing disparities in King County and Washington State. Many of these entities will be providing public comment in support of the Heart and Soul application and further describing community input and excitement.*

Further, David Turner's experience (in Michigan and Tennessee) is that use of hospice grows in direct proportion to the community's gain in trust and acceptance of a black owned hospice. Case in point, 63% of Heart and Soul's Nashville agency's current hospice census are BIPOC.

For reference, we have also included as Attachment 1 to this screening response a copy of a Kaiser Family Foundation February 2021 report entitled Racial and Ethnic Inequities and Medicare. In summary, this report, which focuses on the Black community and dual eligible concludes that:

- *Life expectancy at age 65 has improved since the enactment of Medicare among all older adults but is lower for Black adults than White or Hispanic adults (18.0, 19.4, and 21.4 years, respectively) and higher for Hispanic adults than Black or White adults.*
- *Overall, Black and Hispanic Medicare beneficiaries have fewer years of formal education and lower median per capita income, savings, and home equity than White beneficiaries.*
- *Among Medicare beneficiaries, people of color are more likely to report being in relatively poor health, have higher prevalence rates of some chronic conditions, such as hypertension and diabetes than White beneficiaries; they are also less likely to have one or more doctor visit, but have higher rates of hospital admissions and emergency department visits than White beneficiaries.*
- *While the vast majority of Medicare beneficiaries across all racial and ethnic groups have some source of supplemental coverage to help fill in Medicare's benefit gaps and cost-sharing requirements, the share of beneficiaries with different types of coverage varies by race and ethnicity. A smaller share of Black and Hispanic Medicare beneficiaries than White beneficiaries have private supplemental coverage through Medigap or retiree health plans, while a larger share have wrap-around coverage under Medicaid; a larger share of Black and Hispanic than White beneficiaries are enrolled in Medicare Advantage plans*
- *While relatively few Medicare beneficiaries overall report problems with access to care, a larger share of Black and Hispanic beneficiaries report trouble getting needed care than White beneficiaries.*
- *The COVID-19 pandemic has further highlighted stark racial/ethnic health inequities among Medicare beneficiaries, with Black, Hispanic, and American Indian/Alaska Natives accounting for disproportionate rates of COVID-19 cases and hospitalizations. Among adults ages 65 and older, people of color bear disproportionate rates of COVID-19 deaths relative to older White adults.*"

Based on the preceding assumptions, YBG provided the following projections for utilization of the proposed hospice agency. [source: February 28, 2022, screening response, pdf 4]

Department's Table 31
YBG's Projected Utilization for King County Hospice Operations

	2023 Partial Year (6-months)	CY 2024 (Year 1)	CY 2025 (Year 2)	CY 2026 (Year 3)
Admissions	58	164	214	267
Market Share of King County Unmet Admits	11.7%	21.3%	20.6%	20.9%
Total Days	3,603	10,188	13,294	16,586
Average Length of Stay	62.12	62.12	62.12	62.12
Average Daily Census	19.6	27.8	36.4	45.4

If this project is approved, the new hospice agency would be operated separately from any other business entity. The proposed hospice is not a subsidiary or under the control of any parent entity, nor is it an expansion of any agency's existing services or planning areas. Therefore, YBG appropriately provided projected financial statements for this project as a stand-alone agency.

In an earlier section of this evaluation[24] YBG's projected payer mix information and assumptions are detailed. This information is relevant to this sub-criterion but will not be repeated here.

YBG also provided the following assumptions used to project its pro forma financials. [source: February 28, 2022, screening response, Attachment 4]

Applicant's Tables

REVENUE		
Days of Care		
Routine Home Care - Tier 1	60.0%	
Routine Home Care - Tier 2	40.0%	
Total Routine Home Care	98.0%	
General Inpatient	0.7%	
Continuous Care	0.5%	
Inpatient Respite Care	0.8%	
Total	**100.0%**	
Per Diem Rates		
Routine Home Care - Tier 1	$ 228.25	King County FY2022 CMS Rate
Routine Home Care - Tier 2	$ 180.38	King County FY2022 CMS Rate
General Inpatient	$ 1,193.84	King County FY2022 CMS Rate
Continuous Care	$ 555.37	King County FY2022 CMS Rate, 8 hr minimum
Inpatient Respite Care	$ 527.24	King County FY2022 CMS Rate
Service Intensity Add-On	$ 1.30	Based on Patient Day Revenue of $1.3

Deductions from Revenue		
Bad Debt	0.5%	Percengtage of Gross Revenue
Contractual Allowance	0.5%	Percentage of Gross Revenue, include 2% sequestration expense
Charity Care	4%	Percentage of Gross Revenue

[24] WAC 246-310-210(2)

Assumptions the following patient care line items are based on Heart and Soul's experience in other communities and consultation with billing consultants unless otherwise noted.

Line Item	**Assumption**
Salaries and Wages:	Based on FTEs and staffing table.
Payroll Taxes & Benefits:	18% of salaries and wages.
Pharmacy	6.30 per patient day based on 2019 cost report average for King County free standing hospice agencies
Durable Medical Equipment	9.60 per patient day per patient day based on 2019 cost report average for King County free standing hospice agencies
Medical Supplies	2.50 per patient day
Other Direct Costs (Med. Services, Lab fees, etc.)	1.20 per patient day
Nurse Practitioner-Contracted	1.00 per patient day
Dietitian	0.10 per patient day
Physical Therapist	0.20 per patient day
Speech Therapist	0.10 per patient day
Occupational Therapist	0.20 per patient day
Physician Face-to-Face Visit	0.25 per patient day
General Inpatient Costs	85% of general inpatient revenue
Inpatient Respite Costs	55% of inpatient respite revenue
5% Room & Board	2.30 per patient day
Mileage Reimbursement	8.15 per patient day

Line Item	**Assumption**
Salaries and Wages:	Based on FTEs and staffing table. Also includes bonus for the Executive Director (10%) and Community Education representatives (25%)
Payroll Taxes & Benefits:	18% of salaries and wages.
PRN -Temporary staff	Assumes $35/hour at 60 patients/FTE
Medical Director	7.00 per patient day
Advertising & Marketing	4.50 per patient day
Cultural Competency Marketing	0.10 per patient day
Rent	See rent schedule. For the months of October, November and December (2022), Heart and Soul has assumed that the CN will be issued by September 2022. Therefore, consistent with the lease agreement, the monthly lease expense increases from 1306.67 to 1,862.00 for the post CN approval time period.
Utilities	150.00 per month based on information from landlord.
Dues & Subscriptions	1.00 per patient day
Office Expense	2.50 per patient day
Property & Liability Insurance	$200/month based on experience in other markets and other applications.
License Fee	Based on WA State fee schedule
Legal & Professional	1.00 per patient day
Banking Service Fees	0.07 per patient day
Travel & Entertainment	0.15 per patient day
Auto Expense	0.35 per patient day
Billing Fee	3% of gross patient revenue
Depreciation	See fixed asset schedule
B&O Taxes	1.5% of net revenue

YBG provided the following additional clarification related to its financial statements.
"*The formula for contractual allowances is as follows:*
(2% Medicare Revenue)-this is for the 2% Medicare sequestration expense + (0.5% * gross revenue)*

In 2026, the numbers are as follows:
*(0.5% * 3,674,996 total revenue)+(2.0%* 2,939,997 Medicare Revenue) = 77,175*

The following line items are defined as follows:

***Other Direct Costs:** includes such items as ambulance, labs, medical service fees (chemotherapy, imaging, radiation therapy)*

***Office Expense:** includes but is not limited to mailing supplies, office equipment, printing*

Miscellaneous expenses were developed as a 'catch all' for any unanticipated expenses. We have removed this line item since we have confidence that we have covered the necessary expenses in the other line items." [source: February 28, 2022, screening response, pdf 16]

In response to a screening question about the basis for some line items YBG provided the following response. [source: February 28, 2022, screening response, pdfs 16-17]
"*The National Consultant utilized by Heart and Soul utilizes PPD assumptions to develop budgets for numerous hospice agencies across the country and finds this method to be quite accurate in projecting costs/expenses.*

However, based on your specific questions regarding the underlying basis for our assumptions, we did make some revisions to our PPD assumptions or revised our assumption from PPD to another basis (details provided in Attachment 4) when possible/necessary to reflect available Washington/King County specific data. For example, if Washington/King County data based PPD expenses resulted in higher costs than estimated through the national PPD assumption, in order to be conservative, assumptions were revised to reflect King County averages.

The bottom line is that YBG was very thorough and utilized several sources of data to determine the most accurate and reliable underlying assumptions in the pro forma financials. Details on these are included in the updated financial assumptions included in Attachment 4 and include:

> *1. Information/data/assumptions from a national consultant we are working with that has expertise in establishing hospice agency budgets and developing cost reports for multiple agencies in multiple different markets.*
> *2. Cost report data (per patient day) for King County free standing hospice agencies for 2019 (the most recent available data at the time that the application was being prepared).*
> *3. Review of other King County hospice applicant and/or approved provider financial assumptions.*
> *4. Heart and Soul's experience in other markets.*"

In response to a screening question seeking to better understand YBG's assumptions that used a per patient day calculation, YBG provided the following response. [source: February 28, 2022, screening response, pdf 17]
"*With the exception of Property & Liability Insurance, the other line items are appropriately associated with patient days because the costs are expected to increase with census. YBG has revised its Property & Liability Insurance assumption to be $200/per month. This is a better approach for this particular*

line item, and we thank the Program for pointing it out. As noted above, we have opted to remove the line item 'Miscellaneous Expense."

In response to a screening question about a planned pediatric program YBG provided the following response. [source: February 28, 2022, screening response, pdf 18]
"*No costs for pediatric services were assumed. As described in response to Q7 for additional detail, we intend to ideally hire staff with pediatric expertise, and also provide pediatric continuing education even before having a formal program. Assuming demand, the timeframe for Heart and Soul to have a formal pediatric program is estimated at four to five years after opening*."

Following is a summary of the pro forma revenue and expense statement for YBG's proposed agency. In the summary, "*Net Revenue*" represents revenue minus contractual adjustments, charity care, and bad debt; while "*Total Expenses*" represents all anticipated operational costs, leaving "*Net Profit / (Loss)*" to represent the difference between revenues and expenses for YBG's King County proposed agency. [source: February 28, 2022 screening response, Attachment 4]

Department's Table 32
YBG's King County Revenue and Expense Statement Summary

	2023 (Partial Year)	**2024** (Year 1)	**2025** (Year 2)	**2026** (Year 3)
Net Revenue	$745,625	$2,108,319	$2,751,099	$3,432,446
Total Expenses	$909,109	$2,121,057	$2,661,102	$3,077,111
Net Profit / (Loss)	**($163,484)**	**($12,738)**	**$89,997**	**$355,335**

YBG also provided projected balance sheets for the proposed King County hospice agency. A summary is shown in the following table. [source: February 28, 2022, screening response, Attachment 4]

Department's Table 33
YBG's King County Balance Statement Summary

ASSETS	**2023** (Partial Year)	**2024** (Year 1)	**2025** (Year 2)	**2026** (Year 3)
Current Assets	$19,619	$216,427	$363,877	$772,839
Property and Equipment	$60,234	$47,912	$35,590	$23,268
Other Assets	$0	$0	$0	$0
Total Assets	**$79,853**	**$264,339**	**$399,467**	**$796,107**

LIABILITIES	**2023** (Partial Year)	**2024** (Year 1)	**2025** (Year 2)	**2026** (Year 3)
Current Liabilities	$66,933	$165,561	$210,693	$251,997
Long-Term Debt	$0	$0	$0	$0
Equity	$12,921	$98,778	$188,775	$544,110
Total Liabilities, Long-Term Debt, and Equity	**$79,854**	**$264,339**	**$399,468**	**$796,107**

YBG provided the additional following information regarding the statements of the proposed King County agency: [source: Application, pdf 32]
"*YBG is a new entity, and no audited financial statement exists. There is no parent entity. As noted in response to Question #13, one Member will contribute the financial resources necessary to establish*

and sustain the new agency until revenues exceed expenses. The fact that the legal applicant has no history was discussed during a TA with CN Program staff. We understand that Washington State welcomes new providers and that a lack of history is not an obstacle to CN approval."

Public Comment

Sol Miller, CEO, Moments Hospice of King, LLC – Oppose [source: pdfs 24-25 and 31-32]

"*In its response to application question 4, 'Provide a detailed description of the proposed project,' Y.B.G. devotes more than a third of its response to describing general, nationwide population trends related to refugees, immigrants, etc., but never relates these statistics to a hospice-eligible population:*

…

While these are interesting statistics, the Applicant has not quantified the hospice-eligible portion of, for example, the 2,560 immigrants from Somalia, which would include younger persons and students. The applicant has not related these statistics to hospice admissions. Various data sources, including the Migration Policy Institute confirm that the majority of sub-Saharan immigrants are under the age of 65.

Furthermore, the applicant's payer mix assumptions make no mention of refugee or immigration status, despite devoting such a large portion of its project description to this group. The applicant has not addressed whether the hospice-eligible portion of this group is eligible for programs such as Medicare and Medicaid, and whether and to what extent they are reflected in the payer mix.

…

Payer Mix

The applicant's payer mix assumptions appear to have been constructed in order to win a CN, rather than being grounded in realistic assumptions. CNS Hospice, Mr. Turner's other minority-focused hospice in Michigan, had a Medicare percentage almost identical to the Michigan state average. However, Y.B.G. is predicting a Medicare payer mix substantially different from Washington's state average. Similarly, there is a discrepancy in the Medicaid percentage of the payer mix projected for King County, compared to Mr. Turner's other hospice in Michigan, as shown in the table below, which has been constructed from 2020 Medicare cost reports.

Another point of concern is that the other minority-focused hospice that Mr. Turner recently sold only served Medicare and Medicaid patients. The percent of non-Medicare, non-Medicaid payers in years 2017-2020 was 0.0%-- despite the Michigan state average for other payers being 4.6% in 2017, 4.8% in 2018, 4.0% in 2019, and 3.7% in 2020. A portion of the immigrant and refugee populations that YBG described in its project description may not be eligible for these programs.

Y.B.G.'s projections for other payers are also considerably lower than the 2020 Washington state average, also shown in the table below.

Because payer mix is driven primarily by local factors, such as demographics, area employers, etc., the CNS mix overall is not relevant to King County. However, what is relevant, is the lack of commercial contracting—especially since state averages in Michigan were higher than CNS's proportion of commercial payers. This raises the question of whether Y.B.G. will successfully pursue commercial and other contracts in King County, and whether the underserved groups, such as veterans, immigrants, etc. who do not have Medicare or Medicaid, will indeed have access to services.

	Y.B.G. (Projected)	CNS Hospice (Actual)	Washington State Average
Medicare	80%	94.7%	87.4%
Medicaid	15%	5.3%	1.8%
Other	5%	0%	10.8%

Actual data is from 2020 Medicare Cost Reports, provided by HealthPivots. Y.B.G.'s projection comes from its revised payer mix which it resubmitted in response to screening questions from the Department of Health."

Lee Johnson, Treasurer, Symbol Healthcare Inc., – Oppose [source: pdf 6]
"***iii) YBG***

(1) In YBG's payer mix table, revenue per payer and revenue per patient are identical. The Department has rightly pointed out that it is highly unlikely that these will be identical, and they have required other applicants to show the difference. As a result, YBG has not met the financial feasibility criterion.

(2) YBG did not use the correct initial state license fee for the first year in the pro forma, p. 83, they used $2,383, (the cost is $3,283) and they used the same cost ($2,383) for every year. After the initial state license cost, the cost is bi-annual. The Departments fee schedule states, "(3) Renewal license. A licensee shall submit to the department a twenty-four-month renewal fee for home care, home health and hospice agencies, based on the number of full-time equivalents (FTEs)". As a result, YBG has not met the financial feasibility criterion.

(3) YBG shows accreditation costs of $3,000, but the total accreditation costs are closer to $10,000 for ACHC or CHAP. As a result, YBG has not met the financial feasibility criterion."

Y.B.G. Healthcare LLC Rebuttal Comment to Symbol's Comment [source: pdfs 18-19]
"***A. Our Pro Formas are correct, our applications address all financial feasibility criterion, and the Program is able to determine the Program's financial feasibility***

i. Payer mix

Symbol noted that in the payer mix table included in our CN application, revenue per payer and revenue per patient are identical. This is correct and is due to the fact that the gross charges or revenue must be the same for all patients, regardless of payer. And, because the ALOS and level of care are assumed to be the same for all admissions, there is no difference between gross revenue by payer and patients/admissions by payer. In screening the CN Program did not request any additional information on the distribution of the payer mix (only for Heart and Soul to define other). The CN Program has previously approved applicants, including other King County applications, with identical revenue and patient payer mix assumptions.

ii. Initial state licensing fees

Symbol notes that we identified licensing fees as $2,383, versus the actual $3,283, and then we assumed theses costs annually, not bi-annually. Symbol is correct. The initial licensing fee is $3,283 or $900 higher than we stated. The ongoing renewal fee is $2,383 every other year, and we budgeted for it annually, so we overstated these costs in the off-year. The impact is minimal; a 0.28% impact on the total operating expenses in Year 1 (2023), which had projected an operating deficit of $163,485. In Year 2 (2024), Heart and Soul has overstated its operating loss of $12,738 by $2,383. Clearly, this has no impact on the project's overall financial feasibility. In a recent hospice legal appeal, CN Program manager agreed that a minor discrepancy in the pro forma does not impact their reliability:

Section 1.43: It has been longstanding Program practice to decide that pro formas are unreliable in their entirety upon the discovery of an error or omission. Historically, such a determination was made without regard for the magnitude of the error or omission (footnote 54, TR 836). In fact, the Program would even make such a determination if the error was inconsequential and the applicant could show it would be profitable by the third year of operation with correction of the error. (footnote 55, TR 836). Section 1.44: However, Mr. Hernandez no longer believes that such blanket determinations are appropriate, noting that finding a pro forma to be unreliable in its entirety because of a minor error or omission. Further, Mr. Hernandez noted that failing an application simply for a small error . . . doesn't seem good public health policy.

iii. Accreditation costs

Symbol suggests that Heart and Soul did not include all costs for accreditation. Quite to the contrary, Heart and Soul included expenses for accreditation in their pro forma only after connecting directly with CHAP to identify not only the total costs, but the timeframe for submittal of those costs to ensure they were accounted for in the correct line item and year. Based on this guidance from CHAP, Heart and Soul did include the total costs for CHAP accreditation (estimated by CHAP at approximately $9,000) in its pro forma. As communicated by CHAP, these total costs are payable in three installments. As noted in the pre-opening expenses (PDF p. 83 of the screening response), Heart and Soul assumed that the initial payment ($3,000 due at time of application) will be incurred prior to opening. The subsequent payments (of approximately $3,000 each) are accounted for in the partial year 2023 (payment is due 6 months after the initial payment) and full year 2024 (due 12 months after initial payment). The 2023 and 2024 costs are included in the dues/subscription line item in the pro forma. Clearly, Heart and Soul has carefully and accurately included accreditation costs."

Department Evaluation

Utilization Assumptions

An applicant's utilization assumptions are the foundation for the financial review under this sub-criterion. YBG based its projected utilization of the new hospice agency on the following specific factors:

- Average annual length of stay at 62.12 days.
- Average daily census starting at 19.6 in partial year one, increasing to 45.4 in full year 2026.
- Assumed additional admits from King County's unserved population. Market shares specific to this population are approximately 35% in Year 1, 50% in Year 2, and 65% in Year 3.
- Estimated admissions by using CMS 2019 data to quantify the unserved BIPOC community and a growing but modest market share of the department's calculated numeric need, see below detail.

Using Medicare's 2019 beneficiary data YBG compared rates of hospice use of white beneficiaries relative to those of BIPOC beneficiaries. By assigning the 2019 white beneficiaries' hospice use rate to those of BIPOC beneficiaries YBG determined a count of BIPOC beneficiaries that did not receive hospice benefits in year 2019. YBG assumed some of its projected admissions based on serving these persons.

Utilization Assumptions' Review

In public comment YBG received criticism on its projected utilization assumptions from one of its competitors in this review. Moments suggested that YBG had not related extensive nation-wide statistics to populations who are hospice-eligible and to its projected admissions.

YBG's project assumes a portion of the unmet admits from the department's methodology ranging from 11.7% to 20.9%. These percentages include an assumed 20% to 65% of YBG's target populations, the

underserved BIPOC community. YBG provided a detailed account of where underserved admission calculations originated from. In summary, YBG used King County-specific 2019 data from CMS to calculate a gap in services, identifying an underserved group, which it then used to project some of its admissions. The department considers YBG's detailed analysis to be reasonable.

Pro Forma Financial Statements

The applicant provided pro forma financial statements, including revenue and expense statements and balance sheets. These financial statements allow the department to evaluate the financial viability of the proposed hospice agency. Given that this agency would be operated independent from any parent organization or affiliate, YBG only provided statements directly related to its proposed King County hospice operations.

Payer Mix Assumptions' Review

In public comment YBG received criticism on its assumed payer mix from its competitors in this review. Moments discussed several issues. First, that YBG's payer mix does not seem to be grounded in realistic assumptions. Second, concerns over whether the assumptions implied a lack of commercial contracting. In public comment Symbol also pointed out that YBG's payer mix assumptions seemed unreasonable.

YBG provided a detailed account of how it projected its payer mix, this is quoted under the review of WAC 246-310-210(2). Because YBG intends to focus its efforts on currently underserved and unserved populations thereby not duplicating existing hospice services, it follows that its assumed payer mix may diverge from the expected state averages. This also explains the expectation that commercial payers maybe lower than expected state averages.

Related to the exact match of YBG's payer by revenue and payer by patient YBG rebutted that these percentages are of gross amounts rather than net, which sufficiently explains the match.

The department considers the level of detail and rebuttal provided by YBG connecting its project's specifics to its projected payers to be reasonable.

Line Item Assumptions' Information

Additional comment from Symbol stated that it found errors in YBG's assumed fees for state licensing and accreditation and therefore does not meet the criterion. YBG first rebutted the claim on state licensing error breaking down the de minimis impact of the error. Explaining that the error does not impact its third year's profitability or financial feasibility. Second, YBG rebutted the comment about accreditation costs pointing to portions of the record that account for the full cost and detailed what research went into allocating these costs. This explanation resolves the issue.

Lease

The hospice agency's office will be located in Renton within King County. YBG provided an executed copy of the lease agreement for the space. The signed lease commenced January 1, 2022, has an initial term of 36 months, and an optional renewal period of two years. YBG included communication from a representative of the landlord clarifying which additional costs associated with the lease agreement are included in the base rent. Terms and costs for both the initial optional renewal period are included in the lease agreement. Documentation provided substantiate all lease costs identified in the pro forma revenue and expense statement. [source: February 28, 2022, screening response, Attachments 5 and 7]

Medical Director

YBG provided a *Professional Services Agreement for Medical Director – Policy No. 2-003* with *Addendum 2-003.A*. The signed and executed agreement includes an effective date of February 1, 2022.

The agreement states compensation is at the rate of $7.00 per patient day and has an initial term of one year that renews annually unless terminated. Further, the agreement substantiates rates identified in the pro forma revenue and expense statement. [source: February 28, 2022, screening response, Attachment 6]

Based on the information provided, public comment, and rebuttal comment, department concludes that the financial information provided reasonably projects the revenues and expenses presented by the applicant. As a result, the department concludes that this King County project, **meets this sub-criterion**.

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

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

Moments Hospice of King, LLC

Moments Hospice King identified an estimated capital expenditure of $51,385 for this project which includes moveable equipment, consulting fees, and Washington state sales tax. [source: Application, pdf 113] The applicant provided the following assumptions used to determine these costs. [source: Application, pdf 114]

"Assumptions utilized include $10,000, to furnish the office space with conference tables, chairs, desks, and similar items. The estimate was based on purchases of similar items for other Moments start up hospices in other areas. Sales tax was computed at the Seattle rate of 10.1 percent of the cost of office furniture. $5,000 was allocated for wiring the new office (no sales tax applied). Consulting fees consist of CON application consulting expenses, and are based on similar, recent expenditures on other CON applications by Moments affiliates."

In addition to the $51,385 referenced above, Moments Hospice King identified start-up[25] costs to be $56,772, which includes CN application fee, rental deposit, travel, and salaries/wages/benefits/payroll taxes. [source: Application, pdf 115 and February 28, 2022, screening response, pdf 14]

"Estimated start-up costs were based on the experience of other recent Moments hospice start-ups in other areas, and include: Fees for the CON application equal to $21,968, a $5,000 deposit to hold office space until the CON is granted and the lease of office space fully executed, and $5,000 in estimated travel expenses for Moments Hospice executives' travel to King County related to start up activities. Additionally, due to the recruiting and onboarding timeline, we estimated half of the first month of operation's salaries, wages, taxes, and benefits expenses prior to opening.

The amount of start-up costs associated with salaries, wages, payroll taxes, and benefits is $24,803.66, and, as stated in the application, this amount equals half of the first month's projected salaries and benefits (including payroll taxes). The table below shows the breakdown of start-up costs."

Moments Hospice King provided the following information to demonstrate that its project would not have an unreasonable impact on costs and charges of healthcare services in King County. [source: Application, pdf 115 - 116]

"There are no construction costs associated with this project.

[25] Start-up costs are expenses incurred during the process of creating a new business.

The majority of hospice patients are Medicare patients. As described in the Medicare Program; FY 2022 Hospice Wage Index and Payment Rate Update, Hospice Conditions of Participation Updates, Hospice and Home Health Quality Reporting Program Requirements published in the Federal Register, the Medicare program has mechanisms in place, in the form of per beneficiary cost caps and inpatient care limits, which cap Medicare's exposure to financial risk and shift the risk back to the hospice provider.

Moments Hospice of King's gross charges for services provided under this project were set equal to Medicare rates, are competitive for the services provided, and would not result in unreasonable charges. Unlike other hospice providers, Moments Hospice of King does not charge patients for separately for additional services which are not required by Medicare, such as massage therapy. Moments Hospice of King includes these services under the per diem charges.

The aggregate impact to cost and charges for health services in the planning area include costs savings for area hospitals in the form of reduced hospital average length of stay as terminally ill patients are discharged to hospice care earlier and more often. Also, area hospitals could experience reduced avoidable readmissions. Another potential cost impact for King County would be reduced spending per Medicare beneficiary, since studies show that end of life care provided by hospice is less expensive."

There were no public comments or rebuttal comments submitted for the Moments project related to this sub-criterion.

Department's Evaluation

In the need section of this evaluation, Moments Hospice King provided compelling information to demonstrate compliance with both the numeric need and the availability and accessibility criteria. To assist in evaluating this sub-criterion, the department takes into consideration the applicant's conformance with the previous sub-criterion [WAC 246-310-220(1)]. The department concluded that it could not rely on the financial projections provided in the application. Therefore, financial review of this project under WAC 246-310-220(1) could not be completed.

Given that Moments Hospice King did not demonstrate compliance with WAC 246-310-220(1), the department cannot conclude that its establishment of a new hospice agency in King County would have an unreasonable impact on the costs and charges for healthcare services. **This sub-criterion is not met.**

The Pennant Group, Inc.

Pennant identified an estimated capital expenditure of $5,000 for this project which includes phone system and IT/computers and Washington state sales tax. [source: Application, pdf 24]

In addition to the $5,000 referenced above, Pennant identified start-up costs to be $15,500, which includes recruitment, marketing and advertising, and travel costs. [source: Application, pdf 26-27]
"Recruitment - $5,000 estimated based on Cornerstone's past experience with starting new hospice operations. Includes external postings on job boards that include: LinkedIn, Indeed, Career Builder, and Glassdoor. We will also identify and attend any applicable and timely job fairs. We will also contact the local colleges and local healthcare professional associations.
Marketing/Advertising - $4,000 estimated based on Cornerstone's past experience with starting new hospice operations. Advertisements in local media including print, notifying of our grand opening, including holding a meet and greet for local healthcare administrators and other community partners. We will also develop marketing brochures and patient packets.
Travel - $6,500 estimated based on Cornerstone's past experience with starting new hospice operations. This accounts for essential Resources traveling to and from the Pennant Service Center to provide

necessary support, including HR, IT, and Clinical Resources. This will continue for a period of 60-90 days."

Pennant provided the following information to demonstrate that its project would not have an unreasonable impact on costs and charges of healthcare services in King County. [source: Application, pdf 25]
"This project will not have a negative impact on the costs and charges of health services in the planning area. Hospice care has been shown to be cost-effective and is documented to reduce end of life costs. This project proposes to address the hospice agency shortage in the county and will improve access to care. Over time, this will reduce the cost of end of life care and benefit patients and their families.

The capital and start-up costs of this project are minimal, estimated at $20,500, they will not have an unreasonable impact on the costs and charges of health services in the planning area. Hospice care has been shown to be cost-effective and is documented to reduce end of life costs. This project proposes to address the hospice agency shortage in the county and will improve access to care. Over time, this will reduce the cost of end of life care and benefit patients and their families."

There were no public comments or rebuttal comments submitted for the Pennant project related to this sub-criterion.

Department's Evaluation
The estimated capital expenditure for this project is $5,000 with no construction. All the estimated capital costs are for movable equipment and associated sales tax. Start-up costs estimated at $15,500 are associated with recruitment, marketing and advertising, and travel costs.

Pennant's financial commitment letter demonstrates the applicant's financial commitment for the capital expenditure and the start-up costs.

The department does not have an adopted standard on what constitutes an unreasonable impact on charges for health services. Medicare patients typically make up the largest percentage of patients served in hospice care. For this project, the applicant projected that 95.2% of its patients would be eligible for Medicare; Medicaid is projected to be 3.7%, for a combined Medicare and Medicaid total at 98.9%. Gross revenue from Medicare and Medicaid is also projected to 98.6% of total revenues. Thus, standard reimbursement amounts and related discounts are not likely to increase with the approval of this project.

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

VistaRiver King County HoldCo, LLC
The VistaRiver project does not include construction but does have an estimated capital expenditure. To clarify its capital expense and start-up costs the department asked VistaRiver in screening the following question.
"*WAC 246-310-220 – FINANCIAL FEASIBILITY*

26. The response to question 4 of this section itemizes no estimated capital expenditure while it does show start-up costs. Note that:

a. CN differentiates between capital expenses and start-up costs, see the CN definition section WAC 246-310-010(10).
*b. An applicant's letter of intent **must match** its submitted application. In this case*

VistaRiver's letter of intent and cover of this application indicate its estimated cost of the proposed project is $30,000.

With this information itemize the estimated capital expense and start-up costs for this project.

Following is VistaRiver's response. [source: February 28, 2022, screening response, pdfs 19-20]
"*WAC 246-310-010(10)*
'Capital expenditure':[applicant quoted the WAC definition here]

Please see the corrected response in the next question.

There are no construction costs associated with this project. The only capital expenditures are related to movable furniture and minimal technological (phone setup). The estimated costs of the proposed project are estimated to be $30,000 which includes the taxes. These estimates are consistent with the definition of 'capital expenditure' identified in WAC 246-310-010(10). Further, it is consistent with the approach taken in past home service applications submitted for review.

Item	Cost
a. Land Purchase	$N/A
b. Utilities to Lot Line	$N/A
c. Land Improvements	$N/A
d. Building Purchase	$N/A
e. Residual Value of Replaced Facility	$N/A
f. Building Construction	$N/A
g. Fixed Equipment (not already included in the construction contract)	$N/A
h. Movable Equipment	$5,000
i. Architect and Engineering Fees	$N/A
j. Consulting Fees	$N/A
k. Site Preparation	$N/A
l. Supervision and Inspection of Site	$N/A
m. Any Costs Associated with Securing the Sources of Financing (include interim interest during construction)	$N/A
1. Land	$N/A
2. Building	$N/A
3. Equipment (Phone System, Cell Phones, Computers & other office IT misc.)	$20,000.00
4. Other	$N/A
n. Washington Sales Tax (10.00%) [6]	$2,725.00
Total Estimated Capital Expenditure	**$30,000.00**

With this information itemize [sic] the estimated capital expense and start-up costs for this project."

Since the applicant provided two different lists of equipment costs in the initial application[26] the department asked VistaRiver in screening to clarify which is correct. VistaRiver responded with the same table as above.

[26] Application, pdf 28 and 30

VistaRiver provided the following statements related to this sub-criterion.
"*As noted in this application, King County hospices are under capacity stress, a current need for two new hospices; resulting in shorter lengths of stay and limited outreach as shown by admissions. VistaRiver Hospice being located at Laurel Cove can operate with great economies of scale without large patient volumes that could affect new King County hospices and additional staffing is minimized due to the economies of scale [sic]. This addition of capacity should reduce future capacity stress for King County hospices while not reducing current volumes. This will give other newly approved hospices an opportunity to catch up with the current volume of patients*." [source: Application, pdf 29]

"*With minimal capital, start-up, and operational costs of $30,000 the project's impact on King County's health care services is not unreasonable. Hospice care has been shown to offer cost benefits to patients and families with reduced end-of-life expenses. This proposal seeks to address the scarcity of hospice agencies in King County while also increasing access for those who need it most. Over time this will reduce the cost of end-of life care which will be beneficial for all parties involved including patients and their loved ones*." [source: Application, pdf 30]

"*The assumptions that were used to estimate these equipment costs originated from the most recent hospice start up operation in Portland, Oregon*.

Yes the sales tax is included in these estimates." [source: February 28, 2022, screening response, pdf 24]

In response to a question asking the applicant to elaborate on how being *Located at Laurel Cove will reduce the costs of outreach and administration during the certification process* VistaRiver provided the following statement. [source: February 28, 2022, screening response, pdf 21]
"*The certification process timeline is assumed to begin in November 2022 and successfully accredited by April 2023 which assumes we receive a favorable decision from the department in November of 2022 (which is based on the prior King County hospice cycle timelines).*

Operational cost efficiencies can be achieved because of our location within Laurel Cove from an outreach perspective as well as an administrative perspective. This will be in the form of being able to provide educational information and training to the staff of Laurel Cove. The main cost savings will be seen in the outreach efforts and the administrative costs associated with printed marketing materials. The estimated cost savings are assumed to be inconsequential."

In screening the department asked the applicant to detail specific economies of scale related to this statement from its application: *VistaRiver Hospice being located at Laurel Cove can operate with great economies of scale without large patient volumes that could affect new King County hospices and additional staffing is minimized due to the economies of scale.* VistaRiver provided the following statement. [source: February 28, 2022, screening response, pdf 22]
"*A positive byproduct of the covid pandemic has been the realization of operational efficiencies in working remotely. Proprietary scheduling programs along with remote tools have helped to reduce administrative costs associated with managing large office spaces along with clinical productivity efficiencies.*

The proprietary scheduling program has resulted in scheduling and productivity initiatives resulting in proactively responding to patients [sic] needs, reducing on-call and increasing clinical productivity."

Public Comment
Lee Johnson, Treasurer, Symbol Healthcare Inc., – Oppose [source: pdf 6]
"***ii) VistaRiver***

(1) Vistarivers [sic] capital expenditure table does not total correctly, they show the total as $30,000, it is $27,725."

Rebuttal Comments
VistaRiver did not provide rebuttal responses to any written comments in this review.

Department Evaluation
A key part of evaluating this sub-criterion is being able to clearly verify the applicant's estimated capital expenditure and start-up costs. As stated earlier in the *Project Description* section of this evaluation, the initial application stated in some sections the capital expense was as much as $30,000 or as little as $0. Further, it sometimes called out start-up costs as $9,828 and other times included these amounts in capital costs. Because of this inconsistency the department, in screening sought to clarify the applicant's understanding of how the department defines[27] capital costs. Rather than detailing capital expense costs separately from start-up or justifying why capital and start-up costs are one in the same. VistaRiver added to the already confusing information stating its capital expense and start-up costs totaled $30,000 while providing a table that totals $27,725. Public comment was also provided that pointed out the same capital expenditure summing error. Further this table shows that $5,000 of moveable equipment is going to cost $20,000 in costs associated with securing sources of financing for equipment.

Since the initial application also had discrepancies in its equipment lists the department attempted in another screening question to confirm what equipment, at what costs was expected to be needed. VistaRiver again provided the previously mentioned table that contained a totaling error and $20,000 of financing costs on $5,000 of equipment.

VistaRiver further included some assertions in its application that its project would include *great economies of scale* and *[o]perational cost efficiencies*, while addressing *scarcity of hospice agencies in King County*. Then later states that *[t]he estimated cost savings are assumed to be inconsequential.*

VistaRiver provided a recently signed letter of commitment for this project from its owners committing funds to this project, as well as confirmation of funds in a bank account. [source: February 28, 2022, screening response, pdf 50 and Appendix 9] Although the department does not have an adopted standard on what constitutes an unreasonable impact on charges for health services, if costs of the project including capital expense, start-up costs, and first three years' profits and losses are not clear or verifiable, the department cannot evaluate this sub-criterion without knowing these costs. Based on the applicant's information, public comment, and lack of rebuttal comment the department concludes **this sub criterion is not met.**

Y.B.G. Healthcare LLC
The YBG project does not include construction and has estimated capital expenditure of $66,395 including movable equipment, reception furniture, a vehicle, and applicable sales tax. The applicant also expects $90,915 in estimated start-up costs consisting of the CN application fee, pre-opening rent, pre-certification costs, office space security deposit, and attorney fees. [source: Application, pdf 27]

[27] WAC 246-310-010(10)

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

Applicant's Tables

Table 7
Proposed Capital Expenditure

Line Item	Cost
Phone/Equipment/IT	$15,345
Furniture (reception)	$12,550
Vehicle	$38,500
Total	**$66,395**

Source: Applicant, includes sales tax

Table 8
Heart and Soul King County Hospice
Start-Up Costs

Item	Cost
Application Fee	$21,968
Pre-Opening Rent Expense	$15,680
Pre-Certification Costs	$45,000
Office Space Security Deposit	$3,267
Attorney Retainer	$5,000
Total	**$90,915**

[source: Application, pdf 27]

"*We fully expect this project will reduce costs and charges for health care. Heart and Soul will provide care to all that seek our care and qualify for hospice, regardless of their race, ethnicity, sexual orientation, payer status, ability to pay or location within King County. To the extent that these populations currently use higher-cost health care services (specifically, hospitalizations) that are reduced when they are enrolled in a hospice program, overall costs for health care services will decrease*

A recent report found that, at end of life, Blacks are much more likely to experience ED visits and to be hospitalized. A report published by the American Journal of Hospice and Palliative Care in August of 2019 entitled Medicare Cost at End of Life found that the average Medicare expenditures for patients treated in acute hospitals during the last 180 days of life, far exceeds the hospice per diem cost. Key to the estimation of potential savings from earlier hospice referral is the reimbursement rates paid by CMS. For Fiscal Year 2017 (October 2016 to September 2017), the base rate was $190.55. For the last 7 days of life, this rate is boosted by a service intensity add-on of $40.19. For the last 7 days of life, total reimbursement is $230.74. Thus, savings are possible from admission to hospice within 90 days of death, based on the lower hospice reimbursement rate compared to the average cost of a patient who dies in hospital. With 25% of all Medicare beneficiaries dying in inpatient hospitals, the savings from increased hospice use could be considerable. The calculation is summarized in table 5 of that report, duplicated below." [source: Application, pdf 28]

Applicant's Table

Table 5.

Average Cost per Day for Patients Dying in Hospital Compared with Cost per Day in Hospice.

Days Prior to Death	Hospital Cost Per day	Hospice Cost Per day
1-3	$5983	$230.74
4-7	638	230.74
8-20	493	190.55
21-40	349	190.55
41-60	267	190.55
60-90	220	190.55
90-130	184	190.55
130-180	156	190.55

[source: Application, pdf 29]

"*The capital costs for the project are solely for minor equipment. These costs are not used for any rate setting purposes*." [source: Application, pdf 29]

Applicant's Table

Table 10
Equipment List

Item	Quantity
Conference Table	1
Conference Chairs	8
Employee Desk Chair	5
Employee Work Desks	4
Filing Cabinets	6
Reception Area Chair	5
Reception Area End Table	1
Reception Area Coffee Table	1
Phone Equipment - MX-SE System	1
Phone Licenses	4
Zultys 43G Gigabit Telephone	3
Vtech Conf. Rm. Phone	1
Dell Latitude 3520 Laptop	3
Dell P2219H Monitor	3
Dell WD19 Dock	3
Fortniet Fortigate 100F Firewall	1
Kyrocera TASKalfa 2552ci Printer	1

Source: Applicant

[source: Application, pdf 31]

In response to a screening question asking about *medical equipment* listed in the response to an application question YBG provided the following statement.
"*The equipment list on p. 24 (Table 10) is the correct equipment list. The minor medical equipment reference was intended to be removed. These items have been accounted for in our medical supplies line item in the pro forma; and because of their low cost, consistent with GAAP, they are not capitalized.*" [source: February 28, 2022, screening response, pdf 8]

There were no public comments or rebuttal comments provided under this sub-criterion for this applicant.

Department Evaluation

The estimated capital expenditure for this project is $66,395, start-up costs estimated to be $90,915, and no construction is needed. All the estimated capital costs are for office equipment, reception furniture, a vehicle, and applicable sales tax. Start-up costs include the CN application fee, pre-opening rent, pre-opening certification costs, office space security deposit, and attorney retainer.

YBG provided a letter dated December 28, 2021, signed by David P. Turner demonstrating financial commitment to this project, including the capital expenditure, any start-up costs, and any initial operating deficits. [source: Application, Exhibit 8]

YBG also provided a letter dated December 21, 2021, from PNC Bank, signed by Sahar Ismair, Personal Banker demonstrating one of the applicant's members has access to sufficient funds to support the project. [source: Application, Exhibit 8]

The department does not have an adopted standard on what constitutes an unreasonable impact on charges for health services. Medicare patients typically make up the largest percentage of patients served in hospice care. For the proposed agency, the applicant projected that 95% of its patients and gross revenue would be eligible for Medicare or Medicaid. This applicant's research further shows that average Medicare expenditures for patients treated in acute hospitals during the last 180 days of life, far exceeds the hospice per diem cost. Thus, standard reimbursement amounts and related discounts are not likely to increase with the approval of this project.

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

(3) The project can be appropriately financed.

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

Moments Hospice of King, LLC

The applicant identified its estimated capital expenditure and start-up costs. The combined costs total to $108,157 and are broken down in the tables below. [source: Application, pdf 113 and February 28, 2022, screening response, pdf 14]

Department's Tables 34 and 35
Moments Hospice of King

Estimated Capital Expenditure Breakdown

Item	Cost
Moveable Equipment	$15,000
Consulting Fees	$35,375
State Sales Tax	$1,010
Total	**$51,385**

Start Up Cost Breakdown

Item	Cost
CN Application Fee	$21,968
Space Deposit	$5,000
Travel Expenses	$5,000
Employee Expenses	$24,804
Total	**$56,772**

Moments provided its assumptions used to determine the costs above. All costs will be funded by the applicant, Moments Hospice of King, LLC. [source: Application, pdf 115] To demonstrate that the funds are available to the applicant, Exhibit 43 of the applicant's screening responses include an Executed Affiliate Note Term Sheet.[28] The term sheet confirms that $400,000 was provided by Guardian Hospice MN, LLC to Moments Hospice of King, LLC on December 23, 2021. The loan is for five years with a maturity date of December 23, 2026. [source: February 28, 2022, screening response, Exhibit 43]

The applicant also provided a letter of financial commitment from Eli Jaffa, President of Moments Hospice. [source: Application, Exhibit 44]

There were no public comments or rebuttal comments submitted for the Moments project related to this sub-criterion.

Department Evaluation

The estimated capital cost for this project is $51,385, plus another $56,772 for start-up costs, resulting in a total of $108,157. Moments Hospice of King intends to finance this project using available reserves and provided a letter from its president, Eli Jaffa, demonstrating financial commitment to this project, including its capital expenditure and start-up costs.

The executed Affiliate Note-Term Sheet provided in the screening response demonstrates that Moments Hospice of King, LLC has access to the necessary funding. Given that Eli Jaffa is an authorized member of both Guardian Hospice MN, LLC (lender) and Moments Hospice of King, LLC (borrower) the loan and terms are reliable. The letter of financial commitment was also provided by Eli Jaffa.

If this project is approved, the department would attach a condition requiring the applicant to finance the project consistent with the financing description in the application. With the financing condition, the department concludes **this sub-criterion is met.**

The Pennant Group, Inc.

The applicant identified its estimated capital expenditure and start-up costs. The combined costs total to $20,500 and are broken down in the tables below. [source: Application, pdf 24]

[28] Exhibit 43 of the application also included an Executed Affiliate Note Term Sheet, however, the applicant noted in screening that this term sheet included some errors and provided a corrected term sheet in its screening response.

Department's Table 36
Pennant's Puget Sound Pierce (King County Project)
Capital Expenditure and Start-Up Costs Breakdown

Item	Cost
Phone System/IT & State Sale Tax	$5,000
Recruitment (Start Up)	$5,000
Marketing/Advertising (Start Up)	$4,000
Travel (Start Up)	$6,500
Total Capital Expenditure & Start Up Cost	**$20,500**

Since all capital expenditure and start-up costs would be funded by the applicant, The Pennant Group, Inc., the department also reviewed its historical balance sheets. Pennant's balance sheet summary for historical years 2020 and 2021 is below. [source: Application, Exhibit 9]

Department's Table 37
The Pennant Group, Inc.
Historical Balance Statement Summary for Years 2020 and 2021

ASSETS	Historical Year 2020	Historical Year 2021
Current Assets	$59,599,000	$74,959,000
Property and Equipment	$17,884,000	$18,509,000
Other Assets-Accounts Receivable Net	$429,493,000	$435,732,000
Total Assets	**$506,976,000**	**$529,200,000**

LIABILITIES	Historical Year 2020	Historical Year 2021
Current Liabilities	$89,015,000	$76,531,000
Long-Term Debt	$316,789,000	$338,822,000
Equity	$101,172,000	$113,847,000
Total Liabilities and Equity	**$506,976,000**	**$529,200,000**

There were no public comments or rebuttal comments submitted for the Pennant project related to this sub-criterion.

Department Evaluation

The estimated capital cost for this project is $5,000, plus another $15,500 for start-up costs, resulting in a total of $20,500. Pennant intends to finance this project using available reserves; and provided a letter from its corporate controller demonstrating financial commitment to this project, including its capital expenditure and start-up costs. This approach is appropriate because documentation was provided to demonstrate assets are sufficient to cover these costs and those of other projects under review by the same applicant.

If this project is approved, the department would attach a condition requiring the applicant to finance the project consistent with the financing description in the application. With the financing condition, the department concludes **this sub-criterion is met.**

VistaRiver King County HoldCo, LLC

As mentioned earlier the VistaRiver project does not include construction but does have an estimated capital expenditure. VistaRiver provided the following statements related to this sub-criterion.

"*The owners of VistaRiver King County Holdco, LLC are jointly responsible for the capital costs equally.*" [source: Application, pdf 29]

"*The members of VistaRiver King County HoldCo, LLC have cash reserves more than $1,500,000 sufficient to support the start-up cash flow requirements establishing, operating and maintain the new hospice agency in King County. Appendix 30 provides a receipt of funds available in excess of $3,000,0000. Additionally [sic] joint letter of financial commitment, appendix 31, from the members of VistaRiver King County HoldCo, LLC. The source of the funds is from cash reserves exclusively ear marked for this project*." [source: Application, pdf 30]

VistaRiver provided a financial commitment letter signed by the owners of VistaRiver King County HoldCo, LLC and the two majority shareholders of Sante Holdings, LLC. The letter is dated December 30, 2021, and states in part:

"*The principal owners of the applicant, VistaRiver of King County, LLC, write to convey the financial commitment to establish a Medicare and Medicaid certified hospice agency in King County. The application has been reviewed and approved. We are confident that our cash reserves will sufficiently cover all the necessary expenses associated with establishing, operating, and maintaining a Hospice agency in King County*." [source: February 28, 2022, screening response, pdf 50]

Further this applicant provided a bank transaction history slip which as of December 28, 2021, shows access to $3,001,000 in a Bank of America account.

There were no public comments or rebuttal comments provided under this sub-criterion for this applicant.

Department Evaluation

As stated in the previous sub-criterion for this applicant, although VistaRiver provided a recently signed letter commitment for this project from its owners committing funds to this project, as well as confirmation of funds in a bank account [sources: February 28, 2022, screening response, pdf 50 and Appendix 9], if costs of the project including capital expense, start-up costs, and first three years' profits and losses are not clear or verifiable, the department cannot conclude whether this project can be appropriately financed. Especially when the applicant has twice listed that $5,000 of moveable equipment will cost $20,000 to finance. Based on this information the department concludes **this sub criterion is not met.**

Y.B.G. Healthcare LLC

As mentioned earlier the YBG anticipates an estimated capital expenditure of $66,395 for this project. This includes movable equipment, reception furniture, and a vehicle. The applicant specified these estimates include sales tax. The applicant also expects $90,915 in estimated start-up costs. Which includes the CN application fee, pre-opening rent, pre-certification costs, office space security deposit, and attorney fees. [source: Application, pdf 27] YBG provided the following statements related to this sub-criterion.

"*David Turner will have sole responsibility for the capital costs.*" [source: February 28, 2022, screening response, pdf 6]

"*A member of Heart and Soul estimated the startup costs identified above, based on experience in the recent opening of a hospice agency in Tennessee and Washington specific fees. Included in Exhibit 8 is*

a letter from member David Turner confirming his intent to fund these costs. This exhibit also includes a letter from PNC Bank confirming the availability of funds from the member." [source: Application, pdf 28]

"*Heart and Soul will use member capital to fund the capital expenditure, startup costs and initial operating deficits. Included in Exhibit 8 is a letter from David Turner confirming the availability of funds as well as a letter from PNC Bank confirming the availability of funds*.

The capital expenditure will not be debt financed; this question is not applicable." [source: Application, pdf 31]

YBG provided a financial commitment letter signed by David P. Turner, dated December 28, 2021, and states in part:
"*As owner and governing member of Y.B.G. Healthcare LLC, dba Heart and Soul Hospice, I am writing this letter to confirm my financial commitment to provide the funding needed for the capital expenditure and the initial operating losses as well as any start-up costs.*

In addition, also included with the application, is a letter from PNC Bank documenting that the funds for the initial operating losses and financial commitment are available." [source: Application, Exhibit 8]

Further this applicant provided a letter from PNC Bank, signed by Sahar Ismair, Personal Banker, which as of December 21, 2021, states in part that *David Turner has a personal checking account with PNC and it has over $500,000.00.* [source: Application, Exhibit 8]

Public Comment
Tracy Merritt, Authorized Representative of AccentCare, Inc. and Seasons Hospice & Palliative Care of King County, LLC – Oppose [source: pdf 3]
"***Question 15.*** *Heart and Soul Hospice fails to provide audited financial statements for Heart and Soul Hospice LLC or Y.B.G. Healthcare.*"

Y.B.G. Healthcare LLC Rebuttal Comment to AccentCare/Seasons' Comment [source: pdfs 17-18]
"*The legal applicant Y.B.G. Healthcare LLC, dba Heart and Soul Hospice is new, having filed with the Secretary of State in May 2021. Based on this reality, Heart and Soul does not have audited financials. Page 29 of our application stated:*

> *YBG is a new entity, and no audited financial statement exists. There is no parent entity. As noted in response to Question #13, one Member will contribute the financial resources necessary to establish and sustain the new agency until revenues exceed expenses. The fact that the legal applicant has no history was discussed during a TA with CN Program staff. We understand that Washington State welcomes new providers and that a lack of history is not an obstacle to CN approval.*

At Exhibit 8 in the application, we included a letter from member David Turner confirming his intent to fund startup costs. This exhibit also included a letter from PNC Bank confirming the availability of funds from the member.

No additional questions were asked in screening."

Department Evaluation
The estimated capital expenditure for this project is $66,395, and start-up costs are estimated to be $90,915. There is no construction associated with this project. YBG intends to finance this project using available reserves from one of its owners and governing members. The applicant submitted a letter dated

December 28, 2021, signed by David P. Turner demonstrating financial commitment to this project, including the capital expenditure, any start-up costs, and any initial operating deficits. [source: Application, Exhibit 8]

YBG also provided a letter dated December 21, 2021, from PNC Bank, signed by Sahar Ismair, Personal Banker demonstrating one of the applicant's members has access to sufficient funds to support the project. [source: Application, Exhibit 8]

Audited Financial Statements Information

Comment was submitted stating that YBG did not provide audited financial statements. For this sub-criterion's review the department must determine whether the project can be appropriately financed. Audited financial statements assist in this determination, however for new entities that do not have audited statements, alternate financial statements or documentation can also aid in the department making this determination. YBG provided the two earlier mentioned letters of financial backing as well as projected financial statements demonstrating financial resources sufficient to cover anticipated initial years' losses as well as all start-up and capital costs.

Public comments suggested that the project cannot be appropriately financed. YBG provided documents substantiating funding and a clear explanation in rebuttal. Based on the information here, the department concludes that YBG is likely able to appropriately finance this project. If this project is approved, the department would attach a condition requiring the applicant to finance the project consistent with the financing description in the application. The department concludes that **this sub-criterion is met.**

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

Based on the source information reviewed, the department determines the following applicants **met the applicable structure and process of care criteria in WAC 246-310-230:**

- The Pennant Group
- Y.B.G. Healthcare LLC

Based on the source information reviewed, the department determines the following applicants **did not meet the applicable structure and process of care criteria in WAC 246-310-230:**

- Moments Hospice of King, LLC
- VistaRiver King County HoldCo, LLC

The review of these applications proposing King County hospice services included community interest specifically related to death with dignity services. Community members provided comments, rebuttal, and participated in a public hearing. Some of the comments reasoned that access to such services is reviewable under several sub-criteria in this section and assert that requiring such services is a portion of how the department should determine and ensure patient dignity and informed consent, qualified staff, appropriate relationships to ancillary and support services, conformance with subpart C – conditions of participation: patient rights, and continuity of care. The comments and rebuttal related to death with dignity are addressed under the sub-criterion to which they are applicable.

The department considers community involvement, comments, and rebuttal helpful in making its determinations, however, only to the extent to which the department has authority to do so.

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

Chapter 246-310 WAC does not contain specific WAC 246-310-230(1) criteria as identified in WAC 246-310-200(2)(a)(i). There are also no known recognized standards as identified in WAC 246-310-

200(2)(a)(ii) and (b) that directs what specific staffing patterns or numbers of FTEs that should be employed for projects of this type or size. Therefore, using its experience and expertise the department assesses the materials in each application.

Moments Hospice of King, LLC

To demonstrate compliance with this sub-criterion, Moments Hospice King provided the following assumptions it used to project full-time equivalents (FTEs) for its new hospice agency. [source: Application, pdf 122]

"Moments Hospice of King maintains high nurse and hospice aide staffing ratios so patients have the resources they need and the care team is not over-worked. Moments Hospice of King has a 1:12 nurse to patient ratio and a 1:7 aide to patient ratio. As patient census grows at a Moments hospice agency, additional staff are added to maintain the ratios.

Moments Hospice Staffing Ratios

Nurses		Aides	
1:12 Patient Ratio	3–4 Visits per Week	1 to 7 Patient Ratio	5–7 Visits per Week

With the Moments staffing model, Moments hospice agencies can provide aide visits 5–7 times per week and RN visits 3–4 times per week on average. Visits last an average of 50 minutes. Social workers average weekly visits, and chaplains average visits every other week. However, these are only averages. Moments Hospice does not limit visits for any disciplines, continuing its mission to do whatever its patients need and always provide top-level care to patients and their families. The Moments staffing model allows Moments to provide enhanced services while ensuring its teams have manageable workloads and can provide the attention each patient needs."

In response to questions regarding the adequacy of the projected staffing and the reliability of the staffing ratios, Moments Hospice King provided the following information. [source: Application, pdf 122 – 125 and February 28, 2022, screening response, pdf 17]

"Moments Hospice of King will meet all state and federal service and staffing requirements. However, Medicare hospice staffing requirements are limited, with a nurse mandate for an immediate needs assessment within 48 hours; a more comprehensive physical, psychosocial, emotional, and spiritual needs assessment and integrated care plan within 5 days; and a patient visit every 14 days. The frequency of certified nurse aid visits is not mandated. While all hospice providers may have the same basic philosophy of care and must meet minimum state and federal requirements, each is different in some way.

Moments' robust staffing model and specialized staff training programs that far exceed minimum requirements are important indicators of its investment in the provision of high-quality hospice care and differentiates Moments Hospice of King from other hospices. Moments has high staffing ratios and low response times. Moments' triage nurses enable enhanced quality control for patient needs. Music therapists and massage therapists are all employed or contracted at the start of any Moments program. In 2020, Moments developed a COVID response team. Volunteers participate in therapy visits, assist with administrative work, and are offered training to become Death Doulas to provide more hands-on care to patients in the Final Moments Program.

Moments' Response Times

Moments maintains high nurse and hospice aide staffing ratios so patients always have the resources they need. Robust staffing also lets Moments provide short response times. Moments is onsite within 2 hours of receiving an admission request. Beyond its high staffing ratios, all Moments staff members, including executive clinical team members, are expected to perform field duties periodically, because Moments wants its leadership to be intimately involved in the care process and to further improve where possible.

Triage Nurses

Moments has in-house triage nurses. These registered nurses (RNs) are a part of the interdisciplinary team, and understand expectations related to high-quality care. The triage nurses answer the phones so patients and families can reach a live person anytime they need help. If the triage nurse is on another call, the incoming call rolls to another nurse or a member of the leadership team. Triage nurses have access to the electronic medical record (EMR) to view the most recent information on the patient's status and orders. Moments' staff complete most documentation at the bedside so the EMR has current information. The triage nurses can answer questions, provide triage support, and even perform telehealth visits with patients. If a patient needs an in-person visit, the triage nurse will dispatch the on-call nurse.

The triage nurses can facilitate medications and durable medical equipment (DME) to meet patients' needs at any time of the day or day of the week. As registered nurses, they can contact physicians, share assessment data, and obtain new physician orders. They can get orders for new medication and order delivery from a local pharmacy so the medication is available when the on-call nurse arrives at the patient's residence, to help the patient obtain an optimal level of comfort quickly. Besides the triage nurses, Moments always has an administrator RN member of the leadership team on call 24/7/365 as an administrator on call (AOC).

Moments will build a strong clinical program in King County, from the experienced leadership team to the direct care clinicians and aides. Having in-house triage nurses supports Moments' commitment to quality care and customer service. When someone calls during the night, there is an important need, or they would not be calling. Moments believes its patients' care is too important to rely on an answering service to contact the on-call nurse. Having RNs answering these calls ensures Moments' patients get the best quality of help and support quickly.

Triage nurses are accounted for in the Shared Services Agreement, under the Management Fees line item on the income statement.

Music and Massage Therapists

Music therapists are part of the Moments interdisciplinary team and attend team meetings. They participate in quality improvement discussions and provide data on their therapy. They also participate in the bereavement program, bringing the benefits of music therapy to families who have lost a loved one. Moments employs board-certified music therapists who participate in continuing education to maintain their certification and improve their abilities to provide meaningful therapy.

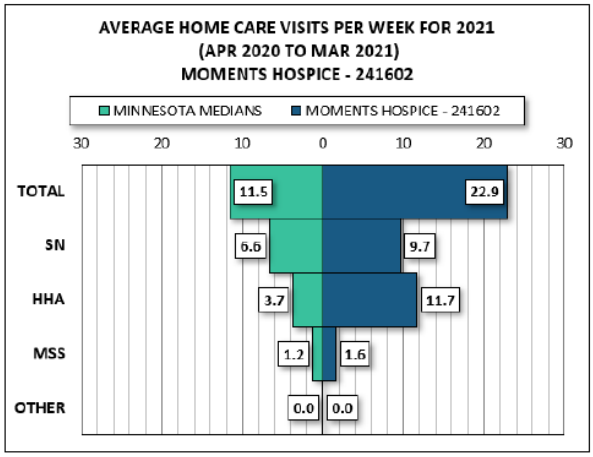
Massage therapists are members of the interdisciplinary group and attend team meetings. They share data and insights on patients from a unique viewpoint. They participate in quality assessment performance improvement (QAPI) discussions and provide data on therapy impact. Massage therapists are licensed as required by each state. They participate in continuing education to maintain their licensure and further their abilities to provide meaningful therapy.

The staffing model proposed for Moments Hospice of King is also used by other Moments Hospice affiliates. CMS data shows that Moments provides more patient care visits than state averages in the areas where other Moments Hospice's operate, and more average visits per week than competitors in those areas:

AVERAGE HOME CARE VISITS PER WEEK FOR 2021 (APR 2020 TO MAR 2021)

MOMENTS HOSPICE - 241602

VISIT TYPE	MOMENTS HOSPICE - 241602	MINNESOTA MEDIANS
TOTAL	22.9	11.5
SN	9.7	6.6
HHA	11.7	3.7
MSS	1.6	1.2
OTHER	0.0	0.0



[source of Applicant's Table = HealthPivots]

Moments Hospice of King's pro forma projections are based on the same census-driven staffing models as other Moments affiliates engaged in providing the same services described herein. Therefore, Moments Hospice of King's projected staffing is adequate for the number of patients and visits projected.

The basis for the staffing ratios is the internal staffing model utilized by Moments Hospice affiliates. This staffing model was developed based on "best practices" that Moments leadership obtained from due diligence and surveying leading hospice organizations, then further developed and refined in order to achieve the higher than average number of visits shown in the application. Moments Hospice affiliates consistently achieve higher than average visits, further validating these assumptions."

Based on the assumptions above, Moments Hospice King provided the projected number of FTEs for the new King County agency. The following table summarizes this information. [source: February 28, 2022, screening response, pdf 16]

Department's Table 38
Year 2022 – 2025 Moments Hospice King Agency FTE Projections

FTE Type	Partial Year 2022	Year 1-2023 Increase	Year 2-2024 Increase	Year 3-2025 Increase	Total FTEs
Intake Coordinator/Admission Dept	0.00	0.20	0.50	0.30	**1.00**
Regional Director of Operations	1.00	0.00	0.00	0.00	**1.00**
Regional Team Assistant	0.00	1.00	0.00	0.00	**1.00**
Hospice Care Consultants/Liaisons	1.00	0.10	0.90	0.00	**2.00**
Volunteer Coordinator	0.30	0.20	0.50	0.00	**1.00**
Clinical Manager	1.00	0.00	0.00	0.00	**1.00**
Nurses	0.80	1.50	1.00	1.00	**4.30**
On Call RN/LPN	0.00	0.00	0.50	0.20	**0.70**
Certified Nursing Assts	1.50	2.00	1.90	0.50	**5.90**
Chaplains	0.40	0.10	0.30	0.10	**0.90**
Social Worker	0.40	0.40	0.30	0.00	**1.10**
Massage Therapists	0.20	0.00	0.30	0.00	**0.50**
Music Therapists	0.20	0.00	0.30	0.00	**0.50**
Dietician	0.30	0.00	0.00	0.00	**0.30**
Total FTEs	**7.10**	**5.50**	**6.50**	**2.10**	**21.20**

In addition to the table above, Moments Hospice King provided the following clarifications. [source: February 28, 2022, screening response, pdfs 16-17]

- *The line labeled "Nurses" refers to licensed nurses with RN credentials.*
- *Until a census of 30 is achieved, the Clinical Manager and Nurse FTEs rotate on call duties. At a census of 30, Moments will hire on-call nurses. Additionally, Guardian Hospice of MN employs Moments triage nurses, who are available 24 hours a day, 7 days per week, to Moments Hospice of King under the Shared Services Agreement.*
- *The Medical Director FTEs generated by the staffing model equal 0.3 for the first 3 years, but since this is not an employed position (the Medical Director is an independent contractor), the hours are not shown in the table above.'*

Moments Hospice King provided extensive information regarding recruitment and retention of FTEs for its new hospice agency. While all information is considered, below are excerpts of the statements. [source: Application, pdf 126-128 and February 28, 2022, screening response, pdf 14]

"Moments culture, which is common to all Moments affiliates, including King County, is key to employee recruitment and retention. Moments Hospice of King, and all Moments hospice agencies have a family-like atmosphere. Moments leadership cares deeply about the team and assures that every employee is treated with respect. Moments Hospice has a 5-star rating on Indeed.com with a high number of reviews.

Moments Hospice of King's IACC will include local stakeholders who will help guide recruitment efforts locally to ensure a diverse workforce.

Moments offers employees a highly competitive benefits package, with Hospice care can be emotionally difficult for field staff, and Moments is cognizant of the real issue of caregiver burnout. Fun offsite activities and team building exercises help combat burnout.

Healthcare providers all over the country face staffing shortages, which makes recruitment and retention strategies essential to maintain continuity of care. Just as Moments listens to patients and

seeks to understand what is important to them, Moments listens to employees and seeks innovative ways to meet their needs. One example is the Enterprise Fleet Car Lease Program.

Moments' service areas cover a large geographic area, and many employees must drive fairly long distances to care for patients—especially in rural areas. Moments discovered that access to reliable transportation was a struggle for some of its staff and well-qualified applicants. In order to ensure all staff have the resources they need to perform their job, Moments began offering the Enterprise Fleet Management car lease program to qualifying staff members. This program provides a vehicle to staff members which they can use for work travel as well as personal needs. The program includes roadside assistance and all fuel, maintenance and insurance costs. The program does not require staff to make a down payment on the vehicle.

In King County, Moments Hospice of King will continue to listen to employees and applicants and seek innovative ways to update the benefits offered in order to recruit and retain talent. Because Moments is a lean organization, without numerous layers of management, Moments Hospice of King can be responsive to employee needs.

As a nimble organization, Moments Hospice of King, like other Moments Hospice affiliates, is able to react quickly to changing market conditions. Therefore, Moments is able to quickly identify labor issues and trends and respond proactively.

All Moments hospices regularly monitor patient care staff position vacancies, whether due to turnover, COVID, FMLA, or other reasons. Moments uses robust proprietary staffing models with geographic specific vacancy, turnover, and additional metrics, in order to proactively predict staffing recruitment needs in each location. This also enables Moments to anticipate staffing shortages and fill vacancies proactively to avoid any negative impact to patient care.

Historically, because of this proactive approach, Moments has not needed to utilize agency staff, even during start up at the height of COVID. Agency staffing would be one option to fill an urgent need temporarily.

Additionally, Guardian Hospice of MN has a Rapid Response RN Team, which is staffed with RNs whose role is to fill gaps within affiliated Moments agencies. These RNs are able to go where there is an immediate need at any Moments affiliate. This option has not been widely used by Moments affiliates, since Moments affiliates take such a proactive approach to staffing. However, Moments Hospice of King has the option to modify the Shared Services Agreement (SSA) with Guardian Hospice of MN if the need arises. Should a future need arise, Moments Hospice of King has the option to enter into an agreement with Guardian Hospice of MN to access traveling Moments RNs to fill an immediate, temporary need. These would then be billed through the Shared Services Agreement. However, since Moments Hospice of King does not expect to need to utilize such an arrangement, it is not modeled in the pro forma or in the SSA. This is just one of several options Moments Hospice of King could use to ensure consistent, adequate staffing, should unexpected shortages arise."

<u>AccentCare, Inc./Seasons Hospice and Palliative Care of King County, LLC, an existing provider Public Comments-Opposed</u>

"<u>Screening Question 19</u>: On page 14 of the screening response regarding staffing shortages, Moments states it has a Rapid Response RN Team staffed with RNs whose role is to fill gaps within affiliated Moments agencies. However, they do not currently operate in the state of Washington, nor indicate whether any of these RNs are licensed in the state of Washington. Therefore, this service may not be a viable option."

Moments Hospice of King Rebuttal Comments

"The screening response that Seasons refers to states that:
"Additionally, Guardian Hospice of MN has a Rapid Response RN Team, which is staffed with RNs whose role is to fill gaps within affiliated Moments agencies. These RNs are able to go where there is an immediate need at any Moments affiliate."

Guardian, which Moments contracts with through its Shared Services agreement, does in fact currently employ Washington licensed RNs who are available to render Rapid Response services immediately upon CN approval. Additionally, in parallel, other existing Moments team members are pursuing state license reciprocity. Therefore, this service is indeed a viable option, and is available immediately."

Department Evaluation

Moments Hospice King does not yet operate in Washington State, but is an experienced hospice provider in other states. Moments Hospice King based its staffing ratios on its experience in other states and references how its 'best practices' created by *'Moments leadership obtained from due diligence and surveying leading hospice organizations, then further developed and refined in order to achieve the higher than average number of visits shown in the application.'* This approach by a new Washington State provider is reasonable.

As shown in the FTE table, Moments Hospice King proposes it would need 7.10 FTEs in partial year 2022, which increases to a total of 12.60 FTEs in full year one (2023). By the end of full year three (2025), staff is expected to increase to 21.20 FTEs. Moments also clarified that the medical director is a contracted position and not included in the FTE table.

For recruitment and retention of staff, Moments Hospice King provided extensive information regarding successful strategies it has used in the past at its existing hospice agencies and explained other strategies it would use to recruit necessary staff given the nationwide staff shortages.

In its public comment, AccentCare/Seasons questioned the applicant's explanation that it would use a 'Rapid Response RN Team' that is staffed with RNs whose role is to fill gaps within affiliated Moments Hospice agencies to respond to any staffing shortages in Washington State. This is a valid concern given that the applicant is not operating in Washington State. In response to the concerns, Moments Hospice King clarified that its affiliate Guardian Hospice MN, LLC currently employs Washington licensed RNs who are available to render Rapid Response services immediately upon CN approval.

Within the application, Moments Hospice King clarified that its relationship with Guardian Hospice MN, LLC is both vendor and lender. As a vendor, Guardian Hospice MN, LLC provides support and administrative services to the applicant through a contract for shared services.[29] This staffing approach is both resourceful and reasonable.

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

[29] The lender role was described in the financial feasibility section of this evaluation where Guardian Hospice MN, LLC entered into a loan agreement with Moments Hospice King to demonstrate funding for the project.

The Pennant Group, Inc.

To demonstrate compliance with this sub-criterion, Pennant provided the following assumptions it used to project full-time equivalents (FTEs) for its new hospice agency. [source: Application, pdf 29, and February 28, 2022, screening response, pdf 182]

"The assumptions used to project the number and types of FTE's identified for this project are based upon the average numbers and types used across all Cornerstone-affiliated hospice agencies, which include two Washington state hospice agencies. The Washington state hospice numbers are consistent with these averages.

Patient-to-staff ratios are well established in the hospice industry, and Pennant-owned hospice agencies have utilized ratios in line with industry standards. This in and of itself creates reliability. Even more, our Washington State agencies use those same ratios, and the ratios have proven to be the best for providing the highest level of care for our hospice patients. Lastly, we've found the Department to be comfortable with these ratios as indicated by its prior approval of earlier Pennant-affiliated CN applications being approved, both of which included this staffing methodology."

Pennant provided the following information regarding its projected staff-to-patient ratios provided in the application. [source: Application, pdf 29]

"Puget Sound Hospice of Pierce County is confident that our proposed staff to patient ratio is appropriate for several reasons. First, Cornerstone-affiliated hospice agencies have found that operating at these ratios is optimal to produce quality outcomes. Additionally, these ratios were in two separate Cornerstone-affiliates 2018 hospice CN applications for Thurston and Snohomish Counties, respectively, which the CN Department found to be appropriate." Pennant included a footnote withing the information above stating: '*Those affiliates were Symbol Healthcare, Inc. and Glacier Peak, Health, Inc. Both of these agencies' CN applications were approved*.'

The applicant's staffing ratio table is below.

Type of Staff	Staff to Patient Ratio
Registered Nurses	1:12 (day) and .8:12 (evenings and weekends)
Certified Nursing Assistant	1:10
Social Work	1:30
Spiritual Care Coordinator	1:30

Based on the assumptions above, Pennant provided the projected number of FTEs for the new agency focusing on King County patient staffing. The following table summarizes this information. [source: Application, pdf 28]

Department's Table 39
Year 2023 – 2026 Pennant's King Hospice Agency FTE Projections

FTE Type	Partial Year 2023	Year 1-2024 Increase	Year 2-2025 Increase	Year 3-2026 Increase	Total FTEs
Registered Nurses	2.50	1.90	2.20	2.60	**9.20**
Certified Nursing Assts	1.70	1.20	1.50	1.70	**6.10**
Social Worker	0.60	0.40	0.50	0.50	**2.00**
Spiritual Care Coordinator	0.60	0.40	0.50	0.50	**2.00**
Director of Clinical Services	0.40	0.30	0.40	0.40	**1.50**
Administrator	0.50	0.00	0.00	0.00	**0.50**
Business Office Manager/Medical Records, & Scheduling	0.60	0.40	0.50	0.50	**2.00**
Intake	1.00	0.00	0.00	0.00	**1.00**
Community Liaison	0.60	0.40	0.50	0.50	**2.00**
Total FTEs	**8.50**	**5.00**	**6.10**	**6.70**	**26.30**

Pennant provided extensive information regarding recruitment and retention of FTEs for its new hospice agency. While all information is considered, below are excerpts of the information [source: Application, pdf 30-33]

"In addition to Symbol operating a home health agency in King County, its ultimate parent company, Pennant, owns 134 healthcare organizations across 14 states, including a senior living home in Redmond, Washington, and home health agencies that operate in King, Pierce, Snohomish, Skagit, San Juan, Aston, Garfield, Benton, and Franklin counties. Additionally, Cornerstone owns Washington-based hospice agencies that service Snohomish, Aston, Garfield, Thurston, Grays Harbor, and Mason counties. In the experience of Pennant- affiliated health care agencies, health care employees are drawn to the Pacific Northwest Region for its outdoor experiences, culture and vitality, making recruiting generally easier than other parts of the country. Additionally, if Pennant-affiliated health care agencies have qualified and experienced staff in good standing that want to move to King County, or to transition from long-term care or home health to hospice, we are able and willing to support that relocation or transition.

Both Symbol and its affiliates also have strong and proven histories of recruiting and retaining quality staff. We offer a competitive wage scale, a generous benefit package, and a professionally rewarding work setting, as well as the potential for financial assistance in furthering training and education.

Cornerstone has access to utilize a variety of recruitment resources, including the use of social media and internet recruitment platforms such as LinkedIn, Indeed, Monster and Glassdoor, among others, and due to our employees' high job satisfaction we have found great success in recruiting through our staff's network of other skilled healthcare professionals."

Focusing on known staff shortages and the competitive demand for skilled labor across the state, Pennant provided the following information to ensure adequate staffing and timely patient care for its new agency. [source: February 28, 2022, screening response, pdf 8]

"As stated earlier, we continue to recognize the strains on staffing in healthcare. As part of our recruiting efforts, we are continuously seeking staff for today or for the future, and we expect to recruit the required staff to serve patients in King County January 2023. In the event we are unable to hire staff for any given position, we will utilize staff from our other agencies in Washington State temporarily until we hire. We have practiced this in the past, and our staff are ready and willing to do so in the future to meet our patients needs in a timely manner.

Additionally, we stay up to date on innovative strategies to mitigate staffing shortages through recruiting and retention, including:

- *Adjusting staff schedules to avoid burnout (thereby increasing retention).*
- *Utilizing Pennant's Emergency Fund, which is designed to provide a one-time supplement to an employee's wages when external factors and personal circumstances would otherwise prove to be too great a toll on the employee.*
- *Contract with or jointly-employ staff currently employed by providers in the community that we've identified as having the capacity to do so.*
- *Educate and promote our Employee Assistance Program to our staff, enabling them to better understand the support available to avoid burnout (e.g., mental health counseling).*
- *Utilize our internal chaplain to provide any needed bereavement support to our staff as needed to help staff process the deaths of family, friends, or patients.*
- *Strictly adhere to proven infection control protocols to mitigate the spread of illness such as COVID-19 across staff.*
- *Provide necessary training to maximize the competency of staff, enabling us to assign and reassign clinicians across all patient acuity types."*

Given that Pennant proposes this new King County agency would be co-located with its proposed Pierce County agency, Pennant provided the following clarification regarding staff sharing. [source: February 28, 2022, screening response, pdfs 8-9]

"Yes, this King County project proposes sharing staff with the Pierce County Project should both be approved. This is reflected in the King + Pierce pro forma income statement and balance sheets, shown at Exhibit 10 in the application, and attached to this screening as Exhibit 10. Both projects will operate out of the same office. We anticipate the office staff supporting both projects. While the allocation of clinical staff between the two projects must remain fluid to enable both projects to respond and adjust to the particularities of its county, we will form a team committed to Pierce County and a team committed to King County, with staff from both teams covering the other county as needed."

<u>Moments Hospice of King, a competing applicant public comments-Opposed</u>

"Recruitment: The applicant's response to application question #9, "Describe your methods for staff recruitment and retention. If any barriers to staff recruitment exist in the planning area, provide a detailed description of your plans to staff this project" is deficient (page 29 of 42).

The Applicant describes a mechanical, automated recruitment and onboarding process (e.g. "instruct candidate as to how to perform drug screen." This technical, "cookie-cutter" approach does not reflect any significant contemplation of the unique characteristics of King County's labor market. The only backup strategy noted is relocating existing staff from other areas to King County. Therefore, we believe other applicants have proposed more proactive recruitment strategies, have demonstrated a better understanding of King County's local conditions and needs, and are more likely to be successful in contributing jobs to current King County residents.

Staff, and therefore recruitment, is inextricably linked to patient care. Given the unique and highly diverse racial and ethnic composition of King County's residents, it is noteworthy that Symbol's application makes no mention of any diversity recruitment strategies."

<u>The Pennant Group Rebuttal Comments to Moments of King Public Comments</u>

"While we are constantly adapting and improving, our recruiting methods are sound, and they have proven to be effective. Regarding Moments's comments on diversity recruitment, we do not highlight

diversity recruiting because we do not discriminate in our recruiting efforts. Each local agency recruits staff based on their local needs. That said, because of our nondiscrimination policies, our practices and our efforts to provide job opportunities to the members of our communities, our staff end up being as diverse as the communities in which we serve. Moments's comment on this issue should not be given consideration."

Department Evaluation

If approved, the applicant would be a new provider of Medicare and Medicaid hospice services for King County residents. To ensure its staffing ratios are reasonable, the applicant based them on its own staffing ratios across all Cornerstone-affiliated hospice agencies. The applicant asserts that this is a reasonable approach because **1)** the affiliated agencies are in line with industry standards; and **2)** its own Washington State agencies use the same ratios. This approach is reasonable because most applicants base their staffing ratios on national standards. This staffing appears reasonable and consistent with past hospice projects.

Moments Hospice King criticized Pennant's recruitment and retention plans by identifying them as *'mechanical,' 'automated' and 'cookie-cutter'* that *'does not reflect any significant contemplation of the unique characteristics of King County's labor market.'* In response, Pennant assures that it is '*constantly adapting and improving, our recruiting methods are sound, and they have proven to be effective.'* Pennant's response regarding diversity recruitment is sound and logical. The department concludes that Pennant's recruitment and retention plans are reasonable and practical.

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

VistaRiver King County HoldCo, LLC

With this project, VistaRiver is proposing a new agency and based on the timeline identified by the applicant, full calendar year one of the project is 2024 and full calendar year three is 2026. The applicant provided projected FTE counts for its proposed King County operations. The following table summarizes this information. [source: February 28, 2022, screening response, pdfs 25-27]

Department's Table 40
VistaRiver's Projected FTE Counts

FTE Type	2023 Partial Year	2024 (Year 1)	2025 (Year 2)	2026 (Year 3)
Hospice Aides	1.3	2.2	2.9	4.4
Social Worker	0.5	0.9	1.2	1.8
Spiritual Care	0.2	0.4	0.5	0.8
Physician	0.1	0.2	0.2	0.4
Admissions Dedicated RN (Quick Response)	0.3	0.5	0.7	1.1
Bereavement	0.3	0.5	0.7	1.1
Volunteer	0.3	0.5	0.7	1.1
RN	1.3	2.2	2.9	4.4
LPN	0.6	1.0	1.4	2.1
ED / Director of Patient Care Svcs	1.0	1.0	1.0	1.0
Clinical Supervisor	0.0	0.0	1.2	1.8
Intake / Scheduling	1.0	1.0	1.0	1.1
Community Patient Coordinator	1.0	1.0	1.2	1.8
Total FTEs	**7.9**	**11.4**	**15.6**	**22.9**

In addition to the table above, VistaRiver clarified that physical, occupational, music, and speech therapists, medical director, and dietitian services are under contract and not included in the table. [sources: Application, pdf 33 and February 28, 2022, screening response, Appendix 8]

VistaRiver further stated in response to screening that "*VistaRiver will stagger clinical FTE so that two team members will be available as on call*." [source: February 28, 2022, screening response, pdf 31]

Focusing on assumptions related to staffing, the applicant provided the following statements and table. "*The assumptions used to project the number and types of FTEs identified for this project are based on the experience of the applicants as well as previous successful King County CN Hospice applications.*

A staff to patient ratio is used to project the number and types of FTE for this application for the first three full years.

The staffing ratios are adequate for the number of patients and visits project [sic] based on the experience of the applicant operating hospice agencies, industry standards and compared to CN applications that have been submitted and approved." [source: Application, pdf 33]

"*The staffing ratio provided in response to question 3 is based on the experience of the applicant's experience [sic] from it's [sic] most recent hospice agency in Portland, Oregon. CN 21-40 used similar staffing ratios to those presented in this application. Additionally, CN 21-40 compared patio [sic] ratios from recently approved hospice agencies*.

The basis of this assumption is from the applicants [sic] experience operating hospice agencies in geographically similar areas to King County

NHPCO developed a comprehensive resource for hospice agencies to assess and develop their respective staffing models called 'Staffing Guidelines for Hospice Home Care Teams.' VistaRiver compared it's [sic] staffing ratios against the NHPCO as well as previously submitted Hospice CN applications to confirm they're consistent." [source: February 28, 2022, screening response, pdfs 28-29]

Applicant's Table

	Staff to Patient Ratio
Hospice Aides	12.0
SW	30.0
Spiritual Care	65.0
Physician	150.0
Admissions Dedicated RN (Quick Response	50.0
Bereavement	50.0
Volunteer	50.0
RN	12.0
LPN	25.0

[source: February 28, 2022, screening response, pdf 29]

VistaRiver additionally provided its Medical Director's name,[30] credential number,[31] and a Professional Services Agreement. [sources: Application, pdf 33 and February 28, 2022, screening response, Appendix 7]

This applicant also provided a listing of its key clinical staff as well as one credentialled employee of a company with whom it plans to establish contract services. [sources: Application, pdfs 33-34 and February 28, 2022, screening response, pdfs 11 and 43-44]

VistaRiver provided the following statements regarding the recruitment and retention of necessary hospice staff.

"*Recruitment and retention are a strength of VistaRiver. One of the greatest challenges any of the applicants and current hospice companies is going to have is recruiting and retaining qualified healthcare and management professionals. It is well documented that clinician burn out combined with an already strained labor market create significant barriers.*

Our strength lies in the fact that we have been successful recruiting and retaining qualified healthcare professionals in competitive and strained labor markets.

- *Traditional recruitment methods include: job fair, posting adverts on major recruitment websites, and posting jobs adverts in discipline specific job board websites.*
- *Hosting monthly 'Day In the Life' opportunities for interested candidates to observe, ask questions and understand the various roles and responsibilities of hospice clinicians.*
- *Staffing company contracts*
- *Referral staff bonus programs*
- *Dedicated recruitment team*
- *Equity opportunity based on tenure and performance*

A group of highly trained and well qualified healthcare personnel and management that will establish and operate this project [sic]." [source: Application, pdf 34]

"*VistaRiver will design and run targeted recruitment campaigns in order to meet the challenge of recruiting clinical care staff (nurses, social worker) on a regular basis every year. We will use job fairs, open days and microsites as well as social media in reaching out to potential candidates. VistaRiver's ads are based on our core values which we hope all applicants will be able to identify with when they see them.*

Additional recruitment strategies that have been effective:

- *Differentiate with benefits helping with childcare and eldercare*
- *Career Development and Educational Reimbursement*
- *Flexibility with scheduling*
- *Recognition programs such as the DAISY Foundation*
- *Contracting with staffing agencies in the event to hire traveling clinical team members [sic].*
- *Traditional advertising on radio, internet, and via social media.*
- *Referral bonus program for referring clinical care team members who join and stay with the organization for over 90 days.*
- *Hiring and relocating staff from outside of the immediate King County area and assisting with expenses associated with relocation and licensing.*

[30] Bhupinder Walia, MD.
[31] Washington State Department of Health credential MD60211392.

VistaRiver has found success when combining the above recruitment strategies." [source: February 28, 2022, screening response, pdf 31]

When asked in screening about existing staffing shortages, VistaRiver provided the following response as to how it plans to overcome staffing barriers.
"*Burnout among hospice and palliative care clinician is a staggering 62% according to a report.*

VistaRiver is proactively preparing for this barrier by recruiting and retaining staff in other markets who are cross-trained, licensed and willing to help wherever is needed.

Additionally, we believe that having sustainable case-loads helps to reduce the possibility of burn out which studies have shown are correlated with high caseloads.

VistaRiver also has success with leadership teams being able to step in and help out to ensure timely patient care.

We also have found that the following have been successful methods for proactively combating clinical burnout which are attributed to technological solutions found in [the] MatrixCare EMR platform:

1) Optimizing IDT coordination
    a. Better coordination within the IDT which helps alleviate the stress of growing caseloads
2) Addressing work-life balance
    a. One of the sources of burnout for hospice nurses can be a result of being on for 24/7 care, which means they might face patient needs at any hour and from anywhere.
        i. VistaRiver staggers schedules
        ii. EMR provides a platform where all patient-related communication takes place and provides the all the care team members and family real-time information.
3) Streamlining family communications
    a. Hospice nurses can feel overwhelmed in dealing with multiple family members, many of whom may be remote. These family members can disagree on their loved ones' care and have different questions that they want answered by the nurse-which could create confusion within the family as well. The hospice nurse also communicates with various other IDG people. With MatrixCare, our care teams can communicate with the entire family all at once through secure instant messaging or live video chats

Intentionally designing, investing in and proactively considering the various factors of what leads to burn out has help [sic] retain staff leading to timely care, happy care team and excellent patient care."
[source: February 28, 2022, screening response, pdf 30]

Public Comment
Sol Miller, CEO, Moments Hospice of King, LLC – Oppose [source: pdfs 35-36]
"***Staffing Model Does Not Support Promised Outcomes***
On page 5 of the Application PDF file, the Applicant cites its 'unique staffing model' which the Applicant claims will allow VistaRiver's new hospice agency to:

- *'Provide 2.5 times more care than the national average' and*
- *'Rank above the leading hospices in visits'*

However, when explaining the underlying assumptions of their staffing models, VistaRiver indicates that they used the staffing models of other applicants. Yet they expect to somehow outperform these same other hospices—while essentially borrowing their same staffing models?

VistaRiver has made lofty claims of superior care. To rank above the 'leading hospices in visits,' necessarily, VistaRiver would require patient-facing staff to perform these additional visits. However, this is contradicted by the staffing model assumptions described by the Applicant. The Applicant states that:

> *'VistaRiver compared it's [sic] staffing ratios against the NHPCO as well as previously submitted Hospice CN applications to confirm they're consistent.'*

Furthermore, in response to Screening question #19, the Applicant affirms that 'The VistaRiver Hospice interdisciplinary staff will be making the visits leading up to a patient's death'—not Alante Health. Yet the 'VistaRiver Hospice interdisciplinary staff' are determined by VistaRiver's staffing model—which the Applicant states was based upon other applicants' staffing models.

VistaRiver's use of various applicants' staffing models suggests that VistaRiver has not devoted adequate resources or contemplation to support the Applicant's claims that its new agency will 'provide 2.5 times more care than the national average.' Borrowing from other applicant hospices' staffing models suggests that VistaRiver's capacity to provide care will, at best, be comparable to these same applicants—which does not support VistaRiver's claims of superior service.

Summarily, it is problematic to reconcile the Applicant's claims regarding exceptional patient care with its staffing model assumptions. Furthermore, the applicant's pro forma financial statement does not show any considerable investments in artificial intelligence, or other technology which would support these claims.

…

Therefore, necessarily, either the staffing ratios are in fact lower than what is stated in the application (since no care would be provided when patient-facing staff are on leave), or, the pro forma financials are understated in terms of FTEs and salary costs.

Consequently, either the financial feasibility of this project cannot be accurately assessed based on the applicant's pro forma financials (because there would be additional, unaccounted for costs to cover replacement of direct patient care staf [sic], in order to maintain the stated staffing ratios), or VistaRiver's staffing models are inaccurate and overstate the level of direct patient care available to patients."

Tracy Merritt, Authorized Representative of AccentCare, Inc. and Seasons Hospice & Palliative Care of King County, LLC – Oppose [source: pdf 3]

"***Question 3:*** *In comment 17 of the Screening, the Department asks VistaRiver to provide the full names, state of origin, and corresponding credential information for the staff identified. In VistaRiver's response to the screening, only the staff names, state of origin, and position are provided. Credential information, including license numbers and whether the staff members are licensed to practice in the state of Washington is not provided.*

…

Question 9. *On page 34 of the application, VistaRiver only addresses staff recruitment methods, failing to describe methods for staff retention or training opportunities for career advancement. This omission is highlighted in the Department's Screening; however, VistaRiver fails to address this portion of the question again in its Screening Response. Instead of describing methods for staff retention, VistaRiver simply elaborates on recruitment strategies*."

Lee Johnson, Treasurer, Symbol Healthcare Inc., – Oppose [source: pdf 7]

"***ii) Vistariver***

…

(3) Vistariver does not show the direct cost staff breakdown or the indirect cost staff breakdown in the pro forma or elsewhere. The Department cannot determine if structure and process requirements are met."

Rebuttal Comments

VistaRiver did not provide rebuttal responses to any written comments in this review.

Department Evaluation

VistaRiver does not yet have a Washington State license associated with the services proposed in this project; however, its members do own and operate additional post-acute facilities and in-home services agencies already licensed in Washington State. VistaRiver based its staffing ratios on its owning members' operating experience, then compared it to ratios suggested by the National Hospice and Palliative Care Organization and those used by a recently CN-approved King County hospice provider.

Public comment was provided by two other applicants applying for King County hospice services as well as one existing area hospice provider. Comments included: critique of VistaRiver's staffing model assumptions, as well as reasonableness of staffing ratios relative to its stated outcomes, missing credential information, absent staff retention strategies, and missing staff information.

One omission identified in this application, while correct, can be remedied by the CN Program during review: missing staff credential information. CN has historically conditionally approved new providers under the condition that credential information be provided prior to services commencing. There is a risk when an applicant does not provide current staff credentials numbers if the CN Program has concerns about the staff's credential history. Another one stating that although retention strategies were requested only recruitment strategies were provided isn't accurate. The applicant states in response to this question that it will *design and run targeted recruitment campaigns in order to meet the challenge of recruiting…* But in the list of its following strategies, typical retention information is included. Concerns about missing staffing breakdown is inaccurate as well, Appendix 8 of VistaRiver's screening response contains both direct and contracted staff information.

Without rebuttal comments from the applicant, the department is unable to resolve whether, as stated in comment, its staffing model does, or does not, support promised outcomes. The commenter argues that if staffing models used are based on other King County providers of hospice care, how does VistaRiver expect to outperform them? This is a logical question based on the information and statements provided in the VistaRiver application. VistaRiver did not provide an explanation or clarification when it had the opportunity to rebut.

Another concern of the department is of the same vein, this applicant recognizes that in order to not duplicate existing services, some of its earlier mentioned[32] strategies are matching patients to board-certified patient navigators of the same race and increasing staff diversity. Although MyCancerJourney costs are accounted for in financial statements for its cancer patients, no specific recruitment or retention strategies or funds for additional efforts is included in this proposal for other hospice staff.

Based on the information provided in the application, public comment, and lack of rebuttal refuting such comment, the department concludes that VistaRiver may not have the ability and expertise to recruit and retain a sufficient supply of qualified staff for this project. **This sub-criterion is not met.**

[32] Under WAC 246-310-210(1)

Y.B.G. Healthcare LLC

With this project, YBG is proposing a new agency and based on the timeline identified by the applicant, full calendar year one of the project is 2024 and full calendar year three is 2026. The applicant provided projected FTE counts for its proposed King County operations. The following table summarizes this information.

Department's Table 41
YBG's Projected FTE Counts

FTE Type	2023 Partial Year	2024 (Year 1)	2025 (Year 2)	2026 (Year 3)
Skilled Nurse (RN)	1.40	1.99	2.60	3.25
Hospice Aide	2.18	3.09	4.05	5.05
Social Worker	1.00	1.11	1.46	1.82
Volunteer Coordinator	1.00	1.00	1.25	1.25
Chaplain	1.00	1.00	1.50	1.50
Clinical Supervisor / Clinical Care Manager	1.00	1.00	1.00	1.00
On Call Nurse	1.00	1.00	1.04	1.30
Admission / Triage	1.00	1.00	1.00	1.00
Executive Director / Administrator	1.00	1.00	1.00	1.00
Office Manager	1.00	1.00	1.00	1.00
Community Education Representative	1.00	1.00	2.00	2.00
PCS / Medical Records	1.00	1.00	1.00	1.00
Intake Coordinator	1.00	1.00	1.00	1.00
Total FTEs	**14.58**	**16.19**	**19.90**	**22.17**

[source: February 28, 2022, screening response, Attachment 4]

In addition to the table above, YBG clarified that physical, occupational, and speech therapists, medical director, and dietitian services are under contract and not included in the table. [sources: Application, pdf 35 and February 28, 2022, screening response, Attachment 4]

Focusing on staffing ratios, the applicant provided the following statements and table.
"*Heart and Soul staffing ratios are included in Table 12 below. The number and types of projected FTEs was based on the ratio of staff to patients in Heart and Soul's member's other hospice agency operations.*" [source: Application, pdf 34]

Applicant's Table

Table 12
Proposed Staff to Patient ADC Ratio

Type of Staff	FTE/Patient
Skilled Nursing (RN)	1:14
Medical Social Worker	1:25
Hospice Aide	1:9
Chaplain	1:30
Volunteer Coordinator	1:35

Source: Applicant

[source: Application, pdf 34]

"*While Heart and Soul's proposed staffing is based on its member's historical operating experience, a review National Hospice and Palliative Care Organization (NHPCO) data demonstrates that they are largely consistent with the ratios and standards for community hospice agencies*." [source: Application, pdf 34]

YBG additionally provided its Medical Director's name,[33] credential number,[34] and a Professional Services Agreement. [source: February 28, 2022, screening response, Attachment 6]

Since this project proposes a new agency, no other credentialled staff have yet been identified.
"*This application proposes a new hospice agency. Key staff have not yet been recruited. Heart and Soul anticipates that it will begin recruiting staff following CN approval and will have key staff in place by March 2023. We would be glad to have our CN conditioned such that we provide this information prior to opening*." [source: Application, pdf 35]

YBG provided the following statements regarding the recruitment and retention of necessary staff.
"*Heart and Soul's general recruitment and retention polices are included in Exhibit 4.*

Additionally, the 2021 King County CHNA referenced in the Need section of this application states that minorities, especially immigrants, people of color, residents with limited English proficiency, and those seeking gender-affirming care, regularly report finding culturally competent providers who demonstrate cultural awareness and respect is a challenge and barrier to care. It further states that in order to effectively and appropriately serve diverse communities, it is also important to have translated materials, as well as interpretation services, available to community members.

Heart and Soul agrees with the CHNA finding and recommendations. We have access to qualified staff, from the communities we will target, that will assure the provision of culturally competent and culturally aware services." [source: Application, pdf 35]

Since a key component of this proposed project is reaching and providing care to underserved communities, YBG provided additional information on how it would recruit culturally competent staff from communities it will target for hospice services. [source: February 28, 2022, screening response, pdfs 8-9]
"*As stated in the application, Heart and Soul will be guided by the U.S. Department of Health and Human Services' Culturally and Linguistically Appropriate Services (CLAS) Standards in our effort to deliver equitable and culturally competent care. The National CLAS Standards are a set of 15 action steps intended to advance health equity, improve quality, and help eliminate health care disparities by providing a blueprint for individuals and health and health care organizations to implement culturally and linguistically appropriate services.*

We will adopt the suggestions stated in the National Standards for CLAS in Health and Health Care: A Blueprint for Advancing and Sustaining CLAS Policy and Practice (dated April 2013), which include:

- *Advertise job opportunities in targeted foreign language and minority health professional associations' job boards, publications, and other media (e.g., social media networks, professional organizations' email Listservs, etc.), and post information in multiple languages.*
- *Develop relationships with local schools, training programs, and faith-based organizations to expand recruitment base.*

[33] Carla Ainsworth, MD.
[34] Washington State Department of Health credential MD00041622.

- *Recruit at minority health fairs.*
- *Collaborate with businesses, public school systems, and other stakeholders to build potential workforce capacities and recruit diverse staff. In particular, linkages between academic and service settings can help identify potential recruits already in the educational 'pipeline' and provide them with additional academic support and resources necessary to meet job requirements.*
- *Assess the language and communication proficiency of staff to determine fluency and appropriateness for serving as interpreters.*

Further we will continue to engage/support BIPOC organizations and post to their job boards. These organizations include but are not limited to the National Association for the Advancement of Colored People (NAACP), the Urban League, the Somali Health Board, the United Ways of King County's supported Black Community Building Collective, African American Health Board, Mary Mahony Association of Professional Nurses, and Washington State Commission on African American Affairs

Heart and Soul has also been in contact with both CMS's Office of Minority Health, Health Equity Technical Assistance Team and the Regional Minority Health Analyst in the Region 8 Office of Regional Health Operations. We have included as Attachment 2 the correspondence and resources provided by these agencies that will support Heart and Soul in their recruitment and retention and community engagement efforts."

When asked in screening about existing staffing shortages, YBG provided the following response as to how it plans to overcome staffing barriers.
"*Staffing shortages are a reality today. Key best practice strategies include working directly with nursing schools to recruit new graduates who will learn hospice on the job and engaging the networking potential of existing staff; providing flexibility in FTE level and time to support parents, etc.; signing bonuses, increase salaries (how do ours compare to other applicants). We also know that today, very qualified nursing and other key hospital staff that work in hospitals are interested in the autonomy and 1:1 environment of hospice. While we will not target hospital staff directly, when they reach out, we will support their needs.*

Finally, as noted in response to Q18, we will align with and support a number of BIPOC job boards.

We also intend to utilize a healthcare staffing agency. PRN staff (a roster of LPNs), an active recruiting pipeline such as Indeed and Glassdoor. In the worst case of being understaffed, we will assure care by using traveler staff." [source: February 28, 2022, screening response, pdf 10]

Public Comment
Following is a representative sample of comments supporting YBG's project with information on various aspects related to sufficient and qualified staff.

Jane Zerabruk, Licensed Social Worker – Support
"*I want to provide a statement in support of King County approving YBG health care black owned hospice agency. I am a licensed social worker for King county and Washington state. I work with many patients in King county acquiring hospice services and I would love to advocate for them to have access to care services for the marginalized populations.*

I worked in the south King county region for Kindred Hospice from 2017 to 2019. I noticed first hand many of the African American families resist some of the medical advice given and [do] not take full advantage of the services simply because they did not feel supported enough. I as a person of color

professional [sic] was frequently asked to meet with diverse families. Black families specifically wanted to meet with me over my white colleagues not because they were being racist, but because [sic] but largely because they felt I would listen and understand their needs better. And in two occasions I can remember two large African American families one in Renton and the other in South Seattle [sic] tell me that my presence as a black or person of color made all the difference for them. Culturally and broadly speaking African American or Black families are not comfortable with hospice case [sic] and often elect for the services [at the] very end of life; under utilizing the fullness hospice care can provide. Inviting medical personnel to your home during a private and emotional time takes a lot of trust. I can attest to that with my own father who is in hospice services right now, that the feeling of entrusting your vulnerable love one to strangers is uncomfortable, even as a professional I find myself unable to fully advocate for my father and family needs all the time."

Ashley McGirt-Adair, MSW, LICSW – Support

"*I am reaching out to you, making a public comment, regarding a proposed hospice project for Y.B.G., Healthcare, under Nathan Yemane's leadership. I am a licensed clinician, former hospice social worker, and an expert on racial trauma, and grief and loss...especially as it pertains to the Black community. I am a Washington native born and raised social justice advocate and most importantly a Black woman with a long standing in this community.*

...

It is imperative that we ensure that clinicians who provide hospice care have the tools needed to: identify systemic racism; check their biases; and understand how 'allostatic load', high ACE scores, and more lead to high mortality rates for many of the minorities on hospice care! Even when we look at covered hospice services we can see the overwhelming bias. As conditions that impact Blacks and other minorities most are often considered aggressive treatments and others impacting whites are covered treatments under hospice. Having a Black hospice will create a safe space for people of color who have not experienced culturally competent care before! The staff will have skills to be culturally responsive and aware of some of the systemic issues impacting the clients in their care. I can't argue enough for a Black owned hospice!"

Carla Ainsworth, MD, Medical Director, Heart and Soul Hospice – Support

"*My name is Dr. Carla Ainsworth and I am speaking in support of YBG Healthcare and Heart and Soul Hospice. I am a family physician who lives and practices in Seattle. In addition to training and board certification in family medicine, I did a fellowship in geriatric medicine and I have additional certification in geriatric medicine and hospice and palliative care medicine. I have spent my entire professional career taking care of patients in Seattle, and I currently take care of older adults in an outpatient clinic based in the Central District. I talk with patients about advance care planning and end of life care on a daily basis. I have counseled patients about their options including Death with Dignity and have participated in that process as both a prescribing and consulting physician.*

...

I take care of patients whose diversity is as broad as western Washington's, but some of those patients have specifically sought my care because I am a [sic] African-American physician. There is clear data that racial concordance between care teams and patients can improve health outcomes. In an American healthcare system that has systematically mistreated Black and brown patients, something that has been laid bare in this pandemic, one of the barriers to enrolling in hospice is concern about being denied services. Patients want to focus on quality of life and comfort, but worry that a system that has harmed them previously may just be 'giving up on them.' YBG Healthcare and Heart and Soul Hospice wants to acknowledge that and confront it from the beginning.

It is scary to be facing the end of your life. It is difficult to invite people into your home when you or your loved one is seriously ill. So having an organization that combines proven hospice leadership with

someone deeply rooted in King County with the intent of centering patients and families of color is an unprecedented opportunity. I am committed to supporting Heart and Soul Hospice as the founding medical director because I believe so strongly in their mission and the opportunity to make a difference for patients and families in the community where I live and work every day. Thank you for this opportunity to speak to you today."

Dennis Worsham, Director, Public Health – Seattle & King County – Support
"*With the declaration of Racism as a Public Health Crisis by the King County Executive and my predecessor at Public Health – Seattle and King County, we are taking the opportunity to share with partners where systems and processes can better address unmet needs in BIPOC and other underserved communities. One such area is the Certificate of Need process for hospice agencies. Our understanding is that there is a shortage of hospice agencies able to provide accessible and culturally relevant care to historically marginalized communities, particularly BIPOC communities. For residents needing hospice services, culturally relevant care is a standard all communities should expect. It will increase access to hospice care services for historically marginalized communities, improve quality of life for their loved ones needing hospice care, and help build their trust in the healthcare system overall.*

Our request is that the Certificate of Need process take into account the applicant's ability to meet the needs of underserved communities, particularly BIPOC communities. We would welcome further conversations on how the Certificate of Need process can support this goal. Considerations include whether the applicant actively seeks to provide culturally relevant care for historically marginalized communities, such as its ability to recruit and retain caregivers from these communities, and in particular whether BIPOC owned and/or operated hospice agencies are better able to do so.

Thank you for your interest in addressing this need."

Stephanie Doss, RN, Health and Wellness Director, Brookdale Senior Living, Nashville, TN – Support
"*I am writing to share our facilities' great satisfaction with the Heart and Soul Hospice Nashville team. While our relationship is still relatively new, if the last several months have been an indication of the type of care and responsiveness our residents can expect we certainly see this as just the beginning.*

It is always difficult to have the 'hospice talk' with residents and families but having a trusted provider like Heart and Soul has made the task much easier for everyone. We especially appreciate the cultural competency and diverse makeup of the staff that come to our location.

Heart and Soul Hospice has become a trusted and valuable resource for us and we look forward to continuing to provide high quality, compassionate care together."

Dr. Joycelyn Thomas, ARNP, President, Mary Mahoney Professional Nurses Organization
"*On behalf of Mary Mahoney Professional Nurses Organization (MMPNO), this letter demonstrates our strong support of Y.B.G. Healthcare's Hospice Certificate of Need Application.*

Mary Mahoney Professional Nurses Organization is a Black nurses organization founded over seventy-two years ago in 1949 here in Central Seattle by Anne Foy Baker. Our mission is to provide scholarship to African Heritage students pursuing a degree in nursing, implement culturally relevant community service projects in Washington State and cultivate our African Heritage through community.

Development of Y.B.G Healthcare's Hospice is important to MMPNO specifically because if established it will align with our mission and vision as previously mentioned. The presence of a Black-owned health hospice will provide the opportunity for people of color in the healthcare industry, address health

related racial disparities that have long impacted the Black community, diversify the Black owned business market in King County and the hospice industry here in our state and will provide clinically and culturally competent end of life care and education to Black people.

I am extremely grateful for the opportunity that Y.B.G. Healthcare Hospice is providing with this endeavor, and MMPNO again strongly recommend and support the creation of a Black owned healthcare agency in King County, WA."

Agueda Pacheco Flores, (March 3, 2022) Washington's First Black-Owned Hospice Agency Waits for State Approval. *South Seattle Emerald*
"*Yemane says he feels strongly that equity needs to come from the top, therefore leadership needs to reflect the community it serves. Yemane has filled the position for hospice medical director with Dr. Carla Ainsworth, who is Black, is a physician, and has practiced medicine since 2004. She is also board-certified in family medicine, geriatric care, and hospice and palliative care.*

'It matters that patients feel like their health care team knows their community and their lived experiences,' Ainsworth said. 'I think that this would allow us to connect some patients to hospice who had otherwise felt nervous or hesitant to do so."

Mary Louise Kelly, (December 28, 2021) Black-Owned Hospice Seeks to Bring Greater Ease in Dying to Black Families. *National Public Radio*
"*FARMER: Hospice research hasn't come up with clear reasons why hospice is now the norm for white families but not for Black. Some speculate it's related to spiritual beliefs and widespread mistrust in the medical system due to decades of discrimination. And Lee says culture does play some role.*"

LEE: A lot of hospices don't employ enough Black people. We all feel comfortable when you see somebody else over there that look like you.

FARMER: The hospice industry's trade group has recommended hiring more Black nurses but also connecting with influential DJs and partnering with Black pastors, who so often counsel families facing a death. That's what Michelle Drayton has been doing with the Visiting Nurse Service of New York."

Holly Vossel, (January 7, 2022). Heart and Soul Hospice Works to Improve Utilization Among Underserved Populations. *Hospice News*
"*Black and Hispanic populations are less likely to receive a hospice or palliative care referral than white patients according to recent data from the U.S. Agency for Healthcare Research and Quality.*

Under-utilization is in part due to a lack of awareness and understanding about the scope and services included in hospice care - among patients and physicians alike, according to Mason. Expanding education and communication with patients and their families, clinicians and the community at large about hospice care is an important endeavor for providers, said Mason.

Building trust in and around underserved communities is another, according to Turner, who told Hospice News that gaining trust involves getting to know community members before they reach the need for end-of-life or serious illness care. Heart and Soul Hospice employs various trust-building strategies including establishing partnerships with community organizations, taking part in events at local schools and making connections with referring physicians and sources. This all lends to 'planting the seed' of awareness about hospice services, said Turner.

'There's so much historical scar tissue, that we have to break it down one thing at a time - there's no magic wand or secret in the sauce said Turner. 'It's more than just trying to get more people involved in your hospice program. It can't just be about growing fences, it has to be about changing the culture of your organization, about who your leaders are and where you spend your time and marketing dollars. So many things go into this."

In addition to comments in support of YBG's project, the following comments in opposition were also received.

Sol Miller, CEO, Moments Hospice of King, LLC – Oppose [source: pdfs 21-22]

"*The overarching theme of Y.B.G.'s application is that because the proposed agency is owned by black investors, it will be better able to serve King County's underserved BIPOC community, relative to the other applicants. This premise is flawed, because:*

…

- *While there are studies indicating that the presence of minority staff and volunteers can increase diversity among patients, this is distinct and different from having minority or BIPOC representation among investors or shareholders.*"

Lee Johnson, Treasurer, Symbol Healthcare Inc., – Oppose [source: pdf 8]

"***iii) YBG***

(1) YBG's projected FTE table shows 14.58 staff for an ADC of 19 in 2023. This is excessive staff for this census size and is not an efficient use of the hospice benefit. Structure and process are inferior."

In the rebuttal phase of this review YBG took the opportunity to clarify some of the public critique of its proposed project.

Y.B.G. Healthcare LLC Rebuttal Comment to Moments' Comment [source: pdf 21]

"*We are the only applicant with a robust and intentional plan to hire local minority hospice professionals through utilizing existing relationships that we have in the BIPOC community so that the services that we offer to the BIPOC community are culturally relevant. As stated in our application: 'Further we will continue to engage/support BIPOC organizations and post to their job boards. These local organizations include but are not limited to the National Association for the Advancement of Colored People (NAACP), the Urban League, the Somali Health Board, the United Ways of King County's supported Black Community Building Collective, African American Health Board, Mary Mahony Association of Professional Nurses, and Washington State Commission on African American Affairs.' Of these local BIPOC organizations, almost all provided written and verbal public comments to the CN program in support of Heart and Soul.*

Heart and Soul has also been in contact with both USHHS's and CMS's Office of Minority Health, Health Equity Technical Assistance Team and the Regional Minority Health Analyst in the Region 8 Office of Regional Health Operations. We have included in our application and screening response the correspondence and resources provided by these agencies that will support Heart and Soul in their recruitment and retention (of minority hospice staff) and community engagement efforts."

Y.B.G. Healthcare LLC Rebuttal Comment to Symbol's Comment [source: pdf 19]

"***iv. Our staffing is appropriate, not excessive***

Interestingly, Symbol tries to turn our richer staffing model from a positive to a negative, suggesting that we fail cost containment due to the higher staffing costs. This statement is either a reflection of the desperation of Symbol to have our front-running project 'rejected', or it is a reflection of their total lack of understanding of practices (and staffing) needed to reach, inform and build trust in order to grow hospice penetration in underserved and marginalized communities."

Department Evaluation

Y.B.G. Healthcare LLC, does not yet have a Washington State license to serve hospice patients. Although, one of its owners has ownership interests, and/or operational or management control in two other hospice agencies already licensed in Tennessee and Michigan. YBG based its staffing ratios on its owning member's operating experience as well as a comparison to National Hospice and Palliative Care Organization data.

As shown in the FTE table, 16.19 FTEs are needed in the first full year of operation (2024), which increases to 22.17 FTEs by the end of full year three (2026). YBG also clarified which staff positions would be contracted and are not included in the FTE table.

For recruitment and retention of staff, YBG takes a holistic approach with these strategies outlined in a draft policy, *Draft Recruitment, Retention, Development, and Continuing Education – Policy No. 1-007*. The policy's stated purpose is *[t]o outline the guidelines for the planning of recruitment, retention, development, and continuing education of organization personnel.* Since staff selection and training is a key component to the success of its project, it makes sense that the four elements are combined into one policy. This policy outlines a process to ensure that senior management are considering specific factors in recruitment, retention, development, and continuing education of its staff. It also includes measures by which the organization may annually evaluate it progress. YBG further detailed its recruitment strategies and associated research.

Public comment related to this sub-criterion was provided in support and opposition of YBG's project. Supporting comment included: first-hand accounts of the BIPOC community underutilization of hospice due to lack of racial concordance between staff and patients, perceived negative bias by hospice staff, YBG's history of being able to recruit and train qualified staff, that the culture of an organization starts at the top, that some industry-recommended strategies are those YBG has already began using, and YBG's connection to Mary Mahoney Professional Nurses Organization, whose mission is *to provide scholarship to African Heritage students pursuing a degree in nursing, implement culturally relevant community service projects in Washington State and cultivate our African Heritage through community*.

Conversely the department also received comment opposing YBG's project. Moments critiqued the idea that black ownership and investors means an agency will be able to better serve the underserved BIPOC community. It instead emphasized that *…there are studies indicating that the presence of minority staff and volunteers can increase diversity among patients…* Thus, inadvertently supporting one of YBG's key staffing components.

YBG did rebut this comment restating some of its earlier information. Importantly, Moments has not sufficiently refuted the fact that as stated by YBG: "*A January 2015 publication on Equity of Care and Eliminating Health Care Disparities released by a partnership including the American Hospital Association, American College of Healthcare Executives, America's Essential Hospitals, Association of American Medical Colleges and Catholic Health Association of the United States, identified a three-fold process for reducing inequities. These include:*

- *Increase the collection and use of race, ethnicity and language preference data;*
- *Increase cultural competency training; and*
- *Increase diversity in governance and leadership.*" [source: Application, pdf 17]

Additional opposition comment stated that YBG's staffing was excessive relative to its projected census. YBG rebutted the stated concern emphasizing the appropriateness of its staffing model and

importance relative to its larger goal of reaching an underserved population. Further, based on smaller number of additional staff needed in the projection years, it is clear that the applicant intends to recruit the majority of its needed staff in year one. This approach is acceptable.

YBG has stressed that training and development of its staff are key to its success. To ensure its staff are quality and that management commitment to this strategy is long-term it provided the earlier mentioned *Draft Recruitment, Retention, Development, and Continuing Education – Policy No. 1-007*.

Based on the information provided in the application, the department concludes that YBG has the ability and expertise to recruit and retain a sufficient supply of qualified staff for this project. Since its submitted policy is in draft form, if this application is approved, YBG's approval would include a condition requiring submission of a final policy for review prior to providing hospice services to King County residents. With agreement to the condition, YBG's application **meets this sub-criterion**.

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

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

Moments Hospice of King, LLC

In response to this sub-criterion, Moments Hospice King provided the following listing of ancillary and support services for the new hospice agency. [source: Application, pdf 129]

"Durable medical equipment, pharmacy, lab, hospital, and nursing home care are some of the support services that will be established."

In addition to the statement above, Moments Hospice King provided copies of the following two executed agreements. [source: Application, Exhibit 41 and 42]

Professional Services Agreement for Medical Director

This agreement was executed on December 10, 2021, and is between Moments Hospice of King, LLC (hospice agency) and John H. Addison, MD (provider) located at 9725 Southeast 36th Street, #214 in Mercer Island [98040], within King County. The agreement identifies roles and responsibilities for both entities and identifies compensation for the services at $250/hour averaging 52 hours in a month. The term of the agreement is for one year, with annual automatic renewals. The agreement recognizes that the agency is new to the county and Dr. Addison, as a licensed physician, is under contract for medical director services for the new agency. [source: Application, Exhibit 41]

In response to the department's request, Moments Hospice of King provided a table connecting the costs identified in the agreement with the expense line item in the applicant's pro forma Revenue and Expense Statement. The table below shows the information and provides clarification. [source: February 28, 2022, screening response, pdfs 22-23]

Applicant's Table - Medical Director Line Item Reconciliation

	Partial 2022	2023	2024	2025
Medical Director Hourly Rate	$250	$250	$250	$250
Avg. Hours / Month*	52.42739	52.0	52.2	52.0
# Months	3	12	12	12
Medical Director Compensation	$39,321	$156,000	$156,600	$156,000
Pro Forma Contract Labor	$39,321	$156,000	$156,600	$156,000

**=Average hours per month are based on FTE conversion factors, and will differ slightly in months with a different number of total days. For example, 1 FTE works 176.66 hours in months with 31 days (2,080 hours per FTE x 31 days/365 days = 176.66), and 170.96 hours in months with 30 days (2,080 hours x 30 days/365 = 170.96).*

In the table above, partial year 2022 reflects average hours per month of 52.43, because it includes the months of October, November, and December (2 months with 31 days, and 1 month with 30 days). Also, please note that because 2024 is a leap year, there are additional hours associated with one extra day of patient care (February 29, 2024).

Moments of Hospice King, LLC Operating Agreement

This agreement was executed on December 1, 2021, and is between Moments Hospice of King, LLC (referenced as '*company*' in the agreement) and Eliyahu Jaffa and Shlomo Miller (referenced as '*parties*' or '*members*' in the agreement). The agreement provides the following Recitation:
"WHEREAS the parties desire to operate a limited liability company to be known as Moments Hospice of King, LLC (the "Company") under and pursuant to the Washington Limited Liability Company Act, (currently WA Statutes Chapter 25.15 RWC et.seq.) (the "Act").

WHEREAS the parties desire to set forth in this Operating Agreement their respective rights, obligations and interests with respect to the Company and the Property."

The agreement identifies roles and responsibilities for both the company and the members. The term of the agreement is in perpetuity unless the members vote for dissolution or any event occurs which makes it unlawful for the business of the company to be carried on by the members. Each of the two members have 50% interest and the company shall be managed by the two members. The agreement specifically states that '*members will not receive any salaries*.' [source: Application, Exhibit 42]

Moments Hospice King provided the following clarification regarding lack of compensation associated with this agreement. [source: February 28, 2022, screening response, pdf 23]
"Due to the LLC legal structure, profits and losses pass through to individual members and are reported on individual tax returns, regardless of whether there is a distribution. The members receive no other forms of compensation."

There were no public comments or rebuttal comments submitted for the Moments project related to this sub-criterion.

Department Evaluation

Moments does not currently operate a Medicare and Medicaid-certified hospice agency in Washington State, although, its members do own and operate hospice agencies in other states. This project proposes to serve King County patients from an office in Burien, within King County.

Moments provided a listing of the types of ancillary and support vendors it would use for the new hospice agency. Given that the agency is not yet operational, no vendor agreements have been executed. If this project is approved, the department would include a condition requiring Moments to provide a listing of ancillary and support vendors prior to providing hospice services in King County.

Moments also provided two executed agreements that would be used for the new hospice agency. Both agreements include specific information regarding roles and responsibilities of the signing entities. The Medical Director Agreement identifies all costs associated with the services. The applicant explained the notation in the executed Operating Agreement that references no compensation for the owners.

Information provided demonstrates that the applicant would have the experience and likely access to all hospice ancillary and support services used by the proposed hospice agency in King County. Provided the applicant agrees to a condition regarding the ancillary and support vendor listing, the department concludes **this sub criterion is met.**

The Pennant Group, Inc.

As a new agency, Pennant did not provide a listing of current contracts in place, rather, Pennant provided the following listing of ancillary and support services anticipated to be established for the new hospice agency. [source: Application, pdf 35]

"Strategic Healthcare Programs (SHP)
Home Care Home Base (HCHB)
DME Vendor
Pharmacy Vendor
Medical Supply Vendor
eSolutions – accounting interface
Workday – HR interface
Lippincott – electronic educational/procedural tool for clinicians
Focura – Leading document management and HIPPA compliant communication for clinicians
Providor Link – for community physicians
Relias Learning – clinician focused learning tool
TigerConnect—HIPAA compliant communication for clinicians"

Pennant also provided the following clarification:

"Note, the Applicant has contracts with many of these vendors as part of Pennant- or Cornerstone-wide enterprise contracts, which helps with cost containment."

[source: Application, pdf 34, footnote 13]

Pennant provided a copy of the executed Medical Director Service Agreement between William Elledge, MD, and Symbol Healthcare, Inc. located at 4002 Tacoma Mall Boulevard, #204A, in Tacoma [98409]. The agreement was executed on December 21, 2020, and outlines roles and responsibilities for each entity, as well as compensation. Additionally, there is an expense line item to account for this cost in Pennant's projected Revenue and Expense Statements. The agreement is effective for one year, with automatic annual renewals in perpetuity. [source: Application, Exhibit 3]

Further, Pennant provided a copy of the executed Consulting, Professional, and Operational Support Services Agreement between Pennant Services, Inc. (a Nevada corporation) and Symbol Healthcare, Inc. dba Puget Sound Home Health of King County. The agreement was executed on October 1, 2019, and focuses on administrative services to be provided to the hospice agency. The agreement also outlines roles and responsibilities for each entity, as well as compensation. Additionally, there is an expense line item to account for this cost on Pennant's projected Revenue and Expense Statements. The agreement is effective for one year, with automatic annual renewals in perpetuity. [source: Application, Exhibit 8]

Exhibit A included with the agreement referenced above focuses on clinical services to be provided to the hospice agency. The exhibit also outlines roles and responsibilities for each entity. Exhibit B is the Business Associate Agreement between Cornerstone Service Center, Inc. and Emerald Healthcare, Inc. This exhibit also outlines roles and responsibilities for each entity.

There were no public comments or rebuttal comments submitted for the Pennant project related to this sub-criterion.

Department Evaluation

As previously stated, Pennant proposes to serve King County hospice patients from a new agency to be located in Pierce County. Pennant operates eight home health or hospice agencies in Washington State and operates a number of home health and hospice agencies in other states.

Pennant provided a listing of ancillary and support vendors that would likely be used for the new agency, and noted it has existing agreements with some of the vendors for other agencies. If this project is approved, the department would include a condition requiring Pennant to provide a listing of ancillary and support vendors prior to providing hospice services in King County.

Pennant also provided a copy of its executed Medical Director Service Agreement and its executed Consulting, Professional, and Operational Support Services Agreement. Pennant further detailed its existing area relationships and network.

Information provided in the application demonstrates that the applicant has the experience and access to all necessary hospice ancillary and support services that would be needed for a new agency in Pierce County to serve King County patients. Provided the applicant agrees to a condition regarding the ancillary and support vendor listing, the department concludes **this sub criterion is met.**

VistaRiver King County HoldCo, LLC

In response to this sub-criterion, this applicant provided the following statements.
"*VistaRiver of King County, LLC, as a new provider, expects to following ancillary or support agreements to take place:*

- *Hospital: VistaRiver will establish agreements local hospitals (i.e. Harborview, VA, Seattle Medical) for GIP.*
- *Respite Care: VistaRiver will work with SNFs in King County.*
- *Long Term Care facilities: VistaRiver will work with SNFs located in King County.*
- *Pharmacy Benefit Manager: VistaRiver has an agreement with BetterRX*
- *Home Medical Equipment and Specialty Pharmacy Services: Will establish DME contract with Bellevue Healthcare*

- *Occupational Therapy, Physical Therapy, and Speech Therapy: VistaRiver will contract with local Home Health agencies within King County or contract directly with the respective disciplines.*
- *Oncology Cancer Center: VistaRiver Hospice will develop working relationships with cancer programs in King County.*
- *Primary Care Clinics: VistaRiver Hospice will focus on developing working relationships with federally qualified health care clinics such as Sea Mar, Health point, International Community Health Services and County Doctor Clinics and as part of its outreach to dual eligibility Medicare beneficiaries. It will also use its regular outreach activities with primary care clinics throughout Seattle and the rest of King County, initially relying on relationships developed with physicians in its home health and SNF operations.*

The relationships demonstrate that VistaRiver Hospice has the capabilities to meet the service demands for the project. Once the project is approved, VistaRiver Hospice will work to make any necessary adjustments or amendments to the agreements in order to provide the full spectrum of hospice services in King County." [source: Application, pdf 35]

VistaRiver provided a copy of the executed *Professional Services Agreement for its Medical Director* between VistaRiver of King County, LLC and Dr. Bhupinder Walia and Dr. Nita Vellody. The agreement was executed on December 1, 2021, and outlines responsibilities for each role identified. The agreement is effective for one year, with automatic annual renewals in perpetuity unless terminated. [source: February 28, 2022, screening response, Appendix 7]

VistaRiver provided the following statement in response to several screening questions related to its *Professional Services Agreement*. [source: February 28, 2022, screening response, pdf 42]
"*Reviewing the original Medical Director appendix shows that the Dr. Walia is identified throughout the agreement as the primary medical director and Dr. Vellody is listed as the backup medical director. Page 5 6.6, Exhibit C Page 7, Exhibit C Page 13. The agreement is submitted for review.*

Dr. Bhupinder Walia WA credential MD60211392 and Active

Dr. Nita Vellody is listed as back up Medical Director as identified in response to screening question 55.

Dr Nita Vellody will serve as backup medical director and will submit Washington State credentialing upon the approval of this application."

Following are additional agreements which are part of VistaRiver's proposed King County hospice project.

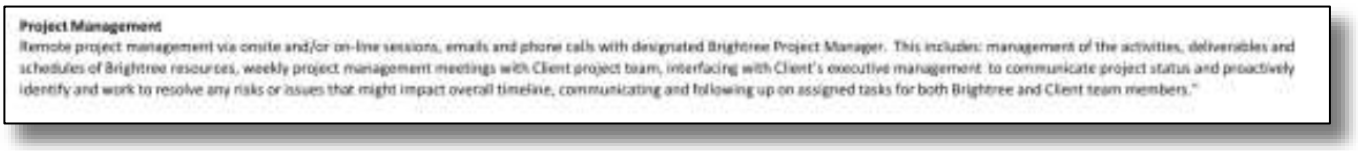
Draft Lease
In screening the department requested (question 65) either an executed lease or all the necessary elements of a draft agreement for CN to complete its review. The response to the question states that *The Draft Lease agreement has been updated and included in the appendix*. However, the department was not able to locate an updated version in the received screening response. [source: February 28, 2022, screening response, pdf 46]

Brightree Agreement

For this software use agreement, in screening the department requested (question 53) either an executed agreement or all the necessary elements of a draft agreement for CN to complete its review. The response to the question states that *'VistaRiver Brightree BAA draft.pdf' draft agreement uploaded for review*. However, the department was not able to locate an updated version in the received screening response. [source: February 28, 2022, screening response, pdf 41]

Draft MatrixCare EMR Contract

In screening the department stated that a separate PDF was reviewed since the screenshots in Appendix 6 were not fully legible and did not include the entire contract. The question (question 50) asked if the MatrixCare form was the one referred to in the next Appendix (Appendix 7). The applicant did not provide a response to this question, and instead supplied another set of not legible nor complete screenshots. The applicant did however provide as screening Appendix 4 what appears to be the complete contract, but it is again not legible, see the below sample from the applicant's submission.


Project Management

Remote project management via onsite and/or on-line sessions, emails and phone calls with designated Brightree Project Manager. This includes: management of the activities, deliverables and schedules of Brightree resources, weekly project management meetings with Client project team, interfacing with Client's executive management to communicate project status and proactively identify and work to resolve any risks or issues that might impact overall timeline, communicating and following up on assigned tasks for both Brightree and Client team members."

Costs associated with this contract are identified in the pro forma revenue and expense statement, however their accuracy is not confirmed since the contract is not legible. [source: February 28, 2022, screening response, pdf 40 and Appendix 4]

MyCancerJourney Contract

This contract is effective as of December 1, 2021, and has an initial term of one year, the contract is set to automatically renew for additional one year terms unless terminated by either participating entity. This contract details both entities' rights and obligations, and includes all costs associated with the initial term and additional terms. Costs associated with this contract are identified in the pro forma revenue and expense statement. Further, the contract is signed and dated by representatives of both participating entities. [source: February 28, 2022, screening response, Appendix 10]

Draft Alante Professional Physician Services Agreement

This agreement states at the top of its first page that it is a *Draft Agreement for Discussion Purposes.* Despite this it states it is effective as of December 29, 2021, and has an initial term of one year, the agreement is set to automatically renew for additional one year terms unless terminated by either participating entity. This agreement details its purpose and both entities' responsibilities. However, this draft agreement does not identify its associated costs aside from VistaRiver's obligation to obtain *Professional Liability Insurance*. Due to lack of detail it is unclear if any costs associated with this agreement are accounted for in the pro forma revenue and expense statement. [source: February 28, 2022, screening response, Appendix 3]

Operating Agreement

This contract is effective as of December 30, 2021, and has a term to *commence on filing of the Articles of Organization after CN application approval and shall continue in perpetuity or until dissolved...* This contract details both participating entities' powers, privileges, and limited authority. There does not appear to be any costs associated with this agreement. Further, the contract is signed and dated by representatives of both participating entities. [source: February 28, 2022, screening response, Appendix 2]

Public Comments
Lee Johnson, Treasurer, Symbol Healthcare Inc., – Oppose [source: pdf 7]
"***ii) Vistariver***

...
(2) Vistariver did not provide the updated lease. Without an executed lease there is no site control."

Rebuttal Comments
VistaRiver did not provide rebuttal responses to any written comments in this review.

Department Evaluation
VistaRiver does not yet have a Washington State license associated with the services proposed in this project; however, its members do own and operate additional post-acute facilities and in-home services agencies already licensed in the state.

VistaRiver provided a listing of potential ancillary and support vendors and potential referral sources it would use for the new hospice agency. VistaRiver also provided several agreements—some agreements are executed, some are drafts, and one agreement purported to be executed, but stated to be used '*for discussion purposes*.' The applicant also made reference to several other agreements without submitting final versions. The draft agreements did not contain all elements necessary to complete CN review or sufficient information to be able to approve the project under a condition. Further, despite a screening question (question 56) seeking to clarify which person will fill which role in the *Professional Services Agreement Medical Director* the applicant did not revise the language of the agreement.

Following are the specific sections from the same agreement that are unclear or conflicting.
Unclear statement:

"*This Agreement is made effective as of* ***Dec-01-2021*** *by and between* ***Vista River of King County, LLC****(ORGANIZATION') and* ***Dr. Bhupinder Walia****, ('MEDICAL DIRECTOR') and* ***Daiya Health*** *multi-specialty provider group with their agent(s)* ***Dr. Nita Vellody and Dr. Bhupinder Walia****, a physician ('MEDICAL DIRECTOR') who will assume patient care in the absence of* ***Dr. Nita Vellody****, a physician ('MEDICAL DIRECTOR')*" [source: February 28, 2022, screening response, Appendix 7, pdf 122]

Backup Dr. Walia:

"*If the MEDICAL DIRECTOR is unavailable the following physician will cover all patient services:* ***Dr. Bhupinder Walia****, a physician*." [source: February 28, 2022, screening response, Appendix 7, pdf 124]

Backup Dr. Vellody:

"***For Medical Director:***
Dr. Bhupinder Walia
11120 NE 33rd Place, Suite 202
Bellevue, WA 98004

For Backup Medical Director:
Dr. Nita Vellody
11120 NE 33rd Place, Suite 202
Bellevue, WA 98004" [source: February 28, 2022, screening response, Appendix 7, pdf 126]

Public comment was provided which highlighted one of the missing final updated agreements. When an applicant agrees that an updated version is necessary for CN review but does not provide that updated version, the department only has the problematic version for its review.

Due to the fact that several necessary agreements were not resubmitted, that an agreement is not legible, and another agreement contradicts itself to the point of being confusing, the department has concerns as to whether VistaRiver's proposed services will have an appropriate relationship to ancillary and support services. Based on the information here, public comment, and lack of rebuttal comment, the department concludes **this sub criterion is not met.**

Y.B.G. Healthcare LLC

In response to this sub-criterion, this applicant provided the following statements.
"*Heart and Soul will provide many of the services directly. We anticipate providing the following via a vendor or informal relationships:*

- *Inpatient Care*
- *PT/OT/ST/RT/IV therapy*
- *X-Ray*
- *Pharmacy*
- *Durable Medical Equipment*
- *Medical Supplies*
- *Laboratory*
- *Dietary/Nutritionist*
- *Ambulance*
- *Biowaste removal*
- *Specialty therapies*
- *Short-term respite*
- *Nurse Practitioner*
- *Freelance Interpreters*

We will finalize vendor selection/informal relationships after CN approval." [source: Application, pdf 37]

YBG provided a copy of its *Professional Services Agreement for Medical Director Policy* which includes an addendum that is an executed *Professional Services Agreement for its Medical Director*. The agreement is between Heart and Soul Hospice and Dr. Carla Ainsworth. The agreement was executed on February 1, 2022, and states its purpose, term, outlines roles and responsibilities for each entity involved, and includes a job description summary. The agreement is effective for one year, with automatic annual renewals in perpetuity unless terminated. [source: February 28, 2022, screening response, Attachment 6]

There were no public comments or rebuttal comments provided under this sub-criterion for this applicant.

Department Evaluation

YBG does not yet have a Washington State license to serve hospice patients. Although, one of its owners has ownership interests, and/or operational or management control in two other hospice agencies already licensed in Tennessee and Michigan. This project proposes to serve the King County residents from an office in Renton, within King County.

YBG provided a listing of the types of ancillary and support vendors it would use for the new hospice agency. Given that the agency is not yet operational, no agreements have been executed. YBG provided

a copy of its executed *Professional Services Agreement for Medical Director – Policy No. 2-003* and *Addendum 2-003.A*, which has an initial term of one year that renews annually unless terminated.

YBG provided an executed copy of the lease agreement for the space. The signed lease commenced January 1, 2022, has an initial term of 36 months, and an optional renewal period of two years. Terms and costs for both the initial optional renewal period are included in the lease agreement. [source: February 28, 2022, screening response, Attachments 5 and 7]

Information provided and lack of opposition comment demonstrates that this applicant has the experience and likely access to all hospice ancillary and support services needed to implement the proposed hospice services. The department therefore concludes that YBG has the experience and expertise to establish appropriate ancillary and support relationships for the new hospice services for King County residents. Provided the applicant agrees to a condition regarding the ancillary and support vendor listing, the department concludes **this sub criterion is met.**

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

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

As a part of this review, the department must conclude that the proposed services provided by an applicant would be provided in a manner that ensures safe and adequate care to the public.[35] For in-home services agencies, the department reviews two different areas when evaluating this sub-criterion. One is a review of the Centers for Medicare and Medicaid Services (CMS) *Terminated Provider Counts Report* covering years 2019 through current. The department uses this report to identify facilities that were involuntarily terminated from participation in Medicare reimbursement.

The department also reviews an applicant's conformance with Medicare and Medicaid standards, with a focus on Washington State facilities. The department uses the CMS *Survey Activity Repor*t to identify Washington State facilities with a history of condition level findings. For CMS surveys, there are two levels of deficiencies: standard and condition.[36]

- Standard Level
  A deficiency is at the Standard level when there is noncompliance with any single requirement (or several requirements) within a particular standard that is not of such character as to substantially limit a facility's capacity to furnish adequate care, or which would not jeopardize or adversely affect the health or safety of patients if the deficient practice recurred.

- Condition Level
  Deficiency at the Condition level may be due to noncompliance with requirements in a single standard that, collectively, represent a severe or critical health or safety breach, or it may be the result of noncompliance with several standards within the condition. Even a seemingly small

[35] WAC 246-310-230(5).
[36] Definitions of standard and condition level surveys: https://www.compass-clinical.com/deciphering-tjc-condition-level-findings/

breach in critical actions, or at critical times, can kill or severely injure a patient, and such breaches would represent a serious or severe health or safety threat.

Although some of the applicants in this review own and/or operate post-acute facilities,[37] none are without in-home services[38] operations. Since the proposed project is for hospice services, the focus of this review will be historical hospice and home health operations as they are either the same or functionally the most similar to the services proposed in these projects.

Moments Hospice of King, LLC

Responses provided by Moments Hospice King related to this sub-criterion are also used to evaluate the sub-criterion under WAC 246-310-230(5). When asked to identify whether any facility or practitioner associated with this application has a history of actions which relate to non-compliance with federal and/or state laws, and if so, to provide evidence that ensures safe and adequate care to the public will be provided, the applicant provided the following statements. [source: Application, pdf 133]
"Moments Hospice of King is a new legal entity, therefore this question is not applicable. Furthermore, affiliated Moments Hospices's do not have a pattern of condition-level findings, therefore this question is not applicable. This question is not applicable, as there is no history of condition-level findings against the Applicant or any affiliated Moments entities."

Moments Hospice King provided a listing of the out-of-state agencies that have overlapping ownership with the applicant. The listing includes a total of 13 hospice agencies in the states of Florida (1), Iowa (1), Illinois (2), Minnesota (4), South Dakota (1), and Wisconsin (4). [source: Application, pdf 7]

Given that the applicant is proposing a new agency in Washington State, Moments Hospice King states it does not currently have a method for assessing customer satisfaction and quality improvement for the new agency in King County. [source: Application, pdf 11]

The Pennant Group Public Comments-Opposed

The Pennant Group provided the following public comments related to this sub-criterion.
"Moments did not answer Question 11 regarding assessing customer satisfaction and quality improvement. This makes it impossible for the Department to accurately ascertain whether Moment's project would meet WAC 246-310-230. This also results in an application that is inferior under WAC 246-310-230(11)."

Moments Rebuttal Comments to The Pennant Group's Public Comments

The applicant's rebuttal responses are below.
"Question 11 specifically states for existing agencies (emphasis added). Moments Hospice of King is not an existing agency, as noted in the application response:

> 11. **For existing agencies, clarify whether the applicant currently has a method for assessing customer satisfaction and quality improvement for the hospice agency.**
>
> This item is not applicable, since Moments Hospice of King, LLC is a new entity.

The Department of Health clearly agreed, as Moments was not asked for any additional information in screening. Moments does have a process, but because the question was for existing agencies, the appropriate answer is "N/A."

[37] Nursing homes and assisted living facilities
[38] Home health or hospice

Department Evaluation

As stated in the Applicant Description section of this evaluation, Moments Hospice is the applicant for this project. The organizational chart provided in the application shows members of Moments Hospice own a total of 13 hospice agencies nationwide. [source: Application, pdf 7] The table below shows the hospice agencies broken down by state.

Department's Table 42
Moments Hospice Home Health or Hospice Agencies

State	# of Agencies	State	# of Agencies
Florida	1	Minnesota	4
Iowa	1	South Dakota	1
Illinois	2	Wisconsin	4

Terminated Provider Counts Report for Cornerstone Healthcare, Inc.

Focusing on full years 2019 through 2021 and partial year 2022, none of Moments' hospice or home health agencies were involuntarily terminated from participation in Medicare reimbursement. [source: CMS Quality, Certification, and Oversight Reports as of August 3, 2022]

Conformance with Medicare and Medicaid Standards for Cornerstone Healthcare, Inc.

Using the Center for Medicare and Medicaid Services (CMS) Quality, Certification & Oversight Reports (QCOR) website, the department's review included full years 2019 through 2021 and partial year 2022 for all six states.

Of the 13 agencies, two were not surveyed during the timeframe identified above. Of the remaining 11 agencies, nine agencies had one or more surveys with no deficiencies and one had minor deficiencies that required no follow up survey. One agency in Iowa required one follow up visit and as of the writing of this evaluation is reported to be in compliance.

Washington State Healthcare Agencies

As of the writing of this evaluation, Moments does not operate any healthcare facilities in Washington State.

In summary, since year 2019, none of Moments hospice agency surveys resulted in termination from participation; and all deficiencies were resolved through plans of correction and/or follow-up survey.

Moments provided a copy of the executed 'Professional Services Agreement for Medical Director' between John Addison, MD and Moments Hospice of King. Using data from the Medical Quality Assurance Commission, the department found that Dr. Addison is currently compliant with state licensure and has no recent enforcement actions on his license.[39]

Moments has not yet identified its Director of Clinical Services, or any other staff, for the new hospice agency. If this project is approved, the department would attach a condition requiring Moments to provide the name and professional license number for its licensed/credentialed staff, including the Director of Clinical Services, prior to providing hospice services to residents of King County.

Concerns were raised in public comment because the applicant states it does not currently have a method for assessing customer satisfaction and quality improvement for the new King County agency.

[39] Dr. Addison's license shows closed cases and enforcement actions dating back to 2011 and 2017. This history does not affect the physician's current active license status.

Moments provided a snip of question #11 in the hospice application form and its response. The department concurs that the question refers to existing agencies, rather than new agencies. Given that CMS requires hospice agencies to develop, implement, and maintain a Quality Assurance & Performance Improvement (QAPI) plan[40], if this project is approved, the department would attach a condition requiring Moments to provide a copy of its QAPI plan for the hospice agency prior to providing services in King County.

In review of this sub-criterion, the department considered the total compliance history of the Moments organization and the Medical Director who is associated with the proposed King County agency.

Based on the information reviewed, the department concludes that Moments has been operating in compliance with applicable state and federal licensing and certification requirements. The department also concludes there is reasonable assurance that the applicant's proposed King County agency would be operated in compliance with state and federal requirements and not cause a negative effect on the compliance history of Moments. With the applicant's agreement to a condition regarding staffing and a condition regarding the QAPI plan referenced above, the department concludes that this project **meets this sub-criterion.**

The Pennant Group, Inc.

Responses provided by Pennant related to this sub-criterion are also used to evaluate the sub-criterion under WAC 246-310-230(5). When asked to identify whether any facility or practitioner associated with this application has a history of actions which relate to non-compliance with federal and/or state laws, and if so, to provide evidence that ensures safe and adequate care to the public will be provided, the applicant provided the following statements. [source: Application, pdf 36]

"Neither Symbol, Cornerstone, nor Pennant have any history of 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. Further, they have never been adjudged insolvent or bankrupt in any state or federal court. And, none have been involved in a court proceeding to make judgment of insolvency or bankruptcy with respect to the applicants.

We are proud to share that none of Cornerstone's 63 home health and hospice agencies have exhibited a pattern of conditional level findings."

In response to the department's request to provide information regarding its proposed method for assessing customer satisfaction and quality improvement for the hospice agency, Pennant provided the following information. [source: Application, pdfs 33-34]

"While this is not an existing agency, all Cornerstone hospice agencies (and home health agencies) have a method for assessing customer satisfaction and quality improvement. Each of these agencies has a robust process to ensure Federal, State and local guidelines for customer satisfaction and quality improvement are met.

[40] CMS subsection CFR 42.418.58: *Condition of participation: Quality assessment and performance improvement. The hospice must develop, implement, and maintain an effective, ongoing, hospice-wide data-driven quality assessment and performance improvement program. The hospice's governing body must ensure that the program: Reflects the complexity of its organization and services; involves all hospice services (including those services furnished under contract or arrangement); focuses on indicators related to improved palliative outcomes; and takes actions to demonstrate improvement in hospice performance. The hospice must maintain documentary evidence of its quality assessment and performance improvement program and be able to demonstrate its operation to CMS.*

Customer Satisfaction is a critical element for our quality program and reflects the patient and family experience. We partner with Strategic Healthcare Programs (SHP) for this process. SHP mails the Consumer Assessment of Healthcare Providers and System (CAHPS) survey to the appropriate designee identified by our electronic medical record (EMR) system vendor, Home Care Home Base (HCHB), and collects the data from the responses. Those responses are then summarized into useable data for use in interdisciplinary meetings (IDG) and quality assurance/performance improvement (QAPI) programs to address customer perceptions and improve community relationships.

To help drive our quality improvement, we have partnered with SHP. Through SHP we are able to view our quality metrics in real time. We also utilize partnership with HCHB to provide data and reporting based on direct patient contact and the patient record. These partners combined with our processes related to IDG meetings and QAPI programs drive patient satisfaction and quality improvement and help build a reputation within our communities of being a hospice provider of choice.

Accurate documentation is a critical necessity that is supported by our internal compliance department and agency leadership with regular review intervals. HCHB helps ensure we have all required documentation at the initiation of service and subsequent visits in areas such as Hospice Item Set (HIS) information, Symptom Management, and Service Intensity. HCHB is integrated with SHP to help us develop trends related to Hospice Quality Reporting Program (HQRP) elements. HCHB also provides an avenue to document opportunities for improving on avoidable events in areas like infection control, patient complaints, falls, and medication errors. We can then use this information to help focus the discussion in our IDG meetings and to drive areas of improvement in our QAPI programs.

Quality improvement is largely driven by our IDG. The main purpose of our IDG meeting is to bring together key hospice professionals to review and discuss the hospice needs for each individual patient and their family. We mentioned above, individualized care plans help drive the best patient outcomes. The IDG also establishes policies governing the day-to-day provision of services, which include agency programs to ensure our clinicians are skilled in providing hospice care.

Lastly, our QAPI program is designed to drive great patient outcomes. Our QAPI program will be regularly reviewed by our leadership team and our governing body. More frequency reviews of performance improvement projects (PIP) developed through our QAPI program occur in the IDG meeting. One of the main purposes of our QAPI program is to measure, analyze and track quality indicators to drive the best quality outcomes and patient satisfaction possible."

There were no public comments or rebuttal comments submitted for Pennant project that is related to this sub-criterion.

Department Evaluation

As stated in the Applicant Description section of this evaluation, Pennant owns Cornerstone Healthcare, Inc., which in turn, owns Symbol Healthcare, Inc., a Washington State foreign profit corporation. Symbol Healthcare, Inc. would operate the new Washington State agency to be known as Puget Sound Hospice of Pierce County. Based on the ownership structure, Pennant is the applicant for this project.

Pennant offers several post-acute lines of service, which includes in-home care through its subsidiary Cornerstone Healthcare, Inc. and senior living communities through its subsidiary Pinnacle Senior Living LLC.

Pennant operates through its subsidiaries 10 home care agencies, 44 hospice agencies, 37 home health agencies, 4 physician groups, and 2 therapy groups nationally. Since the proposed project is for hospice

services, the focus of this review will be hospice and home health operations as they are either the same or functionally the most similar to the services proposed in this project. The table below shows the total of 81[41] Pennant-owned home health or hospice agencies broken down by 14 states.

Department's Table 43
Pennant's Cornerstone Home Health or Hospice Agencies

State	# of Agencies	State	# of Agencies
Arizona	16	Oklahoma	2
California	13	Oregon	3
Colorado	3	Texas	13
Idaho	6	Utah	8
Iowa	2	Washington	8
Montana	1	Wisconsin	2
Nevada	2	Wyoming	2

Terminated Provider Counts Report for Cornerstone Healthcare, Inc.
Focusing on full years 2019 through 2021 and partial year 2022, none of Pennant's hospice or home health agencies were involuntarily terminated from participation in Medicare reimbursement. [source: CMS Quality, Certification, and Oversight Reports as of August 3, 2022]

Conformance with Medicare and Medicaid Standards for Cornerstone Healthcare, Inc.
Using the Center for Medicare and Medicaid Services (CMS) Quality, Certification & Oversight Reports (QCOR) website, the department's review included full years 2019 through 2021 and partial year 2022 for all 14 states.

Of the 81 agencies, 19 were not surveyed during the timeframe identified above. Of the remaining 62 agencies, 35 had one or more surveys with no deficiencies and 17 had minor deficiencies that required no follow up survey. For the remaining 10 agencies, all required one or two follow up visits and are noted to be in compliance.

Washington State Healthcare Agencies
Focusing on its Washington State facilities, Pennant subsidiaries operate a total of eight separate agencies in the counties of Asotin (2), Benton (1), Pierce (3) and Snohomish (2). All eight agencies were surveyed, and four agencies had no deficiencies and the other four agencies had minor deficiencies with no required follow up survey.

In summary, since year 2019, none of Pennant's home health or hospice agency surveys resulted in termination from participation; and all deficiencies were resolved through plans of correction and/or follow-up survey.

Pennant provided a copy of the executed Medical Director Service Agreement between William Elledge, MD and Symbol Healthcare, Inc, to be located at 4002 Tacoma Mall Boulevard, E2004A in Tacoma. Using data from the Medical Quality Assurance Commission, the department found that Dr. Elledge is compliant with state licensure and has no enforcement actions on his license.

Pennant has not yet identified its Director of Clinical Services, or any other staff, for the new hospice agency. If this project is approved, the department would attach a condition requiring Pennant to

[41] This count includes six recent acquisitions by Pennant.

provide the name and professional license number for its licensed/credentialed staff, including the Director of Clinical Services, prior to providing hospice services to residents of King County.

In review of this sub-criterion, the department considered the total compliance history of the Pennant organization, by reviewing agencies owned and operated by its subsidiaries which are similar in function to in-home hospice services. The department also considered the compliance history of the Medical Director to be associated with the new agency.

Based on the information reviewed, the department concludes that Pennant has been operating in compliance with applicable state and federal licensing and certification requirements. The department also concludes there is reasonable assurance that the applicant's proposed King County agency would be operated in compliance with state and federal requirements and not cause a negative effect on the compliance history of Pennant. With the applicant's agreement to the conditions identified above, the department concludes that this project **meets this sub-criterion.**

VistaRiver King County HoldCo, LLC

VistaRiver's response to this sub-criterion is also used to evaluate the sub-criterion under WAC 246-310-230(5). When asked to identify whether any facility or practitioner associated with this application has a history of actions which relate to non-compliance with federal and/or state laws, and if so, to provide evidence that ensures safe and adequate care to the public will be provided; VistaRiver provided the following statement.
"*No facility or practitioner associated with this application has a history of any actions listed above.*" [source: Application, pdf 35]

Further VistaRiver provided the following statements related to this sub-criterion.
"*VistaRiver of King County, LLC, if approved, will seek accreditation by The Joint Commission*." [source: Application, pdf 14]

"*No none [sic] condition-level findings have been found on any of the facilities or agencies owned or operated by the applicant.*" [source: Application, pdf 37]

"*There is no history of any condition-level findings are a part of any recently divested agencies.*" [source: February 28, 2022, pdf 33]

VistaRiver provided the following statement regarding staff that it has recruited from out of state. "*The timeline by which each person anticipates applying for a Washington State Credential will be based on receiving a favorable CN decision. Estimated between November 2022 and April 2023*." [source: February 28, 2022, screening response, pdf 11]

VistaRiver provided the following statement and discussion regarding its proposed assessment for customer satisfaction, and quality improvement.
"*Correcting the response to question 11 VistaRiver plans to employ the following method to assess customer satisfaction in lieu of hiring and assigning a 3rd party contracted customer satisfaction agency.*

Collecting, analyzing, and assessing customer satisfaction will be done utilizing the administrative and clinical leadership team in the following ways:

- *HIS*
- *CHAPS [sic]*
- *NHPCO QAPI Toolkit*
    - *Hospice Satisfaction Surveys which collect hospice family and significant other satisfaction data as well as the information necessary. Responses are designed to help your identify areas of care and service that may need improvement, as well as those that are exemplary.*" [source: February 28, 2022, screening response, pdf 32]

There were no public comments or rebuttal comments provided under this sub-criterion for this applicant.

Department Evaluation

As stated in the Applicant Description section of this evaluation, VistaRiver King County HoldCo, LLC is the applicant. According to information in its application VistaRiver is affiliated with several post-acute facilities and agencies, and recently purchased an in-home services agency[42] operating in Washington State as well as several in-home services agencies in Oregon and Arizona. Since the proposed project is for hospice services, the focus of this review will be hospice and home health operations as they are either the same or functionally the most similar to the services proposed in this project. [sources: Application, Appendix 2 and February 28, 2022, screening response, pdf 23]

Department's Table 44
VistaRiver Affiliates' Count of In-Home Services Agencies by State

State	# of Facilities/Agencies
Arizona	2
Oregon	2

State	# of Facilities/Agencies
Washington	2

Terminated Provider Counts Report for Facilities or Agencies Owned and/or Operated by the Members of VistaRiver King County HoldCo, LLC

Focusing on full years 2019 through 2021 and partial year 2022, none of VistaRiver's affiliated facilities or agencies were involuntarily terminated from participation in Medicare reimbursement. [source: CMS Quality, Certification, and Oversight Reports as of August 7, 2022]

Conformance with Medicare and Medicaid Standards for Members of VistaRiver King County HoldCo, LLC

The department reviewed the survey history for the applicant using the Center for Medicare and Medicaid Services (CMS) Quality, Certification & Oversight Reports (QCOR) website. The review included full years 2019 through 2021 and partial year 2022.

VistaRiver's members currently or recently own(ed) and operate(ed) two separate agencies in Washington State which provide home health services. Following is a summary of VistaRiver's members' Washington State home health agencies' survey activity reports as of August 7, 2022.

[42] Encore Home Health, LLC IHS.FS.60922864, CMS certification number 507134, sale became final February 2020

Department's Table 45
Summary of VistaRiver Affiliates' Washington State Surveys

Service Type	State	# of Agencies	Standard Surveys	Complaint Surveys	Number of Surveys with Specific Types of Deficiencies		
					No Deficiencies	Standard Only	Condition & Standard
Home Health	Washington	2	1	0	1	0	0
Totals		**2**	**1**	**0**	**1**	**0**	**0**

In addition to its Washington State agencies, VistaRiver's members currently or recently own(ed) and operate(ed) seven agencies in an additional two states, which provide a variety of post-acute services. Following is a summary of VistaRiver's members' out-of-state survey activity reports as of August 7, 2022.

Department's Table 46
Summary of VistaRiver Affiliates' Out-of-State Surveys

Service Type	State	# of Agencies	Standard Surveys	Complaint Surveys	Number of Surveys with Specific Types of Deficiencies		
					No Deficiencies	Standard Only	Condition & Standard
Home Health	Arizona	1	1	0	1	0	0
	Oregon	4	0	0	0	0	0
Hospice	Arizona	1	1	0	1	0	0
	Oregon	1	1	0	1	0	0
Totals		**7**	**3**	**0**	**3**	**0**	**0**

Washington State Healthcare Facilities and Agencies
Of the two Washington State home health agencies, only one was surveyed between full years 2019 through 2021 and partial year 2022, there was one standard survey completed in Washington, which resulted in no deficiencies at all.

Out-of-State Healthcare Facilities and Agencies
Of the remaining seven in-home services agencies, four had not experienced any surveys between full years 2019 through 2021 and partial year 2022, there were three standard surveys and no complaint surveys. These three surveys resulted in no deficiencies at all.

In summary, since year 2019 to current, none of the agencies VistaRiver's members currently or recently own(ed) and operate(ed) had surveys which resulted in any deficiencies.

VistaRiver provided the names of two physicians it intends to contract with for Medical Director and backup Medical Director services, Dr. Bhupinder Walia and Dr. Nita Vellody. VistaRiver provided Dr. Walia's credential information and using data from the department's provider credential search, the department found that Dr. Walia is compliant with state licensure and has no enforcement actions on his license. VistaRiver did not provide Dr. Vellody's credential information, stating in response to a screening question 57 that *Dr Nita Vellody will serve as backup medical director and will submit Washington State credentialing upon the approval of this application.* If this project is approved, the department would attach a condition requiring VistaRiver to provide the professional license number of Dr. Vellody prior to providing newly approved services.

Even though VistaRiver proposes a new agency, some of its credentialled staff have already been identified. The department reviewed the credential status of its proposed staff. This includes, four registered nurses, one licensed practical nurse, and one advanced registered nurse practitioner. Of these credentials reviewed, the department found them to all be active with no restrictions. There were several names provided that did not include an associated credential number. Similar to Dr. Vellody, if this project is approved, the department would attach a condition requiring VistaRiver to provide the names and professional license number of all of its staff prior to providing newly approved services.

In review of this sub-criterion, the department considered the total compliance history of VistaRiver, by reviewing agencies currently or recently owned and/or operated by its members which are similar in function to in-home hospice services. The department also considered the compliance history of one of the proposed medical directors that would be associated with the agency and any known staff of the proposed agency. The department concludes that VistaRiver entities with overlapping owners have been operating in compliance with applicable state and federal licensing and certification requirements. The department also concludes there is reasonable assurance that the applicant's establishment of a new hospice agency in Washington State would not cause a negative effect on the compliance history of VistaRiver's affiliates. If this project is approved, the department would attach a condition requiring the applicant to submit a list of its credentialed staff including full name and license number, prior to providing newly approved services. With the applicant's agreement to this condition, the department concludes **this sub-criterion is met.**

Y.B.G. Healthcare LLC

YBG's response to this sub-criterion is also used to evaluate the sub-criterion under WAC 246-310-230(5). When asked to identify whether any facility or practitioner associated with this application has a history of actions which relate to non-compliance with federal and/or state laws, and if so, to provide evidence that ensures safe and adequate care to the public will be provided; YBG provided the following statements.

"*Neither Heart and Soul, its members nor the individuals we are discussing medical directorship with have any history with respect to the items noted in Q18.*" [source: Application, pdf 39]

"*Neither of the agencies operated by Heart and Soul's managing member have any consistent pattern of condition level negative findings*." [source: Application, pdf 41]

"*Attachment 3 includes the recent CHAP survey results demonstrating the compliance status for both of the agencies that member David Turner has ownership interests and/or operational or management control over: Heart and Soul Hospice, Nashville, TN and CNS Hospice, Troy, MI. Neither have a pattern of condition level findings*." [source: February 28, 2022, screening response, pdf 10]

Further YBG provided the following statements related to this sub-criterion.

"*Heart and Soul will secure licensure, accreditation, and Medicare certification upon CN approval.*

Heart and Soul will seek State of Washington licensure, Medicare and Medicaid certification and accreditation by the Community Health Accreditation Program, Inc. (CHAP)." [source: Application, pdf 12]

YBG provided the following information regarding its proposed assessment for customer satisfaction, and quality improvement.

"*We expect to use Healthcare First, a company that provides various data support to home health and hospice agencies, to assess and report patient/family satisfaction via surveys. The cost of the customer*

service testing is included in the dues/subscriptions line item." [source: February 28, 2022, screening response, pdf 9]

There were no public comments or rebuttal comments provided under this sub-criterion for this applicant.

Department Evaluation

As stated in the Applicant Description section of this evaluation, Y.B.G. Healthcare LLC is the applicant. According to its application a YBG Owner and Governing Member has ownership interests, and/or operational or management control in two other hospice agencies one in Tennessee, the other in Michigan. [source: Application, pdfs 6-7]

Terminated Provider Counts Report for Agencies Owned and/or Operated by the Members of Y.B.G. Healthcare LLC

Focusing on full years 2019 through 2021 and partial year 2022, none of YBG's affiliated agencies were involuntarily terminated from participation in Medicare reimbursement. [source: CMS Quality, Certification, and Oversight Reports as of August 7, 2022]

Conformance with Medicare and Medicaid Standards for Y.B.G. Healthcare LLC

The department reviewed the survey history for the applicant using the Center for Medicare and Medicaid Services (CMS) Quality, Certification & Oversight Reports (QCOR) website. The review included full years 2019 through 2021 and partial year 2022.

YBG's members do not currently own or operate any post-acute facilities or agencies in Washington State. However, they do have interest in two hospice agencies as mentioned earlier. Following is a summary of YBG's member's out-of-state hospice agencies' survey activity reports as of August 7, 2022.

Department's Table 47
Summary of YBG's Member's Out-of-State Hospice Surveys

Service Type	State	# of Agencies	Standard Surveys	Complaint Surveys	Number of Surveys with Specific Types of Deficiencies		
					No Deficiencies	Standard Only	Condition & Standard
Hospice	Michigan	1	0	0	0	0	0
	Tennessee	1	1	0	1	0	0
Totals		**2**	**1**	**0**	**1**	**0**	**0**

Out-of-State Healthcare Agencies

Of the two hospice agencies, one had not experienced any surveys between full years 2019 through 2021 and partial year 2022, there was one standard survey and no complaint surveys. This one survey resulted in no deficiencies at all.

In summary, since year 2019 to current, none of the agencies YBG's members currently or recently own(ed) and operate(ed) had surveys which resulted in any deficiencies.

YBG provided the name and professional license number for its Medical Director Carla Ainsworth, MD. Using data from the department's provider credential search, the department found that Dr. Ainsworth is compliant with state licensure and has no enforcement actions on her license.

YBG also identified that one of its owners holds a medical credential and provided his professional license number. Using data from the department's provider credential search, the department found that Nathan Yemane is compliant with state licensure and has no enforcement actions on his license.

Given that YBG proposes a new agency, other staff have not been identified. If this project is approved, the department would attach a condition requiring YBG to provide the name and professional license number of its hospice agency staff prior to providing newly approved services.

In review of this sub-criterion, the department considered the total compliance history of YBG as well as other agencies currently or recently owned and/or operated by its members. The department also considered the compliance history of the proposed medical director and one of the owners of the proposed agency. The department concludes that YBG entities with overlapping owners have been operating in compliance with applicable state and federal licensing and certification requirements. The department also concludes there is reasonable assurance that the applicant's establishment of a new hospice agency in Washington State would not cause a negative effect on the compliance history of YBG's members. If this project is approved, the department would attach a condition requiring the applicant to submit a list of its credentialed staff including full name and license number, prior to providing newly approved services. With the applicant's agreement to this condition, the department concludes **this sub-criterion is met.**

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

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

In addition to documents provided in the application and screening responses, the public's interest in a community's access to a specific service may be raised during the review. If the topic raised is related to the program's review criteria, the information may inform the department's decision. In this review, there was extensive public comment requesting each applicant provide clarification related to Washington State's Death with Dignity Act. Under this sub-criterion, the department can assess whether applicants are able to maintain continuity of health services when services such as death with dignity are requested by a community.

The department does not, under this sub-criterion, have the authority to approve or deny an applicant on the basis that it does or does not directly provide death with dignity services. However, the department finds it important in order to promote continuity in the provision of requested services and to ensure that each applicant has a plan on how requested services would be provided directly, in-directly, or referred.

The department's evaluation of the death with dignity comments and rebuttal can be found for each applicant at this end of this sub-criterion.

Moments Hospice of King, LLC

In response to this sub-criterion, Moments Hospice King provided the following statements and information. [source: Application, pdf 132-133]

"Moments Hospice of King will coordinate care for hospice patients. Continuity of care will be promoted through the interdisciplinary approach. By avoiding unnecessary hospitalizations, hospital readmissions, and emergency department visits, Moments Hospice of King will reduce fragmentation of care. Moments Hospice agencies partner with over 300+ nursing homes and ALFs. The relationships and communication with these facilities contributes to continuity in the provision of health care services.

Moment Hospice of King's leadership team oversees the implementation of de novo hospice programs. The Moments' leadership team's extensive experience and successful track record with start-up hospices in different parts of the country ensures appropriate integration with the existing healthcare infrastructure in King County.

The Moments Hospice of King leadership team is well-acquainted with federal and other program requirements, and has a replicable start-up model which has been successfully deployed in multiple new markets and which will all Moments Hospice of King to quickly establish a new hospice agency in King County.

Moments Hospice of King is able to tap into Moments Hospice's leadership's teams experience working for other providers, such as hospitals, nursing homes, ALFs, and physicians. Consequently, Moments Hospice of King will be able to effectively partner with the other providers in the existing healthcare system to increase hospice utilization, while understanding and maximizing the benefits of hospice for other provider types. For example, Moments Hospice of King's presence in nursing homes will allow nursing home staff to focus on providing appropriate care to patients, while leaving end of life care to hospice. Moments Hospice of King will collaborate with hospitals to reduce hospital mortality rates, avoidable readmissions, and reduce hospital average length of stay. Moments will work with physicians to address end of life care for their patients."

The applicant also provided the following information and table identifying the healthcare facilities with which it intends to explore working relationships. [source: Application, pdf 130]
"Moments Hospice of King will proactively strive to develop partnerships with King County hospital, nursing home, and ALF facilities. The table below shows a list of hospitals serving King County hospice patients. Moments Hospice of King will analyze data from King County hospital facilities to identify opportunities to reach hospice eligible patients."

Applicant's Table

Hospital	Hospital Location (County)	Market Share
SWEDISH MEDICAL CENTER - 500027	King, WA	13.2%
VALLEY MEDICAL CENTER - 500088	King, WA	11.9%
OVERLAKE HOSPITAL MEDICAL CENTER - 500051	King, WA	9.6%
UW MEDICINE/NORTHWEST HOSPITAL - 500001	King, WA	7.7%
EVERGREENHEALTH MEDICAL CENTER - 500124	King, WA	6.8%
VIRGINIA MASON MEDICAL CENTER - 500005	King, WA	6.3%
UNIVERSITY OF WASHINGTON MEDICAL CTR - 500008	King, WA	6.1%
HARBORVIEW MEDICAL CENTER - 500064	King, WA	5.3%
SWEDISH MEDICAL CENTER / CHERRY HILL - 500025	King, WA	4.4%
ST ANNE HOSPITAL - 500011	King, WA	4.2%
SWEDISH ISSAQUAH - 500152	King, WA	4.2%
ST FRANCIS COMMUNITY HOSPITAL - 500141	King, WA	4.2%
MULTICARE AUBURN MEDICAL CENTER - 500015	King, WA	3.7%
SWEDISH EDMONDS HOSPITAL - 500026	Snohomish, WA	1.4%
ST JOSEPH MEDICAL CENTER - 500108	Pierce, WA	1.4%
TACOMA GENERAL ALLENMORE HOSPITAL - 500129	Pierce, WA	1.3%
MULTICARE GOOD SAMARITAN HOSPITAL - 500079	Pierce, WA	0.8%
ST ELIZABETH HOSPITAL - 501335	King, WA	0.7%
PROVIDENCE REGIONAL MEDICAL CENTER EVERETT - 500014	Snohomish, WA	0.6%
MULTICARE COVINGTON MEDICAL CENTER - 500154	King, WA	0.4%
SEATTLE CANCER CARE ALLIANCE - 500138	King, WA	0.1%
KITTITAS VALLEY COMMUNITY HOSPITAL - 501333	Kittitas, WA	0.1%
EVERGREENHEALTH MONROE - 500084	Snohomish, WA	0.1%
SEATTLE CHILDREN'S HOSPITAL - 503300	King, WA	0.1%
SNOQUALMIE VALLEY HOSPITAL - 501338	King, WA	0.1%
LAKE CHELAN COMMUNITY HOSPITAL - 501334	Chelan, WA	0.0%
KAISER PERMANENTE CENTRAL HOSPITAL - 500052	King, WA	0.0%

Moments Hospice King provided the following information regarding hours of operation and patient access to services outside the hours of operation. [source: Application, pdf 129]
"Moments Hospice of King's hours of operation are 24 hours a day, 7 days a week. The administrative office will be open from 8:00 A.M. to 5:00 P.M., Monday through Friday. Moments Hospice's call center and triage nurses will be available to patients and their providers and family members 24 hours a day, 7 days a week, including during times when the administrative office is shut down due to holiday or weather-related closures."

Department Evaluation
Moments Hospice King provided information within application materials to demonstrate it intends to establish relationships with vendors and the relationships would be adequate to support the hospice services to be provided in the county.

Although these factors are a part of the basis confirming this sub-criterion, the department takes into consideration its own analysis and conclusions on this project related to WACs 246-310-210 and -220. With failures in WAC 246-310-220(1) and (2), the department concludes there is no reasonable assurance that approval of this this project would promote continuity and avoid unwarranted fragmentation in the provision of health care services in King County.

The Pennant Group, Inc.
In response to this sub-criterion, Pennant provided the following statements and information. [source: Application, pdf 36-37]
"Much like the Hospitals for Healthier Community (HHC) Priorities have outlined (CHNA, 2019), we are committed to aligning with hospitals/health systems, and the post-acute care community to improve access to care for King County residents. Relationships and partnerships have already been established with our home health agencies in King, Pierce, Snohomish, Skagit, and San Juan counties. Examples are MultiCare and CHI Franciscan hospitals 2020 narrowed home health networks in South King County. Strong community and large hospital systems referral relationships exist in all of these counties

to address the needs of King County and Puget Sound residents. In addition, Pennant Group has an assisted living facility in King County.

The Ensign Group, Cornerstone's former parent company, has partnered with the Pennant Group to improve the care continuum. Ensign provides skilled nursing and rehabilitative services in the post-acute care sphere. Specific to this project, Ensign has a long standing skilled nursing facility within King County that we will partner with and address unwarranted fragmentation of healthcare upstream and downstream services. With the above relationships, partnerships, and associations, we believe we can provide the continuity of care and prevent unwarranted fragmentation of services through quick and thoughtful bridging and referrals to hospice services.

As a long-established provider in King County, Symbol has strong and ongoing relationships with existing healthcare systems in King County and surrounding counties. Symbol works closely with community partners, local hospital systems, private duty providers, physicians, and in home care physician groups. In fact, as mentioned above, Cornerstone's operational model is for each agency to engage in and seek market-specific care and opportunities within each county services are available. This is best accomplished through partnerships with other health care providers. This partnership takes many forms, including sharing of coordination of care, assisting and coordinating appropriate admissions, mutually driven quality outcomes, preventing hospital readmissions, and patient satisfaction.

Symbol has been involved in the community ongoing efforts in King County and other counties to battle the COVID-19 pandemic. With the most recent COVID-19 pandemic surges, Puget Sound Home Health of King County was able to utilize its narrowed network with MultiCare and CHI Franciscan to provide overflow for their increased number of referrals and COVID-19 positive patients. In addition, Puget Sound Home Health of King County is a member of the Northwest Healthcare Response Network that helps assist with disaster preparedness, responses, and surge efforts."

In addition to the statements above, Pennant provided the following table showing existing relationships with Puget Sound Home Health. [source: Application pdfs 35-36]

Applicant's Table

Some of the established referral relationships include but are not limited to:

Swedish First Hill Campus	Seattle VA Medical Center
Harborview Hospital	Seattle Cancer Care Alliance
Felton Health Care Specialists	The Hearthstone
Shoreline Health and Rehab Center	Bothell Health Care
MultiCare Auburn Medical Center	St. Anne Hospital CHI Franciscan
Canterbury House	Avalon Care Center Federal Way
MultiCare Covington Medical Center	Judson Park
Burien Nursing and Rehab Center	St. Francis Hospital CHI Franciscan
The Home Doctor	Dr. Jude Verzosa
North Auburn Rehab & Health	Stafford Suite Seatac
Virginia Mason Medical Center	Dr. Ranu Choudhary
CrownHealth	Garden Terrace Healthcare Center
Renton Rehab	Talbot Rehab Center
Redmond Care and Rehab	Aegis Living West Seattle
Park West Care Center	MultiCare Dispatch Health

Pennant provided the following information regarding its intended hours of operation and patient access to services outside the hours of operation. [source: Application, pdf 33]

"Puget Sound Hospice of Pierce County's office hours of operation will be 8 am to 5 pm, Monday through Friday, however, we will provide hospice services 24 hours a day, 7 days a week. Puget Sound Hospice of Pierce County admissions packet will include instructions to the patient and family/caregiver as to how to reach the agency at all hours. During non-business hours, Puget Sound Hospice of Pierce County's main phone number will be rolled to an on-call phone. This phone will be assigned to an on-call nurse.

If the on-call nurse does not answer (extraneous circumstance), the outgoing message will instruct the client/caregiver to call the nurse administrator on-call if no return call occurs within 15 minutes."

Department Evaluation

Given that Pennant does not currently provide Medicare and Medicaid hospice services in King County, the applicant provided a listing of potential referral sources for its proposed hospice agency and also submitted statements assuring that referral sources would be sought in the county. This approach is acceptable for a new provider in a county.

To evaluate this sub-criterion, the department also considers its own analysis and conclusions of this project as related to WACs 246-310-210, 220, and 230. The department concluded this application was compliant with the need criterion under WAC 246-310-210 and the financial feasibility criterion under WAC 246-310-220. The application is also consistent with the previous sub-criterion addressed in the structure and process of care under WAC 246-310-230. Based on the information above, the department concludes that approval of the Pennant project would likely not result in unwarranted fragmentation of hospice services in the planning area.

VistaRiver King County HoldCo, LLC

In response to this sub-criterion, VistaRiver provided the following statements and information.
"*The proposed project will promote continuity in the provision of health care services in King County, and not result in an unwarranted fragmentation of services.*

Washington State (45.47%) and King County (45.91%) hospice utilization rates are all below the national average (46.14%). This alone further underscores the numeric need for either existing hospices in King County to increase activity or need for another hospice provider.

VistaRiver has sufficient supply of qualified staff for the project, including both health personnel and management personnel located in Washington State and Oregon State that will fully support the proposed King County hospice project if given a favorable decision. Furthermore, VistaRiver is confident that it's unique shared equity business model helps to recruit and retain the necessary qualified health and management personnel to support the projected growth of the agency. The dedicated resources to recruit and retain the qualified health personnel both within King County as well as more broadly is a strength of the applicant's resources as well as another reason that it can confidently state this application will not result in an unwarranted fragmentation of services.

The proposed hospice services by the applicant, which include MyCancerJourney and Alante Primary Care, will address the existing need for two additional hospice agencies in King County while increasing hospice utilization in underserved groups. The services provided by VistaRiver in both MyCancerJourney and Alante Primary Care will promote continuity in the provision of health care.

- ***Hospice Utilization x Race:*** *Breaking hospice utilization rates down further by race, we find hospice utilization for Whites in King County to be significantly higher than all other races:*
    - *46.96% White*

o 34.93% Hispanic
o 34.81% Asian
o 32.00% Black
o 28.47% North American Native

This trend for Whites to have higher hospice utilization rates is consistent and long-standing across both Washington state and nationally. Per the hospice utilization definition, this addresses hospice deaths by race.

- ***Hospice Admissions and Length of Stay x Race:*** *Consistent with hospice utilization trends above, hospice admissions occur at higher percentages for Whites compared to all other races. Additionally, both mean and median hospice lengths of stay are longer for Whites compared to all other races. These trends hold true for beneficiaries residing in King County as well as Washington state and nationally.*

Proactive outreach into the underserved communities along with the innovative MyCancerJourney and Alante Primary Care partnerships will help to reach and improve the utilization of hospice care.

As stated above VistaRiver will seek accreditation from The Joint Commission which provides reasonable assurance that the services to be provided through the proposed project will be provided in a manner that ensure safe and adequate care to the public to be served and in accord with applicable federal and state laws, rules and regulations.

Hospice Workforce Concerns: Barb Hansen, Executive Director of the Washington State Hospice & Palliative Care Organization, shared concerns about the hospice workforce in Washington state – mostly due to COVID-19 and the Public Health Emergency. VistaRiver has sufficient qualified health and management personnel ready to support the project. None of the staff will disrupt the existing service area's health care system and as such has an appropriate relationship to the service area's existing health care system as required in WAC 246-310-230" [source: Application, pdf 36]

VistaRiver provided the following information regarding hours of operation and patient access to services outside the hours of operation.
"*The hours of operations are as follows:*
Office Hours: 8:00am-5:00pm
On-Call: Two dedicated team members will be available and accessible 24 hours a day for seven days per week." [source: Application, pdf 34]

"*The 'on-call' position was erroneously listed. VistaRiver will stagger clinical FTE so that two team members will be available as on call.*" [source: February 28, 2022, screening response, pdf 31]

There were no public comments or rebuttal comments provided under this sub-criterion for this applicant.

Department Evaluation
VistaRiver submitted statements reiterating other parts of its application and how these points would contribute to the continuity of hospice services in King County. However, to evaluate this sub-criterion, the department also considers its own analysis and conclusions of this project as related to WACs 246-310-210, 220, and 230. The department concluded this application was not compliant with the need criteria under WAC 246-310-210, the financial feasibility criteria under WAC 246-310-220, nor the structure and process of care criteria under WAC 246-310-230.

Based on the failures in other portions of this evaluation, the department concludes there is no reasonable assurance that approval of VistaRiver's project would promote continuity and avoid unwarranted fragmentation in the provision of health care services in the community.

Y.B.G. Healthcare LLC

In response to this sub-criterion, YBG provided the following statements and information.

"*Hospice is the 'gold standard' for quality and continuity at the end of life, and our goal is to increase usage in the BIPOC community. There is a need for an additional provider demonstrated via WAC and the data on King County disparities is documented in detail above. While serving all, Heart and Soul will focus on the reduction of disparities in access to and use of hospice among certain historically underserved ethnicities and races. We will do so by outreach, building trust, developing culturally appropriate services and by assuring our staff is trained and respectful of culture, values, and beliefs.*

Published data including a recent 2020 article in the Journal of the American Medical Association (JAMA) found that, despite the increase in the use of hospice care in recent decades, racial disparities in the use of hospice remain, especially for noncancer deaths. It found that Blacks were significantly less likely to use hospice and more likely to have multiple emergency department visits and hospitalizations and undergo intensive treatment in the last 6 months of life compared with White individuals regardless of cause of death. Some of this is attributed to the BIPOC culture which is leery agreeing to do not resuscitate orders and often wants to continue treatment, even though enrolled in hospice. Heart and Soul is intending to meet the community 'where it is at' and will, in most circumstances, accept patients into hospice without a DNR." [source: Application, pdf 39]

"*Heart and Soul will engage the existing health and social services systems in King County to ensure to ensure patients' comprehensive medical, social, and spiritual needs are met. We intend to adopt the National Standards for Culturally and Linguistically Appropriate Services (CLAS) in Health and Health Care. These standards are intended to advance health equity, improve quality, and help eliminate health care disparities by establishing a blueprint for health and health care organizations to:*

Principal Standard:

1. *Provide effective, equitable, understandable, and respectful quality care and services that are responsive to diverse cultural health beliefs and practices, preferred languages, health literacy, and other communication needs.*

Governance, Leadership, and Workforce:

2. *Advance and sustain organizational governance and leadership that promotes CLAS and health equity through policy, practices, and allocated resources.*
3. *Recruit, promote, and support a culturally and linguistically diverse governance, leadership, and workforce that are responsive to the population in the service area.*
4. *Educate and train governance, leadership, and workforce in culturally and linguistically appropriate policies and practices on an ongoing basis.*

Communication and Language Assistance:

5. *Offer language assistance to individuals who have limited English proficiency and/or other communication needs, at no cost to them, to facilitate timely access to all health care and services.*
6. *Inform all individuals of the availability of language assistance services clearly and in their preferred language, verbally and in writing.*
7. *Ensure the competence of individuals providing language assistance, recognizing that the use of untrained individuals and/or minors as interpreters should be avoided.*

8. *Provide easy-to-understand print and multimedia materials and signage in the languages commonly used by the populations in the service area.*

Engagement, Continuous Improvement, and Accountability:

9. *Establish culturally and linguistically appropriate goals, policies, and management accountability, and infuse them throughout the organization's planning and operations.*
10. *Conduct ongoing assessments of the organization's CLAS-related activities and integrate CLAS-related measures into measurement and continuous quality improvement activities.*
11. *Collect and maintain accurate and reliable demographic data to monitor and evaluate the impact of CLAS on health equity and outcomes and to inform service delivery.*
12. *Conduct regular assessments of community health assets and needs and use the results to plan and implement services that respond to the cultural and linguistic diversity of populations in the service area.*
13. *Partner with the community to design, implement, and evaluate policies, practices, and services to ensure cultural and linguistic appropriateness.*
14. *Create conflict and grievance resolution processes that are culturally and linguistically appropriate to identify, prevent, and resolve conflicts or complaints.*
15. *Communicate the organization's progress in implementing and sustaining CLAS to all stakeholders, constituents, and the general public.*" [source: Application, pdfs 40-41]

"*Heart and Soul proposes to work closely with local physicians, hospitals, long-term care (assisted living, adult family homes and nursing homes), other providers, and most importantly directly with the BIPOC community and the churches and organizations it trusts.*

Providers that Heart and Soul intends to develop/expand working relationships with include:

- *King County Area Agency on Aging.*
- *Home Care Association of Washington and the National Association for Home Care*
- *DSHS, Aging and Disability Services*
- *Home Health and home care agencies*
- *Nursing Homes, Assisted Living and Adult Family Homes*
- *VA*
- *HMOs and other payers*
- *Washington State and King County Veteran's Programs.*
- *King County Health Department*
- *Senior Centers*
- *King County Homeless Agencies*

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

- *The local Chapter of the NAACP*
- *Urban League,*
- *Black Collective,*
- *BIPOC Churches and Community Centers.*
- *Tribal leadership, and tribal health care.*
- *Northwest LBGT Senior Care Providers Network*
- *The Health Through Housing Initiative*
- *Mary Mahoney Professional Nurses Organization (only Black nurses' organization in King County).*

- *BIPOC Health Boards (e.g. the Somali Health Board of Washington State, the African American Health Board of Washington State)*
- *Washington State Commission on African American Affairs*
- *Washington State Office of Equity*
- *Black-owned healthcare facilities in King County (Renew Physical Therapy, Othello Station Pharmacy, Nurture Well Center-primary care clinic)*

Heart and Soul will develop transfer agreements with local hospitals and nursing homes. Informal cooperative agreements but not formal written agreements, are also planned with ambulance, the Fire Department and the Coroner's office." [source: Application, pdfs 37-38]

YBG provided the following information regarding hours of operation and patient access to services outside the hours of operation. [source: Application, pdf 36]
"*Heart and Soul's business hours will be Monday through Friday from 8:00 a.m. to 5:00 p.m., though a Hospice RN will be available 24 hours a day/7 days per week. This person will be accessible through a central phone line and will have access to the patient record. Response time is programmed to be 30 minutes or less. will assist family with any concerns and help manage the patient's symptoms and facilitate any needed additional care.*"

Public Comment
Sol Miller, CEO, Moments Hospice of King, LLC – Oppose [source: pdfs 27-31]
"***Actual Performance and Historical Data***
Y.B.G. investor David Turner's Michigan Hospice venture, CNS Hospice, was recently sold to St. Croix Hospice. St. Croix Hospice is owned by private equity group H.I.G. Capital, which has $49 billion in assets. Prior to its sale, CNS Hospice had similar media coverage to that which has been appearing in King County recently. CNS Hospice was also touted in the media as a black-owned hospice, which would serve underserved minorities:

> *'We do a lot of grassroots work to help minority communities know about us,' said Turner. 'We attend church health fairs and many other organizational health fairs and community events held throughout Wayne, Macomb and Oakland counties. I'm always looking for opportunities to share our story and let people know that we exist. I want when the conversation comes up about choosing hospice care that families will say, 'I understand that there's a Black-owned hospice in the area and I would like to talk with them.''*

Because of these similar claims, data on CNS Hospice's actual performance in Michigan can be used to anticipate whether these same strategies will be effective in King County.

From 2015 to 2021, the applicant did not close the gap in the death service ratios of the white and black communities.

The tables below show the overall county death service ratios, by race, in each of the 3 counties served by CNS Hospice. Then the hospice was sold around 2021.

Based on Medicare Claims through Sep 2021

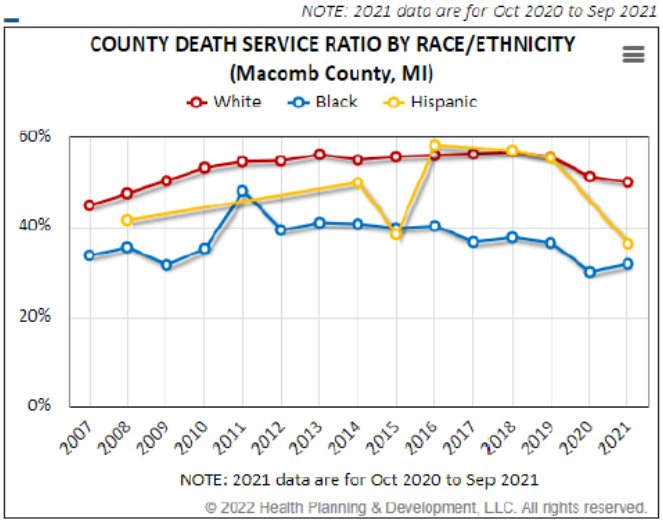
Single County or Service Area?	Select a County
Single County	Michigan- Macomb

DEATH SERVICE RATIO BY RACE/ETHNICITY

Macomb County, MI

NOTE: 2021 data are for Oct 2020 to Sep 2021

Year	All	White	Black	Hispanic
2007	45%	45%	34%	
2008	47%	48%	36%	42%
2009	50%	50%	32%	
2010	52%	53%	35%	
2011	54%	55%	48%	
2012	54%	55%	39%	
2013	55%	56%	41%	
2014	54%	55%	41%	50%
2015	55%	56%	40%	38%
2016	55%	56%	40%	58%
2017	55%	56%	37%	
2018	55%	57%	38%	57%
2019	54%	56%	37%	56%
2020	49%	51%	30%	
2021	48%	50%	32%	36%



Based on Medicare Claims through Sep 2021

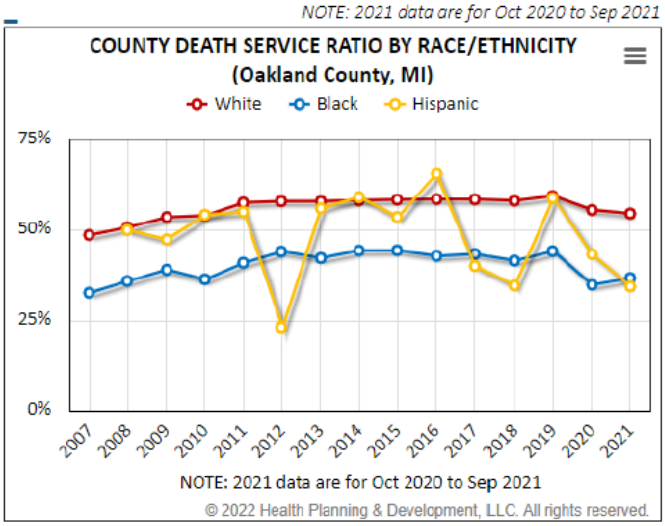
Single County or Service Area?	Select a County
Single County	Michigan- Oakland

DEATH SERVICE RATIO BY RACE/ETHNICITY

Oakland County, MI

NOTE: 2021 data are for Oct 2020 to Sep 2021

Year	All	White	Black	Hispanic
2007	47%	49%	33%	
2008	49%	51%	36%	50%
2009	52%	54%	39%	47%
2010	52%	54%	36%	54%
2011	55%	58%	41%	55%
2012	56%	58%	44%	23%
2013	56%	58%	42%	56%
2014	56%	58%	44%	59%
2015	56%	58%	44%	54%
2016	56%	59%	43%	66%
2017	56%	58%	43%	40%
2018	55%	58%	41%	35%
2019	57%	59%	44%	59%
2020	51%	56%	35%	43%
2021	51%	55%	37%	34%



Based on Medicare Claims through Sep 2021

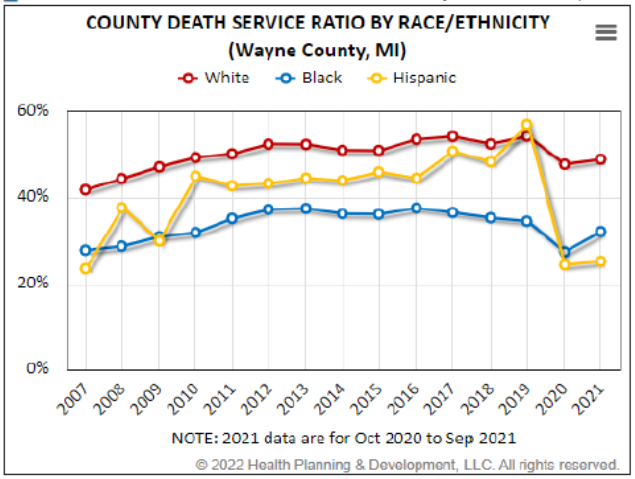
Single County or Service Area?	Select a County
Single County	Michigan- Wayne

DEATH SERVICE RATIO BY RACE/ETHNICITY

Wayne County, MI

NOTE: 2021 data are for Oct 2020 to Sep 2021

Year	All	White	Black	Hispanic
2007	37%	42%	28%	24%
2008	39%	45%	29%	38%
2009	41%	47%	31%	30%
2010	43%	49%	32%	45%
2011	45%	50%	35%	43%
2012	47%	53%	37%	43%
2013	47%	52%	38%	45%
2014	45%	51%	36%	44%
2015	45%	51%	36%	46%
2016	47%	54%	38%	45%
2017	47%	54%	37%	51%
2018	46%	53%	35%	48%
2019	46%	54%	35%	57%
2020	39%	48%	27%	24%
2021	42%	49%	32%	25%



Stability and Longevity

One of the investors, David Turner, founded CNS Hospice in Detroit, Michigan. Data show that CNS Hospice was able to gain a greater amount of market share of blacks compared to white market share.

<u>However, around the time that Turner sold this minority-focused hospice to a private equity firm, hospice market share among the black population dropped below that of the white population.</u> See chart below.

Data from CNS Hospice show that black market share fell around the time that CNS Hospice was sold to private equity owned St Croix, even though Turner remained on the leadership team:

Based on Medicare Claims through Sep 2021

Select a Provider	Select a County (or Select 'All')
Michigan- CNS HOSPICE- 231635	All Service Area Counties

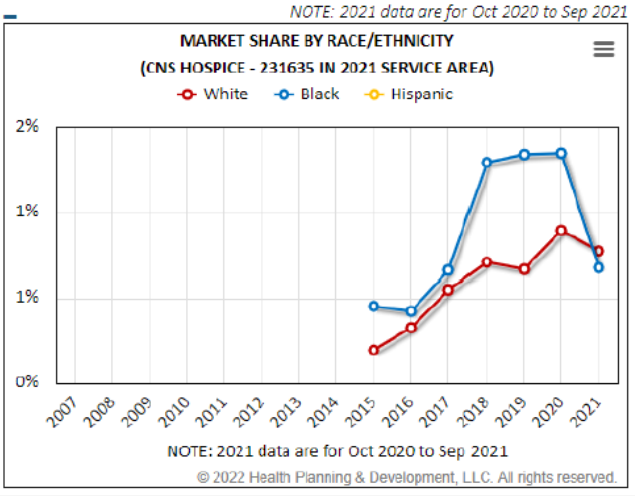
MARKET SHARE OF PATIENTS SERVED BY RACE/ETHNICITY

FOR CNS HOSPICE- 231635

In 2021 Service Area

NOTE: 2021 data are for Oct 2020 to Sep 2021

Year	All	White	Black	Hispanic
2007				
2008				
2009				
2010				
2011				
2012				
2013				
2014				
2015	0%	0%	0%	
2016	0%	0%	0%	
2017	1%	1%	1%	
2018	1%	1%	1%	
2019	1%	1%	1%	
2020	1%	1%	1%	
2021	1%	1%	1%	



Heart and Soul Hospice of Nashville is too new to have data. It is still too early to know if this hospice—or the one proposed in King County—will, like CNS Hospice of Michigan, also be sold to private equity interests. An article in U.S. News states that

> *'Lee and Turner also started a black focused hospice agency in Michigan and have plans to replicate the model in other states.'*

This history raises concerns that the model to be replicated entails obtaining a valuable CN on the premise of serving underserved minorities, only to turn around and sell the agency and its license to the highest bidder.

A 2015 Michigan Chronicle article also states that:
'Turner learned about the hospice care field in 2008, after meeting Dr. Andre Lee at a business fair. Lee, a native Detroiter, had moved to Nashville, Tennessee to practice medicine. He also was professionally affiliated with Meharry Medical College. He once owned a hospice in Nashville.

'Dr. Lee told me that the community in Detroit needed a Black-owned hospice,' said Turner. 'He volunteered to mentor me through the process of what it would take to start a hospice. He helped me develop a company here called Heritage Home Hospice, which was sold, but I subsequently began the process of opening CNS Hospice, which has a minority partner by the name of CNS Homecare.'

The interview above suggests that Lee and Turner have sold at least 3 hospice entities—CNS Hospice, Heritage Home Hospice, and another hospice in Nashville?

The investors' history does not assure King County's Department of Health or residents that the new hospice will continue to serve King County's most vulnerable populations for the long haul. What will happen to King County's BIPOC hospice patients if/when the investors decide to sell the hospice agency to another private equity firm or another buyer?"

Y.B.G. Healthcare LLC Rebuttal Comment to Moments' Comment [source: pdfs 26-27]
"***H. Member David Turner is a valuable asset and does not have a history of 'walking away' from hospice.***
Moments Hospice raises concern as to whether the proposed new Heart and Soul hospice would remain a minority-owned hospice in King County for the long term, or if it will be sold. This statement reads as false-flag attempt to undermine Heart and Soul's CN application through rumor and innuendo and is, therefore, a bad faith use of public comment.

The comments raised by Moments are too vague to be taken at face value and are based on out-of-date (2015) information than have no relevance in this current environment. There are no details to support this claim and - conveniently - no details so that refutation is possible. Again, bad faith.

As noted in our CN application, David Turner sold partial interest into CNS Hospice, but he remains at the Agency and continues to serve as the Executive Director of CNS Hospice/St. Croix hospice. It is not clear to us what other organizations Moments think that Mr. Turner has divested. Moments also has completely negated the fact that Heart and Soul Hospice is 50% owned by Nathan Yemane. Which means that Heart and Soul Hospice is locally owned and operated in King County, as Nathan Yemane has deep and substantial roots in King County. He currently resides in Renton, WA.

Please also refer to the articles and the NPR interview in the record for confirmation of the impact Mr. Turner has had on access to hospice for the BIPOC community. Moments twists a very positive article indicating that Mr. Turner established a very effective black owned hospice in Michigan into a negative.

The article stated that there are ***'plans to replicate the model in other states.' From this statement, Moments concludes that 'the model to be replicated entails obtaining a valuable CN on the premise of serving underserved minorities, only to turn around and sell the agency and its license to the highest bidder.'***

Moments is falsely assuming to understand intent based on a quote which mentions replication. Replicate is literally defined as: the action of copying or reproducing an existing model. It has nothing to do with sales. This comment is not worthy of any additional rebuttal. The record speaks for itself.

Lastly, below is a statement submitted in public comments which details the profound impact that David Turner's hospice in Nashville is currently having in the community.

> *We especially appreciate the cultural competency and diverse makeup of the staff that comes to our location. Heart and Soul Hospice has become a trusted and valuable resource for us and we look forward to continuing to provide high quality, compassionate care together.* ***Stephanie Doss, RN Wellness Director Brookdale Senior Living Nashville, TN***"

Department Evaluation

YBG provided research, analysis, and overwhelming support on how its project would fill a gap in the existing King County healthcare system. YBG discussed how it would thereby not be duplicating existing hospice services and meet some of the calculated numeric need. It not only listed many public, private, and secular organizations and individuals it was already forming relationships with but many of those individuals and organizations' representatives participated in this review's public hearing and comment period.

Comment was provided questioning the actual performance and historical data of one of YBG's owners, suggesting the history is indicative of limited stability and longevity of YBG as an agency in King County. In rebuttal YBG states that "*First, we are not just investors or members. Nathan Yemane and David Turner will be intrinsically involved in the day-day operations of Heart and Soul Hospice.*" Further, YBG states that there is no evidence that YBG would soon sell its proposed hospice agency. Lastly, that YBG is made up of two owners the other, Nathan Yemane, MSW, LCSW, LICSW *has deep and substantial roots in King County* and resides in Renton. YBG's final point is to refer to some of its recent public comment supplied by a current referral base of YBG's other owner, David Turner. The comment reinforces that affiliated agencies are living up to the high standard YBG promises.

To evaluate this sub-criterion, the department also considers its own analysis and conclusions of this project as related to WACs 246-310-210, 220, and 230. The department concluded this application was compliant with the need criteria under WAC 246-310-210 and the financial feasibility criteria under WAC 246-310-220. The application is also consistent with the previous sub-criteria addressed in the structure and process of care under WAC 246-310-230.

Additional Access to Care Comments-Death with Dignity Topic Related to All Four Projects

During the review of these four projects, the department received public comments under this sub-criterion regarding the availability of 'Death with Dignity[43]' options in King County. While each commentor provides a different perspective, all comments urge consideration of patient choice for end of life options that may include those allowed in the Death with Dignity Act. Below are representative excerpts from the comments received.

[43] Washington State's Death with Dignity Act has been in effect since March 5, 2009, except for section 24 that was effective July 1, 2009. [Revised Code of Washington 70.245]

Dennis Barnes, resident of King County - Public Comment Directed at all Applicants

"Care of the Underserved and Elderly

As the rule clearly states, numeric need is only part of the Department's consideration of "need." An applicant must also demonstrate that it will address the needs of all residents and particularly, low-income persons, racial and ethnic minorities, women, handicapped persons, and other underserved groups and the elderly. Without any doubt, most hospice patients fit in one or more of these categories:

- *The majority are elderly women, many of whom have lower than average incomes, and many are disabled by their terminal illness.*
- *And, as data show, 90% of Washington residents electing Death with Dignity are hospice patients. The required physician's assurance that access to Death with Dignity is clinically appropriate for an individual further emphasizes the vulnerability of those hospice patients.*
- *Furthermore, recent testimony to the Washington legislature regarding a bill to improve timely access to Death with Dignity provided extensive documentation that many hoping to access its benefits have died before the required waiting period expired.*
- *That, coupled with Washington's below average hospice length of stay compared to national average provides further evidence that terminally ill persons in Washington are a group that is underserved. The fact that a quarter of those persons die within a week of hospice admission certainly underscores the difficulties many have in obtaining reasonable access to hospice care.*

Yet, based on the information available, Table 1 below shows that very few of the hospice patients in King County have access to information and support from their existing hospice providers regarding Death with Dignity. Keep in mind that hospice patients must trade their curative care for palliative hospice care and most give up their own primary care physicians as their care is overseen by hospice medical directors. It has become apparent that most of these vulnerable King County residents are not being informed that election of the hospice benefit also means they relinquished their access to information about and/or support from their hospice in any future effort to benefit from Washington's Death with Dignity law.

We believe that a hospice refusing or neglecting to inform a vulnerable person being admitted to hospice care whether they will support a patient's access to Death with Dignity ignores two important aspects of healthcare need:

1. *The patient's right to respect and dignity*
2. *The patient's right to informed consent*

And, while these attributes of a hospice's patient care are also part of its compliance with the Structure and Process of Care Criteria, they are an inextricable aspect of the healthcare needs of all elderly, female, low income, disabled and disadvantaged hospice patients in King County –and, who, by virtue of imminent death, are all disadvantaged individuals.

Dignity: Washington Law includes Human Dignity as a Patient Right

Respecting the dignity of the human person prohibits a person from being treated as an object. Yet, Washington's religious providers clearly state their organization's primary mission is to offer witness to the power of a deity through their provision of care to vulnerable persons - even if that care ignores patients' personal beliefs or documented decisions. By using healthcare services as a means for proselytizing, these providers make the patient's dignity a lower priority than those entities' religious practices undertaken as a demonstration or "witnessing" of the value of or relationship to a deity. By placing this mission above the dignity of the patient, a religious provider allows itself to feel justified in denying the last wishes of a terminally ill person."

Susan Young, resident of Kitsap County that uses King County healthcare services

"I am a resident of health service area I and use King County healthcare services. I'm approaching an age where hospice may become a real need for me at some point. I'm increasingly concerned that my ability to choose a hospice program that offers me access to all legal end of life options is surprisingly restricted. I live in Kitsap County. In 2019, just one of Kitsap County's three hospices, representing 11.3% of the market share, supported DwD. In King County where I frequently access healthcare services, ***three of the County's ten hospices, representing just 7.7% of the market share, supported DwD in 2020.*** *Those percentages might be greater, but I can't tell because the Department of Health doesn't require hospice programs to have DwD policies in place for patients to review prior to entering a program despite the fact that Washington law requires providers that don't offer DwD to inform the public of that intent.*

People who are dying are in critical need. Terminally ill, they are often low-income women, disabled by their illnesses and who aren't fully informed when they enter a hospice program that they may be relinquishing access to DwD options or that their end of life directives might not be honored. Their dignity as human beings and access to fully informed consent are both denied. The Department must take this into account when it considers whether an applicant fully addresses and meets non-numeric need.

Consider this year's four applicants to provide new hospice services in King County. Pennant did supply a copy of its DwD policy. It prohibits its physicians and licensed staff from participating in Death with Dignity. Furthermore, this policy appears to violate existing law by prohibiting any Pennant physician or employee from discussing DWD with a patient or referring a patient to any supportive organization or participating physician. Moments has a policy that relies on each patient's own personal "attending" physician but does not appear to permit participation by any of Moments' own physicians or clinical staff. I don't know what Heart and Soul or Vista River's policies state as they were not provided.

Given the importance of affording patients who want it access to the provisions of DwD I submit that none of this year's applications should be approved because they do not demonstrate adequate care and service to the group of King County hospice patients who may ask for information or access to Death with Dignity.

The Department must insist that all applicants include DwD policies in their submissions with other required polices. When the market share of hospices with supportive policies reaches 60% of King County admissions, the percentage of Washington voters statewide who supported passage of Initiative 1000 in 2008, the Department can consider approving new hospices whose policies oppose patient access to Death with Dignity." [emphasis in original]

Carolyn Zimmers, DVM, resident of Kitsap County that uses King County healthcare services

"I am speaking for myself and my husband this afternoon as residents of the health service area. I appreciate the opportunity to comment today on the hospice Certificate of Need applications for King County. My comments will be brief but I have also submitted written testimony that goes into more detail.

I am very concerned about hospice options when my husband or I become terminally ill, enter hospice care and want access to Death with Dignity and our end-of-life Directives honored. I am 74 and my husband is 80 years old. 2 years ago, my husband was hospitalized and nearly died but, thankfully recovered. Even though I am currently healthy, I could become terminally ill first, as I realized when two of my friends died of aggressive cancers that took less than a year to kill them. We are all living on

the edge of needing hospice care although that may seem a distant possibility to those of you who are younger.

I tell you this story because I was uninformed about hospice care. We think we have everything under control because Death with Dignity is legal, because we have our end-of-life Directives recorded, because we have our Wills and because we have completed our estate planning. But we are not protected because the services that hospice providers will allow or deny are not transparent and easily determined.

Before this hearing I did an internet search to see what information was available. Hospice entities were not required to mention policies on DWD and advanced directives. The DOH website was unhelpful. It referenced laws and codes but also stated that provider policies on advanced directives are only required at time of admission, which seems a little late to me. The DOH FAQs informed me that I had a right to information from my physician on DWD "upon request." You need to know to ask questions before you can get the answers. If my physician does not want to participate, they do not need to refer me to a provider that does. Also, the DOH cannot provide the names of health care providers who do participate in DWD. We need more transparency and continuity of care. This has become particularly relevant to me since I gave up my primary care doctor who is now an employee of CHI because she was required to follow the ERDs guidelines. Her employer would have restricted her from following my end-of-life directives or my requests for DWD. So, I had to find a new doctor who would work with me and support my end-of-life decisions.

When a person is dying, they become vulnerable and decision making may become difficult. Transparency and access to answers is essential. Hospice applicants Heart and Soul, Moments, Symbol/Pennant, and Vista River will simply exacerbate the situation, contributing even further to the lack of informed choice or availability of DWD to King County residents. Please deny their Certificate of Need applications."

Carla Ainsworth, MD, Medical Director, Heart and Soul Hospice

"*My name is Dr. Carla Ainsworth and I am speaking in support of YBG Healthcare and Heart and Soul Hospice. I am a family physician who lives and practices in Seattle. In addition to training and board certification in family medicine, I did a fellowship in geriatric medicine and I have additional certification in geriatric medicine and hospice and palliative care medicine. I have spent my entire professional career taking care of patients in Seattle, and I currently take care of older adults in an outpatient clinic based in the Central District. I talk with patients about advance care planning and end of life care on a daily basis. I have counseled patients about their options including Death with Dignity and have participated in that process as both a prescribing and consulting physician...*"

In addition to the letters referenced above, the following comments regarding Death with Dignity were also provided by some of the applicants within their written and oral comments.

Moments Hospice of King, LLC WAC 246-310-230(4)

Moments Hospice King provided a draft Death with Dignity policy within the application. Below is an overview of the draft.

Death with Dignity Policy – Draft

Stated Purpose: *To provide guidelines for circumstance where patients are selecting to choose Death with Dignity as outlined in the Washington Death with Dignity Act 70.245.*

The policy provides the procedures to be used to be consistent with the Revised Code of Washington 70.245 and Washington Administrative Code 246-978.

Rebuttal Comment
Moments Hospice appears to address all three of the commentor's concerns regarding the Death with Dignity topic by responding to Dr. Zimmers' questions.

Moments Hospice King rebuttal to Carolynn Zimmer's public comments
"Dr. Zimmers' questions were addressed directly during the May 25, Public Hearing, by Moments Hospice of King's CEO, Sol Miller. Death with Dignity is not a requirement of the CN Process, however Moments Hospice was happy to share its position and policy on honoring hospice patients' individual wishes, while respecting the individual beliefs of its team members. To paraphrase Sol Miller's Public Hearing comments, Moments listens to and addresses the concerns of the communities it serves, and this issue is clearly a concern of the community that Moments will be sure to address in a transparent and appropriate fashion.

Moments Hospice of King is eager to commence hospice services to residents of King County and become a trusted resource for the community it hopes to be privileged to serve."

The Pennant Group, Inc. WAC 246-310-230(4)
Pennant provided a draft Death with Dignity policy within the application. Below is an overview of the draft.

Death with Dignity Policy – Draft
Stated Purpose and Scope: *This policy provides direction to the Agency's employees and independent contractors, regarding Agency's decision not to participate in DWD related activities. Applies to all employees, independent contractors, and other persons or entities, including other health care providers while such individuals or entities are under the management or direct control of the Agency or while acting within the course and scope of any employment by, or contract with, the Agency.*

The policy provides the following information under the 'Participation in the DWD' section:
1. *Agency employees and contractors are prohibited from participating in activities outlined in the DWD while under the management or direct control of the Agency or while acting within the course and scope of any employment by, or contract with, the Agency.*
2. *Agency employees and contractors are prohibited from informing a hospice or home health patient or such patient's family, guardian, or agent, regarding the patient's participation in the DWD, and shall not refer an individual to a physician for the purpose of participating in activities authorized by the DWD.*
3. *Agency employees and contractors that participate in activities outlined in the DWD while under the management or direct control of the Agency or while acting within the course and scope of any employment by, or contract with, the Agency, or who otherwise act in violation of this policy, shall be subject to disciplinary action or termination of contract, as outlined below.*
4. *Agency will not prohibit any employee, independent contractor (including physicians), or other affiliated entity from participating in the DWD while such individuals or entities are acting outside the management or control of or the course and scope of any employment duties by, or contract with, the Agency. Should an employee, contractor, agent or other affiliated entity participate in DWD related activities outside of their employment/ affiliation with the Agency, such individuals or entities shall clearly identify his or her self to the patient, patient's family, and/or patient's agent and make clear the he or she is acting in a capacity that is not affiliated with the Agency.*

Pennant also clarified that this policy is used at all Pennant-owned hospice agencies in the state of Washington. [source: February 28, 2022, screening response, pdf 13]

Rebuttal Comment
Pennant did not address any of the Death with Dignity topics in its rebuttal documents; rather Pennant answered specific questions on the topic at the public hearing.

VistaRiver King County HoldCo, LLC WAC 246-310-230(4)
"*Vista River has an end of life, death with dignity policy. That is described and in accordance with the Washington state death with Dignity Act and to provide guidance and caring for patients who express interest in ending their lives under the Act*.
…
This is Geoff with VistaRiver. I just wanted to let you know yes, there is written policy and we will be providing it for review." [source: May 25, 2022, public hearing, Geoff Schackmann]

VistaRiver provided the following response to a question about whether applicants actually support the Death with Dignity Act, and if their physicians and staff may participate in patients seeking death with dignity; and if not, will staff be able to refer patients to an agency or physician who does.
"*That was yes, for VistaRiver*.
…
Yeah, absolutely. So, Geoff Schackmann with Vista River and as having an active agency in a state with a death with dignity law on the books. In Oregon, we do have a written policy, and while we do not actively participate in that process, we will refer patients to another provider who does that policy will be publicly available on our website and also reviewed with patients at the start of care." [source: May 25, 2022, public hearing, Geoff Schackmann]

VistaRiver did not provide a death with dignity policy within its application materials.

Y.B.G. Healthcare LLC WAC 246-310-230(4)
"*As Carla Ainsworth, MD our Medical Director stated at the hearing, Heart and Soul supports Death with Dignity by advising persons of their rights, by supporting our staff in participating and providing support to the patient and bereavement support to the family/friends. The CN Program does not require that an applicant provide a Death with Dignity Policy with the CN application, and the CN Program did not ask us to provide a policy during screening. We would be glad to have our CN conditioned for us to provide our written policy which is fully compliant with state law*.

In Heart and Soul's application, it is clear that Heart and Soul intends to provide the full range of hospice services to all patients who choose hospice and elect Heart and Soul to provide these services, regardless of diagnosis. We did not specify every patient diagnosis/specialty based on our strong commitment to be accessible to all patients and to providing the complete scope of services authorized by Medicare and Medicaid. In addition to the general population that may opt to use our services Pages 15-19 of the application describe the specific populations we propose which include the BIPOC community in general, dual-eligible, homes, LBGTQIA+ and veterans. Our programming will be developed and refined to best support these communities." [source: June 24, 2022, rebuttal, pdf 17]

YBG provided the following response to a question about whether applicants actually support the Death with Dignity Act, and if their physicians and staff may participate in patients seeking death with dignity; and if not, will staff be able to refer patients to an agency or physician who does.
"*I can tell you that not only professionally as Heart and Soul YBG Healthcare do we wholly support the Death with Dignity Act; but personally, I do as well. My wife and I have joked on multiple occasions*

that unless Michigan changes its laws, we may have to find a new place to live down the line as we get older. Because Washington State will be the first entree for Heart and Soul Hospice into a state that has a Death with Dignity Act, the policy has been written but has not been fully approved or voted on by the board, but it will be done long before the time to submit it is over. I hope that adequately answers your question. Ohh and I'll add to that, that you may not have heard, but our medical director in her comments suggested that she has already written prescriptions to meet the Death with Dignity Act. So she is wholly on board as well." [source: May 25, 2022, public hearing, David Turner]

YBG did not provide a death with dignity policy within its application materials.

Department's Evaluation of Death with Dignity Topic Related to All Four Projects
Pertinent sections of RCW 70.245.190 are restated below.

RCW 70.245.190(1)(d) states:
Only willing health care providers shall participate in the provision to a qualified patient of medication to end his or her life in a humane and dignified manner. If a health care provider is unable or unwilling to carry out a patient's request under this chapter, and the patient transfers his or her care to a new health care provider, the prior health care provider shall transfer, upon request, a copy of the patient's relevant medical records to the new health care provider. [emphasis added]

RCW 70.245.190(2)(a) states:
A health care provider may prohibit another health care provider from participating under chapter 1, Laws of 2009 on the premises of the prohibiting provider if the prohibiting provider has given notice to all health care providers with privileges to practice on the premises and to the general public of the prohibiting provider's policy regarding participating under chapter 1, Laws of 2009. This subsection does not prevent a health care provider from providing health care services to a patient that do not constitute participation under chapter 1, Laws of 2009. [emphasis added]

[note: 'notify' and 'participate' in chapter 1, laws of 2009' are both defined in this sub-section.]

As noted in the underlined sections above, the assertion that *"Washington law requires providers not offering DwD to inform the public of that intent"* is an accurate statement. While RCW 70.245.190(1) does not require all hospice providers to offer these services, sub-section (2) above requires a provider that prohibits participation under RCW 70.245.190 to provide notification to both practicing providers associated with the agency and the public.

As a result, the department does not have the authority deny a Certificate of Need application if a provider chooses not to provide services under RCW 70.245. However, for those applications that are approved and choose not to provide services under RCW 70.245, the department could include a condition requiring the applicant to agree to adhere to RCW 70.245.190.

Moments Hospice of King, LLC WAC 246-310-230(4) Conclusion
While Moments provided statements and information specific to this sub-criterion, the department must also consider its own analysis and conclusions of this project as related to WACs 246-310-210, 220, and previous sections of 230. The department concluded this project failed under WAC 246-310-220 because the projected financial statements were unreliable. For this reason, the department concludes that approval of the Moments project could result in unwarranted fragmentation of hospice services in the planning area. **This sub-criterion is not met**.

The Pennant Group, Inc. WAC 246-310-230(4) Conclusion

Pennant provided documentation the department concludes meets this specific sub-criterion. Based on the information above and the applicant's agreement to a condition related to adherence of RCW 70.245.190, the department concludes that approval of the Pennant project would not result in unwarranted fragmentation of hospice services in the planning area. **This sub-criterion is met**.

VistaRiver King County HoldCo, LLC WAC 246-310-230(4) Conclusion

While VistaRiver provided statements and information specific to this sub-criterion, the department must also consider its own analysis and conclusions of this project as related to WACs 246-310-210, 220, and previous sections of 230. The department concluded this project failed many of the required criteria and did not rebut many criticisms leaving the department only to rely on comments opposing the VistaRiver project. For these reasons, the department concludes that approval of the VistaRiver project could result in unwarranted fragmentation of hospice services in the planning area. **This sub-criterion is not met**.

Y.B.G. Healthcare LLC WAC 246-310-230(4) Conclusion

YBG provided documentation the department concludes meets this specific sub-criterion. Based on the information above and the applicant's agreement to a condition related to adherence of RCW 70.245.190, the department concludes that approval of the YBG project would not result in unwarranted fragmentation of hospice services in the planning area. **This sub-criterion is met**.

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

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

- Moments Hospice of King;
- The Pennant Group;
- VistaRiver King County HoldCo, LLC
- Y.B.G. Healthcare LLC

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

Based on the source information reviewed, the department determines the following applicants **met the applicable cost containment criteria in WAC 246-310-240:**

- The Pennant Group
- Y.B.G. Healthcare LLC

Based on the source information reviewed, the department determines the following applicants **did not meet the applicable cost containment criteria in WAC 246-310-240:**

- Moments Hospice of King, LLC
- VistaRiver King County HoldCo, LLC

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

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

If the project has met the applicable criteria in WAC 246-310-210 through 230 criteria, the department then assesses the other options considered by the applicant. If the department determines the proposed project is better or equal to other options considered by the applicant, and the department has not identified any other better options, this criterion is determined to be met unless there are multiple applications.

WAC 246-310-290(10) provides the following direction for review this sub-criterion of applications for hospice agencies. It states:
In addition to demonstrating numeric need under subsection (7) of this section, applicants must meet the following certificate of need requirements:
(a) Determination of need under WAC 246-310-210;
(b) Determination of financial feasibility under WAC 246-310-220;
(c) Criteria for structure and process of care under WAC 246-310-230; and
(d) Determination of cost containment under WAC 246-310-240.

If there are multiple applications, the department's assessment is to apply any service or facility superiority criteria in WAC 246-310-290(11), which includes the superiority criteria used to compare competing projects and make the determination of the best alternative between two or more approvable projects.

Moments Hospice of King, LLC

Step One
For this project, Moments Hospice King did not meet the applicable review criteria in financial feasibility (WAC 246-310-220) and structure and process of care (WAC 246-310-230). Therefore, the department concludes that this project is not the best alternative for the county. **This sub-criterion is not met.**

The Pennant Group, Inc.

Step One
For this project, Pennant met the applicable review criteria, therefore the department moves to step two below.

Step Two
Pennant provided a discussion of three alternatives it considered prior to submission of this application.[44] During screening of this application, the department required Pennant to consider and discuss a fourth alternative. Below is a listing of the four alternatives and Pennant's rationale for rejecting the three of them prior to submission of this application. [source: Application, pdfs 38-39 and February 28, 2022, screening response, pdfs 9-10]

- Alternative A: Take no Action
- Alternative B: Apply for and Receive CN (this application)
- Alternative C: Purchase Existing Hospice
- Alternative D: Apply for and Receive CN in King County, Located in King County

[44] One alternative Pennant considered is submission of this application. It is included in this discussion because it is the alternative selected by Pennant.

Alternative A: Take No Action	
Criteria Considered	**Results**
Access to Hospice Services	There is no advantage to taking no action in terms of improving access. The disadvantage is that taking no action does nothing to address the need for additional hospice agencies in King County. Therefore, this option does not address the access to care problem that exists.
Quality of Care	There is no advantage to taking no action regarding quality of care. The disadvantage with taking no action is driven by shortages in access to hospice services. With time, access would tighten and there would be adverse impacts on quality of care.
Cost and Operating Efficiency	With this option, there would be no impacts on costs. The disadvantage is that there would be no improvements to cost efficiencies.
Staffing Impacts	The advantage is not hiring/employing additional staff. There are no disadvantages from a staffing perspective.
Legal Considerations	No Legal considerations.
Decision	This project meets current and future access issues identified in King County. It will increase access to care. With this project, there are no disadvantages to access to health care services.

Alternative B: Apply for and Receive CN (this application)	
Criteria Considered	**Results**
Access to Hospice Services	This project meets current and future access issues identified in King County. It will increase access to care. With this project, there are no disadvantages to access to health care services.
Quality of Care	This project meets and promotes quality of care in King County. There are no disadvantages.
Cost and Operating Efficiency	Puget Sound Hospice of Pierce County will be able to leverage fixed costs, such as the lease, by spreading fixed costs over the hospice and home health services. Cost and operational efficiency will be affected by minimal operating expenses during the initial startup period before it achieves volume that covers fixed and variable costs.
Staffing Impacts	This project will create new jobs that benefit King County. These new jobs also provide paths for staff who are dedicated to efficient delivery of hospice services. There are no disadvantages; Cornerstone Healthcare Inc. and Symbol have a proven track record of hiring and retaining quality staff.
Legal Considerations	The advantage: Puget Sound Hospice of Pierce County staff will be able to provide hospice services to King County residents. This will improve access, quality, and continuation of care. The disadvantage: CN approval is required; this requires time and expense.
Decision	This project meets current and future access issues identified in King County. It will increase access to care. With this project, there are no disadvantages to access to health care services.

Alternative C: Purchase Existing Hospice	
Criteria Considered	**Results**
Access to Hospice Services	The disadvantage is that an acquisition may not add additional capacity for hospice services in King County when compared to alternative A and alternative B. Also, at present, we do not know of a hospice agency for sale in King Co.
Quality of Care	The advantage: This option could enhance quality and continuation of care in King County. There are no apparent disadvantages to this option.
Cost and Operating Efficiency	The disadvantage: The acquisition of an existing hospice requires considerable up front cost and time to purchase and complete due diligence.
Staffing Impacts	The advantage for staffing is that the staff from the existing agency already exists. This option potentially creates no new jobs, which does not benefit King County.
Legal Considerations	There are no advantages. The disadvantage is that an acquisition takes considerable time and resources to conduct due diligence.
Decision	This alternative was not chosen; it does not improve access to health care services, it may add additional costs and effort related to acquiring an existing agency, and it requires considerable time and resources related to legal and due diligence requirements. Finally, we are not aware of any hospice agencies in King County for sale.

Alternative D: Apply for and Receive CN in King County, Located in King County	
Criteria Considered	**Results**
Access to Hospice Services	The project would meet current and future access issues identified in King County. It would increase access to care as it will provide additional hospice services in King County. With the project, there are no disadvantages to access to health care services.
Quality of Care	The project would meet and promote quality of care in King County. There are no disadvantages.
Cost and Operating Efficiency	A new hospice located in King County would not be able to leverage the fixed costs of shared office staff and the lease if both King and Pierce are approved, as it requires leasing a new office in King County. An office in King may be the same cost as the lease cost in Pierce if only King is approved, but it would require additional front-end costs for deposit, first and last, office set up costs for IT, etc. Overall operating efficiency would likely be equal, with a possible advantage for the office in King Co. based on the caregivers' ability to get to the office for meetings and supplies. This depends on where the caregivers are caring for patients, and where the caregivers live. Cost and operational efficiency would be affected by operating expenses during the initial startup period before it achieves volume that covers fixed and variable costs.
Staffing Impacts	This project would create new jobs that benefit King County. These new jobs also provide paths for staff who are dedicated to efficient delivery of hospice services. There are no disadvantages; Cornerstone Healthcare Inc. and Symbol have a proven track record of hiring and retaining quality staff.
Legal Considerations	The advantage: The staff of a new hospice located in King County will be able to provide hospice services to King County residents. This will improve access, quality, and continuation of care. The disadvantage: CN approval is required; this requires time and expense.
Decision	This alternative was not selected because it does not, as effectively, leverage the operational and staffing efficiencies that the King + Pierce or the King only option is able to leverage. King + Pierce has shared staff in the same office, has a shared lease cost, and the field staff will be working together to optimize patient care in both counties. King only in Pierce does not have additional costs for lease deposit, first and last, and office set up costs. Finally, Puget Sound Home Health of King County's office is in Pierce County, while it serves King County. Our home health staff is experienced in operating efficiently in King County while their office is in Pierce. We anticipate our hospice staff experiencing the same.

There were no public comments or rebuttal comments submitted for the Pennant project related to this sub-criterion.

Department Evaluation

Pennant considered and rejected two options prior to submission of this application. The two options were do nothing or purchase an existing Medicare and Medicaid-certified King County hospice agency. Pennant provided sound rationale for rejection of those two options.

During the screening of this application, the department identified the option of establishing an agency in King County, rather than Pierce County. Pennant provided reasonable rationale for rejecting that option in favor of co-locating the King and Pierce County hospice agency in Tacoma, within Pierce

County. The department did not identify any other alternatives in terms of cost, efficiency, or effectiveness that is available or practicable for the applicant.

Since there are no construction costs necessary to begin providing hospice services in King County, the department acknowledges that the applicant's hospice services can be provided with very little financial impact to the applicant or the community.

Pennant also provided comprehensive rationale regarding the staff efficiency and appropriateness of hospice care for patients who request it. Further, the information provided by the applicant related to system impacts and hospice care is accurate and reasonable.

The department concludes approval of Pennant's application can be considered an available alternative for King County. **This sub-criterion is met**.

VistaRiver King County HoldCo, LLC

Step One

For this project, VistaRiver King County HoldCo, LLC did not meet the applicable review criteria under WAC 246-310-210 through 230, and 290. Therefore, the department's evaluation of this applicant's project under this sub-criterion is completed.

Y.B.G. Healthcare LLC

Step One

For this project, Y.B.G. Healthcare LLC met the applicable review criteria, therefore the department moves to step two below.

Step Two

YBG provided the following listed options it considered and a table detailing its rationale prior to submission of its project. [source: Application, pdfs 42-43]

"*Heart and Soul considered the following options:*

- *Do nothing now, and wait until there is no numeric need so that the Department will give consideration under WAC 246-310-590 (12)*
- *Establish a licensed only agency, and*
- *Undertake the project described in this application.*

Taking no action now was quickly disregarded based on a number of factors, including:

1) *There is numeric need for two additional agencies identified in the need methodology;*
2) *The CMS-data demonstrated decline in the already very low use of hospice by the BIPOC community between 2019 and 2020;*
3) *Information provided when we met with existing entities regarding the hesitation of serving individuals that want to continue treatment and/or refuse a do not resuscitate order, the lack of cultural variations in attitudes towards death and dying and the lack of culturally appropriate sources of information. These are common requests of the BIPOC community prior to enrolling in hospice; and*
4) *Communication with several National and State legal governmental organizations regarding the need to reduce inequities in health care through local, BIPOC governance and by increasing outreach/community engagement/trust-building through persons know and trusted.*

The BIPOC community has a long history of mistrust of the healthcare delivery system.

The Licensed Only Agency option was rejected because *Licensed only agencies are not able to bill for Medicare and Medicaid services. Without the revenue from these programs, we would be unable to sustain services*."

Public Comment
Many letters were received which detailed various individuals' and organizations' support of the YBG project which are related to this sub-criterion. Following is a listing of commenters who signed letters of support not quoted here. Whether the comment is quoted here is not indicative of its weight or importance, each comment was reviewed and contents considered for this evaluation. Further, the order commenters are listed here is not suggestive of the department assigning a status or ranking to any commenter or organization.

- Dr. Abe, Chair, Mayor's Council on African American Elders
- Dick Woo, Chair, Aging and Disability Services Advisory Council
- Benjamin Danielson, Chair, Governor's Interagency Council on Health Disparities

Following is a representative sample comment relevant to this sub-criterion from YBG's letters of support.

Edward O. Prince, Executive Director, Washington State Commission on African American Affairs – Support
"*Please accept this letter in support of the Certificate of Need application for Y.B.G Healthcare. The Washington State Commission on African American Affairs (CAAA) was created to advise the Governor, Legislature, and state agencies. Our commission often works with other entities such as the Governor's Interagency Council on Health Disparities Council to formulate policy approaches for the persistent health inequities that exist in Washington State especially in African American communities.*

Oftentimes, inequities exist because policies and programs are not created with specific consideration of how communities of color and other historically marginalized communities may be disproportionately impacted. We understand Washington State's Certificate of Need regulations specifically require that competing applications be reviewed and prioritized based on criteria including improved service to specific populations.

Y.B.G Healthcare aims to provide Black-owned, community-centered, culturally relevant hospice care in King County - specifically the African American community. Nationally, data shows only 37% of hospice-eligible African Americans used hospice services compared to 50% of White Americans. Numerous barriers to access exist including the lack of culturally relevant services. Y.B.G Healthcare aims to provide critical hospice services to communities when the time for hospice care is needed."

The department also received comment related to this sub-criterion opposing the YBG project.
Sol Miller, CEO, Moments Hospice of King, LLC – Oppose [source: pdfs 32-34]
"***Ability to Retain Hospice Admissions***
According to CMS data, CNS Hospice of Michigan ranked 17th out of 103 hospices in terms of the highest percentage of live discharges.

According to the March 2022 MedPac Report to Congress:

> *'The Commission has, over the years, raised concern about hospice providers with unusually high live discharge rates compared with other hospice providers. Hospice providers are expected to have some live discharges because some patients change their mind about using the hospice benefit and disenroll from hospice or their condition improves and they no longer meet the hospice eligibility criteria. However, claims data showing providers with substantially higher rates of live discharge*

than their peers could signal a problem with quality of care or program integrity, such as a hospice provider not meeting the needs of patients and families or admitting patients who do not meet the eligibility criteria.'

This raises concerns about the appropriateness of admissions and the leadership's ability to truly and effectively educate the BIPOC community on the benefits of hospice. A persistently high live discharge rate is inconsistent with the 'improved service to the planning area' criteria in the superiority test.

The column on the right in the table below shows the persistently high live discharge rates at CNS Hospice:

Live Discharge Rate Trend: CNS Hospice

Based on Medicare Claims through Sep 2021 — **CNS HOSPICE - 231635**

Select a Hospice

Michigan - CNS HOSPICE - 231635

CNS HOSPICE - 231635

Year	Patients Served	Admissions	ADC	Live Discharges	% Live Discharges
2007					
2008					
2009					
2010					
2011					
2012					
2013					
2014					
2015	48	44	8		
2016	73	60	15		
2017	123	107	30	11	13%
2018	173	138	35	24	19%
2019	181	136	43	32	25%
2020	236	188	50	36	21%
2021	178	118	41	30	24%

The table below shows a live discharge rate of 21% for CNS Hospice in 2020. This is substantially higher than state (11%) and national (15%) averages, as shown by Medicare claims and cost report data for 2020.

HealthPivots

Based on Medicare Claims & Cost Reports for 2020

Select a List, State, County, or Hospice

Michigan - CNS HOSPICE - 231635

2020 HOSPICE BENCHMARKING REPORT

All Hospices Operating in the Service Area of Selected Hospice

Hospice	MEDICARE COST REPORTS							
		% Days by Payer Class			% Days by Level of Care (All Payers)			
	% Live Discharges	Medicare	Medicaid	Other	RHC	GIP	CHC	IRC
CNS HOSPICE - 231635	21%	94.7%	5.3%	0.0%	100.0%	0.0%	0.0%	0.0%
MICHIGAN (ALL HOSPICES)	11%	94.6%	1.6%	3.7%	99.1%	0.8%	0.0%	0.2%
NATIONAL (ALL HOSPICES)	15%	92.2%	2.9%	4.9%	98.3%	1.2%	0.3%	0.2%

Y.B.G. Fails the Superiority Test

When comparing CN applicants, WAC 246-310-290 requires the Department of Health to determine superiority based on specific criteria:

- *Improved service to the planning area. CNS Hospice, the other hospice started by Y.B.G.'s owner, has had persistently abnormally high live discharge rates. High live discharge rates are inconsistent with improved service.*
- *Specific populations, including, but not limited to pediatrics. The applicant has radically changed its position on pediatrics in response to a screening question, and has provided a nebulous answer which in inconsistent with a clear position based on market research. The Department of Health cannot evaluate this criteria when the applicant has provided conflicting responses.*
- *Minimum impact to existing programs. The applicant has indicated that it may take pediatric trained staff and admissions from other pediatric programs. The applicant's response suggests that they applicant has not really researched whether another program is needed.*
- *Greatest breadth and depth of services. Y.B.G. has not offered the greatest breadth and depth of services of among the applicants.*
- *Published quality data. Two of the four applicants have no quality data yet, another is a start up with minimal data. Therefore, in this specific Cycle in King County, the Department of Health is unable to apply this test to the applicants.*"

Envision Hospice of Washington, LLC and EmpRes Healthcare Group, Inc. – Oppose [sources: Envision pdf 9 and EmpRes pdf 12]

"*Heart and Soul also commented on Hospice Superiority Criteria (see Table 2, Pages 11- 12) noting that the Department needs to see actual performance in addressing providing services to unserved or underserved populations. This would require the Department to develop a detailed list of criteria for each County based on the information provided by applicants in response to Need Question 3 in the Application packet: 'Identify any factors in the planning area that could restrict patient access to hospice services.'*

This suggested approach may place an unrealistic burden on the Department but Heart and Soul's premise that applicants need to back up their projects for addressing 'new' need for unserved and underserved populations with a detailed, quantitative analysis is also correct. This detailed projection of the expected volume; a business plan and outreach plan that provides supportive backup assumptions justifying the projection and a pro forma showing expenses that support the overall effort to generate 'new' volume for underserved and unserved populations is necessary for a full review by the Department."

Tracy Merritt, Authorized Representative of AccentCare, Inc. and Seasons Hospice & Palliative Care of King County, LLC [source: pdf 3]

"***Question 7.*** *Heart and Soul fails to address Washington's Death with Dignity Act, nor does it mention any specialty services such as dementia care and cardiac care. Furthermore, no detail is provided about the services offered.*"

Lee Johnson, Treasurer, Symbol Healthcare Inc., – Oppose [source: pdf 9]

"***iii) YBG***

(1) YBG's projected FTE table shows 14.58 staff for an ADC of 19 in 2023. This is excessive and costly staff for this census size and is not an efficient use of the hospice benefit. Costs are not reasonably contained.

(2) YBG's lease costs for 2022, prior to the CN and serving patients, is $17,346, which is lack of cost containment."

Y.B.G. Healthcare LLC Rebuttal Comment to Moments' Comment [source: pdfs 21 and 27]

"***B. Among the applicants, Y.B.G. has the greatest breadth and depth of services***

The BIPOC community needs the same, if not more, services than other persons in Hospice. As noted in response to comments above, the BIPOC community is diverse and BIPOC residents experience homelessness and housing insecurity, they are Veterans and members of the LGBTQIA+community. They ae also dual eligible, and by definition, we will provide the programming to support the vast array of their needs

C. Higher live discharge rates in hospices with high BIPOC penetration are common and Heart and Soul holds the greatest promise for reducing barriers and impacting this reality.

Moments is correct. Dis-enrollment in hospice nationally has been highest amongst the Black population, and this is directly correlated to a lack of trust, and a realization, that once hospice enters the home, it is insensitive to culture, customs and practices. This is exactly why Heart and Soul Hospice's model holds the greatest promise of reducing BIPOC barriers to hospice access in King County.

…

I. Heart and Soul is fully committed to serving all populations in need of hospice services when that is the choice of the patient and family, but also to collaboration with existing providers and not unnecessarily duplicating services. Our approach to the pediatric population is consistent with these commitments.

Heart and Soul has consistent responses throughout the CN and screening response that support our patient centered and collaborative approach to service provision. In our CN application, we acknowledge that we would 'as requested by families and the community' provide services for pediatric patients. We DO NOT state in our CN application that we plan to develop a dedicated pediatric program, and in fact in our screening clarify that: a pediatric patient and their family can be supported without a formal pediatric program."

Y.B.G. Healthcare LLC Rebuttal Comment to AccentCare/Seasons' Comment [source: pdf 17]

"*As Carla Ainsworth, MD our Medical Director stated at the hearing, Heart and Soul supports Death with Dignity by advising persons of their rights, by supporting our staff in participating and providing support to the patient and bereavement support to the family/friends. The CN Program does not require that an applicant provide a Death with Dignity Policy with the CN application, and the CN Program did not ask us to provide a policy during screening. We would be glad to have our CN conditioned for us to provide our written policy which is fully compliant with state law*."

Y.B.G. Healthcare LLC Rebuttal Comment to Symbol's Comment [source: pdf 19]

"***iv. Our staffing is appropriate, not excessive***

Interestingly, Symbol tries to turn our richer staffing model from a positive to a negative, suggesting that we fail cost containment due to the higher staffing costs. This statement is either a reflection of the desperation of Symbol to have our front-running project 'rejected', or it is a reflection of their total lack of understanding of practices (and staffing) needed to reach, inform and build trust in order to grow hospice penetration in underserved and marginalized communities.

v. Early lease cost reflects our 'in reach' to the community and the grass roots nature of our efforts.

Because we have lease costs in 2022, Symbol states that this is a 'lack of cost containment'. This statement again reflects Symbol's fundamental lack of understanding of the efforts needed to engage

and build trust in an underserved community. It also reflects insensitivity to BIPOC needs. Our 'early' lease cost reflects the nature of the underserved group we are targeting—we want to be/need to be 'in the community' and on the ground to move the needle well before we begin certified service delivery."

Y.B.G. Healthcare LLC Rebuttal Comment to Envision and EmpRes' Comment [source: pdfs 15-16]
C. Heart and Soul has fully addressed the unmet needs in our target communities and is the Superior applicant.
Envision and EmpRes suggest that we have only partially addressed unnecessary duplication, and then suggests that we have not provided documentation regarding active planning with the BIPOC community. The letters of support and public testimony allow the Program to cast aside this misguided statement.

They also commented on Hospice Superiority Criteria (see Table 2, Pages 11- 12) noting that the Department needs to see actual performance in addressing the provision of services to unserved or underserved populations. This was provided in our application and supporting materials (i.e.: the NPR interview and various newspaper articles covering the experience of member David Turner, in other communities)."

Department Evaluation
YBG considered and rejected two options prior to submission of this application. The two options were do nothing and wait for no need to be calculated to apply under WAC 246-310-290(12) or establish a licensed only hospice agency to serve King County residents. YBG provided sound rationale for rejection of those options. YBG determined that declining already low BIPOC use of hospice made its project's immediate implementation necessary. To ensure long-term financial feasibility and to be able to serve some of its target population it would need Medicare and Medicaid-certification.

Public comment in support and opposition of this project was received related to which project is superior. Supporting comments focused on YBG's proposed improved service to the planning area and King County's current lack of culturally relevant hospice services.

Opposition comment used one of the owner's historical hospice data to question whether YBG would be able to improve service to the planning area, reiterated its confusion on YBG's proposal related to pediatric patients, and questioned YBG's Death with Dignity stance. YBG rebutted each of these criticisms either with clarification or detailed information countering the opposition comment.

Based on this information the department concludes approval of YBG's application can be considered an available alternative for King County. **This sub-criterion is met**.

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

None of the four applicants' proposals required construction. Therefore, this sub-criterion does not apply to any of these projects.

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

Moments Hospice of King, LLC

In response to this sub-criterion, Moments Hospice King provided the following statements. [source: Application, pdf 136 - 137]

"This project will improve and innovate the financing and delivery of healthcare, while fostering cost containment/ cost effectiveness and promoting quality assurance in the following ways:

- *Economies of scale and efficiencies through an established shared services model, Moments Hospice of King can allocate greater resources to direct patient care, including a high level of visits.*
- *Innovation. Moments Hospice of King's access to technology, including the Home Care Home Base EMR system, artificial intelligence and data mining tools such as MUSE, and telehealth will bring innovation and better quality to King County's terminally ill residents*
- *Healthy competition spurs area hospices to engage in continuous improvement in quality and service offerings.*
- *Relief of cost pressure on pandemic-stressed hospitals. Moments Hospice of King will facilitate timely discharge to hospitals from inpatient hospital beds, reducing hospital ALOS and the associated labor, supply, and other costs. Through its disease-specific clinical programs, 24-7 access to clinical staff, and patient education, Moments will reduce costly emergency room visits.*
- *Allow patients to die at home. Moments Hospice of King will reduce end of life hospitalizations and allow patients to die in their own homes. Homeless hospice patients will be provided with shelter and dignity during the end-of-life period.*
- *Enable long term care facilities to focus on their core business. By collaborating with facilities, so that nursing home staff do not need to provide the end of life care that is best provided by hospice.*
- *Access to timely initiation of hospice services, and therefore increased hospice benefits."*

There were no public comments or rebuttal comments submitted for the Moments project related to this sub-criterion.

Department Evaluation

Moments Hospice King provided information supporting its proposal to establish a new hospice agency in King County. However, since the proposed project did not meet the applicable review criteria under WAC 246-310-220 and 230, the department cannot conclude that this project would improve or maintain the delivery of health services for King County residents. **This sub-criterion is not met.**

The Pennant Group, Inc.

In response to this sub-criterion, Pennant provided the following statements. [source: Application, pdf 40-41]

"Following are some examples of the ways we use innovations in the delivery of care, effectively increasing efficiency in the delivery of care, promoting quality assurance, and fostering cost effectiveness.

HomeCare HomeBase- HCHB is the leading electronic medical records system in the nation that is specific to home health and hospice agencies. HCHB was designed by home health and hospice industry leaders and integrates compliance measures and tools to ensure the requirements of pertinent regulations are met. We are also able to customize HCHB to meet any other specific needs we may have (compliance with state specific regulations, meeting the needs of particular patient populations, addressing a certain payer mix, etc.).

HCHB Analytics- Analytics is the tableau (visualization of data software) reporting platform that is build by HCHB and integrates all of the HCHB data to tableau. HCHB supplies a stock set of reports that can be used for preparation for upcoming regulation changes, productivity management/regulation and quality reporting management. The reports can be built and customized be a certain tableau report builder for all of our specific reporting needs.

Forcura- Forcura is a totally HIPAA compliant document management, referral management, order tracking, and wound measurement/management solution that integrates directly with HCHB to allow the transmission of patient data between the two platforms. Forcura is available to office workers via a dashboard and field workers via mobile application for each use. This application provides our users with a more seamless referral acceptance for quicker processing, more accurate wound measurement tracking tools for more accurate documentation between multiple caregivers, order tracking, and automatic processing of orders out and back in with auto populated details for quicker, more seamless order processing.

In addition to these innovative tools, we believe we are a partner of choice to payors, providers, patients and employees in the healthcare communities we serve. As a partner, we focus on improving care outcomes and the quality of life of our patients in home or home-like settings. Our local leadership approach facilitates the development of strong professional relationships, allowing us to better understand and meet the needs of our partners. We believe our emphasis on working closely with other providers, payors and patients yields unique, customized solutions and programs that meet local market needs and improve clinical outcomes, which in turn accelerates revenue growth and profitability.

We are a trusted partner to, and work closely with, payors and other acute and post-acute providers to deliver innovative healthcare solutions in lower cost settings. In the markets we serve, we have developed formal and informal preferred provider relationships with key referral sources and transitional care programs that result in better coordination within the care continuum. These partnerships have resulted in significant benefits to payors, patients and other providers including reduced hospital readmission rates, appropriate transitions within the care continuum, overall cost savings, increased patient satisfaction and improved quality outcomes. Positive, repeated interactions and data-sharing result in strong local relationships and encourage referrals from our acute and post-acute care partners. As we continue to strengthen these formal and informal relationships and expand our referral base, we believe we will continue to drive cost effectiveness and quality outcomes."

There were no public comments or rebuttal comments submitted for the Pennant project related to this sub-criterion.

Department Evaluation

Pennant provided sound and reasonable rationale for establishing Medicare and Medicaid-certified hospice agency to serve the residents of King County. If approved, this project has the potential to improve delivery of necessary in-home services to King County residents.

For the reasons stated above, the department concludes that this project has the potential to improve delivery of necessary in-home services to King County residents. **This sub-criterion is met**.

VistaRiver King County HoldCo, LLC

In response to this sub-criterion, VistaRiver provided the following statements. [source: Application, pdfs 41-42]

"*With the approval of VistaRiver's proposed project, residents in King County would have additional access to hospice services. Analyzing the 2020 Medicare Annual Hospice Claims Data for King County*

gives valuable insight into how VistaRiver innovations in the delivery of health services will promote greater quality assurance and cost effectiveness.

- ***Hospice Utilization (Medicare Hospice Deaths / Medicare Deaths):***
    - *46.14% 2020 National Hospice Utilization (of beneficiaries who died, died on hospice).*
    - *45.47% 2020 Washington State Hospice Utilization.*
    - *45.91% 2020 King County Hospice Utilization.*

Therefore, Washington state and both King County hospice utilization rates are all below the national average. Additionally, both King County hospice utilization rates are below the Washington state average. This alone speaks to some numeric need for either existing hospices in King County to increase activity or need for another hospice provider.

- ***Hospice Utilization x Race:*** *Breaking hospice utilization rates down further by race, we find hospice utilization for Whites in King County to be significantly higher than all other races:*
    - *46.96% White*
    - *34.93% Hispanic*
    - *34.81% Asian*
    - *32.00% Black*
    - *28.47% North American Native*

This trend for Whites to have higher hospice utilization rates is consistent and long-standing across both Washington state and nationally. Per the hospice utilization definition, this addresses hospice deaths by race.

- ***Hospice Admissions and Length of Stay x Race:*** *Consistent with hospice utilization trends above, hospice admissions occur at higher percentages for Whites compared to all other races. Additionally, both mean and median hospice lengths of stay are longer for Whites compared to all other races. These trends hold true for beneficiaries residing in King County as well as Washington state and nationally.*

- ***Hospice Levels of Care x Race:*** *Because 99%+ of hospice days are billed at the Routine Home Care level of care, there is little differentiation across the four hospice levels of care by race. This is expected and holds true across beneficiaries residing in King County as well as Washington state and nationally.*

- ***Hospice Locations of Care:*** *Hospice beneficiaries in King County are slightly more likely to receive care at Home and less likely to receive care in other settings compared to Washington state and national averages.*
    - *64% Home location of hospice care in King County*
    - *62% Home location of hospice care in Washington state*
    - *59% Home location of hospice care Nationally*

There were slight differences in all other hospice locations of care, generally falling between Washington state and national averages. Other hospice locations of care include: Assisted Living Residences, Skilled Nursing Facilities, Non-skilled Nursing Facilities, Hospice Inpatient, Hospital Inpatient, Long Term Care Hospital, Psychiatric Inpatient, and Other.

- ***Hospice Locations of Care x Race:*** *Whites received hospice care slightly less frequently at the home location of care and more frequently across all other locations of care. All other races were significantly more likely to receive hospice care at Home, and less likely to receive hospice care across all other locations of care.*"

There were no public comments or rebuttal comments provided under this sub-criterion for VistaRiver.

Department Evaluation

VistaRiver provided information supporting its proposal to provide hospice services to Medicare and Medicaid-eligible King County residents. However, since the proposed project did not meet the applicable review criteria under WAC 246-310-210, 290, 220, and 230, the department cannot conclude that this project is the best available option for King County residents. **This sub-criterion is not met.**

Y.B.G. Healthcare LLC

In response to this sub-criterion, YBG provided the following statements. [source: Application, pdfs 43-44]

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

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

Importantly, and specific to the need for Heart and Soul's specific focus on underserved populations, the data demonstrates that despite the increase in the use of hospice care in recent decades, racial disparities in the use of hospice remain. A 2020 JAMA article found that Black decedents were less likely than White decedents to use hospice for 3 or more and were more likely to have multiple emergency department visits and undergo intensive treatment in the last 6 months of life compared with White decedents.

The National Hospice and Palliative Care Organization has also recognized the disparity in hospice use among Black patients and has released a Black and African-American Outreach Guide to help hospices 'develop business strategies, contribute to health equity, and build health outreach programs that represent organizational excellence, quality care delivery and social responsibility consistent with Heart and Soul's approach to service delivery."

There were no public comments or rebuttal comments provided under this sub-criterion for YBG.

Department Evaluation

YBG provided sound and reasonable rationale for establishing a Medicare and Medicaid-certified hospice agency to serve the residents of King County. If approved, this project has the potential to improve delivery of necessary in-home services to King County residents.

For the reasons stated above, the department concludes that this project has the potential to improve delivery of necessary in-home services to King County residents. **This sub-criterion is met**.

APPENDIX A

Department of Health
2021-2022 Hospice Numeric Need Methodology
Posted November 10, 2021

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

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

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

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

Hospice admissions ages 0-64	
Year	Admissions
2018	4,114
2019	3,699
2020	3,679
	average: 3,831

Deaths ages 0-64	
Year	Deaths
2018	14,055
2019	14,047
2020	16,663
	average: 14,922

Use Rates	
0-64	25.67%
65+	60.15%

Hospice admissions ages 65+	
Year	Admissions
2018	26,207
2019	26,017
2020	27,956
	average: 26,727

Deaths ages 65+	
Year	Deaths
2018	42,773
2019	44,159
2020	46,367
	average: 44,433

Sources:
Self-Report Provider Utilization Surveys for Years 2018-2020
Vital Statistics Death Data for Years 2018-2020
Prepared by DOH Program Staff

Department of Health
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WAC246-310-290(8)(b) Step 2:
Calculate the average number of total resident deaths over the last three years for each planning area by age cohort.

0-64				
County	2018	2019	2020	2018-2020 Average Deaths
Adams	28	35	20	**28**
Asotin	52	54	56	**54**
Benton	331	346	555	**411**
Chelan	130	137	224	**164**
Clallam	191	186	195	**191**
Clark	874	887	1,043	**935**
Columbia	6	7	7	**7**
Cowlitz	300	294	314	**303**
Douglas	51	63	42	**52**
Ferry	28	20	19	**22**
Franklin	145	123	100	**123**
Garfield	5	5	5	**5**
Grant	195	197	186	**193**
Grays Harbor	227	251	209	**229**
Island	135	167	110	**137**
Jefferson	64	72	68	**68**
King	3,264	3,275	4,456	**3,665**
Kitsap	515	557	454	**509**
Kittitas	68	90	78	**79**
Klickitat	58	46	42	**49**
Lewis	227	210	205	**214**
Lincoln	25	25	15	**22**
Mason	158	167	143	**156**
Okanogan	103	119	88	**103**
Pacific	64	66	55	**62**
Pend Oreille	43	31	41	**38**
Pierce	1,964	1,911	2,364	**2,080**
San Juan	19	20	18	**19**
Skagit	231	229	269	**243**
Skamania	27	19	26	**24**
Snohomish	1,533	1,533	1,587	**1,551**
Spokane	1,177	1,143	1,634	**1,318**
Stevens	113	112	86	**104**
Thurston	554	525	628	**569**
Wahkiakum	13	11	10	**11**
Walla Walla	110	118	150	**126**
Whatcom	360	394	457	**404**
Whitman	66	47	51	**55**
Yakima	601	555	653	**603**

65+				
County	2018	2019	2020	2018-2020 Average Deaths
Adams	72	93	59	**75**
Asotin	214	222	186	**207**
Benton	1,125	1,154	1,522	**1,267**
Chelan	573	626	785	**661**
Clallam	871	955	777	**868**
Clark	2,767	2,987	3,205	**2,986**
Columbia	43	52	43	**46**
Cowlitz	840	951	968	**920**
Douglas	255	270	160	**228**
Ferry	55	64	58	**59**
Franklin	278	313	263	**285**
Garfield	30	21	11	**21**
Grant	524	508	455	**496**
Grays Harbor	647	659	558	**621**
Island	675	642	505	**607**
Jefferson	336	338	273	**316**
King	9,917	10,213	11,186	**10,439**
Kitsap	1,713	1,811	1,714	**1,746**
Kittitas	239	266	241	**249**
Klickitat	158	160	113	**144**
Lewis	730	722	653	**702**
Lincoln	94	89	75	**86**
Mason	526	548	408	**494**
Okanogan	332	358	277	**322**
Pacific	279	265	177	**240**
Pend Oreille	130	125	101	**119**
Pierce	4,926	5,002	5,608	**5,179**
San Juan	114	127	94	**112**
Skagit	1,001	1,018	1,068	**1,029**
Skamania	56	87	47	**63**
Snohomish	4,055	4,081	4,278	**4,138**
Spokane	3,556	3,545	4,322	**3,808**
Stevens	373	345	248	**322**
Thurston	1,823	1,908	2,007	**1,913**
Wahkiakum	33	53	18	**35**
Walla Walla	445	450	522	**472**
Whatcom	1,252	1,461	1,481	**1,398**
Whitman	199	219	226	**215**
Yakima	1,517	1,451	1,675	**1,548**

Sources:
Self-Report Provider Utilization Surveys for Years 2018-2020
Vital Statistics Death Data for Years 2018-2020
Prepared by DOH Program Staff

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WAC246-310-290(8)(c) Step 3.
Multiply each hospice use rate determined in Step 1 by the planning areas' average total resident deaths determined in Step 2, separated by age cohort.

0-64		
County	2018-2020 Average Deaths	Projected Patients: 25.67% of Deaths
Adams	28	7
Asotin	54	14
Benton	411	105
Chelan	164	42
Clallam	191	49
Clark	935	240
Columbia	7	2
Cowlitz	303	78
Douglas	52	13
Ferry	22	6
Franklin	123	31
Garfield	5	1
Grant	193	49
Grays Harbor	229	59
Island	137	35
Jefferson	68	17
King	3,665	941
Kitsap	509	131
Kittitas	79	20
Klickitat	49	12
Lewis	214	55
Lincoln	22	6
Mason	156	40
Okanogan	103	27
Pacific	62	16
Pend Oreille	38	10
Pierce	2,080	534
San Juan	19	5
Skagit	243	62
Skamania	24	6
Snohomish	1,551	398
Spokane	1,318	338
Stevens	104	27
Thurston	569	146
Wahkiakum	11	3
Walla Walla	126	32
Whatcom	404	104
Whitman	55	14
Yakima	603	155

65+		
County	2018-2020 Average Deaths	Projected Patients: 60.15% of Deaths
Adams	75	45
Asotin	207	125
Benton	1,267	762
Chelan	661	398
Clallam	868	522
Clark	2,986	1,796
Columbia	46	28
Cowlitz	920	553
Douglas	228	137
Ferry	59	35
Franklin	285	171
Garfield	21	12
Grant	496	298
Grays Harbor	621	374
Island	607	365
Jefferson	316	190
King	10,439	6,279
Kitsap	1,746	1,050
Kittitas	249	150
Klickitat	144	86
Lewis	702	422
Lincoln	86	52
Mason	494	297
Okanogan	322	194
Pacific	240	145
Pend Oreille	119	71
Pierce	5,179	3,115
San Juan	112	67
Skagit	1,029	619
Skamania	63	38
Snohomish	4,138	2,489
Spokane	3,808	2,290
Stevens	322	194
Thurston	1,913	1,150
Wahkiakum	35	21
Walla Walla	472	284
Whatcom	1,398	841
Whitman	215	129
Yakima	1,548	931

Sources:
Self-Report Provider Utilization Surveys for Years 2018-2020
Vital Statistics Death Data for Years 2018-2020
Prepared by DOH Program Staff

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WAC246-310-290(8)(d) Step 4:
Using the projected patients calculated in Step 3, calculate a use rate by dividing projected patients by the three-year historical average population by county. Use this rate

0-64								
County	Projected Patients	2018-2020 Average Population	2021 projected population	2022 projected population	2023 projected population	2021 potential volume	2022 potential volume	2023 potential volume
Adams	**7**	**18,160**	18,456	18,622	18,787	7	7	7
Asotin	**14**	**16,715**	16,596	16,540	16,485	14	14	14
Benton	**105**	**167,984**	171,026	172,638	174,249	107	108	109
Chelan	**42**	**62,227**	62,512	62,562	62,611	42	42	42
Clallam	**49**	**52,494**	52,233	52,027	51,821	49	49	48
Clark	**240**	**411,278**	421,901	426,529	431,158	246	249	252
Columbia	**2**	**2,822**	2,745	2,710	2,675	2	2	2
Cowlitz	**78**	**85,817**	85,843	85,769	85,695	78	78	78
Douglas	**13**	**35,130**	35,803	36,080	36,356	14	14	14
Ferry	**6**	**5,628**	5,541	5,506	5,470	6	6	6
Franklin	**31**	**88,012**	92,443	94,784	97,124	33	34	35
Garfield	**1**	**1,581**	1,541	1,522	1,502	1	1	1
Grant	**49**	**86,033**	88,240	89,322	90,403	51	51	52
Grays Harbor	**59**	**57,387**	56,679	56,401	56,122	58	58	57
Island	**35**	**63,114**	63,280	63,296	63,312	35	35	35
Jefferson	**17**	**20,705**	20,636	20,550	20,463	17	17	17
King	**941**	**1,885,115**	1,918,470	1,930,192	1,941,913	958	963	969
Kitsap	**131**	**218,538**	220,614	221,192	221,771	132	132	133
Kittitas	**20**	**38,453**	39,286	39,556	39,827	21	21	21
Klickitat	**12**	**15,702**	15,439	15,304	15,168	12	12	12
Lewis	**55**	**62,700**	63,164	63,327	63,491	55	55	56
Lincoln	**6**	**7,864**	7,751	7,698	7,644	5	5	5
Mason	**40**	**50,632**	51,397	51,672	51,946	41	41	41
Okanogan	**27**	**32,364**	32,087	31,991	31,896	26	26	26
Pacific	**16**	**14,545**	14,322	14,242	14,161	16	16	15
Pend Oreille	**10**	**9,859**	9,769	9,727	9,684	10	10	10
Pierce	**534**	**756,339**	769,918	774,696	779,475	543	547	550
San Juan	**5**	**10,863**	10,730	10,707	10,684	5	5	5
Skagit	**62**	**100,807**	101,887	102,236	102,586	63	63	63
Skamania	**6**	**9,248**	9,223	9,205	9,186	6	6	6
Snohomish	**398**	**705,787**	721,527	726,273	731,019	407	410	412
Spokane	**338**	**423,256**	426,740	428,033	429,326	341	342	343
Stevens	**27**	**34,109**	33,917	33,841	33,766	26	26	26
Thurston	**146**	**238,190**	243,867	246,235	248,602	150	151	152
Wahkiakum	**3**	**2,498**	2,405	2,368	2,332	3	3	3
Walla Walla	**32**	**50,763**	51,028	51,075	51,121	33	33	33
Whatcom	**104**	**185,418**	189,267	190,722	192,178	106	107	107
Whitman	**14**	**43,222**	43,315	43,322	43,330	14	14	14
Yakima	**155**	**222,774**	225,822	227,147	228,473	157	158	159

Sources:
Self-Report Provider Utilization Surveys for Years 2018-2020
Vital Statistics Death Data for Years 2018-2020
Prepared by DOH Program Staff

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WAC246-310-290(8)(d) Step 4:
Using the projected patients calculated in Step 3, calculate a use rate by dividing projected patients by the three-year historical average population by county. Use this rate to determine the potential volume of hospice use by the projected population by age cohort using Office of Financial Management (OFM) data.

65+								
County	Projected Patients	2018-2020 Average Population	2021 projected population	2022 projected population	2023 projected population	2021 potential volume	2022 potential volume	2023 potential volume
Adams	**45**	**2,227**	2,383	2,424	2,466	48	49	50
Asotin	**125**	**5,812**	6,175	6,344	6,514	132	136	140
Benton	**762**	**30,986**	33,373	34,597	35,820	821	851	881
Chelan	**398**	**15,876**	17,052	17,695	18,339	427	443	460
Clallam	**522**	**21,800**	22,901	23,535	24,168	548	563	579
Clark	**1,796**	**78,605**	85,686	89,247	92,807	1,958	2,039	2,121
Columbia	**28**	**1,236**	1,287	1,304	1,322	29	29	30
Cowlitz	**553**	**22,148**	23,719	24,470	25,220	592	611	630
Douglas	**137**	**7,976**	8,666	8,974	9,283	149	155	160
Ferry	**35**	**2,168**	2,289	2,337	2,386	37	38	39
Franklin	**171**	**9,188**	10,083	10,557	11,030	188	197	206
Garfield	**12**	**645**	669	680	692	13	13	13
Grant	**298**	**14,861**	16,071	16,665	17,258	322	334	346
Grays Harbor	**374**	**16,123**	17,133	17,612	18,092	397	408	419
Island	**365**	**20,239**	21,412	22,047	22,682	386	398	409
Jefferson	**190**	**11,588**	12,323	12,722	13,121	202	208	215
King	**6,279**	**310,572**	337,771	350,881	363,992	6,829	7,094	7,359
Kitsap	**1,050**	**53,833**	58,185	60,492	62,800	1,135	1,180	1,225
Kittitas	**150**	**7,647**	8,266	8,589	8,911	162	168	174
Klickitat	**86**	**5,829**	6,268	6,448	6,627	93	96	98
Lewis	**422**	**16,808**	17,697	18,175	18,652	444	456	468
Lincoln	**52**	**2,891**	3,039	3,119	3,200	54	56	57
Mason	**297**	**15,905**	17,167	17,836	18,504	321	333	346
Okanogan	**194**	**10,475**	11,210	11,519	11,827	207	213	219
Pacific	**145**	**6,747**	7,035	7,159	7,284	151	153	156
Pend Oreille	**71**	**3,925**	4,239	4,371	4,504	77	80	82
Pierce	**3,115**	**130,688**	142,422	148,729	155,037	3,395	3,545	3,695
San Juan	**67**	**5,768**	6,174	6,357	6,541	72	74	76
Skagit	**619**	**27,881**	30,314	31,460	32,607	673	698	724
Skamania	**38**	**2,670**	2,923	3,048	3,172	42	43	45
Snohomish	**2,489**	**119,333**	131,978	138,737	145,495	2,753	2,894	3,035
Spokane	**2,290**	**87,852**	94,670	97,979	101,288	2,468	2,554	2,641
Stevens	**194**	**11,360**	12,214	12,591	12,969	208	215	221
Thurston	**1,150**	**50,757**	54,900	56,967	59,035	1,244	1,291	1,338
Wahkiakum	**21**	**1,503**	1,580	1,595	1,611	22	22	22
Walla Walla	**284**	**11,006**	11,350	11,632	11,915	293	300	308
Whatcom	**841**	**40,902**	44,217	45,794	47,372	909	941	974
Whitman	**129**	**5,526**	6,008	6,201	6,395	140	145	149
Yakima	**931**	**37,530**	39,475	40,559	41,643	979	1,006	1,033

Sources:
Self-Report Provider Utilization Surveys for Years 2018-2020
Vital Statistics Death Data for Years 2018-2020
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WAC246-310-290(8)(e) Step 5:
Combine the two age cohorts. Subtract the average of the most recent three years hospice capacity in each planning area from the projected volumes calculated in Step 4 to determine the number of projected admissions beyond the planning area capacity.

County	2021 potential volume	2022 potential volume	2023 potential volume	Current Supply of Hospice Providers	2021 Unmet Need Admissions*	2022 Unmet Need Admissions*	2023 Unmet Need Admissions*
Adams	55	56	57	**51.33**	4	5	6
Asotin	146	150	153	**105.00**	41	45	48
Benton	928	959	990	**1,016.67**	(88)	(57)	(26)
Chelan	469	486	502	**428.67**	41	57	73
Clallam	597	612	627	**392.80**	204	219	234
Clark	2,204	2,288	2,372	**2,584.47**	(380)	(296)	(212)
Columbia	30	31	31	**35.00**	(5)	(4)	(4)
Cowlitz	670	689	708	**788.00**	(118)	(99)	(80)
Douglas	163	168	174	**160.67**	2	8	13
Ferry	43	44	45	**32.00**	11	12	13
Franklin	221	231	240	**201.67**	19	29	39
Garfield	14	14	15	**6.00**	8	8	9
Grant	373	386	398	**292.33**	81	93	106
Grays Harbor	455	466	477	**295.57**	160	170	181
Island	422	433	445	**399.67**	22	34	45
Jefferson	219	226	232	**198.00**	21	28	34
King	7,786	8,057	8,328	**7,830.73**	(44)	226	497
Kitsap	1,267	1,312	1,358	**1,223.57**	43	89	134
Kittitas	182	189	195	**168.00**	14	21	27
Klickitat	105	108	110	**217.80**	(113)	(110)	(107)
Lewis	500	512	524	**445.33**	54	67	79
Lincoln	60	61	63	**29.00**	31	32	34
Mason	361	374	387	**304.57**	57	70	82
Okanogan	234	239	245	**188.33**	45	51	57
Pacific	166	169	171	**93.00**	73	76	78
Pend Oreille	87	89	92	**65.33**	22	24	26
Pierce	3,938	4,092	4,246	**3,596.23**	342	496	649
San Juan	77	79	81	**87.00**	(10)	(8)	(6)
Skagit	736	762	787	**729.00**	7	33	58
Skamania	48	50	51	**32.00**	16	18	19
Snohomish	3,160	3,303	3,447	**3,508.33**	(349)	(205)	(61)
Spokane	2,809	2,897	2,984	**2,720.50**	89	176	263
Stevens	235	241	247	**148.67**	86	92	99
Thurston	1,394	1,442	1,491	**1,565.30**	(171)	(123)	(75)
Wahkiakum	25	25	25	**9.33**	15	16	16
Walla Walla	326	333	340	**272.33**	53	60	68
Whatcom	1,015	1,048	1,081	**1,094.57**	(80)	(46)	(13)
Whitman	154	159	163	**158.17**	(4)	1	5
Yakima	1,136	1,164	1,192	**1,261.00**	(125)	(97)	(69)

*a negative number indicates existing hospice service capacity exceeds the projected utilization based on the statewide use rate.

Sources:
Self-Report Provider Utilization Surveys for Years 2018-2020
Vital Statistics Death Data for Years 2018-2020
Prepared by DOH Program Staff

Department of Health
2021-2022 Hospice Numeric Need Methodology
Posted November 10, 2021

WAC246-310-290(8)(f) Step 6:
Multiply the unmet need from Step 5 by the statewide average length of stay as determined by CMS to determine unmet need patient days in the projection years.

				Step 6 (Admits * ALOS) = Unmet Patient Days			
County	**2021 Unmet Need Admissions***	**2022 Unmet Need Admissions***	**2023 Unmet Need Admissions***	**Statewide ALOS**	**2021 Unmet Need Patient Days***	**2022 Unmet Need Patient Days***	**2023 Unmet Need Patient Days***
Adams	4	5	6	**62.12**	244	300	356
Asotin	41	45	48	**62.12**	2,563	2,786	3,009
Benton	(88)	(57)	(26)	**62.12**	(5,497)	(3,565)	(1,633)
Chelan	41	57	73	**62.12**	2,535	3,539	4,542
Clallam	204	219	234	**62.12**	12,682	13,613	14,543
Clark	(380)	(296)	(212)	**62.12**	(23,619)	(18,396)	(13,174)
Columbia	(5)	(4)	(4)	**62.12**	(281)	(258)	(235)
Cowlitz	(118)	(99)	(80)	**62.12**	(7,320)	(6,160)	(5,000)
Douglas	2	8	13	**62.12**	134	470	807
Ferry	11	12	13	**62.12**	691	737	784
Franklin	19	29	39	**62.12**	1,201	1,801	2,401
Garfield	8	8	9	**62.12**	506	518	531
Grant	81	93	106	**62.12**	5,021	5,799	6,578
Grays Harbor	160	170	181	**62.12**	9,916	10,589	11,261
Island	22	34	45	**62.12**	1,377	2,090	2,802
Jefferson	21	28	34	**62.12**	1,324	1,726	2,127
King	(44)	226	497	**62.12**	(2,759)	14,070	30,899
Kitsap	43	89	134	**62.12**	2,696	5,513	8,331
Kittitas	14	21	27	**62.12**	889	1,290	1,691
Klickitat	(113)	(110)	(107)	**62.12**	(6,994)	(6,835)	(6,676)
Lewis	54	67	79	**62.12**	3,378	4,132	4,886
Lincoln	31	32	34	**62.12**	1,917	2,004	2,091
Mason	57	70	82	**62.12**	3,529	4,319	5,108
Okanogan	45	51	57	**62.12**	2,823	3,173	3,523
Pacific	73	76	78	**62.12**	4,554	4,714	4,875
Pend Oreille	22	24	26	**62.12**	1,337	1,483	1,630
Pierce	342	496	649	**62.12**	21,240	30,788	40,337
San Juan	(10)	(8)	(6)	**62.12**	(639)	(507)	(375)
Skagit	7	33	58	**62.12**	435	2,029	3,623
Skamania	16	18	19	**62.12**	984	1,094	1,204
Snohomish	(349)	(205)	(61)	**62.12**	(21,649)	(12,726)	(3,802)
Spokane	89	176	263	**62.12**	5,511	10,934	16,357
Stevens	86	92	99	**62.12**	5,345	5,741	6,136
Thurston	(171)	(123)	(75)	**62.12**	(10,646)	(7,645)	(4,643)
Wahkiakum	15	16	16	**62.12**	956	967	977
Walla Walla	53	60	68	**62.12**	3,304	3,758	4,213
Whatcom	(80)	(46)	(13)	**62.12**	(4,953)	(2,888)	(823)
Whitman	(4)	1	5	**62.12**	(231)	50	330
Yakima	(125)	(97)	(69)	**62.12**	(7,760)	(6,032)	(4,305)

*a negative number indicates existing hospice service capacity exceeds the projected utilization based on the statewide use rate.

Sources: CPS MDCR Hospice 3 Report
Self-Report Provider Utilization Surveys for Years 2018-2020
Vital Statistics Death Data for Years 2018-2020
Prepared by DOH Program Staff

Department of Health
2021-2022 Hospice Numeric Need Methodology
Posted November 10, 2021

WAC246-310-290(8)(g) Step 7:
Divide the unmet patient days from Step 6 by 365 to determine the unmet need ADC.

				Step 7 (Patient Days / 365) = Unmet ADC		
County	**2021 Unmet Need Patient Days***	**2022 Unmet Need Patient Days***	**2023 Unmet Need Patient Days***	**2021 Unmet Need ADC***	**2022 Unmet Need ADC***	**2023 Unmet Need ADC***
Adams	244	300	356	1	1	1
Asotin	2,563	2,786	3,009	7	8	8
Benton	(5,497)	(3,565)	(1,633)	(15)	(10)	(4)
Chelan	2,535	3,539	4,542	7	10	12
Clallam	12,682	13,613	14,543	35	37	40
Clark	(23,619)	(18,396)	(13,174)	(65)	(50)	(36)
Columbia	(281)	(258)	(235)	(1)	(1)	(1)
Cowlitz	(7,320)	(6,160)	(5,000)	(20)	(17)	(14)
Douglas	134	470	807	0	1	2
Ferry	691	737	784	2	2	2
Franklin	1,201	1,801	2,401	3	5	7
Garfield	506	518	531	1	1	1
Grant	5,021	5,799	6,578	14	16	18
Grays Harbor	9,916	10,589	11,261	27	29	31
Island	1,377	2,090	2,802	4	6	8
Jefferson	1,324	1,726	2,127	4	5	6
King	(2,759)	14,070	30,899	(8)	39	85
Kitsap	2,696	5,513	8,331	7	15	23
Kittitas	889	1,290	1,691	2	4	5
Klickitat	(6,994)	(6,835)	(6,676)	(19)	(19)	(18)
Lewis	3,378	4,132	4,886	9	11	13
Lincoln	1,917	2,004	2,091	5	5	6
Mason	3,529	4,319	5,108	10	12	14
Okanogan	2,823	3,173	3,523	8	9	10
Pacific	4,554	4,714	4,875	12	13	13
Pend Oreille	1,337	1,483	1,630	4	4	4
Pierce	21,240	30,788	40,337	58	84	111
San Juan	(639)	(507)	(375)	(2)	(1)	(1)
Skagit	435	2,029	3,623	1	6	10
Skamania	984	1,094	1,204	3	3	3
Snohomish	(21,649)	(12,726)	(3,802)	(59)	(35)	(10)
Spokane	5,511	10,934	16,357	15	30	45
Stevens	5,345	5,741	6,136	15	16	17
Thurston	(10,646)	(7,645)	(4,643)	(29)	(21)	(13)
Wahkiakum	956	967	977	3	3	3
Walla Walla	3,304	3,758	4,213	9	10	12
Whatcom	(4,953)	(2,888)	(823)	(14)	(8)	(2)
Whitman	(231)	50	330	(1)	0	1
Yakima	(7,760)	(6,032)	(4,305)	(21)	(17)	(12)

*a negative number indicates existing hospice service capacity exceeds the projected utilization based on the statewide use rate.

Sources:
Self-Report Provider Utilization Surveys for Years 2018-2020
Vital Statistics Death Data for Years 2018-2020
Prepared by DOH Program Staff

Department of Health
2021-2022 Hospice Numeric Need Methodology
Posted November 10, 2021

WAC246-310-290(8)(h) Step 8:
Determine the number of hospice agencies in the planning area that could support the unmet need with an ADC of thirty-five.

Application Year

Step 7 (Patient Days / 365) = Unmet ADC				Step 8 - Numeric Need	
County	**2021 Unmet Need ADC***	**2022 Unmet Need ADC***	**2023 Unmet Need ADC***	**Numeric Need?**	**Number of New Agencies Needed?****
Adams	1	1	1	FALSE	FALSE
Asotin	7	8	8	FALSE	FALSE
Benton	(15)	(10)	(4)	FALSE	FALSE
Chelan	7	10	12	FALSE	FALSE
Clallam	35	37	40	***TRUE***	***1***
Clark	(65)	(50)	(36)	FALSE	FALSE
Columbia	(1)	(1)	(1)	FALSE	FALSE
Cowlitz	(20)	(17)	(14)	FALSE	FALSE
Douglas	0	1	2	FALSE	FALSE
Ferry	2	2	2	FALSE	FALSE
Franklin	3	5	7	FALSE	FALSE
Garfield	1	1	1	FALSE	FALSE
Grant	14	16	18	FALSE	FALSE
Grays Harbor	27	29	31	FALSE	FALSE
Island	4	6	8	FALSE	FALSE
Jefferson	4	5	6	FALSE	FALSE
King	(8)	39	85	***TRUE***	***2***
Kitsap	7	15	23	FALSE	FALSE
Kittitas	2	4	5	FALSE	FALSE
Klickitat	(19)	(19)	(18)	FALSE	FALSE
Lewis	9	11	13	FALSE	FALSE
Lincoln	5	5	6	FALSE	FALSE
Mason	10	12	14	FALSE	FALSE
Okanogan	8	9	10	FALSE	FALSE
Pacific	12	13	13	FALSE	FALSE
Pend Oreille	4	4	4	FALSE	FALSE
Pierce	58	84	111	***TRUE***	***3***
San Juan	(2)	(1)	(1)	FALSE	FALSE
Skagit	1	6	10	FALSE	FALSE
Skamania	3	3	3	FALSE	FALSE
Snohomish	(59)	(35)	(10)	FALSE	FALSE
Spokane	15	30	45	***TRUE***	***1***
Stevens	15	16	17	FALSE	FALSE
Thurston	(29)	(21)	(13)	FALSE	FALSE
Wahkiakum	3	3	3	FALSE	FALSE
Walla Walla	9	10	12	FALSE	FALSE
Whatcom	(14)	(8)	(2)	FALSE	FALSE
Whitman	(1)	0	1	FALSE	FALSE
Yakima	(21)	(17)	(12)	FALSE	FALSE

*a negative number indicates existing hospice service capacity exceeds the projected utilization based on the statewide use rate.

**The numeric need methodology projects need for whole hospice agencies only - not partial hospice agencies. Therefore, the results are rounded down to the nearest whole number.

Sources:
Self-Report Provider Utilization Surveys for Years 2018-2020
Vital Statistics Death Data for Years 2018-2020
Prepared by DOH Program Staff

Department of Health
2021-2022 Hospice Numeric Need Methodology
Admissions - Summarized

Washington State Department of Health

0-64 Total Admissions by County

Sum of 0-64	Column Labels		
Row Labels	2018	2019	2020
Adams	6	8	4
Asotin	6	9	24
Benton	118	103	132
Chelan	34	28	32
Clallam	16	23	24
Clark	336	287	297
Columbia	1	3	3
Cowlitz	107	121	94
Douglas	10	19	17
Ferry	6	5	3
Franklin	30	26	34
Garfield	1	1	3
Grant	41	45	40
Grays Harbor	35	41	27
Island	38	43	54
Jefferson	21	26	17
King	1009	765	889
Kitsap	180	173	96
Kittitas	15	16	12
Klickitat	10	12	12
Lewis	56	50	47
Lincoln	7	3	5
Mason	14	34	43
Okanogan	21	27	31
Pacific	13	15	12
Pend Oreille	8	4	17
Pierce	543	556	425
San Juan	6	6	8
Skagit	48	77	70
Skamania	2	1	3
Snohomish	422	342	361
Spokane	400	329	362
Stevens	30	20	21
Thurston	114	115	129
Wahkiakum	2	0	3
Walla Walla	24	41	41
Whatcom	117	138	80
Whitman	19	12	12
Yakima	248	175	195

65+ Total Admissions by County

Sum of 65+	Column Labels		
Row Labels	2018	2019	2020
Adams	34	54	48
Asotin	121	71	84
Benton	887	837	973
Chelan	386	385	421
Clallam	187	234	283
Clark	2124	2060	2238
Columbia	23	25	50
Cowlitz	600	735	707
Douglas	136	130	170
Ferry	29	25	28
Franklin	155	166	194
Garfield	2	4	7
Grant	261	236	254
Grays Harbor	180	212	186
Island	348	341	375
Jefferson	155	181	194
King	6359	6315	7131
Kitsap	1021	1074	921
Kittitas	135	169	157
Klickitat	81	90	87
Lewis	420	362	401
Lincoln	29	22	21
Mason	161	193	263
Okanogan	148	171	167
Pacific	72	98	69
Pend Oreille	53	65	49
Pierce	3175	3170	2714
San Juan	79	73	89
Skagit	680	705	607
Skamania	20	33	37
Snohomish	2636	2214	2636
Spokane	2247.5	2175	2648
Stevens	121	126	128
Thurston	936	947	1070
Wahkiakum	5	7	11
Walla Walla	227	242	242
Whatcom	770	995	978
Whitman	226.5	77	128
Yakima	977	998	1190

Total Admissions by County - Not Adjusted for New

County	2018	2019	2020	Average
Adams	40	62	52	**51.33**
Asotin	127	80	108	**105.00**
Benton	1005	940	1105	**1016.67**
Chelan	420	413	453	**428.67**
Clallam	203	257	307	**255.67**
Clark	2460	2347	2535	**2447.33**
Columbia	24	28	53	**35.00**
Cowlitz	707	856	801	**788.00**
Douglas	146	149	187	**160.67**
Ferry	35	30	31	**32.00**
Franklin	185	192	228	**201.67**
Garfield	3	5	10	**6.00**
Grant	302	281	294	**292.33**
Grays Harb	215	253	213	**227.00**
Island	386	384	429	**399.67**
Jefferson	176	207	211	**198.00**
King	7368	7080	8020	**7489.33**
Kitsap	1201	1247	1017	**1155.00**
Kittitas	150	185	169	**168.00**
Klickitat	91	102	99	**97.33**
Lewis	476	412	448	**445.33**
Lincoln	36	25	26	**29.00**
Mason	175	227	306	**236.00**
Okanogan	169	198	198	**188.33**
Pacific	85	113	81	**93.00**
Pend Oreill	61	69	66	**65.33**
Pierce	3718	3726	3139	**3527.67**
San Juan	85	79	97	**87.00**
Skagit	728	782	677	**729.00**
Skamania	22	34	40	**32.00**
Snohomish	3058	2556	2997	**2870.33**
Spokane	2647.5	2504	3010	**2720.50**
Stevens	151	146	149	**148.67**
Thurston	1050	1062	1199	**1103.67**
Wahkiakun	7	7	14	**9.33**
Walla Wall	251	283	283	**272.33**
Whatcom	887	1133	1058	**1026.00**
Whitman	245.5	89	140	**158.17**
Yakima	1225	1173	1385	**1261.00**

Total Admissions by County - Adjusted for New

Adjusted Cells Highlighted in YELLOW

County	2018	2019	2020	Average
Adams	40	62	52	**51.33**
Asotin	127	80	108	**105.00**
Benton	1005	940	1105	**1016.67**
Chelan	420	413	453	**428.67**
Clallam	203	462.7	512.7	**392.80**
Clark	2460	2552.7	2740.7	**2584.47**
Columbia	24	28	53	**35.00**
Cowlitz	707	856	801	**788.00**
Douglas	146	149	187	**160.67**
Ferry	35	30	31	**32.00**
Franklin	185	192	228	**201.67**
Garfield	3	5	10	**6.00**
Grant	302	281	294	**292.33**
Grays Harb	215	253	418.7	**295.57**
Island	386	384	429	**399.67**
Jefferson	176	207	211	**198.00**
King	7368	7400.4	8723.8	**7830.73**
Kitsap	1201	1247	1222.7	**1223.57**
Kittitas	150	185	169	**168.00**
Klickitat	272.7	281.7	99	**217.80**
Lewis	476	412	448	**445.33**
Lincoln	36	25	26	**29.00**
Mason	175	227	511.7	**304.57**
Okanogan	169	198	198	**188.33**
Pacific	85	113	81	**93.00**
Pend Oreill	61	69	66	**65.33**
Pierce	3718	3726	3344.7	**3596.23**
San Juan	85	79	97	**87.00**
Skagit	728	782	677	**729.00**
Skamania	22	34	40	**32.00**
Snohomish	3058	3378.8	4088.2	**3508.33**
Spokane	2647.5	2504	3010	**2720.50**
Stevens	151	146	149	**148.67**
Thurston	1255.7	1449.4	1990.8	**1565.30**
Wahkiakun	7	7	14	**9.33**
Walla Wall	251	283	283	**272.33**
Whatcom	887	1133	1263.7	**1094.57**
Whitman	245.5	89	140	**158.17**
Yakima	1225	1173	1385	**1261.00**

35 ADC * 365 days per year = 12,775 default patient days

12,775 patient days/62.12 ALOS = 205.7 default admissions

205.7 Default

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

Sources:
Self-Report Provider Utilization Surveys for Years 2018-2020
Prepared by DOH Program Staff

Recent approvals showing default volumes:

Olympic Medical Center - Clallam County. Approved in September 2019. Default volumes for 2019-2020
Providence Hospice - Clark County. Approved in 2019. Default volumes in 2019-2020
The Pennant Group - Grays Harbor County. Approved August 2021. No adjustment possible for 2021, adjustment in 2020 as proxy.
Wesley Homes Hospice - King County. Approved in 2015, operational since 2017. 2018 volumes exceed "default" - no adjustment for 2018. Adjustments in 2019.
Envision Hospice - King County. Approved in 2019. Default volumes for 2019-2020
Continuum Care of King - King County. CN issued March 2020. Default volumes for 2020
EmpRes Healthcare Group - King County. Approved in 2021. No adjustment possible for 2021, adjustment in 2020 as proxy.
Seasons Hospice - King County. Approved in 2021. No adjustment possible for 2021, adjustment in 2020 as proxy.
Envision Hospice - Kitsap County. Approved in 2020. Default volumes for 2020
Heart of Hospice - Klickitat County. Approved in August 2017. Operational since August 2017. Default volumes in 2018-2019.
The Pennant Group - Mason County. Approved September 2021. No adjustment possible for 2021, adjustment in 2020 as proxy.
Providence Health & Services - Pierce County. Approved in 2021. No adjustment possible for 2021, adjustment in 2020 as proxy.
Continuum Care of Snohomish - Snohomish County. Approved in July 2019. Default volumes in 2019-2020
Heart of Hospice - Snohomish County. Approved in November 2019. Default volumes for 2019-2020
Envision Hospice - Snohomish County. Approved in November 2019. Default volumes for 2019-2020
Glacier Peak Healthcare - Snohomish County. Approved in November 2019. Default volumes for 2019-2020
EmpRes Healthcare Group - Snohomish County. Approved in 2021. No adjustment possible for 2021, adjustment in 2020 as proxy.
Seasons Hospice - Snohomish County. Approved in 2021. No adjustment possible for 2021, adjustment in 2020 as proxy.
Envision Hospice - Thurston County. Approved in September 2018. Default volumes in 2018-2020.
Symbol Healthcare - Thurston County. Approved in November 2019. Default volumes for 2019-2020
Bristol Hospice - Thurston County. Approved March 2021. No adjustment possible for 2021, adjustment in 2020 as proxy.
MultiCare Health - Thurston County. Approved in 2021. No adjustment possible for 2021, adjustment in 2020 as proxy.
EmpRes Healthcare Group - Whatcom County. Approved in 2020. Default volumes for 2020

Sources:
Self-Report Provider Utilization Surveys for Years 2018-2020
Prepared by DOH Program Staff

Department of Health
2021-2022 Hospice Numeric Need Methodology
Survey Responses

Note: Kindred Hospice in Whitman and Spokane Counties did not respond to the department's survey for 2018 data. As a result, the average of 2016 and 2017 data was used as a proxy for 2018.

Agency Name	License Number	County	Year	0-64	65+
Assured Home Health and Hospice (Central Basin/Assured Hospice)	IHS.FS.60092413	Grant	2018	40	254
Assured Home Health and Hospice (Central Basin/Assured Hospice)	IHS.FS.60092413	Lincoln	2018	6	28
Assured Home Health and Hospice (Central Basin/Assured Hospice)	IHS.FS.60092413	Adams	2018	6	34
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Jefferson	2018	1	11
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Mason	2018	4	44
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Clallam	2018	16	186
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Thurston	2018	24	273
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Lewis	2018	35	280
Astria Home Health and Hospice (Yakima Regional Home Health and Hospice)	IHS.FS.60097245	Yakima	2018	41	8
Central Washington Hospital Home Care Services	IHS.FS.00000250	Douglas	2018	10	133
Central Washington Hospital Home Care Services	IHS.FS.00000250	Chelan	2018	34	386
Community Home Health and Hospice CHHH Community Home Care Hospice	IHS.FS.00000262	Wahkiakum	2018	2	5
Community Home Health and Hospice CHHH Community Home Care Hospice	IHS.FS.00000262	Clark	2018	54	383
Community Home Health and Hospice CHHH Community Home Care Hospice	IHS.FS.00000262	Cowlitz	2018	87	524
Elite Home Health and Hospice	IHS.FS.60384078	Garfield	2018	1	2
Elite Home Health and Hospice	IHS.FS.60384078	Asotin	2018	6	121
Evergreen Health Home Care Services	IHS.FS.00000278	Island	2018	1	9
Evergreen Health Home Care Services	IHS.FS.00000278	Snohomish	2018	79	690
Evergreen Health Home Care Services	IHS.FS.00000278	King	2018	348	1989
Franciscan Hospice	IHS.FS.00000287	Kitsap	2018	141	693
Franciscan Hospice	IHS.FS.00000287	King	2018	102	921
Franciscan Hospice	IHS.FS.00000287	Pierce	2018	331	2110
Frontier Home Health and Hospice (Okanogan Regional)	IHS.FS.60379608	Douglas	2018	0	3
Frontier Home Health and Hospice (Okanogan Regional)	IHS.FS.60379608	Grant	2018	1	7
Frontier Home Health and Hospice (Okanogan Regional)	IHS.FS.60379608	Okanogan	2018	21	148
Gentiva Hospice (Odyssey Hospice)	IHS.FS.60330209	King	2018	37	180
Harbors Home Health and Hospice	IHS.FS.00000306	Pacific	2018	13	71
Harbors Home Health and Hospice	IHS.FS.00000306	Grays Harbor	2018	35	180
Heart of Hospice	IHS.FS.00000185	Skamania	2018	none repo	10
Heart of Hospice	IHS.FS.00000185	Klickitat	2018	1	23
Heartlinks Hospice and Palliative Care (Lower Valley Hospice)	IHS.FS.00000369	Benton	2018	6	137
Heartlinks Hospice and Palliative Care (Lower Valley Hospice)	IHS.FS.00000369	Yakima	2018	24	219
Home Health Care of Whidbey General Hospital (Whidbey General)	IHS.FS.00000323	Island	2018	20	235
Homecare and Hospice Southwest (Hospice SW)	IHS.FS.60331226	Skamania	2018	1	1
Homecare and Hospice Southwest (Hospice SW)	IHS.FS.60331226	Cowlitz	2018	20	76
Homecare and Hospice Southwest (Hospice SW)	IHS.FS.60331226	Clark	2018	243	1305
Horizon Hospice	IHS.FS.00000332	Spokane	2018	31	389
Hospice of Kitsap County	IHS.FS.00000335	Kitsap	2018	0	0
Hospice of Spokane	IHS.FS.00000337	Lincoln	2018	1	1
Hospice of Spokane	IHS.FS.00000337	Ferry	2018	6	29
Hospice of Spokane	IHS.FS.00000337	Pend Oreille	2018	8	53
Hospice of Spokane	IHS.FS.00000337	Stevens	2018	30	121
Hospice of Spokane	IHS.FS.00000337	Spokane	2018	346	1593
Hospice of Spokane	IHS.FS.00000337	Whitman	2018	none repo	none repor
Hospice of the Northwest (Skagit Hospice Service)	IHS.FS.00000437	Island	2018	6	60
Hospice of the Northwest (Skagit Hospice Service)	IHS.FS.00000437	Snohomish	2018	2	67
Hospice of the Northwest (Skagit Hospice Service)	IHS.FS.00000437	San Juan	2018	6	79
Hospice of the Northwest (Skagit Hospice Service)	IHS.FS.00000437	Skagit	2018	48	680
IRREGULAR-COMMUNITY HOME HEALTH & HOSPICE	IHS.FS.00000262	Pacific	2018	0	1
IRREGULAR-MULTICARE	IHS.FS.60639376	Clallam	2018	0	1
Jefferson Healthcare Home Health and Hospice (Hospice of Jefferson County)	IHS.FS.00000349	Jefferson	2018	20	144
Kaiser Permanente Continuing Care Services	IHS.FS.00000353	Clark	2018	39	436
Kaiser Permanente Continuing Care Services	IHS.FS.00000353	Cowlitz	2018	none repo	none repor
Kaiser Permanente Continuing Care Services	IHS.FS.00000353	Skamania	2018	none repo	none repor
Kaiser Permanente Home Health and Hospice (Group Health)	IHS.FS.00000305	Snohomish	2018	14	94
Kaiser Permanente Home Health and Hospice (Group Health)	IHS.FS.00000305	Kitsap	2018	14	96
Kaiser Permanente Home Health and Hospice (Group Health)	IHS.FS.00000305	Pierce	2018	35	198
Kaiser Permanente Home Health and Hospice (Group Health)	IHS.FS.00000305	King	2018	25	416
Kindred Hospice (Gentiva Hospice	IHS.FS.60308060	Whitman	2018	19	226.5
Kindred Hospice (Gentiva Hospice	IHS.FS.60308060	Spokane	2018	23	265.5
Kittitas Valley Home Health and Hospice	IHS.FS.00000320	Kittitas	2018	15	135
Klickitat Valley Home Health & Hospice (Klickitat Valley Health)	IHS.FS.00000361	Klickitat	2018	5	40
Kline Galland Community Based Services	IHS.FS.60103742	King	2018	29	368
Memorial Home Care Services	IHS.FS.00000376	Yakima	2018	183	750
MultiCare Home Health, Hospice and Palliative Care	IHS.FS.60639376	King	2018	32	158

Sources:
Self-Report Provider Utilization Surveys for Years 2018-2020
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Agency Name	License Number	County	Year	0-64	65+
MultiCare Home Health, Hospice and Palliative Care	IHS.FS.60639377	Kitsap	2018	25	232
MultiCare Home Health, Hospice and Palliative Care	IHS.FS.60639378	Pierce	2018	177	867
Providence Hospice (Hospice of the Gorge)	IHS.FS.60201476	Skamania	2018	1	9
Providence Hospice (Hospice of the Gorge)	IHS.FS.60201476	Klickitat	2018	4	18
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	Island	2018	11	44
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	Snohomish	2018	316	1772
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	King	2018	none repo	none repor
Providence Hospice of Seattle	IHS.FS.00000336	Snohomish	2018	11	13
Providence Hospice of Seattle	IHS.FS.00000336	King	2018	407	1959
Providence SoundHomeCare and Hospice	IHS.FS.00000420	Mason	2018	10	117
Providence SoundHomeCare and Hospice	IHS.FS.00000420	Lewis	2018	21	140
Providence SoundHomeCare and Hospice	IHS.FS.00000420	Thurston	2018	90	663
Tri-Cities Chaplaincy	IHS.FS.00000456	Franklin	2018	30	155
Tri-Cities Chaplaincy	IHS.FS.00000456	Benton	2018	112	750
Walla Walla Community Hospice	IHS.FS.60480441	Columbia	2018	1	23
Walla Walla Community Hospice	IHS.FS.60480441	Walla Walla	2018	24	227
Wesley Homes	IHS.FS.60276500	King	2018	29	368
Whatcom Hospice (Peacehealth)	IHS.FS.00000471	Whatcom	2018	117	770
Alpha Home Health	IHS.FS.61032013	Snohomish	2019	0	0
Alpowa Healthcare Inc. d/b/a Elite Home Health and Hospice	IHS.FS.60384078	Asotin	2019	9	71
Alpowa Healthcare Inc. d/b/a Elite Home Health and Hospice	IHS.FS.60384078	Garfield	2019	1	4
Central Washington Homecare Services	IHS.FS.00000250	Chelan	2019	28	385
Central Washington Homecare Services	IHS.FS.00000250	Douglas	2019	19	125
Chaplaincy Health Care 2018	IHS.FS.00000456	Benton	2019	96	700
Chaplaincy Health Care 2018	IHS.FS.00000456	Franklin	2019	26	164
Community Home Health/Hospice	IHS.FS.00000262	Cowlitz	2019	98	636
Community Home Health/Hospice	IHS.FS.00000262	Wahkiakum	2019	0	7
Community Home Health/Hospice	IHS.FS.00000262	Clark	2019	60	453
Continuum Care of King LLC	IHS.FS.61058934	King	2019	0	0
Continuum Care of Snohomish LLC	IHS.FS.61010090	Snohomish	2019	0	0
Envision Hospice of Washington	IHS.FS.60952486	Thurston	2019	2	22
EvergreenHealth	IHS.FS.00000278	King	2019	225	2025
EvergreenHealth	IHS.FS.00000278	Snohomish	2019	53	471
EvergreenHealth	IHS.FS.00000278	Island	2019	1	11
Franciscan Hospice	IHS.FS.00000287	King	2019	92	921
Franciscan Hospice	IHS.FS.00000287	Kitsap	2019	118	757
Franciscan Hospice	IHS.FS.00000287	Pierce	2019	364	2236
Frontier Home Health & Hospice	IHS.FS.60379608	Okanogan	2019	27	171
Frontier Home Health & Hospice	IHS.FS.60379608	Douglas	2019	0	5
Frontier Home Health & Hospice	IHS.FS.60379608	Grant	2019	4	8
Harbors Home Health and Hospice	IHS.FS.00000306	Grays Harbor	2019	41	212
Harbors Home Health and Hospice	IHS.FS.00000306	Pacific	2019	15	98
Heartlinks	IHS.FS.00000369	Benton	2019	7	137
Heartlinks	IHS.FS.00000369	Yakima	2019	21	180
Heartlinks	IHS.FS.00000369	Franklin	2019	0	2
Horizon Hospice	IHS.FS.00000332	Spokane	2019	30	393
Hospice of Jefferson County, Jefferson Healthcare	IHI.FS.00000349	Jefferson	2019	26	172
Hospice of Spokane	IHS.FS.00000337	Spokane	2019	289	1692
Hospice of Spokane	IHS.FS.00000337	Stevens	2019	20	126
Hospice of Spokane	IHS.FS.00000337	Ferry	2019	5	25
Hospice of Spokane	IHS.FS.00000337	Pend Oreille	2019	4	65
Hospice of the Northwest	IHS.FS.00000437	Island	2019	14	56
Hospice of the Northwest	IHS.FS.00000437	San Juan	2019	6	73
Hospice of the Northwest	IHS.FS.00000437	Skagit	2019	77	705
Hospice of the Northwest	IHS.FS.00000437	Snohomish	2019	5	58
Inspiring Hospice Partners of Oregon dba Heart of Hospice	IHS.FS.60741443	Skamania	2019	0	17
Inspiring Hospice Partners of Oregon dba Heart of Hospice	IHS.FS.60741443	Klickitat	2019	2	24
Inspiring Hospice Partners of Oregon dba Heart of Hospice	IHS.FS.60741443	Clark	2019	0	3
Inspiring Hospice Partners of Oregon dba Heart of Hospice	IHS.FS.60741443	Snohomish	2019	0	0
Kaiser Continuing Care Services Hospice	IHS.FS.00000353	Clark	2019	43	387
Kaiser Permanente Home Health and Hospice	IHS.FS.00000305	King	2019	37	489
Kaiser Permanente Home Health and Hospice	IHS.FS.00000305	Kitsap	2019	18	123
Kaiser Permanente Home Health and Hospice	IHS.FS.00000305	Pierce	2019	25	176
Kaiser Permanente Home Health and Hospice	IHS.FS.00000305	Snohomish	2019	7	62
Kindred Hospice	IHS.FS.60308060	Spokane	2019	10	90
Kindred Hospice	IHS.FS.60308060	Whitman	2019	12	77
Kindred Hospice	IHS.FS.60330209	King	2019	6	217
Kittitas Valley Healthcare Home Health and Hospice	IHS.FS.00000320	Kittitas	2019	16	169

Sources:
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Agency Name	License Number	County	Year	0-64	65+
Klickitat Valley Hospice	IHS.FS.00000361	Klickitat	2019	1	44
Kline Galland Community Based Services	IHS.FS.60103742	King	2019	35	345
Memorial Home Care Services	IHS.FS.00000376	Yakima	2019	148	730
MultiCare Hospice	IHS.FS.60639376	King	2019	27	149
MultiCare Hospice	IHS.FS.60639376	Pierce	2019	167	758
MultiCare Hospice	IHS.FS.60639376	Kitsap	2019	37	194
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Clallam	2019	23	234
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Jefferson	2019	0	9
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Lewis	2019	17	244
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Mason	2019	6	45
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Thurston	2019	22	240
Olympic Medical Hospice	IHS.FS.00000393	Clallam	2019	0	0
PeaceHealth Hospice	IHS.FS.60331226	Clark	2019	184	1217
PeaceHealth Hospice	IHS.FS.60331226	Cowlitz	2019	23	99
PeaceHealth Hospice	IHS.FS.60331226	Skamania	2019	0	1
PeaceHealth Whatcom	IHS.FS.00000471	Whatcom	2019	138	995
Providence Hospice	IHS.FS.60201476	Klickitat	2019	9	22
Providence Hospice	IHS.FS.60201476	Skamania	2019	1	15
Providence Hospice	IHS.FS.60201476	Clark	2019	0	0
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	Snohomish	2019	272	1613
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	Island	2019	1	29
Providence Hospice of Seattle	IHS.FS.00000336	King	2019	338	2083
Providence Hospice of Seattle	IHS.FS.00000336	Snohomish	2019	5	10
Providence Sound HomeCare and Hospice	IHS.FS.00000420	Thurston	2019	91	685
Providence Sound HomeCare and Hospice	IHS.FS.00000420	Mason	2019	28	148
Providence Sound HomeCare and Hospice	IHS.FS.00000420	Lewis	2019	33	118
Puget Sound Hopsice	IHS.FS.61032138	Thurston	2019	0	0
Walla Walla Community Hospice	IHS.FS.60480441	Walla Walla	2019	41	242
Walla Walla Community Hospice	IHS.FS.60480441	Columbia	2019	3	25
Washington HomeCare and Hospice of Central Basin, LLC d/b/a Assured Hospice	IHS.FS.60092413	Adams	2019	8	54
Washington HomeCare and Hospice of Central Basin, LLC d/b/a Assured Hospice	IHS.FS.60092413	Grant	2019	41	228
Washington HomeCare and Hospice of Central Basin, LLC d/b/a Assured Hospice	IHS.FS.60092413	Lincoln	2019	3	22
Wesley Homes	IHS.FS.60276500	King	2019	5	86
WhidbeyHealth Home Health, Hospice	IHS.FS.00000323	Island	2019	27	245
Yakima HMA Home Health, LLC	IHS.FS.60097245	Yakima	2019	6	88
Alpha Hospice	IHS.FS.61032013	Snohomish	2020	1	30
Alpowa Healthcare, Inc. d/b/a Elite Home Health & Hospice	IHS.FS.60384078	Asotin	2020	24	84
Alpowa Healthcare, Inc. d/b/a Elite Home Health & Hospice	IHS.FS.60384078	Garfield	2020	3	7
Astria Hospice	IHS.FS.60097245	Yakima	2020	0	56
Central Washington Home Care Service	IHS.FS.00000250	Chelan	2020	32	421
Central Washington Home Care Service	IHS.FS.00000250	Douglas	2020	13	159
Chaplaincy Health Care	IHS.FS.00000456	Benton	2020	118	821
Chaplaincy Health Care	IHS.FS.00000456	Franklin	2020	30	192
Community Home Health/Hospice	IHS.FS.00000262	Cowlitz	2020	78	616
Community Home Health/Hospice	IHS.FS.00000262	Pacific	2020	1	3
Community Home Health/Hospice	IHS.FS.00000262	Wahkiakum	2020	3	11
Community Home Health/Hospice	IHS.FS.60547198	Clark	2020	61	430
Continuum Care of King LLC	IHS.FS.61058934	King	2020	0	0
Continuum Care of Snohomish	IHS.FS.61010090	King	2020	2	40
Continuum Care of Snohomish	IHS.FS.61010090	Snohomish	2020	12	131
Eden Hospice at Whatcom County, LLC	IHS.FS.61117985	Whatcom	2020	0	0
Envision Hospice of Washington LLC	IHS.FS.60952486	King	2020	1	76
Envision Hospice of Washington LLC	IHS.FS.60952486	Kitsap	2020	0	0
Envision Hospice of Washington LLC	IHS.FS.60952486	Pierce	2020	1	20
Envision Hospice of Washington LLC	IHS.FS.60952486	Thurston	2020	1	24
Envision Hospice of Washington LLC	IHS.FS.60952486	Snohomish	2020	0	0
EvergreenHealth	IHS.FS.00000278	King	2020	316	2451
EvergreenHealth	IHS.FS.00000278	Snohomish	2020	70	672
EvergreenHealth	IHS.FS.00000278	Island	2020	0	6
Frontier Home Health & Hospice	IHS.FS.60379608	Douglas	2020	4	11
Frontier Home Health & Hospice	IHS.FS.60379608	Grant	2020	0	3
Frontier Home Health & Hospice	IHS.FS.60379608	Okanogan	2020	30	167
Harbors Home Health and Hospice	IHS.FS.00000306	Grays Harbor	2020	27	186
Harbors Home Health and Hospice	IHS.FS.00000306	Pacific	2020	11	66
HEART OF HOSPICE	IHS.FS.60741443	Clark	2020	0	3
HEART OF HOSPICE	IHS.FS.60741443	Klickitat	2020	2	21
HEART OF HOSPICE	IHS.FS.60741443	Skamania	2020	2	18
HEART OF HOSPICE	IHS.FS.60741443	Snohomish	2020	0	0

Sources:
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Agency Name	License Number	County	Year	0-64	65+
Heartlinks	IHS.FS.00000369	Benton	2020	14	152
Heartlinks	IHS.FS.00000369	Yakima	2020	20	181
Heartlinks	IHS.FS.00000369	Franklin	2020	4	2
Horizon Hospice & Palliative Care	IHS.FS.00000332	Spokane	2020	28	456
Hospice of Jefferson County	IHS.FS.00000349	Jefferson	2020	17	178
Hospice of Spokane	IHS.FS.00000337	Spokane	2020	302	1895
Hospice of Spokane	IHS.FS.00000337	Stevens	2020	21	128
Hospice of Spokane	IHS.FS.00000337	Ferry	2020	3	28
Hospice of Spokane	IHS.FS.00000337	Pend Oreille	2020	17	49
Hospice of Spokane	IHS.FS.00000337	Lincoln	2020	0	0
Hospice of Spokane	IHS.FS.00000337	Whitman	2020	0	1
Hospice of Spokane	IHS.FS.00000337	Okanogan	2020	1	0
Kaiser Permanente Continuing Care Services	IHS.FS.00000353	Clark	2020	42	433
Kaiser Permanente Home Health & Hospice	IHS.FS.00000305	King	2020	49	446
Kaiser Permanente Home Health & Hospice	IHS.FS.00000305	Kitsap	2020	13	114
Kaiser Permanente Home Health & Hospice	IHS.FS.00000305	Pierce	2020	30	181
Kaiser Permanente Home Health & Hospice	IHS.FS.00000305	Snohomish	2020	3	84
Kindred Hospice	IHS.FS.60308060	Spokane	2020	32	297
Kindred Hospice	IHS.FS.60308060	Whitman	2020	12	127
Kindred Hospice	IHS.FS.60330209	King	2020	9	200
Kittitas Valley Home Health and Hospice	IHS.FS.00000320	Kittitas	2020	12	157
Klickitat Valley Health Home Health & Hospice	IHS.FS.00000361	Klickitat	2020	4	38
Kline Galland Hospice	IHS.FS.60103742	King	2020	83	896
Memorial Home Care Services	IHS.FS.00000376	Yakima	2020	175	953
Multicare Home Health, Hospice	IHS.FS.60639376	Pierce	2020	161	866
Multicare Home Health, Hospice	IHS.FS.60639376	King	2020	36	137
Multicare Home Health, Hospice	IHS.FS.60639376	Kitsap	2020	12	126
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Clallam	2020	24	283
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Jefferson	2020	0	16
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Lewis	2020	15	226
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Mason	2020	8	70
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Pierce	2020	0	1
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Thurston	2020	22	268
Olympic Medical Hospice	IHS.FS.00000393	Clallam	2020	0	0
PeaceHealth Hospice Southwest	IHS.FS.60331226	Clark	2020	194	1372
PeaceHealth Hospice Southwest	IHS.FS.60331226	Cowlitz	2020	16	91
PeaceHealth Hospice Southwest	IHS.FS.60331226	Skamania	2020	0	3
Providence Hospice	IHS.FS.60201476	Klickitat	2020	6	28
Providence Hospice	IHS.FS.60201476	Skamania	2020	1	16
Providence Hospice	IHS.FS.60201476	Clark	2020	0	0
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	Snohomish	2020	267	1645
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	Island	2020	5	36
Providence Hospice of Seattle	IHS.FS.00000336	King	2020	338	2059
Providence Hospice of Seattle	IHS.FS.00000336	Snohomish	2020	0	0
Providence Sound HomeCare and Hospice	IHS.FS.00000420	Thurston	2020	106	772
Providence Sound HomeCare and Hospice	IHS.FS.00000420	Mason	2020	35	193
Providence Sound HomeCare and Hospice	IHS.FS.00000420	Lewis	2020	32	175
Puget Sound Hospice	IHS.FS.61032138	Thurston	2020	0	6
Skagit Hospice Services dba Hospice of the Northwest	IHS.FS.00000437	Island	2020	20	81
Skagit Hospice Services dba Hospice of the Northwest	IHS.FS.00000437	San Juan	2020	8	89
Skagit Hospice Services dba Hospice of the Northwest	IHS.FS.00000437	Skagit	2020	70	607
Skagit Hospice Services dba Hospice of the Northwest	IHS.FS.00000437	Snohomish	2020	8	74
Virginia Mason Franciscan Hospice & Palliative Care	IHS.FS.00000287	King	2020	52	716
Virginia Mason Franciscan Hospice & Palliative Care	IHS.FS.00000287	Pierce	2020	232	1630
Virginia Mason Franciscan Hospice & Palliative Care	IHS.FS.00000287	Kitsap	2020	71	681
Walla Walla Community Hospice	IHS.FS.60480441	Walla Walla	2020	41	242
Walla Walla Community Hospice	IHS.FS.60480441	Columbia	2020	3	50
Washington HomeCare and Hospice of Central Basin, LLC d/b/a Assured Hospice	IHS.FS.60092413	Adams	2020	4	48
Washington HomeCare and Hospice of Central Basin, LLC d/b/a Assured Hospice	IHS.FS.60092413	Grant	2020	40	251
Washington HomeCare and Hospice of Central Basin, LLC d/b/a Assured Hospice	IHS.FS.60092413	Lincoln	2020	5	21
Wesley Homes Hospice, LLC	IHS.FS.60276500	King	2020	3	110
Wesley Homes Hospice, LLC	IHS.FS.60276500	Pierce	2020	1	16

Sources:
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	0-64			65+		
County	**2018**	**2019**	**2020**	**2018**	**2019**	**2020**
ADAMS	28	35	20	72	93	59
ASOTIN	52	54	56	214	222	186
BENTON	331	346	555	1,125	1154	1522
CHELAN	130	137	224	573	626	785
CLALLAM	191	186	195	871	955	777
CLARK	874	887	1043	2,767	2987	3205
COLUMBIA	6	7	7	43	52	43
COWLITZ	300	294	314	840	951	968
DOUGLAS	51	63	42	255	270	160
FERRY	28	20	19	55	64	58
FRANKLIN	145	123	100	278	313	263
GARFIELD	5	5	5	30	21	11
GRANT	195	197	186	524	508	455
GRAYS HARBOR	227	251	209	647	659	558
ISLAND	135	167	110	675	642	505
JEFFERSON	64	72	68	336	338	273
KING	3,264	3,275	4456	9,917	10213	11186
KITSAP	515	557	454	1,713	1811	1714
KITTITAS	68	90	78	239	266	241
KLICKITAT	58	46	42	158	160	113
LEWIS	227	210	205	730	722	653
LINCOLN	25	25	15	94	89	75
MASON	158	167	143	526	548	408
OKANOGAN	103	119	88	332	358	277
PACIFIC	64	66	55	279	265	177
PEND OREILLE	43	31	41	130	125	101
PIERCE	1,964	1,911	2364	4,926	5002	5608
SAN JUAN	19	20	18	114	127	94
SKAGIT	231	229	269	1,001	1018	1068
SKAMANIA	27	19	26	56	87	47
SNOHOMISH	1,533	1,533	1587	4,055	4081	4278
SPOKANE	1,177	1,143	1634	3,556	3545	4322
STEVENS	113	112	86	373	345	248
THURSTON	554	525	628	1,823	1908	2007
WAHKIAKUM	13	11	10	33	53	18
WALLA WALLA	110	118	150	445	450	522
WHATCOM	360	394	457	1,252	1461	1481
WHITMAN	66	47	51	199	219	226
YAKIMA	601	555	653	1,517	1451	1675

Sources:
Vital Statistics Death Data for Years 2018-2020
Prepared by DOH Program Staff

Department of Health
2021-2022 Hospice Numeric Need Methodology
0-64 Population Projection

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

Sources:
2017 OFM Population Projections, Medium-Series
Prepared by DOH Program Staff

Department of Health
2020-2021 Hospice Numeric Need Methodology
65+ Population Projection

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

Sources:
2017 OFM Population Projections, Medium-Series
Prepared by DOH Program Staff