



January 31, 2023

Eric Hernandez, Program Manager
Certificate of Need Program
Department of Health
111 Israel Road Southeast
Tumwater, WA 98501
Via email: fsl@doh.wa.gov; eric.hernandez@doh.wa.gov

Dear Mr. Hernandez:

Attached please find a copy of the certificate of need application of Wesley Homes Hospice, LLC to establish a CN approved hospice agency in Pierce County.

The appropriate review and processing fee of \$21,968 was sent to the Certificate of Need Program via Federal Express on Thursday, January 26. The tracking number is 855950591267. It arrived at the CN on Friday morning, January 27, and was signed for by K. Plat.

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

Sincerely,


A handwritten signature in blue ink, appearing to read 'Kevin Anderson', with a stylized flourish at the end.

Kevin Anderson,
President & Chief Executive Officer

Certificate of Need Application Hospice Agency

Certificate of Need applications must be submitted with a fee in accordance with Washington Administrative Code (WAC) 246-310-990.

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

<p>Signature and Title of Responsible Officer:</p>  <p>Kevin Anderson, President & Chief Executive Officer</p> <p>Email Address: KAnderson@WesleyHomes.org</p>	<p>Date: January 26, 2023</p> <p>Telephone Number: 206-870-1100</p>
<p>Legal Name of Applicant:</p> <p>Wesley Homes Hospice, LLC</p> <p>Address of Applicant:</p> <p style="text-align: center;">815 South 216th Street Des Moines, WA 98198</p>	<p>Provide a brief project description:</p> <p>Wesley Homes Hospice, LLC is an existing Medicare certified/Medicaid certified hospice agency serving King County, with CN approval we will expand the existing agency into Pierce County.</p> <p><input type="checkbox"/> New Agency <input checked="" type="checkbox"/> Expansion of Existing Agency <input type="checkbox"/> Other: _____</p> <p>Estimated capital expenditure: \$0</p>
<p>Identify the county proposed to be served for this project. Note: Each hospice application must be submitted for one county only. If an applicant intends to obtain a Certificate of Need to serve more than one county, then an application must submitted for each county separately.</p> <p style="text-align: center;">Pierce County</p>	



Wesley Homes Hospice, LLC

**Establishment
of a
Medicare/Medicaid Certified Hospice Agency
in
Pierce County**

January 2023

APPLICANT DESCRIPTION

1. Provide the legal name(s) and address(es) of the applicant(s).

Note: The term “applicant” for this purpose includes any person or individual with a ten percent or greater financial interest in the partnership or corporation or other comparable legal entity as defined in [WAC 246-310-010\(6\)](#).

The legal name of the applicant is Wesley Homes Hospice, LLC. Wesley Homes Hospice, LLC's (WHH) parent is Wesley Homes Community Health Services (CHS), which is a subsidiary of Wesley Homes Corporation (Wesley). Wesley and its subsidiaries are mission driven, not-for-profit organizations that provide a network of services offering a continuum of care for older adults. Wesley is affiliated with the Pacific Northwest Conference of the United Methodist Church.

WHH is CN approved to provide hospice services in King County. The proposed Pierce County hospice services will be an extension of our King County hospice agency and will be operated out of:

18000 72nd Ave S Ste 217
Kent, WA, 98032-1035

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

WHH, CHS and Wesley are not-for-profit organizations. WHH's UBI number is 604058745.

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

The contact person for this application is:

Melinda Moore, BSN RN, Executive Director
Wesley Homes Community Health Services
815 South 216th Street
Des Moines, WA 98198
(206) 870-1118; MMoore@WesleyHomes.org

4. Provide the name, title, address, telephone number, and email address of the consultant authorized to speak on your behalf related to the screening of this application (if any).

Lisa Hoffmann Grundl
Health Facilities Planning & Development
120 1st Ave West
Suite 100
Seattle, WA 98119

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

Organizational charts for both Wesley and Wesley Homes Community Health Services are included in Exhibit 1.

6. Identify all healthcare facilities and agencies owned, operated by, or managed by the applicant or its affiliates with overlapping decision-makers. This should include all facilities in Washington State as well as out-of-state facilities. The following identifying information should be included:

- **Facility and Agency Name(s)**
- **Facility and Agency Location(s)**
- **Facility and Agency License Number(s)**
- **Facility and Agency CMS Certification Number(s)**
- **Facility and Agency Accreditation Status**
- **If acquired in the last three full calendar years, list the corresponding month and year the sale became final**
- **Type of facility or agency (home health, hospice, other)**

All of the requested information is included in Table 1. None of the facilities listed below has been acquired in the last three full years.

Table 1
Licensed and Certified Facilities and Entities Owned and Operated
by Wesley Homes Corporation

Name	License Type	License Number	Medicare Provider Number	Medicaid Provider Number
Wesley Homes Hospice, LLC and Wesley Homes at Home, LLC	In Home Services, Hospice and Home Health	IHS.FS.60276500	50-1543 (hospice) 50-7092 (home health)	2098216 (hospice) 9062811 (home health)
Wesley Homes Community Health Services	In Home Services- Home Care and Home Health (non-Medicare)	IHS.FS.00000028	NA	NA
Wesley Homes Health Center, Des Moines	Nursing Home	1382	50-5475	8450807
Wesley Lea Hill Rehabilitation & Care Center	Nursing Home	1551	50-5528	2085577
Terrace Assisted Living, Des Moines	Boarding Home-Des Moines	1824	N/A	N/A
The Arbor at Wesley Homes Lea Hill, Auburn	Boarding Home-Auburn	1964	N/A	N/A
Wesley Homes Bradley Park, Puyallup	Boarding Home-Puyallup	2520	NA	N/A
Wesley Homes Tehaleh, Bonney Lake	Boarding Home-Bonney Lake	2607	NA	N/A

PROJECT DESCRIPTION

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

The name and address of WHH is:

18000 72nd Ave S Ste 217
Kent, WA, 98032-1035

2. If an existing Medicare and Medicaid certified hospice agency, explain if/how this proposed project will be operated in conjunction with the existing agency.

WHH will serve Pierce County under our current license (IHS.FS.60276500) and certification.

3. Provide the name and address of the proposed agency. If an address is not yet assigned, provide the county parcel number and the approximate timeline for assignment of the address.

Our current location will serve as the home address for the Pierce County operations as well:

18000 72nd Ave S Ste 217
Kent, WA, 98032-1035

4. Provide a detailed description of the proposed project.

WHH received CN approval in 2015 to provide hospice services in King County and began providing Medicare and Medicaid certified hospice services in late 2017. On April 8, 2020, within weeks of the Governor's Proclamation 20-36, WHH, in support of existing hospice providers and persons and families in need of hospice in Pierce County, began serving Pierce County. WHH continued to admit patients and provide services in Pierce post end of the waiver, and specifically until our 2022 CN request to serve Pierce was denied. We are no longer serving Pierce County.

The record should reflect that WHH met 100% of all general CN criteria in the 2022 concurrent review process; but under the interpretation of superiority that the Program elected to use, WHH ranked number four; and only three applicants were approved. WHH subsequently concluded that a number of assumption errors were made in that superiority analysis and appealed the 2022 CN decision. Because we continue to receive requests for service from Pierce County residents and providers on a nearly weekly basis, we have elected to submit again in this 2023 cycle.

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

WHH will be available and accessible to the entirety of Pierce County.

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:

Event	Anticipated Month/Year
CN Approval	October/November 2023
Design Complete (if applicable)	N/A
Construction Commenced* (if applicable)	NA
Construction Completed* (if applicable)	NA
Agency Prepared for Survey	NA
Agency Providing Medicare and Medicaid hospice services in the proposed county.	January 1, 2024

The WAC defined date for the Program’s issuance of the CN analysis is mid-September. In order to be conservative, we have assumed a January 1, 2024, CN approved start date. The reality is that because we will be utilizing our current license and certification to serve Pierce, we are fully prepared to commence CN approved services immediately following a CN decision.

7. Identify the hospice services to be provided by this agency by checking all applicable boxes below. For hospice agencies, at least two of the services identified below must be provided.

✓ Skilled Nursing	✓ Durable Medical Equipment
✓ Home Health Aide	IV Services
✓ Physical Therapy	✓ Nutritional Counseling
✓ Occupational Therapy	✓ Bereavement Counseling
✓ Speech Therapy	✓ Symptom and Pain Management
Respiratory Therapy	✓ Pharmacy Services
✓ Medical Social Services	✓ Respite Care
✓ Palliative Care	✓ Spiritual Counseling
Other (please describe): Patient and family education, assistance with personal care and daily living activities such as eating, walking and dressing, trained volunteer support, 24/7 on-call, and in-home respite services.	

8. If this application proposes expanding an existing hospice agency, provide the county(ies) already served by the applicant and identify whether Medicare and Medicaid services are provided in the existing county(ies).

WHH currently serves King County. WHH is Medicare and Medicaid certified.

9. If this application proposes expanding the service area of an existing hospice agency, clarify if the proposed services identified above are consistent with the existing services provided by the agency in other planning areas.

The services offered in Pierce will be identical to the services offered in King County.

10. Provide a general description of the types of patients to be served by the agency at project completion (age range, diagnoses, special populations, etc.).

WHH provides a full range of hospice services designed to meet the physiological, psychological, social, and spiritual needs of people and their families facing the end of life and bereavement. With this application, WHH is proposing to expand into Pierce County. Consistent with: 1) the diagnoses and care needs of the terminal residents we serve in King County and, 2) our nearly 3 year experience serving Pierce under the PHE, we expect to care for patients with cancer, dementia, Parkinson's disease, congestive heart failure, COPD, stroke, and renal failure, among other conditions. WHH is increasingly known for and has developed strong expertise in hospice care for those with dementia and Parkinson's disease.

Dementia represents one of the fastest growing populations served by hospice. National statistics indicate that dementia is the 6th leading cause of death in the United States. About 15.6% of hospice recipients during 2018 had some form of dementia as a primary diagnosis, according to the National Hospice & Palliative Care Organization (NHPCO). Dementia patients are often challenging to serve in hospice for a number of reasons, including long lengths of stay.

The Parkinson's Prevalence Study, a 2018 study of the Parkinson's Foundation, found that the prevalence of Parkinson's disease is increasing. By 2030, it's estimated that 1.2 million Americans will be living with the disease. This nearly doubles previous estimates. The study predicted that nearly one million Americans over age 45 will be diagnosed with Parkinson's by 2020, a number expected to rise to 1.24 million by 2030. It also found that risk for everyone increases with age. The provision of optimal end-of-life care for people living with Parkinson's disease is challenging because the disease trajectory is longer and less predictable than other progressive illnesses such as cancer. In advanced stages of Parkinson's disease, sufferers are also more likely to develop several co-morbidities and complications, such as thrombosis, infections of the lung and urinary tract, and dementia. To be successfully managed at home, hospice staff needs to be well trained and available and accessible for both the dementia and Parkinson's communities. Wesley has been exceptionally successful in supporting these patients and their families.

In addition, and based on the location of our main campus in South King County and our growing presence in Pierce County, we are aware that a number of ethnic and minority groups use hospice at lower levels or are otherwise underserved by hospice. The Wesley Corporation has a highly diverse employee base and provides comprehensive cultural competency and outreach programs. These programs use our existing multicultural staff to train other staff in recognizing and valuing different cultures, including various aging beliefs and rituals surrounding death and dying. Our hospice patients and families have been receptive to and comforted by having their beliefs and traditions represented by caregiver staff.

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

A copy of the letter of intent is included as Exhibit 2.

12. Confirm that the agency will be licensed and certified by Medicare and Medicaid. If this application proposes the expansion of an existing agency, provide the existing agency's license number and Medicare and Medicaid numbers.

WHH is already licensed by Washington State and CMS certified. The requested information is:

IHS.FS: 60276500

Medicare #: 50-1543

Medicaid #: 2098216

Certificate of Need Review Criteria
A. NEED (WAC 246-310-210)

- 1. For existing agencies, using the table below, provide the hospice agency's historical utilization broken down by county for the last three full calendar years. Add additional tables as needed.**

Table 2 provides data for the period of 2020-2022. As the Program is aware these years saw unprecedented impacts on the health care delivery system and health care staffing.

Table 2
WHH Historical Utilization, by County, 2019-2022

Year and County	2020 King	2020 Pierce	2020 Total	2021 King	2021 Pierce	2021 Total	2022 King	2022 Pierce	2022 Total
Total Admissions	98	17	115	117	47	164	78	39	117
Total Patient Days	4,091	621	4,712	5,984	1,311	7,295	5,078	1,484	6,562
Average Daily Census	11.2	1.7	12.9	15.2	4.8	20.0	13.9	4.1	18.0
ALOS	41.7	36.5	41.2	51.1	27.9	44.4	65.1	38.1	56.1

- 2. Provide the projected utilization for the proposed agency for the first three full years of operation. For existing agencies, also provide the intervening years between historical and projected. Include all assumptions used to make these projections.**

The requested information is included in Table 3 below.

**Table 3
WHH Intervening and Projected Utilization, by County, 2022 and 2023-2025**

	Intervening Year	Projections								
Year and County	2023 King	2024 King	2024 Pierce	2024 Total	2025 King	2025 Pierce	2025 Total	2026 King	2026 Pierce	2026 Total
Total Admissions	140	147	80	227	154	88	242	162	97	259
Total Patient Days	8,568	8,996	4,896	13,892	9,446	5,386	14,832	9,919	5,924	15,843
ADC	23.47	24.6	13.4	38	25.9	14.8	40.6	27.2	16.2	43.4
ALOS	61.2	61.2	61.2	61.2	61.2	61.2	61.2	61.2	61.2	61.2

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

WHH operated in Pierce County for nearly three years. This fact, along with our growing retirement community presence in the County, has given us great insight into patient access issues. We are also aware that a total of five new providers received CN approval to serve Pierce County by late 2023; but we are still aware of a number of communities that experience restricted access.

Pierce County’s most recent Community Health Needs Assessment (CHNA) documents that life expectancy in Pierce County is about 1.3 years less than the State at large, and that Black and American Indian or Alaska Native all had life expectancies even lower. It also showed that cancer is the leading cause of death. Other top causes of death include heart disease, COPD and Alzheimer’s disease.

As identified in Table 4 below, hospice utilization in Pierce County for specific ethnic and racial groups is lower than the general population. If the penetration rate for these ethnic and racial groups “matched” the general population’s penetration, 1,000 more patients would be admitted for hospice in the County.

**Table 4
Pierce County Hospice Utilization Rates**

	Hospice Admissions 2021	Deaths of Beneficiaries	Utilization Rate
White	2,234	5,249	42.6%
Black	128	398	32.2%
Asian	98	268	36.6%
Hispanic or Latino	12	45	26.7%
North American Native	17	67	25.4%
Other	60	195	30.8%
Unknown	18	81	22.2%
Total	2,567	6,303	40.7%

The general Medicare population’s penetration rate in Pierce County for Medicare is also less than the State average. Medicare Fee-For-Service data for Pierce County indicates that hospice utilization for that cohort was below both the Washington State average and the National average. If Pierce County were to achieve the Washington State rate in 2021, an additional 510 Medicare Fee for Service patients would have been served.

Finally, Wesley operates two retirement communities in Pierce County, and has plans for several additional communities in the next few years. The two existing communities include:

- **Bradley Park, Puyallup** offers independent and assisted living to approximately 210 residents including independent living and memory care. Wesley is also undertaking a project of 32 additional independent living units and 36 skilled nursing beds.
- **Tehaleh, Bonney Lake** opened in 2021. It offers independent living services to residents, with an assisted living license pending.

These communities still report delays in access to hospice. These delays impact the quality of life for our residents and made it challenging to provide the support needed. We seek to make sure that access is improved at this very vulnerable time in life.

4. Explain why this application is not considered an unnecessary duplication of services for the proposed planning area. Provide any documentation to support the response.

There are currently eight existing and CN approved providers in Pierce County. One of the existing providers, Kaiser, serves only their enrollees, and is not available to the general population.

The CN Program's methodology estimates a need for one additional provide, after taking into account the CN approved providers in the 2023 cycle.

For all of the reasons detailed in response to Q3 above, we know, first-hand, that our new agency will address the access gap and will not be unnecessary duplication. We specifically have been incredibly conservative in our start-up volumes, acknowledging that other providers will be in start-up as well.

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

WHH will be available and accessible to the entirety of Pierce County; measured both geographically and by race, ethnicity and special population (i.e.: dementia, Parkinson's and the homeless).

6. Identify how this project will be available and accessible to under-served groups.

One factor that makes us uniquely qualified to provide care in long-term care settings is our expertise with a number of end-of-life conditions including late-stage dementia and late-stage Parkinson's. Earlier in this application, we provided data showing that these two groups are challenging because their diseases do not follow a normal progression like cancer typically does (making it harder to determine death within six months) and because many of these patients have multiple co-morbidities. We will market these services in Pierce and strive to enroll early, engage patients and/or families, and bring the expertise to the family to support quality end of life care.

To increase enrollment of traditionally underserved groups, Wesley uses our multicultural staff, Corporation-wide, to train other staff in recognizing and valuing different cultures, including various aging beliefs and rituals surrounding death and dying. These employees are also our ambassadors into their communities. Our staff is incredibly diverse, we have large numbers of first-generation immigrant staff from the Ukraine, Philippines, and Kenya, as well as staff from both Eastern and Western Africa, the Middle East, and a number of Southeast Asian countries. The staff have been invaluable in helping with outreach and supporting Wesley in assuring that culturally sensitive information is available and accessible to these traditionally underserved groups.

WHH has an excellent working relationship with the existing providers in Pierce County; this has been further strengthened by our collaborative work during the PHE over the past two years to assure end of life patients requesting hospice receive quality, timely care. Most of WHH's patients admitted during the waiver period were direct diverts and referrals from the existing hospice providers in Pierce County. WHH's presence to date in Pierce County has not been a duplication of services but served to improve access to hospice services to patients who would

otherwise not have received care. WHH plans to continue working collaboratively with existing providers after CN approval as well. These relationships, along with Wesley's growing retirement community presence in Pierce County, has given us great insight into where patient access is currently compromised and which obstacles, if not addressed, will continue to restrict patient access.

Finally, our hospice programming also includes volunteer supported adjunct therapies, including pet, music and massage therapy provided via a strong volunteer network. We also offer a Music and Memory Program for Dementia patients. This not-for-profit program trains caregivers and volunteers to help people in nursing homes and other care organizations, including hospice who suffer from a wide range of cognitive and physical challenges to find renewed meaning and connection in their lives through the gift of personalized music. Because our programs are volunteer based, and even unique (Music and Memory), we are not duplicating existing services.

7. Provide a copy of the following policies:

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

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

Copies of the requested policies are included in Exhibit 3.

8. If there is not sufficient numeric need to support approval of this project, provide documentation supporting the project's applicability under WAC 246-310-290(12). This section allows the department to approve a hospice agency in a planning area absent numeric need if it meets the following review criteria:

- **All applicable review criteria and standards with the exception of numeric need have been met;**
- **The applicant commits to serving Medicare and Medicaid patients; and**
- **A specific population is underserved; or**
- **The population of the county is low enough that the methodology has not projected need in five years, and the population of the county is not sufficient to meet an ADC of thirty-five.**

There is numeric need. This question is not applicable.

B. FINANCIAL FEASIBILITY (WAC 246-310-220)

1. Provide documentation that demonstrates the immediate and long-range capital and operating costs of the project can be met. This should include but is not limited to:

- **Utilization projections. These should be consistent with the projections provided under the Need section. Include all assumptions.**
- **Pro Forma revenue and expense projections for at least the first three full calendar years of operation using at a minimum the following Revenue and Expense categories identified at the end of this question. Include all assumptions.**
- **Pro Forma balance sheet for the current year and at least the first three full calendar years of operation. Include all assumptions.**
- **For existing agencies proposing addition of another county, provide historical revenue and expense statements, including the current year. Ensure these are in the same format as the projections. For incomplete years, identify whether the data is annualized.**

The requested information is provided in Exhibit 4.

2. Provide the following agreements/contracts:

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

Note, all agreements above must be valid through at least the first three full years following completion or have a clause with automatic renewals. Any agreements in draft form must include a document signed by both entities committing to execute the agreement as submitted following CN approval.

The Medical Director position is contracted. A copy of the existing medical director agreement and Pierce County Addendum is included as Exhibit 5. There are no other agreements.

3. Provide documentation of site control. This could include either a deed to the site or a lease agreement for the site.

If this is an existing hospice agency and the proposed services would be provided from an existing main or branch office, provide a copy of the deed or lease agreement for the site. If a lease agreement is provided, the agreement must extend through at least the third full year following the completion of the project. Provide any amendments, addendums, or substitute agreements to be created as a result of this project to demonstrate site control.

If this is a new hospice agency at a new site, documentation of site control includes one of the following:

- a. An executed purchase agreement or deed for the site.**
- b. A draft purchase agreement for the site. The draft agreement must include a document signed by both entities committing to execute the agreement as submitted following CN approval.**
- c. An executed lease agreement for at least three years with options to renew for not less than a total of two years.**
- d. A draft lease agreement. For Certificate of Need purposes, draft agreements are acceptable if the draft identifies all entities entering into the agreement, outlines all roles and responsibilities of the entities, identifies all costs associated with the agreement, includes all exhibits referenced in the agreement. The draft agreement must include a document signed by both entities committing to execute the agreement as submitted following CN approval.**

The requested documentation is included in Exhibit 6.

- 4. Complete the following table with the estimated capital expenditure associated with this project. Capital expenditure is defined under [WAC 246-310-010\(10\)](#). If you have other line items not listed in the table, include the definition of the line item. Include all assumptions used to create the capital expenditure estimate.**

There is no capital expenditure.

- 5. Identify the entity responsible for the estimated capital costs identified above. If more than one entity is responsible, provide breakdown of percentages and amounts for each.**

There is no capital expenditure. This question is not applicable.

- 6. Identify the amount of start-up costs expected to be needed for this project. Include any assumptions that went into determining the start-up costs. Start-up costs should include any non-capital expenditure expenses incurred prior to the facility opening or initiating the proposed service. If no start-up costs are expected, explain why.**

WHH is simply expanding its current Medicare certified King County hospice agency into adjacent Pierce County. There are no start-up costs.

- 7. Identify the entity responsible for the estimated start-up costs identified above. If more than one entity is responsible, provide breakdown of percentages and amounts for each.**

The key contact for this application, Melinda Moore BSN RN, the Executive Director of Wesley Homes Community Health Services and Jim Yamamoto, Vice President of Finance determined that there would be no start-up costs required.

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

There are no capital costs, and rates are established by payers, including Medicare, the largest payer, not the provider.

Hospice care has also proven cost-effective. It reduces the total costs of care by reducing hospitalizations and emergency room use. Research has documented that persons not enrolled in hospice were more likely to die in the hospital or a skilled nursing facility than those that selected the hospice benefit.¹

A report published by the American Journal of Hospice and Palliative Care in 2019 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.

In addition, hospice has also demonstrated savings to patients in terms of reduced out of pocket expenses through coverage of medication related to the hospice diagnosis (particularly for pain controlling medications) and medical equipment and supplies. For these reasons, an adequate supply of hospice services in Pierce County will help reduce the total cost of care for patients at end of life.

¹ Association Between the Medicare Hospice Benefit and Health Care Utilization and Costs for Patients With Poor-Prognosis Cancer, Ziad Obermeyer, MD, et. al, JAMA, November 12, 2014; (312(18): 1888-1896

9. Explain how the costs of the project, including any construction costs, will not result in an unreasonable impact on the costs and charges for health services in the planning area.

There are no capital expenditures for this project, as Wesley already has the infrastructure (our existing hospice agency) in place that will allow us to expand immediately following CN approval into Pierce County.

10. Provide the projected payer mix by revenue and by patients by county as well as for the entire agency using the example table below. Medicare and Medicaid managed care plans should be included within the Medicare and Medicaid lines, respectively. If “other” is a category, define what is included in “other.”

This information is provided in Table 5.

**Table 5
Current and projected Payer Mix by County and Payer**

Payer Mix	King County Current		Pierce County Current		King County Projected		Pierce County Projected	
	% Of Gross Revenue	% By Patient	% Of Gross Revenue	% By Patient	% Of Gross Revenue	% By Patient	% Of Gross Revenue	% By Patient
Medicare	69.5%	78.4%	98.0%	96.0%	71.1%	70.5%	71.0%	64.6%
Medicaid	28.5%	20.9%	0.0%		27.7%	19.8%	24.7%	23.1%
Private Pay	2.0%	0.7%	1.8%	2.0%	1.2%	5.3%	4.3%	7.2%
Other			0.2%	2.0%		4.4%		5.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

11. If this project proposes the addition of a county for an existing agency, provide the historical payer mix by revenue and patients for the existing agency. The table format should be consistent with the table shown above.

This information is included in Table 5 above.

12. Provide a listing of equipment proposed for this project. The list should include estimated costs for the equipment. If no equipment is required, explain.

Wesley defines equipment as a tangible asset with a cost of \$5,000 or more. Under this definition, and while we will purchase new laptops, cell phones etc., no new equipment is proposed for this project.

13. Identify the source(s) of financing (loan, grant, gifts, etc.) and provide supporting documentation from the source. Examples of supporting documentation include: a letter from the applicant's CFO committing to pay for the project or draft terms from a financial institution.

There are no capital expenditures, and therefore no need for financing. This question is not applicable.

14. If this project will be debt financed through a financial institution, provide a repayment schedule showing interest and principal amount for each year over which the debt will be amortized.

There are no capital expenditures, and therefore no need for financing. This question is not applicable.

**15. Provide the most recent audited financial statements for:
The applicant, and
Any parent entity responsible for financing the project.**

The most recent audited financial statements are included as Appendix 1.

C. STRUCTURE AND PROCESS (QUALITY) OF CARE
(WAC 246-310-230)

1. Provide a table that shows FTEs [full time equivalents] by category for the county proposed in this application. All staff categories should be defined.

Table 6 details the projected FTEs for the first three full years of operation for the Pierce County operations.

Table 6
WHH Pierce County Projected FTEs

Position	FTE 2023	FTE 2024	FTE 2025	FTE 2026
RN/LPN	0.0	1.68	1.85	2.03
HHA	0.0	0.54	0.59	0.65
Social Services	0.0	0.37	0.41	0.45
Volunteer Coordinator	0.0	0.27	0.30	0.32
Therapy (PT and OT)	<i>Contracted</i>			
Spiritual Care/Bereavement	0.0	0.37	0.41	0.45
Subtotal	0.0	3.22	3.56	3.90
Administrative				
Executive Director	0.0	0.12	0.12	0.13
Director	0.0	0.35	0.36	0.37
Admin. Assistant/Billing	0.0	0.63	0.74	0.87
Clinical Director	0.0	0.27	0.30	0.32
Liaison	0.0	0.25	0.25	0.35
Subtotal	0.0	1.62	1.78	2.04
Total	0.0	4.84	5.34	5.94

Source: Applicant

2. If this application proposes the expansion of an existing agency into another county, provide an FTE table for the entire agency, including at least the most recent three full years of operation, the current year, and the first three full years of operation following project completion. There should be no gaps in years. All staff categories should be defined.

Staffing for the entire agency is included in Table 7 below.

**Table 7
Total (King and Pierce) WHH FTEs**

Position	FTE 2022	FTE 2023	FTE 2024	FTE 2025	FTE 2026
RN/LPN	3.0	3.0	4.8	5.1	5.4
HHA	0.9	0.9	1.5	1.6	1.7
Social Services	0.7	0.7	1.1	1.1	1.2
Volunteer Coordinator	0.5	0.5	0.8	0.8	0.9
Therapy (PT, OT, ST)	<i>Contracted</i>				
Spiritual Care/Bereavement	0.7	0.7	1.1	1.1	1.2
Subtotal	5.8	5.8	9.2	9.7	10.3
Administrative					
Executive Director	0.34	0.34	0.34	0.34	0.34
Director	1.0	1.0	1.0	1.0	1.0
Admin. Assistant/Billing	1.3	1.3	1.85	2.0	2.16
Clinical Manager	0.5	0.5	0.8	0.8	0.9
Liaison	0.33	0.33	0.5	0.5	0.6
Subtotal	3.47	3.47	4.49	4.64	5.00
Total	9.27	9.63	13.69	14.34	15.3

Source: Applicant

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

The staffing assumptions are provided in Exhibit 4.

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

WHH's staffing ratios are well in-line with national averages. In fact, WHH proposes lower (better) staff to patient ratios for nursing and medical social work than the national average. This is based on our experience that carrying a higher skilled nursing and social work staff is often necessary to address the complex and changing needs of hospice patients.

5. Provide the name and professional license number of the current or proposed medical director. If not already disclosed under 210(1) identify if the medical director is an employee or under contract.

WHH's hospice medical director is Jude Gerard Verzosa, MD. Dr. Verzosa professional license number is MD00042893. Dr. Verzosa's medical specialty is internal medicine. His services are provided under agreement, A copy of the agreement is included as Exhibit 5

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

This question is not applicable.

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

Key staff are detailed in Table 7

**Table 7
Key Staff**

Name	Title	DOH Credential Number (if applicable)
Melinda Moore, RN	Executive Director	RN00073794
Carl Ball, RN	Clinical Director	RN60148029
Michelle Elliott, MBA	Director	NA
Patricia Travi, RN	Case Manager/Lead RN	RN60091056
Alisa Murray, RN	Hospice Nurse	RN00150828
Ann Keller Sylvi	Volunteer coordinator/Bereavement	NA
Soon Jung	Chaplain	NA
Jude Verosa, MD	Medical Director	MD00042893
Maria Melendez, MD	Hospice Physician and Alternate Medical Director	MD60509455
Michael Sweeney	Case Manager/RN	RN00163676
Rebecca Kendziora	Program Coordinator	NA

Source: Applicant

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

The current credentialed staff are listed in response to Question 7 above.

9. Describe your methods for staff recruitment and retention. If any barriers to staff recruitment exist in the planning area, provide a detailed description of your plan to staff this project.

The larger Wesley system has been providing high quality care that meets the spiritual, emotional and physical needs of King County's elderly residents and their families since 1944. Today, Wesley operates on four campuses in King and Pierce Counties and offers independent, assisted and skilled nursing services, as well as range of other outpatient services.

Wesley also operates a Medicare certified home health and a home care agency. Each of Wesley's services are operated in compliance with State licensing requirements, and where applicable with Medicare and Medicaid Conditions of Participation.

As noted in earlier sections of this application, many health care providers, including hospice agencies are challenged by staff shortages. WHH has also had challenges, but our

Pierce County staffing will be shared with our King County agency. WHH also has home health nurses that are also cross trained in hospice and can be shared between its hospice and home health programs. This also helps with continuity of care as some patients can have the same caregiver regardless of if they are in home health or hospice. Wesley is a well-established, highly regarded long-term care provider.

The relatively small number of staff needed to expand into Pierce County, and our ability to recruit from both King and Pierce Counties, has led us to conclude that we will be able to recruit and retain the staff needed to support the Program.

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

WHH's hospice business hours are Monday through Friday from 8:30 a.m. to 5:00 p.m. In addition, we have a Hospice nurse available 24 hours a day/7 days per week.

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

WHH has a Hospice Quality Assurance Committee to oversee all quality assurance and performance improvement activities including performance improvement projects, problem/study selection activities, and patient, family, and caregiver satisfaction efforts. WHH meets the CMS requirements for the Hospice Quality Reporting Program. QAPI program results are included in the meeting agenda of the Wesley CHS Board of directors (governing body). WHH home health program is awarded CMS 5- Star rating for Quality of Patient Care through 2019, and also awarded Home Care Elite status for 2019. Patients receiving hospice care from Wesley in Pierce County can expect the same exemplary quality of care as we provide in our other services.

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

WHH's CN approved agency in King County works closely with local physicians, hospitals, family and other providers to ensure patients' comprehensive medical, social, and spiritual needs are met. We did the same during the nearly three-year timeframe we served Pierce under the Governor's Proclamation. We work closely with the following ancillary and support providers:

Ancillary Services:

- Bellevue Health Care, Bellevue, WA (DME)
- Medtrak Services dba Elixir Overland Park, KS (PBM)
- TriMed Ambulance, Kent, WA
- Medline (nursing supplies)
- Functional Integrative Training, Sumner, WA (Physical Therapy)
- CareerStaff Unlimited, Tacoma, WA (OT and SLP)
- Matrixcare EMR

In addition, Wesley has established the below working relationships in Pierce County:

Facilities:

- MultiCare Good Samaritan Hospital
- MultiCare Tacoma General Hospital
- MultiCare Allenmore Hospital
- CHI Franciscan St Joseph Medical Center al
- CHI Franciscan St Elizabeth
- CHI Franciscan St Anthony
- CHI Franciscan St Clare
- Kaiser Permanente
- Life Care Center- South Hill
- Wesley Bradley Park
- Wesley at Tehaleh

Other Providers and Community Resources:

- Primary care and specialty providers
- Home Health agencies
- Pierce County Health and Human Services Departments
- Other long-term care providers
- Local Churches

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

None of the existing relationships or agreements are expected to change.

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

This application does not propose a new agency, so this question is not applicable.

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

The list of healthcare facilities with whom Wesley has existing relationships is included in response to Question 12 above.

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

None of the existing working relationships are expected to change as a result of this project.

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

This question is not applicable

18. Identify whether any facility or practitioner associated with this application has a history of the actions listed below. If so, provide evidence that the proposed or existing facility can and will be operated in a manner that ensures safe and adequate care to the public and conforms to applicable federal and state requirements. [WAC 246-310-230\(3\) and \(5\)](#)

- a. A criminal conviction which is reasonably related to the applicant's competency to exercise responsibility for the ownership or operation of a hospice care agency; or
- b. A revocation of a license to operate a health care facility; or
- c. A revocation of a license to practice a health profession; or
- d. Decertification as a provider of services in the Medicare or Medicaid program because of failure to comply with applicable federal conditions of participation.

Neither Wesley nor WHH has any history with respect to the actions noted in CN regulation WAC 246-310-230.

19. Provide a discussion explaining how the proposed project will promote continuity in the provision of health care services in the planning area, and not result in an unwarranted fragmentation of services. [WAC 246-310-230](#)

Wesley is already a well-respected provider of long-term care services in Pierce and King Counties and collaborates closely with local physicians, hospitals, and other providers to ensure patients' comprehensive medical, social, and spiritual needs are met. Extending Wesley's King County Hospice operations into Pierce County will enhance and promote continuity in care delivery in Pierce County and support the needs of hospice patients and their families overall. It will also specifically promote continuity of care for Pierce County patients currently served by Wesley in its Pierce County facilities. This comprehensive continuum of care ensures the provision of excellent, high quality, comprehensive and compassionate care.

The proposed project will not result in duplication of services or unwarranted fragmentation of care for all of the reasons outlined in the Need section of this application. WHH will address the unmet need for hospice services in Pierce County. WHH's focus on dementia, Parkinson's and traditionally underserved groups will also address the additional unmet need for these populations. The recently published Hospice Numeric Need Methodology shows a need for 1 additional hospice agency in Pierce County in 2023. WHH will work closely, and in partnership with existing providers to improve access and provide services to underserved populations.

20. Provide a discussion explaining how the proposed project will have an appropriate relationship to the service area's existing health care system as required in [WAC 246-310-230](#).

The proposed project will have an appropriate relationship with Pierce County's existing health care system. As noted elsewhere, we intend to continue to partner and support the existing providers in Pierce County. Wesley is also an existing well-respected provider of essential long-term care services in Pierce County and will leverage and build upon our existing relationships to ensure coordination of its services throughout the Pierce County system of care.

21. The department will complete a quality-of-care analysis using publicly available information from CMS. If any facilities or agencies owned or operated by the applicant reflect a pattern of condition-level findings, provide applicable plans of correction identifying the facility's current compliance status.

No facility or agency owned or operated by Wesley has a pattern of condition level findings.

22. If information provided in response to the question above shows a history of condition-level findings, provide clear, cogent and convincing evidence that the applicant can and will operate the proposed project in a manner that ensures safe and adequate care, and conforms to applicable federal and state requirements.

This question is not applicable.

D. COST CONTAINMENT
(WAC 246-310-240)

- 1. Identify all alternatives considered prior to submitting this project. At a minimum include a brief discussion of this project versus no project.**

WHH considered the following options:

- 1) Expand in Pierce County as a new agency, or
- 2) Expand our existing King County agency to also serve Pierce County.

- 2. Provide a comparison of the project with alternatives rejected by the applicant. Include the rationale for considering this project to be superior to the rejected alternatives. Factors to consider can include but are not limited to: patient access to healthcare services, capital cost, legal restrictions, staffing impacts, quality of care, and cost or operation efficiency.**

Create a new Pierce County Agency:

Establishing a new agency in Pierce County, was rejected. The timeline for licensure and certification for a brand-new agency is estimated at 6-8 months longer, and it is also more costly than expanding an existing agency, and the need in Pierce County is immediate.

Expand our current King County Agency into Pierce County:

The chosen option, expanding our existing King County agency is the preferred choice in terms of:

- **Access:** An expansion agency will be able to immediately meet unmet need upon CN approval. Because our existing King agency already served Pierce for nearly three years through the waivers allowed due to the COVID PHE, we know this is a doable and efficient means of providing services in Pierce County.
- **Staffing impacts:** Providing services to two counties through one agency will allow for the highest level of staff coordination.
- **Cost/Operational Efficiency:** Through our existing King County agency, administrative and clinical staff are already in place and duplication of costs can be avoided by covering both counties from a single agency.

3. **If the project involves construction, provide information that supports conformance with WAC 246-310-240(2):**
 - **The costs, scope, and methods of construction and energy conservation are reasonable; and**
 - **The project will not have an unreasonable impact on the costs and charges to the public of providing health services by other persons.**

This question is not applicable.

4. **Identify any aspects of the project that will involve appropriate improvements or innovations in the financing and delivery of health services which foster cost containment, and which promote quality assurance and cost effectiveness.**

WHH is already authorized to provide the full range of hospice services to patients in King County. Expanding WHH's ability to provide services in Pierce County will, first and foremost, allow WHH to better address the identified need for hospice service in Pierce County. Importantly, it will also promote both staff and system efficiency, making WHH's hospice agency more efficient and effective. As a CN approved agency, the Pierce County operations will be able to market and invest in the staffing and outreach that will allow a higher patient census than was able during the PHE; thereby better addressing the significant unmet need and supporting operational efficiencies.

From a system and health care delivery perspective, Hospice is a very efficient way of providing care to persons at end of life. It reduces the total costs of care by reducing hospitalizations and emergency room use. Research has documented that persons not enrolled in hospice were more likely to die in the hospital or a skilled nursing facility than hospice beneficiaries, and costs in these settings are, of course, higher. In addition, hospice has also demonstrated savings to patients in terms of reduced out of pocket expenses through coverage of medication related to the hospice diagnosis (particularly for pain controlling medications) and medical equipment and supplies.

HOSPICE AGENCY SUPERIORITY

In the event that two or more applications meet all applicable review criteria and there is not enough need projected for more than one approval, the department uses the criteria in WAC 246-310-290(11) to determine the superior proposal.

Multiple Applications in One Year

In the event you are preparing more than one application for different planning areas under the same parent company – regardless of how the proposed agencies

will be operated - the department will require additional financial information to assess conformance with WAC 246-310-220. The type of financial information required from the department will depend on how you propose to operate the proposed projects. Related to this, answer the following questions:

WHH is not submitting more than one application for different planning areas.