



STATE OF WASHINGTON
DEPARTMENT OF HEALTH
Olympia, Washington 98504

December 22, 2017

CERTIFIED MAIL # 7014 2120 0002 7631 1632

Sherie Stewart, Chief Operating Officer
Envision Home Health of Washington
1345 West 1600 North, #202
Orem, Utah 84057

RE: Certificate of Need Application #18-03

Dear Ms. Stewart:

We have completed review of the Certificate of Need application submitted by Envision Home Health of Washington proposing to establish Medicare and Medicaid certified home health services in Pierce County. Enclosed is a written evaluation of the application.

For the reasons stated in the enclosed decision, the application is consistent with the applicable criteria of the Certificate of Need Program, provided Envision Home Health of Washington agrees to the following in its entirety.

Project Description:

This Certificate of Need approves Envision Home Health of Washington for the other establishment of a health care facility by expanding their King County Medicare and Medicaid certified home health agency to serve Pierce County. Services to be provided in Pierce County include skilled nursing care, physical therapy, occupational therapy, speech therapy, medical social work, respite services, and home health aide services.

Conditions:

1. Approval of the project description as stated above. Envision Home Health of Washington 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. Envision Home Health of Washington shall finance the project using the financing as described in the application.
3. Envision Home Health of Washington will provide charity care in compliance with its charity care policies provided in the application.
4. Envision Home Health of Washington will maintain Medicare and Medicaid certification regardless of ownership.

Approved Costs:

The approved capital expenditure for the project is \$12,000. The costs are for additional office equipment and furniture needed to support the additional staff required to expand the King County agency.

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 one of the following addresses.

Mailing Address:

Department of Health
Certificate of Need Program
Mail Stop 47852
Olympia, WA 98504-7852

Physical Address:

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

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

Sincerely,



 Steve Bowman, PhD, MHA
Director, Office of Community Health Systems

Enclosure

EVALUATION DATED DECEMBER 22, 2017, FOR THE CERTIFICATE OF NEED APPLICATION SUBMITTED BY ENVISION HOME HEALTH OF WASHINGTON PROPOSING TO EXPAND MEDICARE AND MEDICAID HOME HEALTH SERVICES PIERCE COUNTY

APPLICANT DESCRIPTION

Envision Home Health of Washington

Envision Home Health of Washington is one of three privately owned corporations that have the same or overlapping membership.¹ Of the three, only Envision Home Health of Washington, LLC is active with the Washington State Secretary of State office. The following eight members have ownership of Envision Home Health of Washington, LLC. [source: September 27, 2017, screening response, Attachment S-1]

Name	Name
Rhett Anderson	Chad Fullmer, PT
Greg Atwood, RN	Darin McSpadden, OT
Wyatt Cloward, OT	Sherie Stewart, MSW
Jason Crump, PT	Derek White, PT

For this application, Envision Home Health of Washington, LLC is the applicant and will be referenced in this evaluation as “Envision.”

PROJECT DESCRIPTION

Envision Home Health of Washington

Envision currently operates a Medicare and Medicaid certified home health agency in King County at 801 Southwest 150th Street, #102 in Burien [98166]. Envision proposes to expand the service area of its King County office by providing Medicare and Medicaid home health services to the residents of Pierce County. [source: Application p9]

Services to be provided in Pierce County include skilled nursing care, physical therapy, occupational therapy, speech therapy, medical social work, respite services, and home health aide services. [source: Application, p9]

Given that Envision is already located in King County, Envision expects no delays to expand home health services into Pierce County. If approved, Envision would begin providing Medicare and Medicaid home health services for Pierce County residents within six months of approval. [source: Application, p10]

The estimated capital expenditure for the project is \$12,000. The costs are for additional office equipment and furniture needed to support the additional staff required to expand the King County agency. [source: Application, p34]

APPLICABILITY OF CERTIFICATE OF NEED LAW

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

¹ The three corporations are Envision Home Health of Washington, LLC; Envision Home Health, LLC, a Utah corporation; and Independence Rehab, LLC, a multi-state staffing agency. [source: September 27, 2017, screening response, Attachment S-1]

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. It states:

“Criteria contained in this section and in WAC 246-310-210, 246-310-220, 246-310-230, and 246-310-240 shall be used by the department in making the required determinations.

(a) In the use of criteria for making the required determinations, the department shall consider:

- (i) The consistency of the proposed project with service or facility standards contained in this chapter;*
- (ii) In the event the standards contained in this chapter do not address in sufficient detail for a required determination the services or facilities for health services proposed, the department may consider standards not in conflict with those standards in accordance with subsection (2)(b) of this section; and*
- (iii) The relationship of the proposed project to the long-range plan (if any) of the person proposing the project.”*

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

“The department may consider any of the following in its use of criteria for making the required determinations:

- (i) Nationally recognized standards from professional organizations;*
- (ii) Standards developed by professional organizations in Washington State;*
- (iii) Federal Medicare and Medicaid certification requirements;*
- (iv) State licensing requirements;*
- (v) Applicable standards developed by other individuals, groups, or organizations with recognized expertise related to a proposed undertaking; and*
- (vi) The written findings and recommendations of individuals, groups, or organizations with recognized expertise related to a proposed undertaking, with whom the department consults during the review of an application.”*

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

TYPE OF REVIEW

This application was reviewed under the regular review timeline in WAC 246-310-160 summarized below.

APPLICATION CHRONOLOGY

Action	Envision
Letter of Intent Submitted	August 1, 2017
Application Submitted	August 31, 2017
Department's pre-review activities <ul style="list-style-type: none"> • DOH 1st Screening Letter • Applicant's Responses Received 	September 19, 2017 September 27, 2017
<ul style="list-style-type: none"> • DOH 2st Screening Letter • Applicant's Responses Received 	N/A N/A
Beginning of Review	October 2, 2017
Public Hearing Conducted	None Requested or Conducted
Public Comment accepted through the end of public comment	November 6, 2017
Rebuttal Comments Submitted ²	November 17, 2017
Department's Anticipated Decision Date	January 5, 2018
Department's Actual Decision Date	December 22, 2017

AFFECTED PERSONS

Washington Administrative Code 246-310-010(2) defines “affected person” as:

“...an “interested person” who:

- (a) *Is located or resides in the applicant's health service area;*
- (b) *Testified at a public hearing or submitted written evidence; and*
- (c) *Requested in writing to be informed of the department's decision.”*

WAC 246-310-010(2) requires an affected person to first meet the definition of an ‘interested person.’

WAC 246-310-010(34) defines “interested person” as:

- (a) *The applicant;*
- (b) *Health care facilities and health maintenance organizations providing services similar to the services under review and located in the health service area;*
- (c) *Third-party payers reimbursing health care facilities in the health service area;*
- (d) *Any agency establishing rates for health care facilities and health maintenance organizations in the health service area where the proposed project is to be located;*
- (e) *Health care facilities and health maintenance organizations which, in the twelve months prior to receipt of the application, have submitted a letter of intent to provide similar services in the same planning area;*
- (f) *Any person residing within the geographic area to be served by the applicant; and*
- (g) *Any person regularly using health care facilities within the geographic area to be served by the applicant.*

MultiCare Health System (MHS) requested affected person status during the review of this project. Below is a summary of MHS’s standing for this application.

MultiCare Health System

MHS requested interested and affected person status and to be informed of the department’s decision. MHS operates a home health agency in Pierce County known as MultiCare Home Health, Hospice, and

² For this project, rebuttal comments were due by 5:00pm on Tuesday, November 17. Envision submitted their rebuttal comments three working days early. No other rebuttal comments were submitted for this project.

Palliative Care.³ Home health services are provided to Medicare and Medicaid residents in both King and Pierce counties. MHS meets the definition of an “interested person” under WAC 246-310-010(34). Other than providing responses to the department’s home health utilization survey, MHS did not provide written comments specific to this application. MHS does not meet the definition of an “affected person” for this project.

SOURCE INFORMATION REVIEWED

- Envision Home Health of Washington’s Certificate of Need application received August 31, 2017
- Envision Home Health of Washington’s first screening responses received September 27, 2017
- Public comments received by the department through the close of business on November 6, 2017
- Envision Home Health of Washington’s rebuttal documents received November 17, 2017
- Home Health Utilization Surveys completed in year 2017 and collecting year 2016 data
- 1987 Washington State Health Plan
- Office of Financial Management Population Data 2012
- Department of Health Integrated Licensing and Regulatory System database [ILRS]
- Licensing and/or survey data provided by the Department of Health’s Investigations and Inspections Office
- Licensing data provided by the Medical Quality Assurance Commission, Nursing Quality Assurance Commission, and Health Systems Quality Assurance Office of Customer Service
- Envision Home Health of Washington’s website at www.envhhwa.com
- Certificate of Need historical files

CONCLUSION

For the reasons stated in this evaluation, the application submitted by Envision Home Health of Washington proposing to expand their King County Medicare and Medicaid certified home health agency to serve Pierce County, is consistent with applicable criteria of the Certificate of Need Program, provided Envision Home Health of Washington agrees to the following in its entirety.

Project Description:

This Certificate of Need approves Envision Home Health of Washington for the other establishment of a health care facility by expanding their King County Medicare and Medicaid certified home health agency to serve Pierce County. Services to be provided in Pierce County include skilled nursing care, physical therapy, occupational therapy, speech therapy, medical social work, respite services, and home health aide services.

Conditions:

1. Approval of the project description as stated above. Envision Home Health of Washington 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. Envision Home Health of Washington shall finance the project using the financing as described in the application.
3. Envision Home Health of Washington will provide charity care in compliance with its charity care policies provided in the application.

³ In Home Services License #60081744.

4. Envision Home Health of Washington will maintain Medicare and Medicaid certification regardless of ownership.

Approved Costs:

The approved capital expenditure for the project is \$12,000. The costs are for additional office equipment and furniture needed to support the additional staff required to expand the King County agency.

CRITERIA DETERMINATIONS

A. Need (WAC 246-310-210)

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

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

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

Home Health Numeric Methodology-1987 SHP

The SHP methodology is a five-step process that projects the number of home health visits in a planning area. The method uses the following elements:

- projected population of the planning area, broken down by age groups [0-64; 65-79; & 80+];
- estimated home health use rates per age group; and
- the number of visits per age group.

The total projected number of visits is then divided by 10,000, which is considered the ‘target minimum operating volume’ for a home health agency. The resulting number represents the maximum projected number of agencies needed in a planning area. The SHP states fractions are rounded down to the nearest whole number. [source: SHP, pB-35]

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

Envision Home Health of Washington

Envision provided a numeric methodology based on the five steps and concluded that Pierce County had a net need of seven agencies in year 2021. A summary of Envision’s numeric methodology is shown in Table 1. [source: Application, p12]

Table 1
Envision Numeric Need Methodology for Year 2021

Estimated home health agency gross need	20
Subtract # of home health providers, including Envision Home Health (applicant)	13
Total net need	7

As shown in Table 1 above, Envision estimated a net need for seven agencies in Pierce County by the end of projection year 2021.

Within its application, Envision also provided the following information related to its numeric methodology shown in the table. [source: Application, p14]

“It is important to note that Envision Home Health of Washington, as an existing licensed-only agency in Pierce County, is already counted in the thirteen existing agencies at the table entitled, “Existing HHA Agencies Used for Calculating 2020 Net HHA Need in Pierce

County," at Question 9 a below. It was recognized as part of the current agency count in DOH's June 2017 evaluation of three HHA CON applications for Pierce County.

Because Envision-HHW is already counted in Pierce County, approval of its Pierce County Medicare CON application will not increase the number of agencies in Pierce County."

Public Comment

During the review of this project, the department received public comments that focus on the existing agencies that serve Pierce County and need for another agency. None of the comments focused on the numeric methodology.

Rebuttal Comment

None

Department's Numeric Methodology and Evaluation

Based on the department's internal data base⁴ and historical records, 43 agencies claim to provide home health services in Pierce County. On February 3, 2017, the department sent a utilization survey to each of the 43 agencies. The survey requested historical admissions and visits for Pierce County for year 2016. Table 2 shows a listing of the 43 agencies.

**Table 2
Agencies Providing Home Health Services in Pierce County**

Agency Name	Location City	Location County
Advanced Health Care	Tacoma	Pierce
AdvisaCare	Fife	Pierce
Alliance Nursing	Woodinville	King
Amicable Health Care	SeaTac	King
Andel Care	Bellevue	King
A-One Home Care	Everett	Snohomish
Assured Home Health	Federal Way	King
Beam	Olympia	Thurston
Careage Home Health (recently approved)	DuPont	Pierce
Careforce	Lynnwood	Snohomish
Care Plus Home Health	Port Orchard	Kitsap
Catherine Dambrosio & Assoc	Shoreline	King
CHC Services	Mountlake Terrace	Snohomish
Chesterfield Health Services	Seattle	King
CHI Franciscan at Home	University Place	Pierce
Envision HH of Wash (Applicant)	Burien	King
Family Resource Home Care	Seattle	King
Fedelta Care Solutions	Seattle	King

⁴ Integrated Licensing and Regulatory System (ILRS).

Table 2 (continued)
Agencies Providing Home Health Services in Pierce County

Agency Name	Location City	Location County
Group Health HH and Hospice	Seattle	King
Harvard Partners	Kirkland	King
Health People	Bellevue	King
Home Angels	Lynnwood	Snohomish
Kays Home Health Services	Auburn	King
Kindred at Home	Tacoma	Pierce
Martha and Mary	Port Orchard	Kitsap
MultiCare Home Health	Tacoma	Pierce
New Care Concepts	Seattle	King
Nogah Home Care	Seattle	King
Personal Best Services	Auburn	King
Providence Sound Homecare	Olympia	Thurston
Puget Sound Home Health	Tacoma	Pierce
Rehab Without Walls	Lynnwood	Snohomish
Renton Devine Home Homecare	Renton	King
Rescare Home Care	Seattle	King
Restoration Health Services	Federal Way	King
Right at Home	Seattle	King
Ro Health	Seattle	King
Serengeti Care	Auburn	King
Signature Home Health	Federal Way	King
Sound Health Medical	Tacoma	Pierce
Unicare LLC	Lakewood	Snohomish
VOTO Healthcare	Auburn	King
Wesley Home Community Health	Des Moines	King

Based on the utilization survey responses, the department determined the following six agencies do not provide home health services and will not be counted in the methodology. It is noted that none of the six agencies listed below hold Medicare or Medicaid certification for Pierce County.

- Family Resource Center
- Health People
- Home Angels
- Rehab without Walls
- ResCare Home Care
- Sound Health Medical

Also based on utilization survey responses, if the agency stated that it provided home health services, but did not provide those services in Pierce County for year 2016, the department will not count the agency in this methodology. Based on this criteria, the following seven agencies will also not be counted in the methodology. None of the seven agencies listed below hold Medicare or Medicaid certification for Pierce County.

- A-One Home Care
- Beam

- Careforce
- Fedelta Care Solutions
- Personal Best Services⁵
- Unicare LLC⁶
- VOTO Healthcare

Table 3 shows the Pierce County agencies, excluding the 13 agencies identified above, for a total of 30 agencies.

**Table 3
Agencies Providing Home Health Services in Pierce County-Revised**

Agency Name	Location City	Location County
Advanced Health Care	Tacoma	Pierce
AdvisaCare	Fife	Pierce
Alliance Nursing	Woodinville	King
Amicable Health Care	SeaTac	King
Andel Care	Bellevue	King
Assured Home Health	Federal Way	King
Careage Home Health (recently approved)	DuPont	Pierce
Careforce	Lynnwood	Snohomish
Care Plus Home Health	Port Orchard	Kitsap
Catherine Dambrosio & Associates	Shoreline	King
CHC Services	Mountlake Terrace	Snohomish
Chesterfield Health Services	Seattle	King
CHI Franciscan at Home	University Place	Pierce
Envision HH of Wash (Applicant)	Burien	King
Group Health HH and Hospice	Seattle	King
Harvard Partners	Kirkland	King
Kays Home Health Services	Auburn	King
Kindred at Home	Tacoma	Pierce
Martha and Mary	Port Orchard	Kitsap
MultiCare Home Health	Tacoma	Pierce
New Care Concepts	Seattle	King
Nogah Home Care	Seattle	King
Providence Sound Homecare	Olympia	Thurston
Puget Sound Home Health	Tacoma	Pierce

⁵ In its survey response, Personal Best stated that it serves 100% veterans. In 2016, Personal Best served 3 Pierce County veterans for a total of 12 visits.

⁶ In its survey response, Unicare, LLC noted that it served 1 patient in Pierce County for a total of 3 visits for year 2016.

Table 3 (continued)
Agencies Providing Home Health Services in Pierce County-Revised

Agency Name	Location City	Location County
Renton Devine Home Homecare	Renton	King
Restoration Health Services	Federal Way	King
Right at Home	Seattle	King
Ro Health	Seattle	King
Serengeti Care	Auburn	King
Signature Home Health	Federal Way	King
Unicare LLC	Lakewood	Snohomish
Wesley Home Community Health	Des Moines	King

Within its application Envision provided its rationale of why the department should exclude a number of the agencies listed above. For reader ease, the department will first address its own rationale for inclusion or exclusion of specific agencies.

Two Agencies Closed or Unable to Confirm Existence

- Kays Home Health Services
- Restoration Health Services

Neither of the two agencies listed above completed a utilization survey. Kays Home Health Service did not have an active phone number listed on its website. The department was able to confirm that Restoration Health Services closed. Neither of the two agencies hold Medicare or Medicaid certification for Pierce County. The department concludes that these two agencies should be excluded in the numeric methodology.

Four Agencies Do Not Serve Pierce County

- Care Plus Home Health
- Martha and Mary
- Nogah Home Care
- Right at Home

Three of the four agencies identified above did not complete a utilization survey⁷. As a result, the department cannot conclude they provide home health services in Pierce County. The remaining agency—Right at Home—completed a utilization survey stating that it served 10 patients with 180 visits in Pierce County in year 2016. The department’s internal database identifies this agency is owned by Northwest Homecare and Staffing Services, which is a home care agency that also provides staff for other homecare services.

None of the four agencies hold Medicare or Medicaid certification for Pierce County. Based on this information, the department concludes that all four agencies should be excluded in the numeric methodology.

⁷ Care Plus Home Health, Martha and Mary, and Nogah Home Care.

Six Agencies Do Not Provide Nursing Services

- Amicable Health Care
- AndelCare
- CHC Services
- Chesterfield Health Services
- Renton Divine Homecare, LLC
- Ro Health

For these six agencies, none completed a utilization survey. As a result, the department concludes they do not provide home health services in Pierce County. None of the six agencies hold Medicare or Medicaid certification for Pierce County. As a result, all six agencies are excluded from the numeric methodology.

Three Agencies Provide Services for Specialized Diagnoses/Patients Only

- Alliance Nursing
- Catherine Dambrosio and Associates
- New Care Concepts

For these three agencies, none completed a utilization survey. None of the three agencies hold Medicare or Medicaid certification for Pierce County. The department concludes they do not provide home health services in Pierce County and will be excluded from the numeric methodology.

Four Agencies Provide Private Duty Nursing Only

- Advanced Health Care
- Advisacare
- Harvard Partners

Two of the three agencies above did not complete a utilization survey, therefore, the department concludes they do not provide home health services in Pierce County.⁸ The remaining agency—Harvard Partners—is a licensed only home health provider for Pierce County and completed a utilization survey. Harvard Partners should be counted in the numeric methodology.

Based on the information above, Table 4 shows the remaining 13 agencies and whether each is Medicare and Medicaid certified for home health services in Pierce County.

Table 4
Agencies Counted in the Pierce County Home Health Methodology

Agency Name	Location City	Location County	M/M Pierce County
Assured Home Health	Federal Way	King	Yes
Careage Home Health (recently approved)	DuPont	Pierce	Yes
CHI Franciscan at Home	University Place	Pierce	Yes
<i>Envision HH of Wash (Applicant)</i>	<i>Burien</i>	<i>King</i>	<i>No</i>
Group Health HH and Hospice	Seattle	King	Yes

⁸ Advanced Health Care and Advisacare.

Table 4 (continued)
Agencies Counted in the Pierce County Home Health Methodology

<i>Harvard Partners</i>	<i>Kirkland</i>	<i>King</i>	<i>No</i>
Kindred at Home	Tacoma	Pierce	Yes
MultiCare Home Health	Tacoma	Pierce	Yes
Providence Sound Homecare	Olympia	Thurston	Yes
Puget Sound Home Health	Tacoma	Pierce	Yes
<i>Serengeti Care</i>	<i>Auburn</i>	<i>King</i>	<i>No</i>
Signature Home Health	Federal Way	King	Yes
Wesley Home Community Health	Des Moines	King	Yes

There are three agencies shown in the table in bold/italics above. The agencies are Envision (the applicant), Harvard Partners, and Serengeti Care. All three agencies provide home health services in Pierce County, but are not Medicare and Medicaid providers. All three agencies will be counted in the numeric methodology as existing supply. Since the remaining 10 agencies currently provide Medicare and Medicaid home health services in Pierce County, they will also be counted as existing supply. Even though Careage Home Health does not currently provide Medicare and Medicaid home health services in Pierce County, the agency was recently approved to do so and should be counted as an existing provider in Pierce County.

Table 5 is a summary of the factors used in the department’s numeric home health methodology for Pierce County.

Table 5
Department’s Numeric Methodology Assumptions and Data

Assumption	Data Used
Planning Area	Pierce County
Population Estimates and Forecasts	Age Group: 0 – 85+ OFM Population Data released year 2012, medium series: Current Year 2017 – 849,792 Projected Year 2021 – 886,034
Utilization by Age Cohort	Age 0-64 = 0.005 Age 65 – 79 = 0.044 Age 80+ = 0.183
Number of Visits by Age Cohort	Age 0-64 = 10 visits Age 65 – 79 = 14 visits Age 80+ = 21 visits
Existing Number of Providers	13 providers based on Table 4

A summary of the department’s numeric methodology is presented in Table 6. The methodology and supporting data is provided in Appendix A attached to this evaluation.

**Table 6
Summary of Department of Health
Pierce County Home Health Need Projection**

	2017	2018	2019	2020	2021
Total Number of Patient Visits	187,898.66	191,925.58	195,952.51	199,979.43	207,890.21
Divided by 10,000	18.79	19.19	19.60	20.00	20.79
Rounded Down	18	19	19	20	20
Existing Number of Agencies	13	13	13	13	13
Net Need	5	6	6	6	7

As shown in the table above, need for an additional five home health providers is projected in current year 2017, which increases to seven in projection year 2021. Based solely on the numeric methodology, need for additional home health agencies is demonstrated.

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

Envision Home Health of Washington

“The health care system is becoming increasingly reliant on the use of in home services to cost-effectively support post-acute patients after injury, surgery, and/or hospitalization. Following the provisions of the ACA, CMS has established standards regarding re-admission of hospital patients that require greater attention to rehabilitation and healing at home. CMS is penalizing hospitals with high re-admission rates by reducing the reimbursement level for Medicare patients until the hospital's performance reaches a required federal standard for readmissions. In a similar vein, those patients who go briefly to post-acute skilled nursing facilities also require follow-up care and therapies at home and many require immediate admission to and treatment by in home providers.

This practice highlights the need for keeping patients clinically stable immediately after discharge and requires rapid admission to home health care of patients determined by their physicians to require such care. Not only must the patient be admitted to the agency but the patient must receive the appropriate level and frequency of care prescribed by the physician. Patients who do not receive adequate home health services may experience a number of issues. Just a few of these include:

- *Poor management of required post hospital medications; patient non-compliance or errors*
- *Unnecessary falls due to inadequate attention to safety issues*
- *Lack of progress in rehabilitation, e.g., required therapies for joint replacement*
- *Inadequate monitoring for post-acute complications and worsening of conditions*
- *Poor adherence to post-acute dietary instructions, e.g. low salt diet for CHF”*

[source: Envision application, pp14-15]

Envision also notes in its application that the count of existing supply (13) already includes Envision as a licensed only home health provider in Pierce County. Since it is already counted in the supply, approval of its project would not change the number of agencies in Pierce County. [source: Application, p14]

Public Comment

During this review, the department received three letters of support for Envision’s application. The letters of support and specific excerpts from the letters are below.

- 104th Avenue Medical Clinic

“I am board-certified in internal medicine and geriatrics. My patient demographics as a physician in Kent, include both King and Pierce County. As a geriatric specialist, many of my patients are at a high risk for illness and injury. I often refer them to home health to assist with keeping them safe and healthy at home and prevent ED visits and possible hospitalizations. Timely admissions to home health is very important to me and I often receive feedback that patients are not seen by their home health provider for several days after my referral has been accepted. This is very concerning to me as late home health admissions can put patients at higher risk of ED visits/MD visits/hospitalizations. I have had the occasion to work with Envision in King County. I would welcome the opportunity to expand the relationship with them into Pierce County and I anticipate referring 1-2 patients to home health per week. It would be very beneficial to have another option to refer to in Pierce County. I support the continued ability to work with Envision Home Health.”

[source: Ranu Choudhary, MD]

- Avalon Care Center-Federal Way

“I am a Board Certified Physician, licensed in the State of WA for 12 years. I serve as Post Acute Care provider in Skilled Nursing Facilities (SNF) in both King and Pierce Counties. It becomes more important to refer patients to home health upon discharge from our facilities, so that patients will get adequate care to avoid re-admission to hospital and/or SNF. This process often comes with delays at meeting patient needs due to long wait times for admission assessments for home health. Timely start of home health care is essential to preventing decline in my patients' health and facilitating positive transitions and outcomes. I would be referring patients with a variety of diagnoses ranging from metastatic cancer to end stage Parkinson's disease. I serve a large geriatric population and would anticipate referring 4-6 patients to home health per week. Based on my experience, I believe that Pierce County would benefit greatly from the addition from Envision Home Health. I know that our organization would welcome the opportunity to work with Envision and would not hesitate to refer patients in need of home health services.”

[source: Xin Wang, MD]

- Judson Park

“I am a social worker with a primary role of discharge planning in the transitional care of a skilled nursing facility in South King County. Our patients reside in both King and Pierce County as our location is close to the border of both counties. We have a strong relationship with Envision Home Health in King County and would welcome the opportunity to extend that relationship for our patients discharging home to Pierce County. There seems to be less options for home health providers in Pierce County and wait times to admit a patient to home health can often be as long as one week. Discharge dates are planned events to ensure family support and a safe coordination of care as part of the discharge plan. Delays in home health admissions affect our ability to meet the needs of our patients and their families. There may also be a financial impact for the patient should they not be able to discharge timely. I support Envision Home Health expanding to Pierce County. I would expect that based on our demographics, I would have 1-2 patients to refer to Envision Home Health weekly.”

[source: Desiree Vallejo]

Rebuttal Comment

None

A section of the department's utilization survey allows for existing providers to include comments. Five agencies provided comments in the survey, however only three related to this sub-criterion. The comments are restated below.

Assured Home Health, Federal Way

"We are very concerned about the CON applications for an additional home health agency in Pierce County. First, we believe that the county is already adequately served by the existing providers in Pierce County. We understand that there are at least 10 skilled home health agencies serving Pierce County currently, and there are no known access to care problems in the county. Our agency has expanded our services in the county over the past 3 years with our average daily census increasing from 80 in 2014 to 140 in 2016."

Kindred at Home, Tacoma

"Currently, there are 6 HH agencies operating in Pierce County. Our agency admits 65-75% of all patient referrals in 24 hours and the remainder in 48 hours with NO CAPACITY ISSUES. This has been especially true since CHI Franciscan reactivated their CON for Pierce County at which time our volume experienced a decline. We are concerned that any additional CON's will negatively impact our volume again." [emphasis in original]

Signature Home Health (renamed Prime Home Health), Federal Way

"We are actively growing our branch to enable us to accept even more patients. No other agencies are needed at this time in this area. If we were able to have hospice, we would be even more capable to bring on even more patients. We are actively pursuing hospice."

The department provided the completed utilization surveys to Envision during public comment. Below is a restatement of Envision's rebuttal identified by provider. [source: Envision rebuttal, pp1-2]

Envision Home Health of Washington

"Envision Responds to Assured Home Health – LHC, Assured Home Health's owner and the Louisiana company that purchased Life Care at Home in 2014, provides comments that betray an unfamiliarity with the local Pierce County market it serves. The VP for Western States, writing from his office in Portland, believes that the "10" existing skilled agencies already adequately serve Pierce County residents. Nevertheless, Envision has provided substantial documentation of the delayed start of home health services that is typical in Pierce County. Letters from providers and Medicare Compare agency ratings on timeliness of care all tell the same story of long waits to the first home health visit."

"Envision Responds to Kindred – As part of its survey response, Kindred expresses concern that its volume of 52,000 visits may be impacted by one or more new entrants. The SHP Interim Home Health Care Need Estimate is not expected to protect the volumes of an agency with over 50,000 visits. The 1987 SHP method assumes 10,000 visits is a financially viable operation and volumes above that are not protected. Above 10,000 visits per agency, Envision believe that public policy supports competition for market share that is based on quality and responsiveness to the referral base of the planning area."

“Envision Responds to Signature Home Health – In its survey response, Signature Home Health provides only an estimate of its 2016 volumes. This is a concern if, in its review, the Department wishes to base any of its decision on an accurate total of all existing visits for the year.”

“Envision Responds to All Public Comment - There is no unmet need for Pierce County home health services – A number of public comments claim that all the need for home health services in Pierce Planning area is already being met. Such comments include these:

...actual experience in the planning area shows there is no unmet need for home health services in Pierce County.

These 9 agencies currently servicing Pierce County are able to accommodate the needs of all Hospital and non-hospital referred patients.

Envision’s Burien office serving King County gets at least two calls a week from providers looking for a home health agency in Pierce County that can see their patients within a reasonable time. They are being told by Pierce agencies that their patients must wait a week to ten days before a first visit can be made.

Envision has provided substantial written statements by providers who want to start referring to Envision because they cannot get their referred patients seen on a timely basis. The Medicare Compare data on Pierce County agency “timely” visits shows nearly 1 in 10 patients is not seen within the standard 48 hours set by Medicare. When so many patients are discharged from acute care and need immediate attention and/or orientation to safe practices in the home after surgery, delayed care is not high quality care.”

Department Evaluation

Envision is proposing its Pierce County home health services would be provided through its King County agency located in Burien. Since home health services are provided in the patient’s home or current residence, the physical location of the home health agency is not a determining factor in this review.

Envision asserts that home health services are a cost effective support for post-acute patients after injury, surgery, or hospitalization. Envision further states that patients who do not receive home health services may require longer hospitalization before discharge. These patients may also take longer to recover because they are not prompted by healthcare providers for follow up care or rehabilitation.

It is true that home health services are an integral part of a healthcare continuum for many patients. The goal of home health care is to treat a patient’s illness or injury, so the patient may regain independence and become as self-sufficient as possible. Since home health includes a wide range of health care services that can be provided in a home, from a patient perspective, it is usually less expensive and more convenient. In some cases, home health services can be as effective as similar care in an institutional setting. The three letters of support that focus on this sub-criterion support Envision in its efforts to provide Medicare and Medicaid home health services in Pierce County.

To further assess the availability and accessibility of the existing providers, the department reviewed the projected number of home health visits and the 2016 existing number of visits. Table 7 is a

summary of the number of visits provided for year 2016 by the 13 agencies counted in the department’s numeric methodology.

**Table 7
Pierce County Number of Visits for Year 2016**

Agency Name	M/M Pierce County	Year 2016 # of Visits
Assured Home Health	Yes	11,150
Careage Home Health	Yes	Unknown
CHI Franciscan at Home	Yes	15,445
Envision HH of Wash (Applicant)	No	56
Group Health HH and Hospice	Yes	Unknown
Harvard Partners	No	624
Kindred at Home	Yes	52,823
MultiCare Home Health	Yes	30,814
Providence Sound Homecare	Yes	227
Puget Sound Home Health (Symbol)	Yes	39,868
Serengeti Care	No	Unknown
Signature Home Health	Yes	13,600
Wesley Home Community Health	Yes	3,821
Total 2016 # of Visits		168,428

As shown in Table 7, approximately 168,428 home health visits were provided in Pierce County, with the majority of the visits provided by 6 of the 13 agencies. Table 8 focuses on the 6 agencies.

**Table 8
Six Pierce County Providers Number of Visits for Year 2016**

Agency	2016 # of Visits
Assured Home Health	11,150
CHI Franciscan	15,445
Kindred at Home	52,823
MultiCare Home Health and Hospice	30,814
Signature Home Health	13,600
Symbol/Puget Sound Home Health	39,868
Total Visits year 2016	163,700

The six agencies provided a combined total of 163,700 visits, or 97% of the total visits in Pierce County. Comments by both Kindred at Home and Assured Home Health indicate that they could expand their agency by hiring additional staff to serve the increase in Pierce County patients. While expanding staff at an existing agency is one solution, it is not the only solution. Envision is correct that the CN Program’s role is not to prevent growth of existing agencies or prevent new providers from entering the home health market if numeric need is demonstrated.

It is important to note that the numeric methodology assumes that all 13 agencies counted for Pierce County are providing at least 10,000 visits annually, which would equate to 130,000. With more than 168,000 visits in 2016, Pierce County may be able to accommodate more than the 13 existing agencies.

Table 9 below takes the projected number of visits based on the department’s methodology projections for years 2017 through 2020, and subtracts the year 2016 combined number of visits for the existing agencies. Since three agencies did not provide year 2016 data, the department assumed that two of the three—Group Health Home Health and Serengeti Care—each served 5,000 visits in each of the four projection years. Since Careage Home Health received CN approval in early year 2017, the department did not assign them a number of visits for 2016.

**Table 9
Estimated Un-Served Visits for Years 2017 through 2020**

Year	SHP Projected Number of Visits	Minus Existing Agency Visits	Un-served # of Visits
2017	187,897	178,428	9,469
2018	191,926	178,428	13,499
2019	195,953	178,428	17,525
2020	199,979	178,428	21,551

Table 9 not only assumes that Group Health Home Health, and Serengeti Care provided 5,000 visits in 2016, it also assumes that all 13 existing agencies would provide at least the same number of visits in the projection years as they did in 2016. Under this assumption, Table 9 projects 13,499 un-served visits in projection year 2018, which increases to 21,551 by the end of year 2020.

Table 10 below subtracts the combined number of visits projected by Envision from the projected un-served number of visits for each of the three projection years shown in Table 9 above. Given that Careage Home Health recently received CN approval for a Medicare and Medicaid agency, the department subtracted the projected number of visits identified in the Careage Home Health application.

**Table 10
Estimated Un-Services Visits for Year 2018 through 2020**

Year	Un-served # of Visits	Minus Careage # of Visits	Minus Envision # of Visits	Un-served # of Visits
2018	13,499	4,656	2,017	6,826
2019	17,525	9,293	4,033	4,199
2020	21,551	13,964	6,050	1,537

Table 10 shows an un-served number of visits in each of the three years shown. Table 10 also allows for some patient growth for the existing agencies, even with two new providers in the planning area beginning in year 2018.

The department concludes that the numeric methodology supports need for an additional home health agency in Pierce County. Based on the information above, the department concludes that Envision demonstrated need for their proposed project. This sub-criterion is met.

- (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. It is also well recognized that women live longer than men and therefore more likely to be on Medicare longer.

Medicaid certification is a measure of an applicant’s willingness to serve low income persons and may include individuals with disabilities.

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

Envision Home Health of Washington

Envision provided copies of the following agency-wide policies used at its King County home health agency that would also be used for the new Pierce County services. [source: Application, Appendix J and Attachment S-2]

- | | |
|----------------------------|---|
| Admission Policy | Medicare Reimbursement Criteria |
| Patient Admission Criteria | Human Rights Assurance |
| Self-Referral Information | Patient with Special Communication Needs |
| Non-Discrimination Policy | Agency Code of Ethics Policy |
| Intake Service Policy | Charity Care Policy – revised August 2013 |

Envision currently provides Medicare and Medicaid certified home health services in King County and provided its current sources of revenue by payer for King County and projected sources of revenue by payer for Pierce County. Below is the payer mix for both counties. [source: Application, p38]

Revenue Source	King County	Pierce County
Medicare	93%	70%
Medicaid	2%	10%
Commercial/Other	5%	20%
Total	100%	100%

Envision provided the following statements regarding its Pierce County payer mix shown above. [source: Application, p37]

“The table [below], "Envision HH Payer Mix, Percent" indicates the estimated percentage payer mix for the proposed project. The percentages are not expected to change over time.”

Public Comment

None

Rebuttal Comment

None

Department Evaluation

Envision has been providing Medicare and Medicaid certified home health services to the residents of King County through existing agency. Healthcare services have been available to low-income, racial and ethnic minorities, handicapped and other underserved groups.

The Admission Policy describes the process Envision uses to admit a patient to its home health agency and outlines rights and responsibilities for both Envision and the patient. The Admission Policy includes language to ensure all patients would be admitted for treatment without discrimination. The policy states: “*Care in the home will be available to all patients who can benefit regardless of race, color, religion, national origin, sex, sexual preference, disability, age, socioeconomic level, marital status, source of payment or diagnostic status.*”

Envision’s current Medicare revenues for its King County agency are approximately 90% of total revenues. The agency has been providing Medicare and Medicaid home health services in King County since June 2015. As a result, Envision did not have a full calendar year of operation until year 2016. With this in mind, Envision projected its Medicare revenues for Pierce County would decrease to 70% for the combined King and Pierce County agency. Envision’s financial data provided in the application shows Medicare revenues.

Focusing on Medicaid revenues, the King County agency currently receives 2% of its revenue from Medicaid. For the same reasons discussed above, Envision projected its Medicaid revenues to increase to 10% with the added Pierce County operations. The financial data provided in the application also shows Medicaid revenues. Insurance and private pay are expected to increase from the current 5% to 20% with the Pierce County operations.

Envision also provided a copy of its charity care policy currently used at the King County home health agency and would continue to be used with the addition of Pierce County services. The policy provides the circumstances that a patient may qualify for charity care and outlines the process to be used to obtain charity care. The policy also includes the same non-discrimination language that is included in the Admission Policy referenced above. The pro forma financial documents provided in the application include a charity care 'line item' as a deduction of revenue.

Based on the information provided in the application, the department concludes **Envision 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.

Department Evaluation

This sub-criterion is not applicable to this application.

- (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.

Department Evaluation

This sub-criterion is not applicable to this application.

- (c) The special needs and circumstances of osteopathic hospitals and non-allopathic services.

Department Evaluation

This sub-criterion is not applicable to this application.

- (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.

Department Evaluation

This sub-criterion is not applicable to this application.

- (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.

Department Evaluation

This sub-criterion is not applicable to this application.

- (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 is not applicable to this application.

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

Based on the source information reviewed, the department determines that the Envision Home Health of Washington, LLC project **met** the applicable need criteria in WAC 246-310-220.

- (1) The immediate and long-range capital and operating costs of the project can be met.
WAC 246-310 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 a project of this type and size. Therefore, using its experience and expertise the department evaluates if the 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.

Envision Home Health of Washington

The assumptions used by Envision to determine the projected number of patients and visits for the Pierce County home health agency are below. [source: Application, pp22-24]

- *Use Rate: Envision-HHW’s forecast relied on the age-specific use rates that are incorporated in the Washington CON home health need method. This use rate and OFM projected population were combined to project the total size of the market out to Envision’s third year of operation, 2021.*
- *Market Share: Envision-HHW’s forecast assumes market shares per agency based on Washington’s CON home health need method. Calculation of total need using the use rates in the DOH home health need method shows that a substantial portion of the market is unserved. This means that Envision HHW’s forecast was not constrained by the risk of reducing market shares of other providers. Washington’s CON need method attributes 10,000 visits to each existing agency. In order to arrive at a conservative forecast, Envision-HHW therefore artificially constrained its growth projections and relative market position to stay below that average agency volume.*
- *Conservative Approach: Envision-HHW took a conservative approach to growth in the number of admissions when adopting volume projections out to 2021. Although it certainly expects more rapid growth, this conservative approach was adopted in order to clearly demonstrate the project’s financial feasibility. Accordingly, rather than projecting the DOH-assumed volume of 10,000 visits in Year 3, this lower volume scenario provides for a more rigorous test of the financial feasibility of adding Pierce County coverage to the existing King County agency’s service area.*
- *Projected Growth for Pierce County: The projected number of admissions per year are based on an average of:*
 - *3 quarters of 2018 = 72 admissions = an average of 8 admissions/month*
 - *2019 = 120 admissions= an average of 10 admissions/month*
 - *2020 = 240 admissions= an average of 20 admissions/month*
 - *2021 - 360 admissions = an average of 30 admissions/month**These volume assumptions to 2021 remain conservative in order to conclusively demonstrate financial feasibility of the proposed project.*
- *Intensity of Service: For the Pierce County expansion, Envision-HHW has adopted a pattern similar to that seen in its King County services, i.e., number of visits and mix of disciplines.*
 - *Total visits per unduplicated patient: 16.8*
 - *Mix of disciplines per average unduplicated patient:*

<i>Skilled Nursing</i>	<i>34.0%</i>
<i>Physical Therapy</i>	<i>38.0%</i>
<i>Occupational Therapy</i>	<i>25.0%</i>
<i>Speech Therapy</i>	<i>0.6%</i>
<i>Medical Social Work</i>	<i>0.7%</i>
<i>Home Health Aid</i>	<i>1.0%</i>

- *Visits per admission: The relationship in all three scenarios between visits and admissions assumes that there are 16.81 visits per admission. This is based on the King County actual experience to date.*
- *Slow response to referrals by some Pierce County providers: To further assess the need for its projected volume, Envision-HHW reviewed Medicare statistics regarding timeliness of patient visits by existing Medicare-certified agencies serving Pierce County. The following table shows the percent of each agency's Medicare home health patients whose care was initiated in a timely manner. The higher the percentage, the better, as a measure of the agency's process of care. In the national context, the norm seen in Washington is quite low among the states; only Alaska and the Virgin Islands have more patients than does Washington who are waiting too long for initiation of home health care. By adding to the list of Pierce County agencies with better response times, Envision-HHW will help area providers offer more effective care to their patients. An agency that can satisfy this requirement easily generates additional referrals by satisfied providers and corresponding growth in patient volumes.*

Percent Patient Care Initiated Timely, by Medicare Agency		
Pierce County HHA	Office Location	%
<i>CHI Franciscan Health at Home</i>	<i>University Place</i>	<i>97.5</i>
<i>Gentiva Health Services</i>	<i>Tacoma</i>	<i>95.8</i>
<i>Signature Home Health</i>	<i>Federal Way</i>	<i>89.7</i>
<i>Wesley Homes at Home, LLC</i>	<i>Des Moines</i>	<i>86.4</i>
<i>MultiCare Good Samaritan Home Health</i>	<i>Tacoma</i>	<i>82.4</i>
<i>Group Health Home Health & Hospice</i>	<i>Seattle</i>	<i>81.2</i>

Timeliness Rating of Envision, King County

<i>Envision Home Health</i>	<i>Burien</i>	<i>95.3</i>
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<i>Washington Average</i>		<i>83.8</i>
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Washington State average on this measure is the 3rd from the bottom of all states and territories, ahead of only Alaska and the Virgin Islands.

- *Conversations with Pierce County providers have further revealed frustrations with their getting timely response to home health patient referrals. Many providers have given Envision-HHW representatives estimates of the number of referrals they would like to start making to Envision-HHW. Some even came to our interviews with specific patient referrals they wanted to make in Pierce County, which Envision-HHW staff could not yet accept.*

Using the assumptions stated above, Envision projected the number of patients and visits by discipline for its Pierce County home health agency. The table below is a recreation of the projection table provided by Envision. [source: Application, p21]

Envision Home Health of Washington – Pierce, Partial Year 2018 and 2019-2021											
	<i>Annual Visits by Discipline</i>						<i>No. Patients Receiving Each Type of Visit</i>				
	2018	2019	2020	2021	Visit Mix		2018	2019	2020	2021	All Years
<i>Total Visits</i>	1,513	2,017	4,033	6,050	100%	<i>Total Patients</i>	90	120	240	360	% Receiving
<i>RN</i>	516	688	1,375	2,063	34.1%	<i>RN</i>	89	118	237	355	98.6%
<i>PT</i>	574	765	1,529	2,294	37.9%	<i>PT</i>	68	90	181	271	75.3%
<i>OT</i>	389	518	1,036	1,554	25.7%	<i>OT</i>	56	75	150	224	62.4%
<i>Speech</i>	10	13	26	39	0.6%	<i>Speech</i>	3	3	7	10	2.8%
<i>MSW</i>	11	14	28	43	0.7%	<i>MSW</i>	7	9	19	29	7.8%
<i>HHA</i>	14	19	39	58	1.0%	<i>HHA</i>	4	5	10	15	2.0%

The assumptions used by Envision to project revenue, expenses, and net income for the Pierce County home health agency for projection years 2018 through 2021 are below. [source: Application, p27 and Appendix K]

- Year 2018 is nine months of operation.
- Year 2019 is full year one; 2021 is full year three.
- Payer mix is based on King County current payer mix.

**Envision Home Health Payer Mix
Combined King and Pierce County**

Revenue Source	King County	Pierce County
<i>Medicare</i>	70%	70%
<i>Medicaid</i>	10%	10%
<i>Insurance/Private Pay</i>	20%	20%
Total	100.0%	100.0%

- With PPS reimbursement, both bad debt and contractual adjustments are zero
- Charity care is estimated at 2.5% of Medicare
- All patient care costs are for Pierce County agency only
- Employee benefits are calculated at 25% salaries
- Depreciation is subtracted from net profit/loss
- Medical Director is calculated at \$14,400 annual based on contract
- Expenses for supplies and other administrative costs are calculated using King County agency experience
- Space costs are calculated based on the lease agreement and the percentage allocated to Pierce County

Based on the assumptions above, Envision provided its projected revenue, expenses, and net income for the Pierce County agency for projection years 2018 through 2021. Projections are shown in Table 11. [Application, Appendix K]

Table 11
Envision Home Health-Pierce County
Projected Years 2018 through 2021

	CY 2018	CY 2019	CY 2020	CY 2021
Net Revenue	\$262,419	\$656,047	\$874,729	\$1,312,094
Total Expenses	\$342,136	\$635,192	\$790,996	\$1,060,350
Net Profit / (Loss)	(\$79,717)	\$20,855	\$83,733	\$251,744

Envision also provided its projected revenue, expenses, and net income for the Envision Home Health of Washington that would be operating in both King and Pierce counties. Table 12 shows projection years 2018 through 2021. [source: Application, Appendix K]

Table 12
Envision Home Health, Inc.
King and Pierce County Operations for Projected Years 2018 through 2021

	CY 2018	CY 2019	CY 2020	CY 2021
Net Revenue	\$1,862,662	\$2,256,290	\$2,474,973	\$2,912,337
Total Expenses	\$1,784,983	\$2,025,489	\$2,158,774	\$2,388,764
Net Profit / (Loss)	\$77,679	\$230,801	\$316,199	\$523,373

Envision also provided the projected balance sheets for both the Pierce County operations and the King and Pierce counties combined. Table 13 shows year 2021, the third year of operation for the Pierce County operations. Table 14 shows year 2021 for the entire operations of Envision Home Health of Washington with both King and Pierce counties. [source: Application, Appendix K]

Table 13
Envision Home Health-Pierce County for Year 2021

Assets		Liabilities	
Current Assets	\$498,167	Current Liabilities	\$49,097
Board Designated Assets	\$ 0	Other Liabilities	\$0
Property/Plant/Equipment	\$3,544	Long Term Debt	\$0
Other Assets	\$ 0	Equity	\$452,614
Total Assets	\$501,711	Total Liabilities and Equity	\$501,711

Table 14
Envision Home Health-King and Pierce County Combined for Year 2021

Assets		Liabilities	
Current Assets	\$1,507,281	Current Liabilities	\$110,451
Board Designated Assets	\$ 0	Other Liabilities	\$0
Property/Plant/Equipment	\$3,544	Long Term Debt	\$0
Other Assets	\$ 0	Equity	\$1,400,374
Total Assets	\$1,510,825	Total Liabilities and Equity	\$1,510,825

Public Comment

None

Rebuttal Comment

None

Department Evaluation

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 two 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.⁹

The purpose of the balance sheet is to review the financial status of the home health agency at a specific point in time. The balance sheet shows what the home health 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.

For Envision's project, the department first reviewed the assumptions used by Envision to determine the projected number of patients and visits by discipline for the Pierce County agency. Envision based its discipline mix and projected number of patients on its existing operations in King County. Projected number of visits is also based on its existing King County operations and assumes 16.8 visits per patient. After reviewing Envision's assumptions, the department concludes they are reasonable.

Envision based its revenue and expenses for its Pierce County agency on the assumptions referenced above. Envision also used its current operations in King County as a base-line for the revenue, expenses, and payer mix. From its experience in King County, Envision expected a slow ramp up in year 2018, which results in a \$79,717 loss in year one. By the end of year three, Envision expects to be operating at a profit for the Pierce County services only. Since the King and Pierce County agencies would be operated under the Envision Home Health of Washington entity, Envision also provided its projected revenues and expenses for the agency as a whole. Those projections show a net profit in years 2018 through 2020.

Envision provided a copy of its executed lease agreement and its amendment for the site at 801 Southwest 150th Street in Burien in King County. The initial and amendment lease agreement is between Burien Medical Offices, LLC (the lessor) and Envision Home Health of Washington, LLC (lessee). The initial agreement identifies roles and responsibilities for each. The initial lease was signed on January 1, 2014, is effective for one year. The agreement allows for three one-year renewals for years 2015, 2016, and 2017. The amendment to the lease agreement was signed on September 26, 2016, and is effective through year 2021. All costs associated with the lease are identified in the agreements and substantiated in the revenue and expense statement.

⁹ 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.

Envision also provided an executed medical director agreement with James Buttitta, MD. The agreement identifies roles and responsibilities for each. The agreement is effective for three years from the date of signature. Five annual automatic renewals are allowed under the current agreement. All costs associated with the medical director services are identified and substantiated in the revenue and expense statement.

The department also reviewed the projected balance sheets for Envision's Pierce County and combined King and Pierce counties operations. Envision clarified that the Pierce County balance sheet was provided for Certificate of Need review purposes only, because the Pierce County operations will not be separate from King County operations. Both balance sheets show that Envision expects its Pierce County operations to add to the bottom line of the agency as a whole. The King County operations shows a healthy financial status and the combined agency would also be in good financial health.

As a result, the department concludes that the immediate and long-range operating costs of Envision can be met. **This sub-criterion is met.**

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

WAC 246-310 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 a project of this type and size. Therefore, using its experience and expertise the department compared the proposed project's costs with those previously considered by the department.

Envision Home Health of Washington

For its application, Envision projected an estimated capital expenditure of \$12,000 for the establishment of Pierce County home health services. The costs are for additional office supplies and furniture needed to add Pierce County services to the existing agency. There are no construction costs required for this project. [source: Application, p34 and Appendix E]

Envision provided the following information related to the capital costs and its impact to costs and charges. [source: Application, p35]

“Increased use of, and access to, home health care by Medicare patients and others is a key element of health care reform. As part of that reform, Medicare is now financially penalizing hospitals that experience high rates of re-admission and is financially rewarding those that can demonstrate lower than average such rates. This approach rests on the core concept that each patient should receive care in the least restrictive and least expensive level of care appropriate to that patient's clinical requirements. Available and accessible home health services are central to a hospital or physician's program of serving patients in this manner. Through a broad strategy of admitting and keeping only the sickest patients, hospitals and third party payers, including Medicare, expect to reduce the need for excess facility utilization that results in both unnecessary capital expense and operating costs. Having identified significant accessibility gaps in Pierce County home health care, Envision-HHW will be able to contribute significantly to the effort to reduce capital and operating expenses by shifting the site of care for more individuals to that patient's home.”

Envision provided the following information related to start-up costs necessary for the Pierce County services. [source: Application, pp121-122 of pdf]

“Typical start-up costs not included due to its being an expansion of an existing agency to be housed in offices of that existing agency:

- 1. Hiring staff before start-up of operations*
- 2. Any capital cost of tenant improvements*
- 3. Capital cost of furnishing and equipping a completely new office location.*
- 4. Costs of initial accreditation and licensing; these are already in place.”*

Envision provided the following table showing current costs and charges per discipline for year 2016 for the King County agency. [source: Application, p38]

<i>Discipline</i>	<i>Costs (a)</i>	<i>Charges (b)</i>
<i>RN</i>	<i>\$135.51</i>	<i>\$170.68</i>
<i>PT</i>	<i>\$148.15</i>	<i>\$171.90</i>
<i>OT</i>	<i>\$149.16</i>	<i>\$173.07</i>
<i>Speech</i>	<i>\$161.01</i>	<i>\$186.82</i>
<i>MSW</i>	<i>\$217.22</i>	<i>\$252.05</i>
<i>Aide</i>	<i>\$61.37</i>	<i>\$71.20</i>

Envision also provided the following explanation for the costs and charges shown above. [source: Application, p39]

- a) Costs Per Visit by Discipline, King County are calculated by dividing King County's total expenses by a factor combining Envision's visit mix and a CMS relative weight by visit type. Worksheets for Estimating Costs & Charges per Visit, for a detailed worksheet containing the calculations that result in the "Costs" column above.*
- b) Charges: As discussed above, most Medicare home health services are reimbursed on a "per episode" basis. And, since it is not usually required, there is also not a standard method of determining charges per visit for this service.*

Envision provided the following table showing year 2021 costs and charges per discipline for the agency with both King and Pierce counties. [source: Application, pp39-40]

<i>Discipline</i>	<i>Costs (a)</i>	<i>Charges (b)</i>
<i>RN</i>	<i>\$165.20</i>	<i>\$180.10</i>
<i>PT</i>	<i>\$108.59</i>	<i>\$196.87</i>
<i>OT</i>	<i>\$181.81</i>	<i>\$198.20</i>
<i>Speech</i>	<i>\$196.27</i>	<i>\$213.97</i>
<i>MSW</i>	<i>\$264.80</i>	<i>\$288.67</i>
<i>Aide</i>	<i>\$74.80</i>	<i>\$81.55</i>

Envision provided the following explanation for the projected costs and charges shown above. [source: Application, p40]

- a) *Anticipated Costs Per Visit by Discipline" are calculated using 2021 projected Pierce County total operating costs and dividing those by a factor combining visit mix and relative weights by visit type.*
- b) *Charges: As discussed above, most Medicare home health services are reimbursed on a "per episode" basis. And, since it is not usually required, there is also not a standard method of determining charges per visit for this service. ...These calculations provide the applicant's selected approach to estimating "per visit" charges by discipline for Pierce County. If the Department of Health prefers, and can provide the applicant with a different methodology, the applicant will revise these tables accordingly.*

Public Comment

None

Rebuttal Comment

None

Department Evaluation

Envision’s estimated capital costs of \$12,000 are solely related to the additional office equipment necessary for adding the Pierce County operations to the King County office. Envision’s rationale for determining its capital costs is reasonable.

The payer mix identified by Envision is based on its existing payer mix for Medicare and Medicaid home health operations in King County. This approach for determining a payer mix is reasonable.

Based on the information above, the department concludes that approval of Envision’s application would not have an unreasonable impact on costs and charges for healthcare services in Pierce County. **This sub-criterion is met.**

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

WAC 246-310 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 a project of this type and size should be financed. Therefore, using its experience and expertise the department compared the proposed project’s source of financing to those previously considered by the department.

Envision Home Health of Washington

Envision provided the following information related to this sub-criterion. [source: Application, p36, pp75 & 121 of pdf, and Appendix E]

<i>Item</i>	<i>Cost</i>
<i>Furniture</i>	<i>\$9,000</i>
<i>Phone System</i>	<i>\$900</i>
<i>Computer/Copier/Printer</i>	<i>\$2,100</i>
<i>Total</i>	<i>\$12,000</i>

- *Furnishings refers to work stations, chairs and accessory items for the additional staff required by the Pierce expansion.*

- *Phones does not cover a new phone system but, rather, necessary telephones for additional staff required by the Pierce expansion.*
- *Computers/copiers/printers refers to workstations, laptops, tablets, printers and copiers needed to support the extra staff and accompanying professional and administrative workload related to the Pierce expansion*

“Envision Home Health of Washington currently has cash reserves in excess of \$180k and is adding to those reserves on a monthly basis from ongoing operations. In the unlikely event that the existing King County operation were not generating sufficient cash flow during the Pierce start-up period, the members have set aside additional funds to provide the necessary cash flow. Though it is not anticipated to be needed, this commitment is provided as an extra assurance of financial feasibility during the period before Medicare and other payers begin reimbursement for Pierce admissions.”

Envision provided a copy of its Cash Flow Statements for both Pierce County alone and the combined operations of King and Pierce counties. The Pierce County only operations shows a negative cash flow in years 2018 and 2019, and a positive cash flow in years 2020 and 2021. Envision provided the following statements regarding the Pierce County only cash flow statement.

- *On the one hand, many typical start-up costs are avoided or limited by Pierce's being an expansion of an existing agency.*
- *On the other hand, in order to isolate the Pierce operation for this purposes of this analysis, cash flows from operating expenses and lags in reimbursement (accounts payable) are reflected as if it is a separate operation.”*

Envision provided a letter of financial commitment to fund the project. The letter is signed by Envision’s Finance Partner. [source: September 27, 2017, screening response, Attachment S-6]

Envision also provided historical Revenue and Expense Statement, Balance Sheets, and Cash Flow Statements for full years 2014, 2015, and 2016. [source: Application, Appendix N]

Public Comment

None

Rebuttal Comment

None

Department Evaluation

Envision intends to fund the project using existing cash reserves and provided audited financial statements for full calendar years 2014 through 2016. Envision also provided a letter of financial commitment for the project. The letter ensures that the board for Envision is financially committed to the project.

Based on the documents provided under this review criterion, if this project is approved, a condition is necessary to ensure that the project would be financed as described in the application. With written agreement to the financing condition, Envision’s project **meets this sub-criterion.**

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

Based on the source information reviewed, the department determines that the Envision Home Health of Washington, LLC project **met** the applicable need criteria in WAC 246-310-230.

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

WAC 246-310 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 concludes that the planning would allow for the required coverage.

Envision Home Health of Washington

Envision currently provides Medicare and Medicaid certified home health services in King County. With this project, Envision would provide the same services in Pierce County through its King County agency. Envision provided a table showing its current FTEs for year 2017 and projected FTEs for years 2018 through 2020. The information is shown in Table 15 below. [source: Application, Appendix K]

**Table 15
Envision Home Health of Washington, LLC
Current (2017) and Proposed (2018 – 2020) FTEs**

Staff	King	Pierce County Increases				Pierce Only	King/Pierce
	2017	2018	2019	2020	2021	Total	Combined Total
Director	1.00	0.75	0.25	0.00	0.00	1.00	2.00
Clinical Manager	1.00	0.00	0.00	0.00	1.00	1.00	2.00
Home Care Specialists	1.00	0.00	0.00	0.00	1.00	1.00	1.00
Nursing	2.02	0.32	0.36	0.40	0.54	1.62	3.64
Medical Social Worker	0.06	0.01	0.02	0.01	0.02	0.06	0.12
Home Health Aide	0.06	0.01	0.01	0.01	0.01	0.04	0.10
Administration	1.00	0.00	0.00	0.00	0.00	0.00	1.00
Office Manager	1.00	0.00	0.00	0.00	0.00	0.00	1.00
Team Assistant	0.75	0.00	0.00	0.00	0.00	0.00	0.75
Data Entry Clerk	0.00	0.38	0.13	0.25	0.25	0.76	0.76
Account Executive	2.00	0.75	0.25	0.00	0.00	1.00	3.00
Total	9.89	2.22	1.02	0.67	2.82	6.48	15.37

Envision provided the following information related to the staff table above. [source: Application, p19 and Appendix K]

“Please see Appendix K for a Staffing Summary table showing the projected number of FTE's for the entire agency.

- *For illustrative purposes, the King County growth rate is set at a flat 450 admissions per year.*
- *Services would start in April, 2018 and the table shows staffing through 2021.*

Shared staffing costs: As shown in the notes to the Pierce and Combined proforma operating statements, the expenses, including salaries and benefits, of the following positions are proposed to be shared between King and Pierce:

Patient Care Staff:

- Clinical Supervisor

Administrative Staff

- Administrator
- Office Manager

The expenses of these shared positions are split between the two Counties' operations based on the relative percent of annual admissions between the two counties.

Sharing clinical/home visit staffing: In the case of clinical personnel whose make home visits, these may be shared also if logistics and geography support that on any given day. For example, an Envision-HHW nurse might visit both a King County patient and a Pierce County patient on the same day. But, for purposes of the financial pro forma, the costs of such a visit and related expenses are treated as variable, are tracked by the visit, not by shared FTE, and are allocated to the county in which the patient lives.”

In addition to the table and information above, Envision provided the following statements related to this sub-criterion. [source: Application, pp42-43]

“Fortunately, Envision-HHW has not had any difficulty recruiting and retaining the staff it requires. The agency places a high priority on its recruitment and retention efforts. Please see Appendix Q for a copy of the Envision-HHW Personnel Retention Policy.

Due to its ownership and operation by rehabilitation specialists themselves, Envision has been very successful in attracting and retaining the clinical staffing it requires. Envision-HHW has access to an active recruiting function for the relevant professionals.

Envision has also been very fortunate that its existing staff has been a substantial source of professional contacts in the area and that those have frequently resulted in new hires.

Additionally, a number of Envision's current staff working in King County look forward to the expansion to Pierce County where they live and from which they now commute to visit King County patients or to the Burien office in King County

Three factors contributing to current and anticipated success include:

- Envision-HHW's pay and benefits are competitive for both recruitment and retention. Benefits include medical, dental/orthotics, vision, life insurance, and 401k with company matching.
- Envision-HHW has successfully used the wide range of available resources to attract, screen, select, hire and employees. These include: local job fairs; the online jobsearch websites; using recruitment agencies; word of mouth through existing employees; outreach through existing employee relationships with professional organizations.
- Some of the current King County staff already live in Pierce County and look forward to providing in home-services to Pierce County residents where they live. Current staff look forward to a Pierce expansion since it will result in less drive time, greater productivity resulting from that, both of which lead to higher job satisfaction.”

Envision provided its current/projected staff to visit ratio shown in Table 16 below. [source: Application, p41]

**Table 16
Envision Home Health of Washington
Current and Projected Staffing Ratios**

Type of Staff	Visits/Visit Ratio
Skilled Nursing	4.9
Physical Therapist	N/A contracted per visit
Occupational Therapist	
Speech Therapist	
Medical Social Worker	3.2
Home Health Aides	5.1

Envision provided the following statements related to its staff to visit ratio shown in the table above. [source: Application, p41]

“These ratios reflect national standards of care. They are based on Envision members' current experience, knowledge of competitors' standards, relationship with Utah Association of Home Care and articles from National Association of Home Care.”

Public Comment

None

Rebuttal Comment

None

Department Evaluation

On April 29, 2014, CN #1527 was issued to Envision Home Health of Washington approving the establishment of the Medicare and Medicaid certified home health agency in King County. At that time, Envision was operating a licensed only home health agency in the county and expected it could complete its Medicare and Medicaid requirements within six months of CN approval. On December 28, 2014, Envision Home Health of Washington received its CMS survey by the Department of Health and was subsequently recommended for Medicare and Medicaid approval. In Home Services license #60521160 was issued to Envision Home Health of Washington noting the Medicare and Medicaid approval. Envision Home Health of Washington has been in continuous operation as a Medicare and Medicaid provider in King County since mid-year 2015.

As an existing provider, Envision has an understanding of the appropriate staffing necessary to expand Medicare and Medicaid home health services into Pierce County. Since the Pierce County services will be provided through the King County agency, Envision provided both current King County FTEs and showed any increases necessary to expand into Pierce County. Specific to the Pierce County services, Envision expects to add a three year total of 6.48 FTEs, for an agency total of 15.37 FTEs by year 2021 or the end of year three. Envision also identified a projected number of visits per staff per day of 4.9 for skilled nursing; 3.2 for medical social workers; and 5.1 for home health aides. These ratios are reasonable and consistent with data provided in past home health applications reviewed by the program.

Envision provided a copy of its executed Medical Director Agreement that outlines roles and responsibilities for both the medical director and Envision Home Health of Washington.

Envision intends to use the strategies for recruitment and retention of staff it has successfully used in the past to staff Pierce County agency. The strategies identified by Envision are consistent with those of other applicants reviewed and approved by the department.

Information provided in the application demonstrates that Envision is an established provider of home health services in King County. Based on the above information, the department concludes that Envision has the ability and expertise to recruit and retain a sufficient supply of qualified staff for this project. **This sub-criterion is met.**

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

WAC 246-310 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 a facility 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.

Envision Home Health of Washington

Envision provided the following statements related to this sub-criterion. [source: Application, p43 and September 27, 2017, screening response, Attachment S-3]

“Since the Pierce operation will be housed in the same location as King and will share in the use of the resources these vendors supply, no changes to the list are anticipated for the new Pierce County operation. Please see a list of vendors being used by the King County operation.”

Envision’s Appendix P as referenced above is recreated in the table below.

Vendor	Product or Service
<i>BDK LLC</i>	<i>Accounting services</i>
<i>Blue Fin Office Group</i>	<i>Office supplies</i>
<i>Briggs Healthcare</i>	<i>Medical supplies</i>
<i>Comcast Business</i>	<i>Communications technology</i>
<i>Comprehensive Home & Companion Svcs. LLC</i>	<i>Temporary staffing agency</i>
<i>Copiers Northwest</i>	<i>Copier service</i>
<i>Corporation Service Company</i>	<i>Marketing services</i>
<i>De Lage Landen</i>	<i>Office equipment</i>
<i>Ducky's Office Furniture</i>	<i>Office furniture</i>
<i>FastSigns</i>	<i>Signage</i>
<i>First Advantage Background Services Corp</i>	<i>Background checks</i>
<i>Go Daddy.com</i>	<i>Website design</i>
<i>Gordon's Copy Print</i>	<i>Printing</i>
<i>Hansen Creative</i>	<i>Marketing material</i>
<i>Health & Company CPA, LLC</i>	<i>Accountants</i>

Vendor	Product or Service
<i>Home Health Coding Solutions</i>	<i>Medical records management</i>
<i>Kleenwell Biohazard Waste</i>	<i>Bio-waste management</i>
<i>Les Olson Company</i>	<i>Office equipment</i>
<i>McKesson Medical Surgical</i>	<i>Medical supplies</i>
<i>MedForms, Inc.</i>	<i>Medical forms</i>
<i>Medical Forms Management, Inc.</i>	<i>Medical forms</i>
<i>Oldham Technology</i>	<i>IT services</i>
<i>Payroll Experts</i>	<i>Payroll processing</i>
<i>Quality Logo Products</i>	<i>Marketing</i>
<i>Roadrunner Print & Copy</i>	<i>Printing</i>
<i>Seagull Printing Service, Inc.</i>	<i>Printing</i>
<i>Shred-IT USA</i>	<i>Document shredding</i>
<i>Stericycle, Inc.</i>	<i>Sharps management & hazardous waste</i>
<i>Strategic Healthcare Programs, LLC</i>	<i>Clinical & financial benchmarking</i>
<i>T-Mobile</i>	<i>Mobile phones</i>
<i>The UPS Store</i>	<i>Document shipping</i>
<i>USPS</i>	<i>Document shipping</i>
<i>Waste Management</i>	<i>Waste management & recycling</i>

Public Comment

None

Rebuttal Comment

None

Department Evaluation

Envision is currently providing Medicare and Medicaid home health services in King County and this application proposes to serve Pierce County through its agency in King County. Information provided in the application demonstrates that all ancillary and support agreements are already in place. Envision expects no changes to existing agreements.

Based on the information reviewed, the department concludes Envision’s application **meets this sub-criterion.**

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

WAC 246-310 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 the applicant’s history in meeting these standards at other facilities owned or operated by the applicant.

As part of this review, the department must also conclude that the proposed services provided by an applicant would be provided in a manner that ensures safe and adequate care to the public.¹⁰ To

¹⁰ WAC 246-310-230(5).

accomplish this task, the department reviews the quality of care compliance history for all Washington State and out-of-state healthcare facilities owned, operated, or managed by an applicant, its parent company, or its subsidiaries.

Envision Home Health of Washington

Under this sub-criterion, Envision responded “No” to the following questions in the application:

- a) Have any of the applicants been adjudged insolvent or bankrupt in any state or federal court?
- b) Have any of the applicants been involved in a court proceeding to make judgment of insolvency or bankruptcy with respect to the applicant?

Envision provided the following information related to the background experience and qualifications of the applicant. [source: Application, pp47-48]

“Envision Home Health and Hospice began in August of 2005-when six therapists and a business professional met in Alpine, Utah, with the goal of improving the continuum of care between the area's skilled nursing facilities and its home health services. All of the therapists involved had seen the need for a stronger bridge between skilled nursing care and home health-particularly in the consistency of the therapy that was being provided to the patient.

Since its inception, every state survey in Envision, Utah's history has been 100% deficiency-free and Envision is ranked by Medicare in the top quartile nationally for patient outcomes. In 2008, Envision hired Sherie Stewart, CSW-and President of the Utah Home Care Association-to lead the company. By the end of the year, Envision was awarded the Home Health Quality Improvement Award and Home Health Quality Certificate from Home Health Quality Improvement (HHQI). Envision followed those honors by winning the same award and certificate in 2009 and 2010.

In 2009, Envision began expanding its services to Salt Lake County-and soon after expanded into Davis and Weber counties of Utah. Currently, Envision is one of the largest providers of home health and hospice services across the counties of the Wasatch Front. Envision's mission continues to focus on timely home health and hospice services-with an emphasis on consistency in the continuum of care.

Through its relationships with a rehabilitation agency serving King County facilities, Envision partners saw a service gap between inpatient and in-home care in that service area. This led to application for and approval of a new home health agency in King County, Envision Home Health of Washington, LLC. The King County agency received Medicare certification in June 2015.

Because of its South King County location in Burien, the King home health agency has providers in its referral base that also serve Pierce County residents. Interviews with area providers have confirmed the availability and accessibility problems in Pierce County well beyond the level of anecdote. Accordingly, the Envision partners are now proposing to expand the King County Medicare-certified home health agency to also serve Pierce County.”

Public Comment

A section of the department's utilization survey allows for existing providers to include comments. Two agencies provided comments within the survey related to this sub-criterion. Below is the comments submitted by agency.¹¹

Assured Home Health, Federal Way

"Our agency has achieved a 4 Star CMS Star rating for quality of home health services. The addition of another home health agency may affect our ability to continue to retain our skilled professional employees and consequently affect our quality outcomes. We are therefore also concerned about the demonstrated lack of quality of care provided by the applicants. According to the CMS Star ratings available at the Home Health Compare website

(<https://www.medicare.gov/homehealthcompare/search.html>) the applicants' most recently reported CMS Star Ratings are: Envision 3 Stars; Careage 2.5 Stars; and Harvard 2 stars. These are subpar quality results and considering the above in its entirety we believe the applicant's should not be permitted to proceed with their applications."

Symbol Healthcare dba Puget Sound Home Health, Tacoma

"With regards to the current capabilities of Pierce county home health providers, I researched the quality of care per the medicare.gov site (Medicare.gov). The 3 largest agencies, Puget Sound home health, Multicare Good Samaritan, and Gentiva (now Kindred) are all at or above the national average in star rating (3 stars). With 7 out of 9 agencies listed as providing home health services in Pierce county being at or greater than 3 stars and 6 out 9 being at greater or than 3.5 stars (the Washington state average), this shows that the current home health care providers are able to provide quality care to the patients entrusted in them (Medicare.gov, 2017).

Puget Sound Home health has performed rigorous quality improvement programs so that we can meet the needs of our Pierce County residents. By using the benchmarking software of Strategic Healthcare Programs (SHP), we are able to quickly identify any areas of opportunity to improve patient care. We work closely with our ACO's, BPCI partners, and other post-acute care partners to ensure that the transition to home with promotes patient safety and high quality care. We are able to provide this care in a timely manner after discharge from a facility as evidences by our 93.3% timely initiation of care percentage. We perform above the state (89.1%) and national average (92.9%) (Medicare.gov, 2017). Through these same processes we have been able to promote patient well-being and reduce hospitalizations to 13.2% (less than the state average of 15% and national Average of 16.3%) (Medicare.gov, 2017)."

Rebuttal Comment

The department provided the completed utilization surveys to Envision during public comment. Envision provided rebuttal comments, which are quoted below.

Envision Home Health of Washington

Below is a restatement of the rebuttal that focus on this review criteria and identified by provider. [source: Envision November 17, 2017, rebuttal, p2]

¹¹ When the comments were provided in early year 2017, the department was reviewing three separate applications proposing to expand Medicare and Medicaid home health services into Pierce County. Therefore, the comments reference three applications. Further, some comments call out each of the three applicants.

“Envision responses to Assured Home Health – Assured criticizes the quality of Envision’s King County services, calling a 3-star rating ‘subpar.’ Yet, the latest review of Medicare Compare showed 3 stars as the Washington state average so it cannot be ‘subpar.’” Yet, the most recent November 2017 ratings available on Medicare Compare Home Health show Envision with a 3.5 star rating. This comment by Assured does not reflect current data. “

Department Evaluation

As stated in the applicant description section of this evaluation, Envision Home Health of Washington is one of three privately owned corporations that have the same or overlapping membership. Of the three, only Envision Home Health of Washington is active with the Washington State Secretary of State office. The following eight members have ownership of Envision Home Health of Washington.

Name	Name
Rhett Anderson	Chad Fullmer, PT
Greg Atwood, RN	Darin McSpadden, OT
Wyatt Cloward, OT	Sherie Stewart, MSW
Jason Crump, PT	Derek White, PT

Of the eight members with ownership of Envision Home Health of Washington, only Chad Fullmer holds a Washington State healthcare license.

Envision Home Health of Washington, LLC is the Washington State home health agency. The agency obtained an initial Washington State home health license on December 17, 2014 and obtained Medicare and Medicaid home health licensure on December 23, 2015. The agency has been surveyed two times: initial license survey on December 17, 2014 and renewal survey on October 5, 2015. Both surveys resulted in no significant non-compliance issues. [source: ILRS survey data and Department of Health Investigations and Inspections Office]

In addition to the facilities identified above, the department also reviewed the compliance history for known home health staff, which includes the medical director and one of the owners, Chad Fullmer. A summary of the staff review is in Table 17.

**Table 17
Envision Home Health Staff**

Name	Credential #	Status	Role
Ann K. Aarhus	RN00064167	Active	Registered Nurse
Thomas C. Acheson	P160043577	Active P	Physical Therapist Assistant
Natalie M. Anderson	OT00001151	Active	Occupational Therapist
Xcina Babayan	PT00009548	Active	Physical Therapist
Kayla Bauer	LW60595920	Active	Social Worker Advanced
Stephanie L. Baxter	RN60255826	Active	Registered Nurse
Laural A. Boyd	PT00003548	Active	Physical Therapist
Constance A Bradley	OT60566329	Active	Occupational Therapist
Kristina M. Breckenridge	PT60687528	Active	Physical Therapist
Scott Buck	RN60757367	Active	Registered Nurse

Table 17 (continued)
Envision Home Health Staff

James J. Buttitta	MD00033961	Active	Medical Director
Heather S. Campbell	RN00172759	Active	Registered Nurse
Caitlin Cooney	PT60631780	Active	Physical Therapist
Chad B. Fullmer	PT00010369	Active	Physical Therapist
Michele D. Gill	PT60037822	Active	Physical Therapist
Shannon G. Herbert	P160029321	Active	Physical Therapist Assistant
Karminder Kaur	NC60609355	Active	Nursing Assistant Certified
Michael N. Kingoina	RN60386456	Active	Registered Nurse
Travis D. Lanier	PT60643901	Active	Physical Therapist
Lester C. Manuel	RN00160041	Active	Registered Nurse
Susan P. Maynard	RN00149388	Active	Registered Nurse
Donny L. McCormick	RN60101423	Active	Registered Nurse
Melissa Joy Miller	OT60696011	Active	Occupational Therapist
Becky Gealta Pollard	SC60328819	Active	Social Worker Associate Independent Clinical License
Patrick K. Todd	P160043698	Active	Physical Therapist Assistant
Todd T. Tuttle	LL00003716	Active	Speech Language Pathologist
Jay M. VanBockel	P160046920	Active	Physical Therapist Assistant

As shown in the table above, all known home health staff associated with Envision’s Pierce County project have an active credential in good standing.

Information provided by Envision during this review demonstrates that qualified key staff are already in place and Envision intends to meet all credentialing requirements for its Pierce County home health services.

The response provided by Envision completely addresses concerns raised by Assured regarding the CMS star rating. A three star rating is considered average and Envision is currently operating above average. While the department considers these CMS star ratings, they do not tell an entire story about a provider. If an applicant’s rating was consistently below average for its agency, the department may ask follow up questions. Based on the ratings for Envision, they are not grounds for denial.

Envision is currently providing Medicare and Medicaid home health services in King County and licensed only home health services in Pierce County. Envision may hire new staff in years 2019 and 2020, however, to begin new services in Pierce County, Envision intends to mostly maintain its current staff and increase specific employees from part-time to full-time as requested. As a result, Envision already has much its staff in place, allowing the department’s credential status review.

Envision will continue employment of its current medical director and provided the necessary documentation to allow a quality of care review for the medical director, James Buttitta, MD.

Based on the above information, the department concludes that Envision demonstrated reasonable assurance that its King County home health agency would continue to operate in compliance with state and federal requirements if the services are expanded to residents of Pierce County. Envision

also demonstrated reasonable assurance that Pierce County home health services would operate in compliance with state and federal requirements. **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.

WAC 246-310 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 a project of this type and size. Therefore, using its experience and expertise the department assessed the materials in the application.

Envision Home Health of Washington

Envision provided the following statements related to this sub criterion. [source: Application, p44 and October 18, 2016, screening response, pp19-20]

"When entering a new market, Envision's owners focus on relationships with institutions that refer large numbers of their current patients to home health agencies. Envision becomes part of the cross-setting care team through the large volume of patients and referrals the Envision staff and the institutional staffs manage in concert. Because Envision is heavily oriented to the rehabilitation specialties by virtue of its ownership and industry relationships, many of these institutions are nursing homes or assisted living facilities."

"Fragmentation" in healthcare delivery means "the systemic misalignment of incentives, or lack of coordination, that spawns inefficient allocation of resources or harm to patients. Fragmentation adversely impacts quality, cost, and outcomes."

As rehabilitation therapists themselves, Envision-HHW owner/members recognize that home health services sit at a key point of hand-off in the health care system. Hand-offs are recognized as a high-risk point in health care and many process improvement projects concentrate on making them work better. The epitome of a fragmented system is the inability of inpatients to go home from an inpatient stay or get the care they need once there. Envision-HHW has been successfully closing that gap in its King County services.

Envision-HHW has taken a number of steps to promote continuity and avoid unwarranted fragmentation of services:

Thorough market research

Envision's initial motivation to initiate home health in King County was grounded in Envision owners' observing the difficulty skilled nursing patients were having in getting timely and comprehensive home health services post discharge. In many cases, these were post-acute patients who had been hospital patients and then had spent time in skilled nursing for rehabilitation services prior to the discharge to their own homes.

Before applying for a Certificate of Need, Envision members interviewed a large number of King County providers to confirm the observations the rehabilitation specialists working at King County nursing homes had made about the lack of access to home health being experienced in King County. Patients were going home and not receiving the required rehabilitation services they needed or safely

adjusting to their home situation. These interviews confirmed the lack of continuity of rehab treatment between skilled nursing and home. Some of those interviews resulted in the letters of support submitted in response to Envision-HHW's 2013 CON application to establish a home health agency in King County.

Sufficient staffing

In light of the frustrations about continuity of care it found among the potential home health referral base for a new agency, Envision HHW launched its services with sufficient staffing and systems in place to specifically address those problems. By adopting timely response to referrals as a key performance indicator, Envision HHW has successfully responded to the lapses in continuity it found. This has been borne out by Envision-HHW's Medicare patients experiencing less than half of the hospital re-admissions than the average for King County home health agencies according to Medicare Home Health Compare.

Participation in quality improvement and benchmarking

To further the role of the home health provider in supporting continuity of care and reducing patient harm and fragmentation, Envision-HHW is committed to continuous improvement in its clinical and administrative processes. This commitment is reflected in its participation in the CMS quality tracking data collection, both OASIS and its Patient Satisfaction tools. As a Washington state home health agency, Envision looks forward to participating in the CMS 6-state pilot of Value Based Purchasing for Home Health. This means it will experience financial incentives, both positive and negative, that correspond to quality of patient care. Envision also subscribes to SHP (Strategic Healthcare Programs) data collection and analysis in order to compare its performance to Washington and national norms.

The Pierce operation will collect and use the same data systems that Envision-HHW uses in King County. One of the King operation's start-up challenges was training all staff in observing, coding, and documenting to meet the stringent requirements of the CMS Outcome and Assessment Information Set (OASIS). By expanding rather than creating a new team in Pierce County, the entire King and Pierce operation will benefit from the orientation and training efforts invested in accurate and useful OASIS data submission. The better the input data, the more Envision-HHW can rely on its results to find areas for improvement in care and to act on them.”

Public Comment

None

Rebuttal Comment

None

Department Evaluation

Envision received three letters of support for its project. Both Avalon Care Center in Federal Way, and Judson Park in Des Moines are nursing homes in King County. Both expressed the importance of discharging patients home with home health services. Even though both nursing homes are located in King County, the department recognizes the support for home health services in Pierce County.

The third letter of support is from a medical clinic in Kent known as 104th Avenue Medical Clinic. This clinic specializes in internal medicine, including geriatric patients. As with the two nursing home above, even though this clinic is in King County, the department recognizes the support for home health services in Pierce County.

Information provided in Envision’s application demonstrates that it has the basic infrastructure in place to expand Medicare and Medicaid certified home health services into Pierce County. Further, in the need section of this evaluation, the department concluded that need for at least one agency in Pierce County had been demonstrated.

Based on the information provided in Envision’s application, the department concludes that **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.**

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

Based on the source information reviewed, the department determines that the Envision Home Health of Washington, LLC project meets the applicable need criteria in WAC 246-310-240.

- (1) Superior alternatives, in terms of cost, efficiency, or effectiveness, are not available or practicable.
To determine if a proposed project is the best alternative, in terms of cost, efficiency, or effectiveness, the department takes a multi-step approach. First the department determines if the application has met the other criteria of WAC 246-310-210 thru 230. If the 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.

If there are multiple applications, the department’s assessment is to apply any service or facility superiority criteria contained throughout WAC 246-310 related to the specific project type. The adopted superiority criteria are objective measures used to compare competing projects and make the determination between two or more approvable projects which is the best alternative. If WAC 246-310 does not contain any service or facility type superiority criteria as directed by WAC 246-310-200(2) (a)(i), then the department would look to WAC 246-310-240(2)(a)(ii) and (b) for criteria to make the assessment of the competing proposals. If there are no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b), then using its experience and expertise, the department would assess the competing projects and determine which project should be approved.

Envision Home Health of Washington

Step One

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

Step Two

Before submitting this application, Envision considered the following three options. The options and Envision’s rationale for rejecting them is below. [source: Application, pp49-53]

- Postponing Action or Do Nothing

“Would not respond to community need. There are existing gaps in care that should be addressed in order to improve patient safety and outcomes at home. The providers Envision-HHW interviewed were not able to identify available alternative agencies that could satisfactorily address the gaps in availability and access.

Overall, waiting and thereby postponing action was rejected as a reasonable alternative. Envision-HHW sees the immediate opportunity to address patient care issues that are currently going unmet.”

- Purchase an Existing Pierce County Agency

“Purchasing an existing agency would allow Envision HHW to more rapidly address identified community need. Purchasing an existing agency would allow Envision HHW to more rapidly roll out its services and approach that supports improved quality and "hand offs" between skilled nursing and in home care.

Overall, purchasing an existing agency responded well to Envision-HHW’s criteria. Unfortunately, since no agency was available for purchase, this alternative could not be pursued any further.”

- Establishing an Agency in a Different County

“Awareness of specific gaps in care drives the response to Pierce County need as being high priority. Switching to a different county would leave the current Pierce County gaps in place and result in continued issues of quality related to timeliness and availability of care in the home. It would take longer for Envision-HHW to build its referral relationships in a more distant county.

Capital costs would be greater. The Pierce expansion builds on the existing Burien office location thus reducing both capital and operating expense.

Overall, establishing an agency in a different county was not a preferred alternative to establishing one in Pierce County. Adjacency to the existing King County office and market reduce both capital and operating costs.”

Step Three

This step is applicable only when there are two or more approvable projects. Since Envision submitted the only Pierce County home health project, this step does not apply to this review.

Public Comment

None

Rebuttal Comment

None

Department Evaluation

The department concluded in the need section of this evaluation that Pierce County could accommodate at least one more provider. Envision provided documentation to demonstrate its project would meet all review criterion to expand Medicare and Medicaid home health services in Pierce County. As a result, Envision’s rejection of the “do nothing” option was appropriate. The department did not identify any alternative that was a superior alternative in terms of cost, efficiency, or effectiveness that is available or practicable.

Since there are no construction costs to expanding the home health services into Pierce County, the services can be provided with very little financial impact to the applicant or the community.

Taking into account the public comments related to need for additional Medicare and Medicaid home health services in Pierce County, the department concurs that Envision’s project is reasonable and the best available option for the planning area and surrounding communities. **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;*

Envision Home Health of Washington

This application does not involve construction. This sub-criterion does not apply to the Envision application.

(b) *The project will not have an unreasonable impact on the costs and charges to the public of providing health services by other persons.*

Envision Home Health of Washington

The capital cost of \$12,000 to establish the home health agency is solely for office equipment and furniture.

Public Comment

None

Rebuttal Comment

None

Department Evaluation

This application does not involve construction. The capital cost of \$12,000 to establish the home health agency is solely for office equipment and furniture. This sub-criterion is not applicable to this project.

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

Envision Home Health of Washington

Envision provided the following statements related to this sub criterion. [source: Application, pp36-37]

Shared offices

By providing administrative functions from the existing agency office in Burien, located in King County, the proposed project minimizes additional required capital and operating expense in the system.

Supporting timely discharge

The proposed expansion of Envision Home Health of Washington, LLC will increase the availability of Medicare home health services in Pierce County. Home health services are a critical component of cost savings strategies for acute and post-acute hospital and skilled nursing providers. When in-home services are not sufficiently available, inpatient providers have difficulty discharging patients on a timely basis. Not only that, if the patient is discharged without sufficient home health services in place, there is an increased risk of unnecessary re-admission and the waste of financial resources that result. When a patient's condition allows discharge, it is not only wasteful of money but also of staff time to maintain the patient in the inpatient setting.

Reducing re-hospitalization

Furthermore, when a patient recovering from an illness or injury that requires acute care is discharged to the home setting, there is an increased risk of re-injury as the patient adjusts back to the home environment with compromised function. Sufficient in-home services and support can prevent this re-injury and reduce the risk of unnecessary re-admission to the acute setting and the resulting waste of medical care dollars.

Based on Envision-HHW's King County experience, its Pierce County patients will experience substantially fewer re-hospitalizations than do patients served by other area home health agencies. Whereas the Washington average re-admission of home health patients is 14.9%, the patients of Envision-HHW's existing King County agency experienced only 5.9% hospital re-admissions over the same period. This low rate of re-admission saves money in the system and also reduces the potential of penalties which CMS has begun to levy against hospitals with excess re-admissions.”

Public Comment

None

Rebuttal Comment

None

Department Evaluation

Envision provided sound and reasonable rationale for adding Medicare and Medicaid certified home health services in Pierce County. If approved, Envision has the potential to improve delivery of necessary in home services to Pierce County. Envision has also demonstrated that it has the ability to take advantage of economies of scale by providing the needed services in both Pierce and King County by operating out of the same office. **This sub-criterion is met.**

APPENDIX A

State Health Plan Home Health Methodology-Pierce County Three Home Health Applications for Pierce County

Step 1-Population by Age Cohort	2015	2016	2017	2018	2019	2020
0-64	728,213	732,454	736,695	740,936	745,177	749,418
65-79	79,084	83,479	87,874	92,269	96,664	101,059
80+	24,647	24,935	25,223	25,512	25,800	26,088
Step 2-Projected Home Health Patients by Age Cohort						
0-64 X 0.005	3,641.07	3,662.27	3,683.48	3,704.68	3,725.89	3,747.09
65-79 X 0.044	3,479.70	3,673.08	3,866.46	4,059.84	4,253.22	4,446.60
80+ X 0.183	4,510.40	4,563.11	4,615.81	4,668.70	4,721.40	4,774.10
Step 3-Projected Home Health visits by age cohort						
0-64	3,641.07	3,662.27	3,683.48	3,704.68	3,725.89	3,747.09
Multiplier	10	10	10	10	10	10
Subtotal 0-64	36,410.65	36,622.70	36,834.75	37,046.80	37,258.85	37,470.90
65-79	3,479.70	3,673.08	3,866.46	4,059.84	4,253.22	4,446.60
Multiplier	14	14	14	14	14	14
Subtotal 65-79	48,715.74	51,423.06	54,130.38	56,837.70	59,545.02	62,252.34
80+	4,510.40	4,563.11	4,615.81	4,668.70	4,721.40	4,774.10
Multiplier	21	21	21	21	21	21
Subtotal 80+	94,718.42	95,825.21	96,931.99	98,042.62	99,149.40	100,256.18
Total Projected Home Health Visits	179,844.82	183,870.97	187,897.12	191,927.12	195,953.27	199,979.43
Step 4-Gross Need (Step 3 Total Visits /10,000)	17.98	18.39	18.79	19.19	19.60	20.00
Step 5- No. of Home Health Agencies	13	13	13	13	13	13
Step 6 Net Need (Per Method, Fractions are rounded down)	4	5	5	6	6	6
A negative number means there is a surplus						