



STATE OF WASHINGTON  
DEPARTMENT OF HEALTH  
*Olympia, Washington 98504*

September 20, 2019

CERTIFIED MAIL # 7017 3380 0000 0863 8611

Lorraine Wall, RN, MSN  
Hospital Chief Operating Officer  
Clallam County Public Hospital District #2 dba  
Olympic Medical Center  
939 Caroline Street  
Port Angeles, WA 98362

Ralph Parker  
Clallam County Public Hospital District #2 dba  
Olympic Medical Center  
939 Caroline Street  
Port Angeles, WA 98362

RE: Certificate of Need Application #19-42

Dear Ms. Wall and Mr. Parker:

We have completed review of the Certificate of Need application submitted by Clallam County Public Hospital District #2 dba Olympic Medical Center to establish a Medicare and Medicaid hospice agency in Clallam County. Enclosed is a written evaluation of the application.

For the reasons stated in this evaluation, the application submitted by Clallam County Public Hospital District #2 dba Olympic Medical Center is consistent with applicable criteria of the Certificate of Need Program, provided Clallam County Public Hospital District #2 dba Olympic Medical Center agrees to the following in its entirety.

**Project Description:**

This certificate approves the establishment of a Medicare and Medicaid certified hospice agency in Port Angeles, within Clallam County. Hospice services provided at the new agency include physician and clinical services, nursing care, medical equipment and supplies, symptoms control and pain relief management, hospital based short-term care, respite care, home health aide and homemaker services, physical, speech and occupational therapy, social worker services, dietary counseling, grief and loss counseling. Respite care and outpatient drugs are each subject to a small co-payment and other services are covered in full. Hospice staff would be available 24/7 for emergencies. Additional hospice services include inpatient hospice services to nursing home residents. Olympic Medical Center will provide all services directly except dietary and pastoral care that would be contracted.

Conditions:

1. Approval of the project description as stated above. Clallam County Public Hospital District No. 2 dba Olympic Medical Center 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. Clallam County Public Hospital District No. 2 dba Olympic Medical Center shall finance the project using cash reserves as described in the application.
3. Prior to providing Medicare and Medicaid certified hospice services, Clallam County Public Hospital District No. 2 dba Olympia Medical Center will provide a copy of the final job description for the Medical Director. The final document will identify the medical director and shall be consistent with the draft document provided in the application.
4. Prior to providing Medicare and Medicaid certified hospice services, Clallam County Public Hospital District No. 2 dba Olympic Medical Center will provide a listing of its key staff to Certificate of Need Program for its review. The listing of key staff shall include the name and professional license number.
5. Clallam County Public Hospital District No. 2 dba Olympic Medical Center will maintain Medicare and Medicaid certification regardless of ownership.
6. The service are for the Medicare and Medicaid certified hospice agency is Clallam County. Consistent with Washington Administrative Code 246-310-290(13), Olympic Medical Hospice must provide services to the entire county for which the certificate of need is granted.

Approved Costs:

The approved capital expenditure for the project is \$136,300 that is solely related to office equipment and furnishings.

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

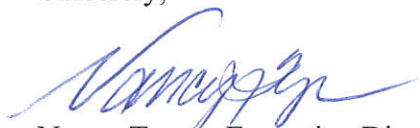
Physical Address:

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

Lorraine Wall  
Ralph Parker  
Certificate of Need Application #19-42  
September 20, 2019  
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If you have any questions, please contact the Certificate of Need Program at (360) 236-2955.

Sincerely,



Nancy Tyson, Executive Director  
Health Facilities and Certificate of Need

Enclosure



**EVALUATION DATED SEPTEMBER 20, 2019, FOR THE CERTIFICATE OF NEED APPLICATION SUBMITTED BY CLALLAM COUNTY PUBLIC HOSPITAL DISTRICT #2 DBA OLYMPIC MEDICAL CENTER PROPOSING TO ESTABLISH A MEDICARE AND MEDICAID HOSPICE AGENCY IN CLALLAM COUNTY**

**APPLICANT DESCRIPTION**

Clallam County Public Hospital District No. 2 operates Olympic Medical Center, a 126-bed acute care hospital located at 939 Caroline Street, in Port Angeles [98362], within Clallam County. Olympic Medical Center serve the residents of Clallam County, including the north Olympic Peninsula and portions of western Jefferson County.

Services provided by Olympic Medical Center include surgical and birth center services, outpatient services, including cardiac, imaging, cancer care, rehabilitation therapy, laboratory, nutrition, and diabetes education. Olympic Medical Center also operates Olympic Medical Physicians a department that offers both primary and specialty care services and Olympic Medical Home Health a Medicare and Medicaid certified home health agency. [Source: Application, page 1 and CN Historical files]

Olympic Medical Center holds accreditation from Det Norske Veitas Healthcare Hospital GL (DNV GL) through April 11, 2020.<sup>1</sup> [Source: DNV GL website and Application, p1] Olympic Medical Center also holds a level III adult trauma designation with the Washington State Department of Health. [Source: Washington State Emergency Medical Systems Trauma Designation website]

For this evaluation, Olympic Medical Center is referenced as the applicant, with the recognition that the hospital is operated by Clallam County Public Hospital District No. 2.

**PROJECT DESCRIPTION**

Olympic Medical Center currently operates a Medicare and Medicaid home health agency in Clallam County. The agency, known as Olympic Medical Home Health, is located at 801 East Front Street in Port Angeles [98362]. The Medicare and Medicaid service area of the home health agency is Clallam County and West Jefferson County.

This project proposes to establish a Medicare and Medicaid certified hospice agency co located with the home health agency. The service area for the hospice agency is Clallam County. If approved the agency would be known as Olympic Medical Hospice. [Source: March 18, 2019, screening response page 1]

Under the Medicare payment system, hospice care benefit consist of the following services physician and clinical services, nursing care, medical equipment and supplies, symptoms control and pain relief management, hospital based short-term care, respite care, home health aide and homemaker services, physical and occupational therapy, social worker services, dietary counseling, grief and loss counseling. Respite care and outpatient drugs are each subject to a small co-payment and other services are covered in full<sup>2</sup>. Hospice staff would be available 24/7 for emergencies. Additional hospice services include inpatient hospice services to nursing home residents. Olympic Medical Center will provide all services directly except dietary and pastoral care that would be contracted. [Source: Application, page 5]

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<sup>1</sup> "DNV GL Healthcare is a part of DNV GL - Business Assurance, all of which is a part of the global DNV GL Group. Our mission in Business Assurance is to help complex organizations achieve sustainable business performance. Our services help simplify organizational processes and validate your commitment to excellence. Within healthcare, we help our customers achieve excellence by improving quality and patient safety through hospital accreditation, managing infection risk, management system certification, and training." [source: DNV GL website]

<sup>2</sup> Medicare Hospice Benefits, page 8 Centers for Medicare & Medicaid Services. CMS Product No. 02154, Revised April 2017.



If approved, Olympic Medical Center expects the Medicare and Medicaid certified hospice agency would be available to the residents of Clallam County by the end of January 2020. Given this timing, year 2020 is the first calendar year of operation and year 2022 would be year three. [Source: Application, page 8]

The estimated capital expenditure for this project is \$136,300 that is solely related to office equipment and furnishings. Since the home health agency is currently providing healthcare services, no additional capital costs are required. [Source: Application, page 1 and Appendix J]

### **APPLICABILITY OF CERTIFICATE OF NEED LAW**

This application proposes to establish a Medicare and Medicaid certified hospice agency. This action is subject to review as the construction, development, or other establishment of new health care facility under Revised Code of Washington (RCW) 70.38.105(4)(a) and Washington Administrative Code 246-310-020(1)(a).

### **EVALUATION CRITERIA**

WAC 246-310-200(1)(a)-(d) identifies the four determinations that the department must make for each application. WAC 246-310-200(2) provides additional direction in how the department is to make its determinations. It states:

*“Criteria contained in this section and in WAC , 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.”*

WAC 246-310-290 contains service or facility specific criteria for hospice projects and must be used to make the required determinations. To obtain Certificate of Need approval, the applicant must demonstrate compliance with the applicable criteria found in WAC 246-310-210 (need); 246-310-220 (financial

feasibility); 246-310-230 (structure and process of care); 246-310-240 (cost containment); and WAC 246-310-290 (hospice standards and forecasting method).

### **TYPE OF REVIEW**

As directed under WAC 246-310-290(3) the department accepted this application under the 2018 concurrent review timeline for a hospice agency in Clallam County. Olympic Medical Center's application was the only project submitted for Clallam County, therefore, as allowed under WAC 246-310-290(6), the department converted the project to a regular review timeline. A chronological summary of the 2018 annual review for Clallam County is shown below.

### **APPLICATION CHRONOLOGY**

<b>Action</b>	<b>Olympic Medical Center</b>
Letter of Intent Submitted	November 30, 2018
Application Submitted	December 26, 2018
Department's pre-review activities <ul style="list-style-type: none"> <li>• DOH 1st Screening Letter</li> <li>• Applicant's Responses Received</li> <li>• DOH 2nd Screening Letter</li> <li>• Applicant's Responses Received</li> </ul>	January 31, 2019 March 18, 2019 N/A N/A
Beginning of Review	April 26, 2019
End of Public Comment/No Public Hearing Conducted <ul style="list-style-type: none"> <li>• Public comments accepted through end of public comment</li> </ul>	May 31, 2019
Rebuttal Comments Received <sup>3</sup>	June 14, 2019
Department's Anticipated Decision Date	July 29, 2019
Department's Anticipated Decision Date with 60-day extension <sup>4</sup>	September 27, 2019
Department's Actual Decision Date	September 20, 2019

### **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;*

<sup>3</sup> All public comments provided during this review were in support of the project. For that reason, Olympic Medical Center did not provide rebuttal comments.

<sup>4</sup> Thirty-day extension letter sent to the applicant on August 1, 2019, and on August 28, 2019.



- (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.*

During the review of this project, the department did not receive any requests for interested or affected person status.

#### **SOURCE INFORMATION REVIEWED**

- Clallam County Public Hospital District No. 2 dba Olympic Medical Center Certificate of Need application received December 26, 2018
- Clallam County Public Hospital District No. 2 dba Olympic Medical Center screening responses received March 18, 2018
- Licensing and/or survey data provided by the Department of Health's Office of Health Systems Oversight
- Department of Health Integrated Licensing and Regulatory System database [ILRS]
- Licensing data provided by the Medical Quality Assurance Commission, Nursing Quality Assurance Commission, and Health Systems Quality Assurance Office of Customer Service
- Clallam County Public Hospital District No. 2 dba Olympic Medical Center website at <https://www.olympicmedical.org/>
- DNV GL website at <https://www.dnvglhealthcare.com>
- CMS QCOR Compliance website: [https://qcor.cms.gov/index\\_new.jsp](https://qcor.cms.gov/index_new.jsp)
- International Organization for Standardization website <https://www.iso.org>
- Certificate of Need historical files



## **CONCLUSION**

For the reasons stated in this evaluation, the application submitted by Clallam County Public Hospital District No. 2 dba Olympic Medical Center proposing to establish a Medicare and Medicaid certified hospice agency in Clallam County is consistent with applicable criteria of the Certificate of Need Program, provided Clallam County Public Hospital District No. 2 dba Olympic Medical Center agrees to the following in its entirety.

## **Project Description:**

This certificate approves the establishment of a Medicare and Medicaid certified hospice agency in Port Angeles, within Clallam County. Hospice services provided at the new agency include physician and clinical services, nursing care, medical equipment and supplies, symptoms control and pain relief management, hospital based short-term care, respite care, home health aide and homemaker services, physical, speech and occupational therapy, social worker services, dietary counseling, grief and loss counseling. Respite care and outpatient drugs are each subject to a small co-payment and other services are covered in full. Hospice staff would be available 24/7 for emergencies. Additional hospice services include inpatient hospice services to nursing home residents. Olympic Medical Center will provide all services directly except dietary and pastoral care that would be contracted.

## **Conditions:**

1. Approval of the project description as stated above. Clallam County Public Hospital District No. 2 dba Olympic Medical Center 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. Clallam County Public Hospital District No. 2 dba Olympic Medical Center shall finance the project using cash reserves as described in the application.
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4. Prior to providing Medicare and Medicaid certified hospice services, Clallam County Public Hospital District No. 2 dba Olympic Medical Center will provide a listing of its key staff to Certificate of Need Program for its review. The listing of key staff shall include the name and professional license number.
5. Clallam County Public Hospital District No. 2 dba Olympic Medical Center will maintain Medicare and Medicaid certification regardless of ownership.
6. The service are for the Medicare and Medicaid certified hospice agency is Clallam County. Consistent with Washington Administrative Code 246-310-290(13), Olympic Medical Hospice must provide services to the entire county for which the certificate of need is granted.

## **Approved Costs:**

The approved capital expenditure for the project is \$136,300 and is solely related to office equipment and furnishings.

## **CRITERIA DETERMINATIONS**

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

Based on the source information reviewed and agreement to the conditions identified in the conclusion section of this evaluation, the department determines that the Clallam County Public Hospital District No. 2 dba Olympic Medical Center project **met** the applicable need criteria in WAC 246-310-210 and the availability and accessibility criteria in WAC 246-310-290(13).

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

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

The numeric need methodology outlined in WAC 246-310-290(8) uses hospice admission statistics, death statistics, and county-level population projections to predict where hospice services will be needed in Washington State. If a planning area shows an average daily census of 35 unserved hospice patients three years after the application submission year, there is numeric need and the planning area is “open” for applications. The department published the step-by-step methodology in October 2018 – it is attached to this evaluation as Appendix A.

#### **Olympic Medical Center**

Olympic Medical Center provided the department’s year 2018 numeric need methodology posted to its website. The numeric methodology projected a need for two hospice agencies in Clallam County. [Source: Application, Appendix F]

#### **Public Comment**

None

#### **Rebuttal Comment**

None

#### **Department Evaluation-Numeric Methodology**

The numeric methodology identified a need for two Medicare and Medicaid certified hospice agencies within Clallam County through projection year 2021. The results are shown in the table below.

**Department’s Table 1  
Clallam County Hospice Methodology Summary for Years 2019- 2020**

	<b>Year 2019</b>	<b>Year 2020</b>	<b>Year 2021</b>
Unmet Need for Patients Days	26,894	27,708	28,573
Unmet Patient Days divided by 365	74	76	78
Number of Agencies Needed (subtract 35)	2	2	2

In conclusion, the numeric methodology is a population-based assessment used to determine the projected need for hospice services in a county (planning area). Based solely on the numeric methodology applied by the department, need for two additional hospice agencies in Clallam County is demonstrated.

The department concludes that Olympic Medical Center has demonstrated numeric need for this project. 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 the planning area resident needs.

### **Olympic Medical Center**

In response to this sub-criterion, Olympic Medical Center provided the following statements.

*“The unmet need for 2020 was determined to be an ADC (average daily census) of 74 over the calendar year. This projection of unmet hospice need is a clear indication that the existing Medicare hospice provider in Clallam County has not kept pace with the overall rate of hospice utilization in Washington. (See Appendix F for calculations.)*

*Exhibit 2 shows that, if Clallam County’s population experienced the average hospice market penetration of all Washington counties, 407 more terminally ill persons, and their families in Clallam County would have received Medicare type hospice care in 2017.*

*Using a conservative average length of stay (ALOS) of 60 days, the 407 underserved patients shown in Exhibit 2 above would have represented an average daily census (ADC) of 67 hospice patients in 2017. Adopting the Department’s assumption that an ADC of 35 is required for financial feasibility, this analysis further demonstrates the need for an additional hospice agency to address the unmet needs of Clallam County residents.*

#### ***Need for personal choice***

*Each family in Clallam County that wishes to consider hospice care has currently only one choice of Medicare certified hospice provider. Certainly, when making an end of life decision so intimate, so personal and values laden, it is preferable for there to be at least two hospices from which to choose.*

#### ***Need for a flexible approach to the provision of chemotherapy and radiation therapy for palliative care purposes***

*Palliative treatments, such as chemotherapy and radiation therapy, are what many providers classify as “uncovered services”. These palliative treatments are intended to shrink tumors to relieve pain or other symptoms. Many hospices do not admit patients on expensive therapies. OMH is prepared to provide for these therapies as well as infusion therapy, ventilators, liquid oxygen and others as necessary to palliate the symptoms of terminal illness when these palliative treatments do not change the six months or less prognosis.*

#### ***Need for broader outreach and provision of bereavement support***

*OMC believes that providing bereavement support services only to the families of hospice patients is too limiting. With the specialized skills of the spiritual counselor and social work members of its team, OMH can reach out to a broader range of the community.*

#### ***Need for outreach and information services that will increase understanding of hospice among community members and the professional health care community.***

*OMH will develop an array of educational and informational tools to successfully bring the hospice benefit to more eligible patients in Clallam County. OMH outreach plans include the hospital’s program of Honoring Choices educational seminars focusing on end of life issues for Clallam County professionals who work with end of life patients”. [Source: Application, page 10-13]*



## Public Comments

During this review, the department received public comments in support of the project. No public comments in opposition were submitted. Below are excerpts from the letters by community agencies and residents in the planning area.

### North Olympic Healthcare Network

*"...as Chief Executive Officer of North Olympic Healthcare Network, a Federally Qualified Community Health Center in Port Angeles, providing integrated Primary Care, Behavioral Health, and Dental services to citizens of Clallam County regardless of their ability to pay. We provide primary care for nearly 13,000 patients in our service area.*

*As an Integral part of Primary Care, our Family Physicians and Advance Practice Clinicians provide full spectrum care through all the stages of a patient's life - from birth through advanced age. The nature of this comprehensive care inherently requires that we help patients through end-of-life care as well. As a consequence, we regularly must utilize Hospice Services to see that these needs are met in an effective, compassionate and dignified manner.*

*We understand that Olympic Medical Center (OMC), our lone rural community hospital with a long history of dedication to providing high-quality services to meet needs, has applied for a Certificate of Need for establishing a hospital-based Medicare-certified hospice service. We are in full support of this application, and request your approval of this CON.*

*Our support stems from a recognition of the reality that many of our patients with terminal illnesses frequently end up in the hospital (often repeatedly) for management of pain or symptoms associated with their term Ina I condition. Much lack the resources or family capacity to have the patient return to their homes to effectively receive hospice services, and the option to have those services made available through OMC would minimize their suffering and preserve their dignity. Further, patients commonly experience progression of their chronic illnesses to the terminal phase during a hospitalization, and a decision to transition to comfort care with hospice services could be seamlessly accomplished if OMC were able to make hospital-based services available". [Source: Michael S. Maxwell, MD Chief Executive Officer North Olympic Healthcare Network Public comment received May 31, 2019]*

### Olympic Peninsula Community Clinic

*"...OPCC is very supportive of Olympic Medical Center's (OMC) request of a CON for Medicare certified hospice services, and hopes the state will approve such. OMC has longstanding and well-recognized mission to provide quality medical care to patients on the Olympic Peninsula". [Source: Gerald B. Stephanz, Jr. MD. Medical Director Board of Directors Olympic Peninsula Community Clinic Public comment received May 31, 2019]*

### Jamestown S'Klallam Tribe

*"The Jamestown S'Klallam Tribe operates a primary care facility (Jamestown Family Health Clinic) that serves over 15,000 patients In the Sequim and Clallam County community. Over 50% of our patient population is over the age of 55. Consequently, we have a strong interest in the hospice care in our community.*

*We strongly support and request approval of the hospice CON for Olympic Medical Center (OMC). The Jamestown Tribe has worked closely and collaboratively with OMC over the years and finds them to be not only a health care leader but a strong asset to our community. The Clallam County community will see strong growth over the next several years and we will see more demand for hospice care. A Medicare-certified hospice agency run by Olympic Medical Center will fill a growing need and be*



*operated by a highly professional and committed organization”*. [Source: D. Brent Simcosky Director of Health Services Public comment received May 31, 2019]

Below are excerpts from the statements in some of the letters of support by residents in the planning area.

*“...Our population is aging and receives the vast majority of its health care from OMC through health care provider, inpatient hospital stays, outpatient diagnostic and therapy services and home health. OMC is prepared to develop comprehensive patient-centered hospice services as a component of its service. OMC has developed cooperative relationships with non-OMC-based primary health care providers, including a shared electronic record system, to support continuity of care. Patients will benefit from having the continuity provided by a hospice incorporated into their existing medical services system”*.

*“...As it is structured now, Volunteer Hospice does not have the capacity to offer more than limited in-home patient care, which basically supports and trains capable family members who do most of the actual patient care. But with the exponentially increasing senior population in Clallam County, I assume. Volunteer Hospice will reach a tipping point and no longer be able to offer in-home hospice care, no matter how limited, to all who wish it. This may create a heart-breaking lack of palliative care for people who are either alone or don't have capable family members to manage meds and patient care”*.

*“...I am a full-time employed resident of Sequim, WA, which as you may know has a very high population of folks over 65. I am not there myself yet, however I write to you today to express my support of the Olympic Medical Center's application for a Certificate of Need to establish Olympic Medical Hospice, a Medicare-certified hospice agency to serve Clallam County. The need is so great here, and from my own personal experience with Medicare hospice, I know that it makes it easier for terminally ill patients to die at home, if they wish.”*

*“I am a 77-year-old retiree and I have been living in Sequim for 16 years. I am a member of the League of Women Voters and have always been very concerned about access to health care, especially access to reproductive health for women and access to end-of life care for the elderly. I know a lot of people around my age. All of them support access to Hospice care, and they support the hospital's interest in providing a Medicare-benefit Hospice team through OMH...”*

*“I am a full-time employed resident of Sequim, WA, which as you may know has a very high population of folks over 65. I am not there myself yet, however I write to you today to express my support of the Olympic Medical Center's application for a Certificate of Need to establish Olympic Medical Hospice, a Medicare certified hospice agency to serve Clallam County. The need is so great here, and from my own personal experience with Medicare hospice, I know that it makes it easier for terminally ill patients to die at home, if they wish...”*

*“... strongly support an Olympic Medical Center hospice. It would improve coordination of care between providers and caregivers, relieve families of the stress of not having access to information on patient management 24/7. OMC provided us with excellent hospital and home care services and adding hospice care will mean more access to specialists in pain and symptom management for patients who chose to die at home”*.

#### Rebuttal Comment

None



### **Department Evaluation**

Comments provided during this review demonstrate need for an additional Medicare and Medicaid certified hospice provider in Clallam County. The applicant assumed that majority of the hospice agency patients would come from its home health agency currently providing services in the planning area. While the home health agency is approved to serve west Jefferson County, if this project is approved, the hospice agency is limited to Clallam County. Further, consistent with WAC 246-310-290(13), the hospice agency must be available to provide hospice services to the entirety of Clallam County.

Olympic Medical Center states that its Medicare certified home health agency made 48,000 home visits in 2017 to homes throughout Clallam and western Jefferson counties. The department did not receive any comments from the only approved hospice agency located in the planning area. Given the department did not receive comments in opposition to this project; the department assumed that approval of this project would not have any adverse effect on current services provided in the planning area.

The department considers the rationale and assumptions relied upon by Olympic Medical Center to propose the establishment of a Medicare and Medicaid hospice agency in Clallam County to be reasonable. Olympic Medical Center anticipates that the new hospice agency would be located in Port Angeles and it will serve residents of Sequim and surrounding North Olympic Peninsula communities of Clallam County.

Olympic Medical Center the approval of second provider in the planning area will result in an additional hospice option for many terminally ill home health patients in the area. Based on the information above, the department concludes that Olympic Medical Center provided reasonable rationale to support its project and the statements in the application support need for this 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 do 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.

### **Olympic Medical Center**

Olympic Medical Center provided copies of the following hospital-wide policies that are currently used by the home health agency and would also be used by the hospice agency. [Source: Application, page 23, Appendices G, H, and I]

- Admission To Home Health or Hospice
- Admission at Olympic Medical Center
- Charity Care Policy – Financial Assistance Program
- Patient Referral Policy
- Intake and Referral Process

The Admission to Home Health or Hospice Policy includes the following non-discrimination language.

*“Patients and their families are accepted for care if their needs are compatible with services provided by the agency and criteria for acceptance are satisfied. Patients are accepted for treatment regardless of race, religious philosophy, nationality, marital status, age, sex, ethnic origin, sexual orientation, source of financial support, or disability, unless such disability cannot be effectively managed by Olympic Medical Home Health and Hospice”.*

The charity care policy provided by Olympic Medical Center states:

*“Consistent with its mission to work together to provide excellence in healthcare, Olympic Medical Center is committed to providing financial assistance to uninsured and underinsured individuals who are in need of emergency or medically necessary treatment and have a household income between 100% and 300% of the Federal Poverty Level Guidelines (FPL)”.* [Source: Application, page 23, Appendix H]

Olympic Medical Center currently provides Medicare and Medicaid certified acute care services and home health services in Clallam County. For its proposed Clallam County hospice agency, Olympic Medical Center would also be available for both Medicare and Medicaid patients. Olympic Medical Center provided the projected payer mix for hospice services in Clallam County. [Source: Application, Page 28]

**Department’s Table 2**  
**Olympic Medical Hospice Projected Payer Mix and Percentage**

<b>Payer</b>	<b>Percent</b>
Medicare and Medicare Managed Care	90%
Medicaid	5%
Commercial/Tricare, private etc.	5%
<b>Total</b>	<b>100%</b>

Olympic Medical Center provided the following clarification to the information in table above.

*“The table below indicates the estimated percentage payer mix for the proposed project. The percentages are not expected to change over time”.* [Source: Application, page 28]

### **Public Comment**

None

### **Rebuttal Comment**

None

### **Department Review**

Olympic Medical Center has been providing Medicare and Medicaid hospice services to the residents of Clallam County for many years. The Admission to Home Health or Hospice Policy provided by the applicant describes the process Olympic Medical Center would use to admit a patient to its hospice agency and outlines rights and responsibilities for both Olympic Medical Center and the patient.

The Admission to Home Health or Hospice Policy includes language to ensure all patients would be admitted for treatment without discrimination. The policy states: *"Patients are accepted for treatment regardless of race, religious philosophy, nationality, marital status, age, sex, ethnic origin, sexual orientation, source of financial support, or disability, unless such disability cannot be effectively managed by Olympic Medical Home Health and Hospice"*.

The Admission to Home Health or Hospice Policy provided within the application is a draft document. To ensure that the proposed hospice agency will admit all resident of the planning area who qualifies for hospice services, if this project is approved, the department would attach a condition requiring Olympic Medical Center to provide an executed Admission to Home Health or Hospice Policy consistent with the draft provided in the application.

Olympic Medical Center anticipates its Medicare and Medicaid revenues for the proposed hospice agency will be approximately 95% of its total revenues. Olympic Medical Center does not expect a significant change in its Medicare and Medicaid revenues over time. Additionally, the financial data provided in the application shows that Medicare and Medicaid revenue is expected.

Olympic Medical Center also provided a copy of its proposed charity care policy that would be used at the hospice agency. The policy provides the circumstances that a patient may qualify for charity care and outlines the process to be used to obtain charity care. Additionally, the pro forma financial statements provided in the application show a charity care line item.

The Charity Care Policy – Financial Assistance Program provided within the application is a draft document. To ensure that the proposed hospice agency will provide charity care, if this project is approved, the department would attach a condition requiring Olympic Medical Center to provide an executed Charity Care Policy – Financial Assistance Program consistent with the draft provided in the application.

With the conditions identified above and Olympic Medical Center agreement to the conditions, the department concludes **this sub-criterion is met.**

- (3) The applicant has substantiated any of the following special needs and circumstances the proposed project is to serve.
- (a) The special needs and circumstances of entities such as medical and other health professions schools, multidisciplinary clinics and specialty centers providing a substantial portion of their services or resources, or both, to individuals not residing in the health service areas in which the entities are located or in adjacent health service areas.
  - (b) The special needs and circumstances of biomedical and behavioral research projects designed to meet a national need and for which local conditions offer special advantages.
  - (c) The special needs and circumstances of osteopathic hospitals and non-allopathic services.



- (4) The project will not have an adverse effect on health professional schools and training programs. The assessment of the conformance of a project with this criterion shall include consideration of:
- (a) The effect of the means proposed for the delivery of health services on the clinical needs of health professional training programs in the area in which the services are to be provided.
  - (b) If proposed health services are to be available in a limited number of facilities, the extent to which the health professions schools serving the area will have access to the services for training purposes.
- (5) The project is needed to meet the special needs and circumstances of enrolled members or reasonably anticipated new members of a health maintenance organization or proposed health maintenance organization and the services proposed are not available from nonhealth maintenance organization providers or other health maintenance organizations in a reasonable and cost-effective manner consistent with the basic method of operation of the health maintenance organization or proposed health maintenance organization.

### **Department Evaluation**

This sub-criterion under WAC 246-310-210(3), (4), and (5) is not applicable to this application.

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

Based on the source information reviewed and agreement to the conditions identified in the conclusion section of this evaluation, the department determines that the Clallam County Public Hospital District No. 2 dba Olympic Medical Center project **met** the applicable financial feasibility 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.

To evaluate this sub-criterion, the department reviews the assumptions provided by an applicant, projected revenue and expense (income) statements, and projected balance sheets. The assumptions are the foundation for the projected statements. The income statement is a financial statement that reports a company's financial performance over a specific period—either historical or projected. Projected financial performance is assessed by giving a summary of how the business expects its revenues to cover its expenses for both operating and non-operating activities. It also projects the net profit or loss incurred over a specific accounting period.<sup>5</sup>

The purpose of the balance sheet is to review the financial status of company at a specific point in time. The balance sheet shows what the company owns (assets) and how much it owes (liabilities), as well as the amount invested in the business (equity). This information is more valuable when the balance sheets for several consecutive periods are grouped together, so that trends in the different line items can be viewed.

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<sup>5</sup> 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.



In financial accounting, a cash flow statement, also known as statement of cash flows, is a financial statement that shows how changes in balance sheet accounts and income affect cash and cash equivalents, and breaks the analysis down to operating, investing and financing activities. Essentially, the cash flow statement is concerned with the flow of cash in and out of the business. The cash flow statement is typically distributed with a company's income statement and balance sheet.

Olympic Medical Center is an existing provider of healthcare services in Washington State. As a part of this Certificate of Need review, the department must determine that an approvable project is financially feasible – not just as a stand-alone entity, but also as an addition to its own existing operations. To complete its review, the department requested that Olympic Medical Center provide the following financial statements.

### **Olympic Medicare Center**

Olympic Medical Center hospice agency is not an existing facility. If approved, it will be operated as a program of the hospital and its patient origin would be from the hospital patient's source. Olympic Medical Center provided the assumptions used to determine the projected number of patients and visits for the proposed Clallam County hospice agency. The assumptions are restated below.

*“The unmet need for 2020 was determined to be an ADC (average daily census) of 74 over the calendar year. This projection of unmet hospice need is a clear indication that the existing Medicare hospice provider in Clallam County has not kept pace with the overall rate of hospice utilization in Washington. (See Appendix F for calculations.)”*. [Source: Application page 11]

#### ***Applicant's Exhibit 2 Recreated***

	<b><i>WA Statewide Use Rate (1)</i></b>	<b><i>Clallam County Actual Admits (2)</i></b>	<b><i>Expected Admits per WA Average</i></b>	<b><i>Clallam County Use Rate (3)</i></b>	<b><i># of Clallam County Patients Underserved (4)</i></b>
<i>Patients Under 65</i>	28.5%	14	51	8%	37
<i>Patients 65+</i>	60.9%	143	513	19%	370
<i>Clallam Totals</i>		157	564	15%	407

#### ***Notes to Exhibit 2:***

- (1) 2015-2017 avg. statewide admissions per DOH survey divided by 2015-2017 avg. deaths*
- (2) Number of hospice admissions, Clallam County, 2017*
- (3) Hospice admissions as % of deaths, Clallam County, 2017*
- (4) Additional Clallam County patients that would have been served if 2017 Clallam County residents used hospice care as often as the state average*

*Exhibit 2 shows that, if Clallam County's population experienced the average hospice market penetration of all Washington counties, 407 more terminally ill persons, and their families in Clallam County would have received Medicare type hospice care in 2017.*

*Using a conservative average length of stay (ALOS) of 60 days, the 407 underserved patients shown in Exhibit 2 above would have represented an average daily census (ADC) of 67 hospice patients in 2017. Adopting the Department's assumption that an ADC of 35 is required for financial feasibility, this analysis further demonstrates the need for an additional hospice agency to address the unmet needs of Clallam County residents”*. [Source: Application page 11-12]

## ***“OMH Volume Projection Assumptions and Methodology***

### ***Assumptions***

*The basis for projected volumes at OMC Hospice:*

- *OMC Home Health currently has a very high percent of home health patients with terminal illnesses. A portion of these patients will begin to select the Medicare hospice option.*
- *As OMH becomes available to OMC inpatients and OMP outpatients with terminal illnesses, a portion of these patients will begin considering the Medicare hospice option and select OMH.*
- *OMH will receive referrals from Clallam County providers whose terminally ill patients wish to consider hospice care. These include major area providers such as Forks Community Hospital, S'Klallam Tribal Healthcare, North Olympic Healthcare Network, Volunteers in Medicine of the Olympics, and others.*
- *Clallam County residents facing terminal diagnoses and being discharged from Puget Sound regional referral hospitals will be referred to OMH.*

### ***Methodology***

*Projection of OMH specific hospice workload through 2022 relies on two categories of patients:*

- *Existing OMC home health patients*
- *Hospice referrals from physicians and community and involves four steps:*
  1. *Develop three numerical input assumptions*
  2. *Calculate a baseline projection of OMH patients*
  3. *Project a 2022 hospice volume for OMH based on increased Clallam County market share toward the statewide average.*
  4. *Translate referrals to OMH into projected ADC, 2020-2022.*

[Source: Application page 18]

Within the application, Olympic Medical Center provided a table showing the average national hospice and palliative diagnosis by patients using hospice services published by the National Hospice and Palliative Care Organization. The information and table is reproduced below. [Source: Application pages 16-17]

Applicant's Table Recreated  
**Olympic Medical Center**  
***National Hospice and Palliative Care Diagnosis***

<b><i>Diagnosis</i></b>	<b><i>Percent</i></b>
<i>Cancer</i>	<i>28</i>
<i>Heart/Cardiac/Circulatory</i>	<i>19</i>
<i>Dementia</i>	<i>16</i>
<i>Lung/Respiratory</i>	<i>11</i>
<i>Stroke/Coma</i>	<i>9</i>
<i>Other</i>	<i>17</i>
<b>Total</b>	<b>100%</b>

Olympic Medical Center also provided the statements below.

*“As a result of Clallam County community and provider reluctance to use Medicare hospice, OMC’s home health agency serves an unusually large number of terminally ill patients. Based on its nurses’ chart reviews, OMC’s home health agency is providing skilled terminal care services to about 100 patients at any given time.*



OMC discharge planners and home health staff estimate that patients with terminal illness will be more likely to choose Medicare hospice if more choices are presented to them. The average home health episode of care is 60 days, so it will take 23 months at start up before this group of OMC's home health patients starts selecting the hospice option and choosing OMH as their Medicare hospice.

For historic reasons of community and provider preference, the change will be gradual and only half of hospice eligible patients receiving home health services are projected to elect hospice by year

3. The table below shows the 2020-2022 estimated conversion of OMC terminally ill OMC home health patients who will elect hospice rather than home health. Assuming a quarterly turnover in home health patients and 100 hospice eligible patients per quarter, the table applies increasing annual conversion rates of 20%, 33%, and 50%. Thus, the annual number of OMC home health patients that will move into OMH or elect OMH instead of home health is shown in the right hand column as "Annual OMH Admissions."

**Conversion of OMC Home Health patients to OMH Hospice**

	<b>HHA Terminal Patients per Quarter</b>	<b>% electing OMH</b>	<b>HHA referrals/qtr.</b>	<b>Annual OMH admissions*</b>
<b>2020</b>	100	20%	20	60
<b>2021</b>	100	33%	33	132
<b>2022</b>	100	50%	50	200"

\* three quarters of 2020 only

Using the assumptions stated above, Olympic Medical Center projected the number of admission (unduplicated patient), patient's days, and average daily census for the proposed Clallam County hospice agency. The table below shows the information. [Source: Application page 16, Appendix J]

**Department's Table 3  
Olympic Medical Hospice  
Projected Utilization Years 2020 through 2022**

	<b>CY 2020</b>	<b>CY 2021</b>	<b>CY 2022</b>
Unduplicated Patients	108	120	304
Average Length of Stay	60	60	60
Patient Days	6,480	12,600	18,240
Average Daily Census	17.8	34.5	50.0

If this project is approved, Olympic Medical Center would be operated under Clallam County Public Hospital District No. 2 dba Olympic Medical Center. To assist in this evaluation, the applicant provided a pro forma financial statements for the hospital with and without the proposed hospice agency. Since, Olympic Medical Center currently provides Medicare and Medicaid home health services to the residents of Clallam County and west Jefferson County, the without scenario includes the hospital and the home health agency. [Source: Application Appendix J and March 18, 2018, OMC (Hospital without hospice) Pro forma financials, 2020-2022]

- Pro forma Operating Statement
- Estimated Capital Expense and Depreciation
- OMC (Hospital without hospice) Pro forma financials 2020-2022

- Revised OMH Balance Sheet and Cash Flow

The assumptions used by Olympic Medical Center to project revenue, expenses, and net income for the hospice agency for projection years 2020 through 2022 are below. [Source: Application, page 28 and Appendix J]

- Years 2020-2022 are full calendar years of operation.
- Total revenue is broken down by Medicare, Medicaid, & Commercial/other
- Gross revenue includes commercial insurance such as Healthy Options, and CHAMPUS
- Contractual Allowances, bad debt, and charity care estimated at 1% of gross revenue
- Payroll Taxes and Benefits cost is 30% of salaries
- Staffing summary days of care x per diem rates (varies)
- Physician consulting fees based on \$2.28 DOC
- Pharmaceuticals/IVY are \$8.66 DOC
- Medical supplies are \$2.38 DOC
- General Inpatient Costs is \$782.67 per general inpatient day
- Inpatient Respite is \$180.84 per inpatient respite day
- Contract Labor costs include spiritual and dietary counseling
- All formulas & assumptions are in the pro forma statement

**Department's Table 4**  
**Olympic Medical Hospice Payer Mix**

<b>Payer</b>	<b>Percent</b>
Medicare and Medicare Managed Care	90%
Medicaid	5%
Commercial/Tricare, private etc.	5%
<b>Total</b>	<b>100%</b>

As stated above, to complete its projected financial statements for this project, Olympic Medical Center provided the proposed hospice agency projected revenue, expenses, and net income for the hospice agency. Additionally, the hospital pro forma financial statement without the proposed hospice agency. [Source: Application Appendix J and March 18, 2018, screening responses OMC (Hospital without hospice) Pro forma financials, 2020-2022]

The hospital only pro forma agency shows the hospital is profitable. Table 3 below shows hospice agency only financial projection for years 2020 through 2022. [Source: Application page 16, Appendix J]

**Department's Table 5**  
**Olympic Medical Hospice**  
**Revenue and Expense Statement for Projected Years 2020 through 2022**

	<b>CY 2020</b>	<b>CY 2021</b>	<b>CY 2022</b>
Net Revenue	\$1,311,322	\$2,549,796	\$3,691,132
Total Expenses	\$1,263,645	\$1,794,341	\$2,327,471
<b>Net Profit / (Loss)</b>	<b>\$47,677</b>	<b>\$755,455</b>	<b>\$1,363,661</b>

Olympic Medical Center also provided the projected balance sheets for the proposed hospice agency only, and the hospital. Table 4 below shows year 2021, the third year of operation for the hospice agency. [Source: March 18, 2019, Screening response, Appendix S-6]



**Department's Table 6  
Olympic Medical Hospice  
Balance Sheet for Projected Year 2022**

<b>Assets</b>		<b>Liabilities</b>	
Current Assets	\$72,305,243	Current Liabilities	\$21,365,820
Depreciation	\$142,077,016	Other Long Term Debt	\$47,549,145
Other Assets	\$2,406,266	Total Liabilities and Net Position	\$147,873,560
<b>Total Assets</b>	<b>\$216,788,525</b>	<b>Total Liabilities and Equity</b>	<b>\$216,788,525</b>

Public Comment

None

Rebuttal Comment

None

**Department's Evaluation**

Utilization Assumptions

An applicant's utilization assumptions are the foundation for the financial review under this sub-criterion. Olympic Medical Center based its projected utilization of the hospice agency on specific factors:

- hospital patients that may use hospice services;
- home health patients that may use hospice services; and
- referrals from other healthcare providers in the county.

Specific to the home health agency, while it is approved to serve west Jefferson County, Olympic Medical Center limited its hospice assumptions to patients residing in Clallam County. Olympic Medical Center's utilization assumptions are reasonable.

Pro Forma Financial Statements

Olympic Medical Center provided pro forma financial statements, including the Revenue and Expense Statements, Balance Sheets, and Cash Flow Statements, that allowed the department to evaluate the financial viability of the proposed Olympic Medical Center's hospice agency alone and combined with operations of the hospital. This approach is consistent with projects operated under another healthcare facility.

Olympic Medical Center based the revenue and expenses for its hospice agency on the assumptions referenced above. Olympic Medical Center expects a slow operation ramp up in year 2020, with an expected profit of \$47,678. By the end of year three or by year 2022, the hospice agency profits are expected to increase to \$1,363,661. Since Olympic Medical Center proposes to operate the hospice agency as part of the hospital department, it projected combined revenues and expenses for the hospital and the hospice agency. The projections show a net profit in years 2020 through 2022. A review of the projected balance sheet shows that the hospital expects its hospice operations would add to the hospital bottom line.

The hospice agency would be located in a building currently owned by Olympic Medical Center. Therefore, the hospital provided a copy of Clallam County tax assessor record of ownership to show the ownership of the property. [Source: Application page 9, and Appendix E]

Additionally, Olympic Medical Center provided a draft job description for its prospective medical director. The draft document states that under the hospital's chief physician officer, the prospective hospice medical director would be an administrative physician charged with medical oversight for Olympic Medical Hospice. The medical director position description identified the roles and responsibilities of both the hospital and proposed medical director, and the projected revenue and expense statements identify all costs associated with the position. [Source: Application page 4, and Appendix C]

Given the department did not receive any comments to suggest that approval of this project would have impact the hospital financial operation, based on the information reviewed in the application, the department concludes the immediate and long-range operating costs of Olympic Medical Hospice 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.

**Olympic Medicare Center**

For its application, Olympic Medical Center projected an estimated capital expenditure of \$136,300 for the establishment of the hospice agency. Since the facility will be co-located with the home health agency, the costs are solely for office remodeling, furnishing, and office equipment. [Source: Application, page 28, and Appendix J]

Related to the capital expenditure, Olympic Medical Center provided these statements:

- *Estimated furnishings and equipment costs are based on OMC historical purchases of similar items.*
- *Estimated cost of altering existing office building space for use by hospice staff is based on OMC in house construction estimate that relied on prior similar project costs and familiarity with materials costs.* [Source: Application, page 26]

**Public Comment**

None

**Rebuttal Comment**

None

**Department's Evaluation**

Olympic Medical Center projected an estimated capital expenditure of \$136,300 for the establishment of Olympic Medical hospice services. The costs are solely for office remodeling, furnishing, and office equipment. [Source: Application, page 27]

Olympic Medical Center provided a letter from its Chief Financial Officer demonstrating its financial commitment to this project, including the project capital expenditure and any cash flow requirements.

The cost to provide services by Olympic Medical Hospice is included in the projected operating revenue and expenses statement. As shown in the revenue and expense statement, adding Olympic Medical



Hospice to the hospital operations is not expected to significantly impact the financial viability of the hospital.

Based on the information above, the department concludes that approval of this project is not expected to have an unreasonable impact on the costs and charges of healthcare services in the planning area. Based on the information, the department concludes **this sub criterion is met.**

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

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.

**Olympic Medicare Center**

To comply with this sub criterion, Olympic Medical Center provided the following statements.

- *All project costs for initiation of Medicare hospice agency will be covered by available OMC funds. No financing costs will be incurred.* [Source: Application, page 26]
- *"There will be no financing costs for the proposed project. Accordingly, no analysis evaluating the alternatives is provided.*
- *OMC has identified the costs of initial development and startup of the OMC Hospice. Sufficient working capital will be provided by the hospital to cover the costs of operation until Medicare reimbursement is received.*
- *"Please see Appendix K for a letter from Darryl Wolfe, OMC Chief Financial Officer, committing sufficient funds to the working capital required".* [Source: Application, page 29]

Public Comment

None

Rebuttal Comment

None

**Department Evaluation**

Olympic Medical Center intends to finance this project using hospital reserves. As previously stated, Olympic Medical Center provided a letter from its Chief Financial Officer demonstrating its financial commitment to this project, including the project capital expenditure and any cash flow requirements.

Further, the cost to provide services by Olympic Medical Hospice is included in the projected operating revenue and expenses statement. As shown in the revenue and expense statement, adding Olympic Medical Hospice to the hospital operations is not expected to significantly impact the financial viability of the hospital.

This approach is appropriate, as Olympic Medical Center's assets are sufficient to cover this cost. If this project is approved, the department would attach a condition requiring Olympic Medical Center to finance the project consistent with the financing description in the application. With the financing condition, the department concludes **this sub-criterion is met.**

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

Based on the source information reviewed and agreement to the conditions identified in the conclusion section of this evaluation, the department determines that Clallam County Public Hospital District No. 2 dba Olympic Medical Center project **met** the applicable structure and process of care 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.

#### **Olympic Medicare Center**

Olympic Medical Center provided a table with information showing its projected FTEs for years 2020 through 2022. Focusing on the identified staff in the table, Olympic Medical Center provided the following clarifications:

- The roles of the bereavement and volunteer coordinators are included in the Medical Social Worker role.
- The community outreach position is held by a hospital employee and is included as an indirect expense for the financial statement. [Source: March 18, 2019, screening response, Appendix S-2]

**Department's Table 7**  
**Olympic Medical Hospice FTE's Projection Year 2020- 2022**

Category	Year 1 2020	Year 2 2021	Year 3 2022
Medical Director	0.20	0.20	0.30
Bereavement	-	-	-
Volunteer Coordinator	-	-	-
Physical Therapy	0.006	0.011	0.017
Occupational Therapy	0.003	0.05	0.07
Speech/Language	0.001	0.03	0.04
Hospice Manager	1.00	1.00	1.00
Registered Nurses	1.78	3.45	5.00
Medical Social Worker	1.01	1.49	2.03
Home Health Aide	1.78	3.45	5.00
<b>Total</b>	<b>5.77</b>	<b>9.61</b>	<b>13.35</b>



<b>Administrative</b>	<b>Year 1 2020</b>	<b>Year 2 2021</b>	<b>Year 3 2022</b>
Administrator	0.20	0.20	0.20
Reception/Intake/Referral	0.50	0.50	0.50
Billing Representative	0.50	0.50	0.50
Community Outreach	-	-	-
QAPI Coordinator	0.50	0.50	0.50
<b>Total Administrative</b>	<b>1.70</b>	<b>1.70</b>	<b>1.70</b>

<b>TOTAL FTE'S</b>	<b>7.47</b>	<b>11.31</b>	<b>15.05</b>
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Regarding retention and recruitment of staff, Olympic Medical Center provided the following statements. [Source: Application, page 31]

*“Based on OMC’s successful staffing of its existing home health agency, OMC expects no problems with availability of qualified health manpower and management personnel.*

*To support its ongoing recruitment of required staff, OMC provides a strong compensation and benefits package. And, to augment recruitment for hospice staff, OMC plans to offer specialized training and credentialing in hospice care through programs such as UW’s Cambia Center and the online hospice training capabilities of NHPCO and others such as California State University”.*

Olympic Medical Center also provided its projected staff to visit ratio which is shown in Table 8 below. [Source: Application, page 30]

**Department’s Table 8**  
**Olympic Medical Center Hospice Projected Staffing Ratios**

<b>Type of Staff</b>	<b>Staff/Patient Ratio</b>
Skilled Nursing (RN & LPN)	1:10
Physical Therapist	As needed
Occupational Therapist	As needed
Medical Social Worker	1:35
Speech Therapist	As needed
Home Health/Hospice Aides	1:10 per patient
Spiritual Counselor	Contracted per visit

Within the application, Olympic Medical Center provided a draft job description for its prospective medical director for the hospice agency. The draft medical director job description describes the roles and responsibilities for the prospective medical director and identifies all costs associated with the services. [Source: Application, page 4 and Appendix C]

Olympic Medical Center provided the following statements related to its staff to visit ratio shown in the table above.

*“These ratios correspond to national averages as published by the National Hospice and Palliative Care Organization”.* [Source: Application, page 31]

Olympic Medical Center also provided the Quality Assessment /Performance Improvement to be used at the hospice agency. [Source: March 18, 2019, page 16, and Appendix S-1; Appendix S-3]

The policies included are:

- Honoring Choices Materials
- QAPI examples
- Honoring Choices Materials

#### Public Comment

None

#### Rebuttal Comment

None

#### Department Evaluation

Olympic Medical Center is the only acute care hospital located in Clallam County and it has been providing healthcare services for many years. As an existing provider, Olympic Medical Center has an understanding of the appropriate staffing necessary to establish an agency in Clallam County. As shown in the Table 5 above, 7.47 FTEs are needed in year one, which increases to 15.05 FTEs by the end of year three. Olympic Medical Center also identified Olympic Medical Hospice year three projected staffing ratios. The ratios are reasonable and consistent with data provided in past hospice applications reviewed by the program.

Olympic Medical Center provided a draft job description for its prospective medical director. The draft job description identifies all roles and responsibilities and all costs associated with medical director services. Olympic Medical Center intends to use the strategies it has successfully used in the past for recruitment and retention of staff to the hospital. The strategies identified by Olympic Medical Center are consistent with those of other applicants reviewed and approved by the department.

The hospice agency's job description for the Medical Director provided within the application is a draft document. To ensure that the proposed hospice agency will have a medical director, if this project is approved, the department would attach a condition requiring Olympic Medical Center to provide an executed medical director job description consistent with the draft provided in the application.

With the condition identified above and Olympic Medical Center agreement to the condition, the department concludes Olympic Medical Center 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.

#### Olympic Medicare Center

Olympic Medical Center provided the following statement related to the proposed hospice agency ancillary and support services. [Source: Application, page 33]



Vendor relationships

*As a part of the larger medical center, OMH will have access to all current and future vendor relationships and contracts in place for the hospital's inpatient and outpatient services.*

Provision of inpatient hospice care

*"General Inpatient Care: As an acute care hospital, OMC is able to provide OMH patients with General Inpatient Care under the Medicare Hospice Benefit when that level of care is needed.*

*Respite Care: Respite Care under the Medicare Hospice Benefit will be provided in either OMC beds available for such care or under contract with Clallam County nursing homes. Initiation of such arrangements with area nursing homes will take place upon receipt of a hospice Certificate of Need".*

Public Comment

None

Rebuttal Comment

None

**Department Evaluation**

Olympic Medical Center is currently a Medicare and Medicaid home health provider in Washington State. This project proposes to establish a new service in Clallam County, but not a new agency. The proposed hospice agency would be co-located with the existing home health agency located in Port Angeles. Information provided in the application demonstrates that the proposed hospice agency would have access to all ancillary and support services used by both the home health agency and Olympic Medical Center.

Based on the information reviewed in the application, the department concludes that Olympic Medical Center has the experience and expertise to establish appropriate ancillary and support relationships for a new hospice agency. Based on the information, the department concludes **this sub criterion is met.**

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

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.<sup>6</sup> To 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.

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<sup>6</sup> WAC 246-310-230(5).

### **Olympic Medicare Center**

In response to this sub-criterion, Olympic Medical Center provided the following statements.

*“There is no such history”.*

*“The administrative and management staff of Olympic Medical Center possesses the clinical and management knowledge to successfully establish a hospice in Clallam County. Its current leadership will develop a team responsible for supporting implementation of the new hospice in accordance with rules and law for the establishment and operations of hospices in Washington”.*

*“Please see Appendix L for copies of Olympic Medical Center’s licensing and accreditation documents”.* [Source: Application, page 34-35]

Below is a summary of the attachment referenced above.

- Washington State Department of Health Olympic Medical Center Hospital Acute Care License
- Olympic Medical Center Certificate of Accreditation

### **Public Comment**

None

### **Rebuttal Comment**

None

### **Department Evaluation**

As stated in the applicant description section of this evaluation, Olympic Medical Center is a 126-bed acute care hospital located at 939 Caroline Street, in Port Angeles. The Department of Health licenses acute care hospitals, home health, and hospice agencies.

The Department of Health’s Office of Health Systems Oversight (OHSO) conducted surveys for the facilities owned or operated by Olympic Medical Center. Using its own internal database, the department reviewed the historical survey data for the healthcare facilities associated with Olympic Medical Center. The survey data is summarized by in the table below. [Source: DOH Office of Health System Oversight]

**Department’s Table 9  
Olympic Medical Center Facilities**

<b>Site Address/County</b>	<b>License #</b>	<b>Type of Survey</b>	<b>Year of State Survey</b>
Olympic Medical Center 939 Caroline Street Port Angeles, WA 98362-3909	HAC.FS.00000038	Joint Commission	08/01/2011
		Det Norske Veitas	03/20/2014
		Ongoing Routine	08/06/2015
		Det Norske Veitas	02/02/2017
		Ongoing Routine	08/09/2018
Olympic Medical Home Health 939 Caroline Street Port Angeles, WA 98362-3909	IHS.FS.00000393	Ongoing Deemed	01/25/2013
		Ongoing Deemed	01/21/2016
		Ongoing Routine	01/15/2019

As shown above, the two facilities owned by Olympic Medical Center have had recent surveys. Information provided by the Department of Health internal database show that the two facilities are



substantially compliant. For survey deficiencies identified, Olympic Medical Center provided plan of corrections that were accepted. OHSO has not taken action against any of two facilities licenses. [Source: ILRS]

#### CMS Survey Data

Using the Center for Medicare and Medicaid Services Quality, Certification & Oversight Reports (QCOR) website, the department reviewed the historical survey information for Olympic Medical Center. Olympic Medical Center QCOR review shows that it has not been surveyed within the last three years—2016 through 2018. The most recent survey for Olympic Medical Center was year 2011. This survey showed one standard-level deficiency<sup>7</sup> that was corrected; a follow up survey was completed in July 2011.

Within the past three years (2016 through 2018), Olympic Medical Home Health was surveyed twice by CMS and the surveys show four standard-level deficiencies that were corrected. These four deficiencies did not necessitate a follow-up visit. [Source: QCOR Survey Activity Report for OMC]

In the application, Olympic Medical Center did not provide the names of the key staff necessary for the hospice agency; nor did it identify the timeline it would use to recruit the key staff. Within the application Olympic Medical Center states, *“A medical director for the proposed hospice will be identified upon receipt of a hospice Certificate of Need. The medical director job description and qualifications are provided at Appendix C.*

*Final selection and hiring of the medical director for the Clallam County Medicare-certified hospice will be undertaken upon receipt of a Certificate of Need. The Medical Director will be a hospital employee. Please see Appendix C for a copy of the proposed medical director job description and position requirements”.* [Source: Application page 4]

To ensure the hospice agency has appropriate staffing, if this project is approved, the department would attached a condition requiring that prior to providing services, Clallam County Public Hospital District No. 2 dba Olympic Medical Center submit a listing of its key staff to the department. The listing of key staff shall include the names and professional license numbers.

With Clallam County Public Hospital District No. 2 dba Olympic Medical Center agreement to the condition identified above, and given the compliance history of the facilities own or operated by the applicant, the department concludes there is reasonable assurance the proposed hospice agency would be operated in conformance with applicable state and federal licensing and certification requirements. Based on the information reviewed, the department concludes **this sub criterion is met.**

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

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

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<sup>7</sup> There are two different types of citations that CMS can issue. The more serious, known as “condition-level” mean that a healthcare is not in substantial compliance with Medicare’s Conditions of Participation. A “standard-level” deficiency means that the healthcare facility may be out of compliance with one aspect of the regulations, but is considered less severe than condition-level.

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.

### **Olympic Medicare Center**

Olympic Medical Center provided the following statements related to this sub criterion. [Source: Application, page 33]

#### **"The Medicare Hospice Benefit**

*Promoting continuity and avoiding unwarranted fragmentation are both at the heart of the Medicare certified hospice benefit. The interdisciplinary hospice team functions to provide continuity through shared development of each patient's plan of care and managing that care every day. Financially, the per diem payment to the hospice for all services puts the control of the full range of care in the hands of the interdisciplinary team.*

#### **Community and Provider Education**

*To enhance continuity of care, OMH will provide community education about the need for early admission to hospice. The OMH relationship to OMC Home Health provides an opportunity to assure that terminally ill home health patients are aware of their hospice options. And, Olympic Medical Physicians will also be supported in identifying their terminally ill patients and providing information about hospice where appropriate.*

#### **Death with Dignity**

*Olympic Medical Center is committed to Clallam County residents' having desired control over their own health care choices. The 61% majority vote by Clallam County residents for the "death with dignity" statewide ballot measure in 2008 indicated this is an important value to the community OMC serves. OMH intends to include in its network providers who will actively support patients pursuing their "death with dignity" options as available under Washington law. As part of this effort, OMH will reach out to End of Life Washington for their advice and support in policy development, staff training and in locating needed resources".*

#### **Public Comment**

None

#### **Rebuttal Comment**

None

### **Department Evaluation**

Given that Olympic Medical Center currently operates a Medicare and Medicaid home health agency in the county, documentation in the application demonstrates that the basic infrastructure is already place for the hospice agency. For example, the site and much of the office equipment is already on site. Further, Olympic Medical Center demonstrated a reasonable patient base for the new hospice agency.

The key services identified in the application are hospice inpatient, respite, and home care services. With the approval of Olympic Medical Center's proposed project, residents in Clallam County would have access to hospice services. Therefore, the department concludes that approval of this project will promote continuity in the provision of healthcare and not result in an unwarranted fragmentation of Medicare and Medicaid certified hospice services in the county. **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.*

#### **Olympic Medicare Center**

For this sub-criterion, Olympic Medical Center provided the same information as provided under WAC 246-310-230(3) above. Olympic Medical Center stated it has no criminal history and assures it will provide hospice services consistent with state and federal requirements.

#### **Public Comment**

None

#### **Rebuttal Comment**

None

#### **Department Evaluation**

This sub-criterion is addressed in sub-section (3) above and **is met for** Olympic Medical Center.

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

Based on the source information reviewed and agreement to the conditions identified in the conclusion section of this evaluation, the department determines that the Clallam County Public Hospital District No. 2 dba Olympic Medical Center project **met** the applicable cost containment 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.

WAC 246-310-290(10) provides the following direction for review this sub-criterion of applications for hospice agencies. It states:

*“In addition to demonstrating numeric need under subsection (7) of this section, applicants must meet the following certificate of need requirements:*

- (a) Determination of need under WAC [246-310-210](#);*
- (b) Determination of financial feasibility under WAC [246-310-220](#);*
- (c) Criteria for structure and process of care under WAC [246-310-230](#); and*
- (d) Determination of cost containment under WAC [246-310-240](#).”*

If there are multiple applications, the department’s assessment is to apply any service or facility superiority criteria is in WAC 246-310-290(11) provides the superiority criteria used to compare competing projects and make the determination between two or more approvable projects, which is the best alternative. This project is not competing; therefore, the superiority criteria does not apply.

## **Olympic Medicare Center**

### **Step One**

For this project, Olympic Medical Center 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, Olympic Medical Center considered the following options. The options and Olympic Medical Center's rationale for rejecting them is below. [Source: Application, page 35-37]

*"Olympic Medical Center considered the following alternatives when deciding to pursue the hospice project in 2018:*

- *Acquisition vs. start up*
- *Postponing action*
- *No action*

*The decision making criteria were:*

- *Acquisition availability*
- *Financial feasibility*
- *Conformance with OMC's strategic plan and 2018 objectives*

*The advantages and disadvantages identified in deciding to pursue a Certificate of Need include:*

- ***Conformance with OMC strategies:***  
*Submitting a Certificate of Need application in 2018 to establish a Medicare hospice directly corresponds to OMC's 2018-2020 Strategic Plan and its specific 2018 objective to expand Medicare hospice availability in Clallam County.*
- ***Financial feasibility:***  
*As a result of the large size of Clallam County's underserved population and the size of projected demand that stems from that unmet need, OMC's new hospice can confidently project steady growth and positive financial results. Comparing financial feasibility of an acquisition vs. startup would depend on the price OMC paid for the acquisition if one were available.*
- ***Acquisition available:***  
*There is one Medicare certified hospice in Clallam County and it is not available for sale at this time. It was determined that area residents should not have to wait to have additional and needed access to hospice care.*
- ***Capital costs:***  
*Olympic Medical Center can readily fund the required start up expense related to establishing a new hospice in Clallam County. The pro forma revenue and expense statement shows that the initial investment will be recouped within a reasonable time.*
- ***Staffing impact:***  
*Acquisition of an existing hospice could be more cost efficient, depending on the staffing configuration and management organization of the acquired hospice. Yet, expansion of hospice services in Clallam County beyond current levels, via either method, would have an equal impact on staffing.*



*Summary: One alternative—acquisition—was eliminated because it is not feasible. Considering the other two alternatives, act now or wait in light of the criteria above, the advantages and disadvantages taken together make it clear that establishment of a new hospice agency now is the preferred alternative.”*

In response to the department’s request to describe how the project would comply with Medicare conditions of participation, without exceeding the costs caps, Olympic Medical Center provided the following information. [Source: Application, pages 36-37]

*“Low hospice lengths of stay in Washington and Clallam County, plus 2017 revisions to CMS payment formulas for hospice care, substantially reduce the potential for exceeding Medicare cost caps.”*

Olympic Medical Center provided the following description of how the project will promote staff or system efficiency or productivity. [Source: Application, page 37]

*“System Impacts*

*Health care system efficiency is embedded in the hospice concept. Patient who no longer wish to undergo curative treatment have the opportunity to substitute palliative and comfort care for the remaining course of their illnesses. This means the resources expended are more appropriate to the patient and family’s goals.*

*The avoidance of ICU admissions of terminally ill patients who do not wish to die in a hospital is an example of the cost efficiency of this approach.*

*Comprehensive hospice care is covered by a per diem payment across care settings. Coordination of the multi-disciplinary care by the hospice team also fosters system efficiency by providing the right care at the right time. This reduces expensive duplication and unnecessary re-work, typical of other parts of the health care system.*

*Staff Efficiency’*

*Hospice fosters staff efficiency in the health care system by allocating scarce RN resources to those who need that level of care. Instead of a patient’s requiring 1:1 or 1:2 RN staffing for 3 shifts a day in a hospital ICU, the patient is at home with sufficient personal care and nursing resources to provide necessary palliative and comfort care.”*

Public Comment

None

Rebuttal Comment

None

**Department Evaluation**

The numeric methodology demonstrated need for at least one more agency in Clallam County. Olympic Medical Center provided information in the application to demonstrate its project would meet all review criterion to establish Medicare and Medicaid hospice services in the county. As a result, the options rejected by Olympic Medical Center are appropriate. The department did not identify any superior alternatives in terms of cost, efficiency, or effectiveness that is available or practicable for the applicant.

Since there are no construction costs, but modest remodeling costs necessary to establish a hospice agency in Clallam County, the department acknowledges that hospice services can be provided with very little financial impact to the applicant or the community.

Olympic Medical Center also provided comprehensive rationale regarding the staff efficiency and appropriateness of hospice care for patients who request it. Further, the information provided by the applicant related to system impacts and hospice care is accurate and rational.

The department concludes approval of Olympic Medical Center application is the best available alternative for Clallam County. **This sub-criterion is met.**

(2) In the case of a project involving construction:

(a) The costs, scope, and methods of construction and energy conservation are reasonable;

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

**Olympic Medical Center**

This application does not involve construction, therefore this sub-criterion does not apply.

(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.

**Olympic Medical Center**

In response to this sub-criterion, Olympic Medical Center provided the following statements. [Source: Application, pages 37-38]

*“Upon receipt of a hospice Certificate of Need, OMC will undertake a remodeling project in vacant space adjacent its home health agency office currently located near the hospital campus in a one-story office building already owned by the hospital. Chief aspects of the project that limit capital costs:*

- a. The OMH office space is not located in expensive inpatient hospital space but in a one story existing office building.*
- b. The construction of OMH office space is limited to that required for OMH staff and is adjacent OMC home health offices where OMC home health administrative staff to be shared with OMH is already housed.*
- c. The construction consists of remodeling existing vacant space and will be undertaken by OMC internal construction staff rather than under contract to a potentially more expensive outside contractor.”*

**Public Comment**

None

**Rebuttal Comment**

None

**Department Evaluation**

Olympic Medical Center provided sound and reasonable rationale for adding Medicare and Medicaid certified hospice services in Clallam County. If approved, Olympic Medical Center has the potential to improve delivery of necessary in home services to Clallam County. **This sub-criterion is met.**



# Department of Health

## 2018-2019 Hospice Numeric Need Methodology

*Disclaimer: This report is based on revised Certificate of Need rules which are effective 10/15/2018*



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

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

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

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

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

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

Use Rates	
0-64	28.50%
65+	60.91%

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

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

Sources:  
2018 Survey for CY2017 Hospice Data - facility self-report to department  
Vital Statistics 2017

Prepared by Beth Harlow - August 2018

# Department of Health

## 2018-2019 Hospice Numeric Need Methodology

Disclaimer: This report is based on revised Certificate of Need rules which are effective 10/15/2018.



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

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

County	0-64				2015-2017 Average Deaths
	2015	2016	2017	2018	
Adams	35	34	38		36
Asotin	62	50	49		54
Benton	372	352	385		370
Chelan	152	123	124		133
Ciallam	203	172	180		185
Clark	881	781	883		848
Columbia	14	12	19		15
Cowlitz	280	290	351		307
Douglas	82	56	71		70
Ferry	23	20	30		24
Franklin	111	115	133		120
Garfield	4	4	6		5
Grant	197	191	203		197
Grays Harbor	238	233	238		236
Island	165	134	166		155
Jefferson	67	69	69		68
King	3,397	3,204	3,256		3,286
Kitsap	537	518	485		513
Kittitas	82	59	91		77
Klickitat	33	50	63		49
Lewis	236	194	210		213
Lincoln	20	26	20		22
Mason	184	164	169		172
Okanogan	128	110	119		119
Pacific	71	59	88		73
Pend Oreille	41	35	34		37
Pierce	1,892	1,883	1,936		1,904
San Juan	32	36	18		29
Skagit	279	248	271		266
Skamania	34	39	16		30
Snohomish	1,478	1,440	1,483		1,467
Spokane	1,230	1,168	1,147		1,182
Stevens	127	103	96		109
Thurston	581	485	530		532
Wahkiakum	5	10	3		6
Walla Walla	122	123	123		123
Whatcom	371	365	367		368
Whitman	74	42	57		58
Yakima	525	560	586		557

County	65+				2015-2017 Average Deaths
	2015	2016	2017	2018	
Adams	102	92	78		91
Asotin	212	192	190		198
Benton	1,103	1,075	1,081		1,086
Chelan	543	535	556		545
Ciallam	754	762	842		786
Clark	2,553	2,589	2,579		2,574
Columbia	48	48	116		71
Cowlitz	864	863	917		881
Douglas	230	227	232		230
Ferry	54	64	60		59
Franklin	257	242	284		261
Garfield	28	20	17		22
Grant	488	479	509		492
Grays Harbor	555	606	622		594
Island	597	565	630		597
Jefferson	313	293	308		305
King	9,308	9,766	10,039		9,704
Kitsap	1,610	1,704	1,780		1,698
Kittitas	223	243	237		234
Klickitat	119	145	151		138
Lewis	667	676	721		688
Lincoln	78	102	105		95
Mason	499	494	550		514
Okanogan	340	303	350		331
Pacific	258	222	262		247
Pend Oreille	101	120	133		118
Pierce	4,550	4,751	5,019		4,773
San Juan	118	126	115		120
Skagit	909	979	1,007		965
Skamania	53	64	65		61
Snohomish	3,833	3,857	4,118		3,936
Spokane	3,361	3,356	3,527		3,415
Stevens	359	336	376		357
Thurston	1,651	1,661	1,768		1,693
Wahkiakum	39	39	37		38
Walla Walla	468	485	501		485
Whatcom	1,262	1,353	1,329		1,315
Whitman	223	212	236		224
Yakima	1,419	1,458	1,471		1,449

Source:  
Vital Statistics 2017

Prepared by Beth Harlow - August 2018



# Department of Health

## 2018-2019 Hospice Numeric Need Methodology

*Disclaimer: This report is based on revised Certificate of Need rules which are effective 10/15/2018.*



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

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

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

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

# Department of Health

## 2018-2019 Hospice Numeric Need Methodology

Disclaimer: This report is based on revised Certificate of Need rules which are effective 10/15/2018.



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

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

County	Projected Patients	2015-2017 Average Population	0-64							
			2018 projected population	2019 projected population	2020 projected population	2021 projected population	2018 potential volume	2019 potential volume	2020 potential volume	2021 potential volume
Adams	10	18,446	18,911	19,143	19,376	19,593	10	11	11	11
Asotin	15	16,815	16,568	16,444	16,320	16,207	15	15	15	15
Benton	105	161,501	164,332	165,748	167,164	168,613	107	108	109	110
Chelan	38	62,517	62,797	62,937	63,077	63,140	38	38	38	38
Columbia	53	53,075	52,690	52,498	52,305	52,006	52	52	52	52
Clark	242	389,473	395,662	398,757	401,851	404,783	246	248	249	251
Columbia	4	2,919	2,854	2,821	2,788	2,761	4	4	4	4
Cowlitz	87	86,538	86,536	86,535	86,534	86,408	87	87	87	87
Douglas	20	34,399	35,028	35,342	35,657	35,962	20	20	21	21
Ferry	7	5,803	5,663	5,593	5,523	5,484	7	7	7	7
Franklin	34	82,879	87,280	89,481	91,682	94,076	36	37	38	39
Garfield	1	1,685	1,646	1,626	1,606	1,593	1	1	1	1
Grant	56	84,556	86,837	87,977	89,117	90,224	58	58	59	60
Grays Harbor	67	59,608	59,033	58,746	58,459	58,190	67	66	66	66
Island	44	63,286	63,087	62,988	62,888	62,809	44	44	44	44
Jefferson	19	20,979	20,856	20,795	20,733	20,692	19	19	19	19
King	936	1,768,901	1,785,338	1,793,556	1,801,775	1,807,650	945	949	954	957
Kitsap	146	220,011	220,870	221,299	221,728	222,273	147	147	147	148
Kittitas	22	36,825	37,360	37,628	37,895	38,140	22	23	23	23
Klickitat	14	15,858	15,531	15,368	15,204	15,103	14	13	13	13
Lewis	61	63,222	63,540	63,699	63,858	63,908	61	61	61	61
Lincoln	6	8,074	7,979	7,932	7,885	7,827	6	6	6	6
Mason	49	50,468	51,025	51,303	51,581	51,817	50	50	50	50
Okanogan	34	33,301	32,964	32,795	32,627	32,500	34	33	33	33
Pacific	21	14,889	14,600	14,456	14,311	14,233	20	20	20	20
Pend Oreille	10	10,046	9,897	9,822	9,748	9,687	10	10	10	10
Pierce	543	732,454	740,936	745,177	749,418	752,779	549	552	555	558
San Juan	8	11,086	10,829	10,700	10,572	10,515	8	8	8	8
Skagit	76	99,374	99,971	100,269	100,567	101,114	76	76	77	77
Skamania	8	9,221	9,078	9,007	8,936	8,915	8	8	8	8
Snohomish	418	665,893	677,368	683,105	688,843	693,096	425	429	433	435
Spokane	337	419,626	423,117	424,862	426,608	427,995	340	341	342	343
Stevens	31	34,664	34,245	34,036	33,826	33,710	31	30	30	30
Thurston	152	228,686	233,490	235,892	238,294	240,336	155	156	158	159
Wahkiakum	2	2,577	2,474	2,422	2,370	2,350	2	2	2	2
Walla Walla	35	50,630	50,829	50,928	51,028	51,101	35	35	35	35
Whatcom	105	179,083	182,002	183,461	184,920	186,581	106	107	108	109
Whitman	16	41,619	41,962	42,134	42,305	42,423	17	17	17	17
Yakima	159	225,689	228,696	230,200	231,703	233,083	161	162	163	164

Source: OFM, 2012 County Age and Sex Projections, five-year intervals and age groups\*

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## 2018-2019 Hospice Numeric Need Methodology

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

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

County	Projected Patients	2015-2017 Average Population	65+							
			2018 projected population	2019 projected population	2020 projected population	2021 projected population	2018 potential volume	2019 potential volume	2020 potential volume	2021 potential volume
Adams	55	2,088	2,176	2,220	2,264	2,312	58	59	60	61
Asotin	121	5,046	5,379	5,546	5,713	5,859	129	133	137	140
Benton	662	25,966	28,304	29,473	30,643	31,792	721	751	781	810
Chelan	332	13,344	14,427	14,968	15,509	16,106	359	372	386	400
Clallam	479	19,142	20,227	20,769	21,311	21,891	506	519	533	547
Clark	1568	63,864	69,949	72,991	76,033	79,149	1,717	1,792	1,866	1,943
Columbia	43	1,121	1,173	1,199	1,225	1,243	45	46	47	48
Cowlitz	537	19,284	20,669	21,361	22,054	22,804	575	595	614	635
Douglas	140	6,808	7,385	7,673	7,962	8,266	152	158	164	170
Ferry	36	1,833	2,008	2,096	2,183	2,231	40	41	43	44
Franklin	159	7,510	8,377	8,811	9,244	9,694	177	186	196	205
Garfield	13	549	582	598	614	625	14	14	15	15
Grant	300	12,917	13,939	14,450	14,961	15,543	323	335	347	361
Grays Harbor	362	14,134	15,041	15,495	15,949	16,442	385	397	408	421
Island	364	17,530	18,689	19,268	19,847	20,393	388	400	412	423
Jefferson	186	9,799	10,542	10,913	11,284	11,657	200	207	214	221
King	5911	263,088	285,063	296,051	307,039	318,641	6,404	6,651	6,898	7,159
Kitsap	1034	44,724	49,271	51,544	53,818	56,017	1,139	1,192	1,245	1,295
Kittitas	143	6,299	6,830	7,095	7,360	7,654	155	161	167	173
Klickitat	84	4,815	5,277	5,508	5,739	5,896	92	96	100	103
Lewis	419	14,952	15,739	16,133	16,527	16,984	441	452	463	476
Lincoln	58	2,560	2,691	2,757	2,822	2,899	61	62	64	66
Mason	313	13,603	14,784	15,374	15,964	16,604	340	354	368	382
Okanogan	202	9,116	9,826	10,181	10,536	10,826	217	225	233	239
Pacific	151	5,997	6,338	6,508	6,679	6,811	159	164	168	171
Pend Oreille	72	3,324	3,634	3,789	3,944	4,062	79	82	85	88
Pierce	2907	108,414	117,781	122,464	127,147	133,255	3,159	3,284	3,410	3,573
San Juan	73	4,891	5,288	5,486	5,684	5,811	79	82	85	87
Skagit	588	23,575	25,628	26,655	27,682	28,767	639	665	690	717
Skamania	37	2,114	2,363	2,488	2,612	2,726	41	43	46	48
Snohomish	2397	95,397	105,784	110,978	116,172	122,504	2,658	2,789	2,919	3,079
Spokane	2080	74,749	81,026	84,164	87,302	90,619	2,254	2,342	2,429	2,521
Stevens	217	9,788	10,587	10,986	11,386	11,749	235	244	253	261
Thurston	1031	41,946	45,959	47,965	49,971	51,862	1,130	1,179	1,229	1,275
Wahkiakum	23	1,343	1,425	1,466	1,507	1,518	25	25	26	26
Walla Walla	295	9,719	10,188	10,423	10,657	10,920	309	317	324	332
Whatcom	801	34,018	37,203	38,795	40,387	41,893	876	913	951	986
Whitman	136	4,857	5,189	5,355	5,521	5,707	146	150	155	160
Yakima	883	33,253	35,448	36,546	37,644	38,806	941	970	999	1,030

Source: OFM, 2012 County Age and Sex Projections, five-year intervals and age groups\*

Prepared by Beth Harlow - August 2018

# Department of Health

## 2018-2019 Hospice Numeric Need Methodology

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

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

County	2018 potential volume	2019 potential volume	2020 potential volume	2021 potential volume	Current Capacity	2018 Admits (Unmet)	2019 Admits (Unmet)	2020 Admits (Unmet)	2021 Admits (Unmet)
Adams	68	69	71	72	33.67	34	36	37	38
Asotin	144	148	151	155	73.33	70	74	78	81
Benton	828	859	890	920	902.67	(74)	(44)	(13)	17
Chelan	397	410	424	439	371.67	25	39	52	67
Cllallam	558	572	585	599	129.67	429	442	455	469
Clark	1,963	2,039	2,116	2,194	1,881.00	82	158	235	313
Columbia	49	50	51	52	19.33	30	31	32	32
Cowlitz	663	682	701	722	774.67	(112)	(93)	(73)	(53)
Douglas	172	178	184	191	144.33	28	34	40	46
Ferry	46	48	50	51	27.33	19	21	22	23
Franklin	213	223	233	244	148.67	65	75	85	95
Garfield	15	16	16	16	4.00	11	12	12	12
Grant	381	394	406	421	225.00	156	169	181	196
Grays Harbor	452	463	475	487	280.33	172	183	194	207
Island	432	444	456	467	307.33	125	137	148	160
Jefferson	219	226	233	240	168.00	51	58	65	72
King	7,350	7,601	7,852	8,116	7,847.23	(498)	(246)	5	269
Kitsap	1,286	1,339	1,392	1,443	1,152.67	134	186	239	291
Kittitas	177	183	189	196	135.00	42	48	54	61
Klickitat	106	110	114	116	156.63	(51)	(47)	(43)	(40)
Lewis	502	513	525	537	438.33	64	75	86	99
Lincoln	67	68	70	72	19.00	48	49	51	53
Mason	390	404	418	433	241.67	148	162	176	191
Okanogan	251	259	266	273	190.33	61	68	76	82
Pacific	180	184	188	191	97.00	83	87	91	94
Pend Oreille	89	92	95	98	58.00	31	34	37	40
Pierce	3,707	3,836	3,965	4,131	3,895.33	(188)	(59)	69	236
San Juan	87	90	92	94	75.33	11	14	17	19
Skagit	715	741	767	794	628.67	87	112	138	166
Skamania	50	52	54	56	39.00	11	13	15	17
Snohomish	3,084	3,218	3,352	3,514	2,635.33	448	582	717	878
Spokane	2,594	2,683	2,771	2,865	2,664.00	(70)	19	107	201
Stevens	266	274	283	291	138.33	127	136	145	153
Thurston	1,285	1,336	1,387	1,435	1,104.30	181	231	282	330
Wahkiakum	26	27	28	28	6.33	20	21	21	22
Walla Walla	345	352	359	367	317.00	28	35	42	50
Whatcom	982	1,021	1,059	1,095	858.67	124	162	200	237
Whitman	162	167	172	177	227.33	(65)	(60)	(56)	(51)
Yakima	1,102	1,132	1,162	1,194	1,123.67	(22)	8	39	70

Source: Surveys for CY2015-2017 Hospice Data - facility self-report to department

Prepared by Beth Harlow - August 2018



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## 2018-2019 Hospice Numeric Need Methodology

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

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

County	2018 Admits (Unmet)	2019 Admits (Unmet)	2020 Admits (Unmet)	2021 Admits (Unmet)	Step 6 (Admits * ALOS) = Unmet Patient Days				
					Statewide ALOS	2018 Patient Days (unmet)	2019 Patient Days (unmet)	2020 Patient Days (unmet)	2021 Patient Days (unmet)
Adams	34	36	37	38	60.86	2,088	2,166	2,245	2,330
Asotin	70	74	78	81	60.86	4,279	4,515	4,750	4,956
Benton	(74)	(44)	(13)	17	60.86	(4,517)	(2,648)	(779)	1,063
Chelan	25	39	52	67	60.86	1,525	2,349	3,173	4,079
Clallam	429	442	455	469	60.86	26,080	26,894	27,708	28,573
Clark	82	158	235	313	60.86	4,962	9,623	14,285	19,050
Columbia	30	31	32	32	60.86	1,819	1,877	1,934	1,974
Cowlitz	(112)	(93)	(73)	(53)	60.86	(6,805)	(5,632)	(4,458)	(3,195)
Douglas	28	34	40	46	60.86	1,682	2,054	2,426	2,816
Ferry	19	21	22	23	60.86	1,157	1,257	1,357	1,412
Franklin	65	75	85	95	60.86	3,930	4,543	5,156	5,795
Garfield	11	12	12	12	60.86	686	709	732	747
Grant	156	169	181	196	60.86	9,496	10,264	11,031	11,898
Grays Harbor	172	183	194	207	60.86	10,444	11,132	11,820	12,570
Island	125	137	148	160	60.86	7,581	8,309	9,036	9,723
Jefferson	51	58	65	72	60.86	3,103	3,527	3,952	4,380
King	(498)	(246)	5	269	60.86	(30,289)	(15,001)	288	16,342
Kitsap	134	186	239	291	60.86	8,129	11,346	14,564	17,681
Kittitas	42	48	54	61	60.86	2,563	2,938	3,313	3,727
Klickitat	(51)	(47)	(43)	(40)	60.86	(3,086)	(2,849)	(2,612)	(2,450)
Lewis	64	75	86	99	60.86	3,889	4,570	5,251	6,034
Lincoln	48	49	51	53	60.86	2,922	3,010	3,098	3,201
Mason	148	162	176	191	60.86	9,034	9,878	10,722	11,633
Okanogan	61	68	76	82	60.86	3,685	4,152	4,620	5,002
Pacific	83	87	91	94	60.86	5,022	5,271	5,520	5,715
Pend Oreille	31	34	37	40	60.86	1,879	2,078	2,277	2,428
Pierce	(188)	(59)	69	236	60.86	(11,441)	(3,606)	4,228	14,348
San Juan	11	14	17	19	60.86	696	870	1,044	1,157
Skagit	87	112	138	166	60.86	5,268	6,840	8,412	10,083
Skamania	11	13	15	17	60.86	647	775	903	1,023
Snohomish	448	582	717	878	60.86	27,286	35,449	43,612	53,458
Spokane	(70)	19	107	201	60.86	(4,259)	1,140	6,539	12,224
Stevens	127	136	145	153	60.86	7,757	8,286	8,815	9,299
Thurston	181	231	282	330	60.86	10,987	14,087	17,186	20,098
Wahkiakum	20	21	21	22	60.86	1,222	1,263	1,305	1,316
Walla Walla	28	35	42	50	60.86	1,676	2,113	2,551	3,040
Whatcom	124	162	200	237	60.86	7,517	9,850	12,183	14,399
Whitman	(65)	(60)	(56)	(51)	60.86	(3,969)	(3,682)	(3,394)	(3,074)
Yakima	(22)	8	39	70	60.86	(1,324)	514	2,352	4,288

# Department of Health

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

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

County	2018 Patient Days (unmet)	2019 Patient Days (unmet)	2020 Patient Days (unmet)	2021 Patient Days (unmet)	Step 7 (Patient Days / 365) = Unmet ADC			
					2018 ADC (unmet)	2019 ADC (unmet)	2020 ADC (unmet)	2021 ADC (unmet) Projection Year
Adams	2,088	2,166	2,245	2,330	6	6	6	6
Asotin	4,279	4,515	4,750	4,956	12	12	13	14
Benton	(4,517)	(2,648)	(779)	1,063	(12)	(7)	(2)	3
Chelan	1,525	2,349	3,173	4,079	4	6	9	11
Clallam	26,080	26,894	27,708	28,573	71	74	76	78
Clark	4,962	9,623	14,285	19,050	14	26	39	52
Columbia	1,819	1,877	1,934	1,974	5	5	5	5
Cowlitz	(6,805)	(5,632)	(4,458)	(3,195)	(19)	(15)	(12)	(9)
Douglas	1,682	2,054	2,426	2,816	5	6	7	8
Ferry	1,157	1,257	1,357	1,412	3	3	4	4
Franklin	3,930	4,543	5,156	5,795	11	12	14	16
Garfield	686	709	732	747	2	2	2	2
Grant	9,496	10,264	11,031	11,898	26	28	30	33
Grays Harbor	10,444	11,132	11,820	12,570	29	30	32	34
Island	7,581	8,309	9,036	9,723	21	23	25	27
Jefferson	3,103	3,527	3,952	4,380	9	10	11	12
King	(30,289)	(15,001)	288	16,342	(83)	(41)	1	45
Kitsap	8,129	11,346	14,564	17,681	22	31	40	48
Kittitas	2,563	2,938	3,313	3,727	7	8	9	10
Klickitat	(3,086)	(2,849)	(2,612)	(2,450)	(8)	(8)	(7)	(7)
Lewis	3,889	4,570	5,251	6,034	11	13	14	17
Lincoln	2,922	3,010	3,098	3,201	8	8	8	9
Mason	9,034	9,878	10,722	11,633	25	27	29	32
Okanogan	3,685	4,152	4,620	5,002	10	11	13	14
Pacific	5,022	5,271	5,520	5,715	14	14	15	16
Pend Oreille	1,879	2,078	2,277	2,428	5	6	6	7
Pierce	(11,441)	(3,606)	4,228	14,348	(31)	(10)	12	39
San Juan	696	870	1,044	1,157	2	2	3	3
Skagit	5,268	6,840	8,412	10,083	14	19	23	28
Skamania	647	775	903	1,023	2	2	2	3
Snohomish	27,286	35,449	43,612	53,458	75	97	119	146
Spokane	(4,259)	1,140	6,539	12,224	(12)	3	18	33
Stevens	7,757	8,286	8,815	9,299	21	23	24	25
Thurston	10,987	14,087	17,186	20,098	30	39	47	55
Wahkiakum	1,222	1,263	1,305	1,316	3	3	4	4
Walla Walla	1,676	2,113	2,551	3,040	5	6	7	8
Whatcom	7,517	9,850	12,183	14,399	21	27	33	39
Whitman	(3,969)	(3,682)	(3,394)	(3,074)	(11)	(10)	(9)	(8)
Yakima	(1,324)	514	2,352	4,288	(4)	1	6	12



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

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

County	Application/Base			Step 7 (Patient Days / 365) = Unmet ADC			Step 8 - Numeric Need		
	2018 ADC (unmet)	2019 ADC (unmet)	2020 ADC (unmet)	2021 ADC (unmet) Projection Year	Numeric Need?	Agencies Needed?			
Adams	6	6	6	6	FALSE	FALSE			
Asotin	12	12	13	14	FALSE	FALSE			
Benton	(12)	(7)	(2)	3	FALSE	FALSE			
Chelan	4	6	9	11	FALSE	FALSE			
Clallam	71	74	76	78	TRUE	2.24			
Clark	14	26	39	52	TRUE	1.49			
Columbia	5	5	5	5	FALSE	FALSE			
Cowlitz	(19)	(15)	(12)	(9)	FALSE	FALSE			
Douglas	5	6	7	8	FALSE	FALSE			
Ferry	3	3	4	4	FALSE	FALSE			
Franklin	11	12	14	16	FALSE	FALSE			
Garfield	2	2	2	2	FALSE	FALSE			
Grant	26	28	30	33	FALSE	FALSE			
Grays Harbor	29	30	32	34	FALSE	FALSE			
Island	21	23	25	27	FALSE	FALSE			
Jefferson	9	10	11	12	FALSE	FALSE			
King	(83)	(41)	1	45	TRUE	1.28			
Kitsap	22	31	40	48	TRUE	1.38			
Kittitas	7	8	9	10	FALSE	FALSE			
Klickitat	(8)	(8)	(7)	(7)	FALSE	FALSE			
Lewis	11	13	14	17	FALSE	FALSE			
Lincoln	8	8	8	9	FALSE	FALSE			
Mason	25	27	29	32	FALSE	FALSE			
Okanogan	10	11	13	14	FALSE	FALSE			
Pacific	14	14	15	16	FALSE	FALSE			
Pend Oreille	5	6	6	7	FALSE	FALSE			
Pierce	(31)	(10)	12	39	TRUE	1.12			
San Juan	2	2	3	3	FALSE	FALSE			
Skagit	14	19	23	28	FALSE	FALSE			
Skamania	2	2	2	3	FALSE	FALSE			
Snohomish*	75	97	119	146	TRUE	4.18			
Spokane	(12)	3	18	33	FALSE	FALSE			
Stevens	21	23	24	25	FALSE	FALSE			
Thurston	30	39	47	55	TRUE	1.57			
Wahkiakum	3	3	4	4	FALSE	FALSE			
Walla Walla	5	6	7	8	FALSE	FALSE			
Whatcom	21	27	33	39	TRUE	1.13			
Whitman	(11)	(10)	(9)	(8)	FALSE	FALSE			
Yakima	(4)	1	6	12	FALSE	FALSE			

\*There is currently a pending decision in Snohomish County. Once a decision is released, the need methodology will be updated.  
DOH 260-028 September 2018