STATE OF WASHINGTON

DEPARTMENT OF HEALTH

Olympia, Washington 98504

August 25, 2020

Staci Beltran, Bristol Hospice, LLC
e-mail: staci.beltran@bristolhospice.com

RE: Certificate of Need Application #20-23 Bristol Hospice King, LLC

Dear Ms. Beltran:

We have completed review of the Certificate of Need application submitted by Bristol Hospice, LLC proposing to establish Medicare and Medicaid certified hospice services in King County, within Washington State. Enclosed is a written evaluation of the application.

For the reasons stated in this evaluation, the department has concluded that the project is not consistent with the Certificate of Need review criteria identified below, and a Certificate of Need is denied.

Washington Administrative Code 246-310-220	Financial Feasibility
Washington Administrative Code 246-310-230	Structure and Process of Care
Washington Administrative Code 246-310-240	Cost Containment

This decision may be appealed. The two appeal options are listed below.

Appeal Option 1:
You or any person with standing may request a public hearing to reconsider this decision. The request must state the specific reasons for reconsideration in accordance with Washington Administrative Code 246-310-560. A reconsideration request must be received within 28 calendar days from the date of the decision at one of the following addresses:

Mailing Address:	Physical Address
Department of Health	Department of Health
Certificate of Need Program	Certificate of Need Program
Mail Stop 47852	111 Israel Road SE
Olympia, WA 98504-7852	Tumwater, WA 98501

Appeal Option 2:
You or any person with standing may request an adjudicative proceeding to contest this decision within 28 calendar days from the date of this letter. The notice of appeal must be filed according to the provisions of Revised Code of Washington 34.05 and Washington Administrative Code 246-310-

610. A request for an adjudicative proceeding must be received within the 28 days at one of the following addresses:

Mailing Address:	Physical Address
Department of Health	Department of Health
Adjudicative Service Unit	Adjudicative Service Unit
Mail Stop 47879	111 Israel Road SE
Olympia, WA 98504-7879	Tumwater, WA 98501

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

Sincerely,

Eric Hernandez, Program Manager
Certificate of Need

Enclosure

EVALUATION DATED AUGUST 25, 2020, FOR THE FOLLOWING FOUR CERTIFICATE OF NEED APPLICATIONS PROPOSING TO ESTABLISH MEDICARE AND MEDICAID CERTIFIED HOSPICE SERVICES IN KING COUNTY

BRISTOL HOSPICE, LLC
CONTINUUM CARE OF KING, LLC
EMERALD HEALTHCARE, INC
SIGNATURE HOSPICE KING, LLC

APPLICANT DESCRIPTIONS

Bristol Hospice, LLC

Bristol Hospice, LLC is not registered in the state of Washington. Information provided in the application demonstrates that Bristol Hospice, LLC creates new corporations within the state it intends to operate. Bristol Hospice LLC operates in the following states: California, Colorado, Florida, Georgia, Hawaii, Oklahoma, Oregon, Texas, and Utah. [source: Application, p25] For this project, Bristol Hospice, LLC is considered the applicant.

Currently, Bristol Hospice, LLC does not own or operate any healthcare facilities in Washington State; however, for the year 2019 hospice concurrent review cycles one and two, Bristol Hospice, LLC submitted four separate Certificate of Need applications to establish agencies within the state.[1]

Continuum Care of King, LLC

Continuum Care of King LLC (Continuum) is a Washington State limited liability corporation owned by private persons. Its two owners, Samuel Stern and Goldy Stern are listed as Governors for several other Washington State limited liability corporations[2]. Continuum Care of King, LLC, is currently a licensed-only hospice that is not allowed to serve Medicare or Medicaid patients. Its parent company Continuum Care Hospice, LLC provides hospice services to residents in California and Rhode Island. On August 4th 2019, Continuum's sister entity, Continuum Care of Snohomish LLC, received Washington State Certificate of Need approval to establish a Medicare and Medicaid hospice agency in Snohomish County, under certificate number 1801. [Source: Application, Exhibit 1, Washington Secretary of State website, and Certificate of Need files]

For this evaluation, the applicant, Continuum Care of King LLC will be referenced in this evaluation as "Continuum."

Emerald Healthcare, Inc.

Emerald Healthcare, Inc. (Emerald), d/b/a Puget Sound Hospice, is owned by The Pennant Group, Inc., a publicly traded corporation that owns Cornerstone Healthcare, Inc. Cornerstone, in turn, owns Emerald Healthcare. For this project, Pennant is considered the applicant.

If a Certificate of Need is issued for this project, the department recognizes that the In Home Service license could be issued to Emerald Healthcare, Inc.

Emerald owns and operates Puget Sound Home Health of King County, which is located in Tacoma. Pennant owns and operates 33 hospice agencies, 28 home health agencies, 9 home care agencies, and 54 senior care entities. [Source: Application, p4]

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[1] Bristol Hospice, LLC applications submitted for King County in cycle 1 and Thurston, Snohomish, and Pierce counties for cycle 2.

[2] Continuum Care of Clark LLC and Continuum Care of Snohomish LLC [Source: Washington Secretary of State website]

Signature Hospice King, LLC

Northwest Hospice, LLC owns 100% of Signature Hospice, LLC, a Washington State corporation. Northwest Hospice, LLC is owned by Avamere Group, LLC (85%) and Robert Thomas (15%). [source: Application, Exhibit 2 and February 28, 2020, screening response, p1] For this project, Avamere Group, LLC is considered the applicant.

If a Certificate of Need is issued for this project, the department recognizes that the In Home Service license could be issued to Signature Hospice King, LLC. For this review, all references to the application will identify "Signature Hospice King, LLC."

Currently, Signature Hospice, LLC does not own or operate any healthcare facilities in Washington State; however, for the year 2019 hospice concurrent review cycles one and two, Signature Hospice submitted two separate Certificate of Need applications to establish agencies within the state.[3]

PROJECT DESCRIPTIONS

Under the Medicare payment system, hospice care benefits may consist of the following services: doctor services, nursing care, medical equipment, medical supplies, prescription medication, hospice aide and homemaker services, physical, occupational, and speech-language pathology services, social worker services, dietary counseling, grief and loss counseling for patients and family, short term inpatient care, short-term respite care, and any other Medicare-covered services needed to manage terminal illness and related conditions, as recommended by the hospice team.[4]

Bristol Hospice, LLC

Bristol Hospice LLC proposes to establish Medicare and Medicaid hospice agency to serve the residents of King County. The agency would be located at 135 South 336th Street in Federal Way [98003]. [source: Application, p7]

Hospice services to be provided directly by the new agency include:

- Pain and Symptom Management
- Bereavement Counseling and Support Services
- Spiritual Counseling
- Skilled Nursing Care
- Hospice Aide Services
- Volunteer Services
- Continuous Care
- Supplies, Medication and Durable Medical Equipment related to the Life-Limiting Illness

Services to be provided by the new agency under contract include:

- Outpatient Services
- General Inpatient Services
- Respite Care Services
- Therapy Service
- Medical Director
- Dietary

If approved, Bristol Hospice intends to begin providing Medicare and Medicaid hospice services to the residents of King County within 3-6 months of approval. For this application in King County, Bristol Hospice assumed a Certificate of Need approval date of mid-August 2020 and, Bristol Hospice would be providing Medicare and Medicaid hospice services the county on January 1, 2021. [source: Application,

[3] Signature Hospice, LLC applications submitted for King County in cycle 1 and Whatcom County for cycle 2.
[4] Medicare Hospice Benefits, page 8 Centers for Medicare & Medicaid Services. CMS Product No. 02154, Revised March 2020.

p9] Based on the timeline identified by the applicant, full calendar year one of the project is 2021 and full calendar year three is 2023.

Bristol Hospice identified an estimated capital expenditure of $30,000 for this project. The costs are for IT equipment, furniture, and an initial inventory of supplies for the agency. There are no construction costs for this project. [source: Application, p8 and p17]

Public Comments

Envision Hospice of Washington, LLC noted in public comment that the Bristol Hospice application was submitted without a signature. [source: Envision Hospice April 30, 2020, public comment]

Rebuttal Comments

In response to the public comments submitted by Envision Hospice, Bristol provided the following rebuttal comments. [source: Bristol Rebuttal Comments May 6, 2020]

"Public comment for the King County CON applications were released on May 4th, 2020. Bristol Hospice reviewed the comments submitted by the various groups and noted the specific comments made by Puget Sound, Continuum, and Envision on its application and screening. After review of the comments made Bristol would like to note that none of the points made by any of these parties would cause denial of its application. Bristol has been active in the CON decision-making process starting in late 2018. It has spent a significant amount of time with the DOH analysts going over each question and the required response to ensure that it has given the necessary detail to be awarded a Hospice CON. The points made by these groups were far reaching should not be considered during the review period."

Department Evaluation

Bristol Hospice did not specifically address whether they submitted a signed version of the application. Department records show that Bristol Hospice submitted both a pdf and a printed version of the application. It is true that the pdf version of the application is unsigned and this is the version that is available on Box.com. However, the printed version is signed by a representative of Bristol Hospice. Therefore, the department concludes that Bristol Hospice submitted a valid application for review.

Continuum Care of King, LLC

Continuum Care of King, LLC proposes to establish Medicare and Medicaid hospice agency to serve the residents of King County. The agency would be located at 33305 1st Way South, Suite B-207, in Federal Way [98003]. [source: Application, p5]

The applicant provided the following table identifying the services it intends to provide:

Applicant's Table 1
Service Listing and Indication of Direct Provision or Contract

Service	*Brief Description*	*Direct or Contract*
Nursing	*Regular visits by registered hospice nurses with specialized training and expertise in pain and symptom management.*	*Direct*
Spiritual Support	*As requested, for patients and families*	*Direct*

Service	*Brief Description*	*Direct or Contract*
Medical Management	*Coordination of medical equipment, supplies, and medicine for comfort and symptom management*	*Direct coordination, but outside vendors for delivery of meds, DME, etc.*
Home Health Aides	*Visits by hospice home health aides to provide additional personal care, time, and attention*	*Direct*
Volunteers	*Trained volunteers who provide companionship, assistance, and support*	*Direct*
Bereavement Counseling	*Counseling and support for family members and significant others throughout the patient's illness and for a minimum of 12 months following death*	*Direct*
Psychosocial Support	*Psychosocial support for patients and families, as well as for the long-term staff and care givers*	*Direct*
Emergency Care	*Consultation and emergency care 24 hours a day, every day of the year*	*Direct triage and 24x7 on call*
Medical Director	*Including, but not limited to, face to face encounters, review of clinical records, development and implementation of plan of care.*	*Contract*
Special Therapies	*Physical, occupational, speech, music, virtual reality, equine and other therapies as indicated in the plan of care.*	*All contract, except for music therapy which is direct*

If approved, Continuum intends to obtain licensure and accreditation by June 2021 and begin providing Medicare and Medicaid hospice services to the residents of King County by July 1, 2021. . [source: Application, p10] Based on the timeline identified by the applicant, full calendar year one of the project is 2022 and full calendar year three is 2024.

Continuum identified an estimated capital expenditure of $106,800 for this project. The costs are for Office and IT equipment, software, leasehold improvements, and legal and consulting fees. [source: Application, P23]

Emerald Healthcare, Inc.

Emerald proposes to establish a Medicare and Medicaid hospice agency to serve the residents of King County. The agency would be located at 301 West North Bend Way, Suite 110, in North Bend, within King County [98045]. [source: February 28, 2020, Screening responses, p1]

The applicant provided the following table identifying the services it intends to provide. [source: Application, p8]

Applicant's Table 1
Service Listing and Indication of Direct Provision or Contract

Service	***Direct or Contract***
Physician	*Contract*
Nursing	*Direct*
Certified Nursing Assistant	*Direct*
Physical, Occupational and Speech therapy	*Contract*
Alternative therapies	*Contract as needed*
Dietary	*Contract*
Social Work	*Direct*
Spiritual Care Coordinator	*Direct*
Pharmacy	*Contract*
Inpatient /Respite	*Contract*
Continuous Care	*Direct*
Bereavement Counselor (provided by Chaplain)	*Direct*
Volunteer Coordinator (provided by Social Work)	*Direct*

If approved, Emerald intends to begin providing Medicare and Medicaid hospice services to the residents of King County by October 1, 2020[5]. [source: February 28, 2020, Screening Responses, p2] Based on the timeline identified by the applicant, full calendar year one of the project is 2021 and full calendar year three is 2023.

Emerald identified an estimated capital expenditure of $15,000 for this project. The costs are for furniture, a phone system, and IT equipment. [source: Application, p9]

Signature Hospice King, LLC

The applicant states that Signature Healthcare at Home currently leases two office locations in King County that are used for home health services. One office in Federal Way and one in Bellevue. Signature intends to relocate the Bellevue office and proposes the hospice agency would be located at the Federal Way site.[6] The address of the hospice agency is 909 South 336th Street, #100 in Federal Way [98003].

The applicant provided a table identifying the services to be provided through the hospice agency, either directly or contracted. The table is recreated below. [source: Application, pdf10]

[5] This date was identified prior to the delay in the review timeline precipitated by the department's response to the Covid-19 pandemic.

[6] Given the initial uncertainty of the location for the hospice agency, the screening letter for this project provided clarification regarding issued Certificates of Need and site changes. In response to the clarification, Signature Hospice King provided the following statements: "*We understand that the Certificates of Need are site specific. The site will not be relocated during the review process or prior to completion of the project*." [source: February 28, 2020, screening response, p1]

Applicant's Table of Services to be Provided

Service	***Medicare Hospice***	***Direct***	***Contracted***
Nursing Care/RN	*Required*	*X*	
Medical Director	*Required*	*X*	
Speech-Language pathology	*Required*		*X*
Physical and Occupational Therapy	*Required*		*X*
Social Services	*Required*	*X*	
Dietary	*Required*		*X*
Pastoral Care	*Required*	*X*	
Home Care Aide	*Required*	*X*	
Interdisciplinary Team	*Required*	*X*	
Case Management	*Required*	*X*	
Medical Supplies, including drugs and biologicals	*Required*		*X*
Inpatient hospital care for procedures necessary for pain control and acute and chronic	*Required*		*X*
Inpatient (nursing home) Respite Care	*Required*		*X*
Medical Social Worker counseling	*Required*	*X*	
Bereavement Services for family members	*Required*	*X*	
Volunteer Coordinator	*Required*	*X*	
Other: music, pets, massage, reiki			*X*

If approved, Signature Hospice King intends to begin providing Medicare and Medicaid hospice services to the residents of King County within 3-6 months of approval. For this application in King County, Signature Hospice King assumed a Certificate of Need approval date of mid-August 2020 and, Signature Hospice King would be providing Medicare and Medicaid hospice services the county on January 1, 2021. [source: Application, pdf11] Based on the timeline identified by the applicant, full calendar year one of the project is 2021 and full calendar year three is 2023.

Signature Hospice King identified an estimated capital expenditure of $28,032 for this project. The costs are for IT equipment, furniture, signage, and an initial inventory of supplies for the agency. There are no construction costs for this project. [source: Application, pdf 21]

APPLICABILITY OF CERTIFICATE OF NEED LAW

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

EVALUATION CRITERIA

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

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

TYPE OF REVIEW

As directed under WAC 246-310-290(3) the department accepted this application under the 2019 cycle 1 concurrent review timeline for a hospice agency in King County. A chronological summary of the 2019 annual review below.

APPLICATION CHRONOLOGY

Action	Bristol Hospice	Continuum Care	Emerald Healthcare	Signature Hospice
Letter of Intent Submitted	November 25, 2019	November 20, 2019	November 27, 2019	November 27, 2019
Application Submitted	December 20, 2019	December 31, 2019	December 31, 2019	December 31, 2019
DOH Pre-Review Activities: DOH 1st Screening Letter	January 31, 2020	January 31, 2020	January 31, 2020	January 31, 2020
Applicant's Response Received	February 28, 2020	February 28, 2020	February 28, 2020	February 28, 2020
Beginning of Review	March 16, 2020			
No Public Hearing Requested or Conducted Public Comments Due	April 30, 2020			
Rebuttal Comments Due	June 1, 2020			
DOH Anticipated Decision Date*	August 25, 2020[7]			
DOH's Actual Decision Date	August 25, 2020			

* The initial due date for this evaluation was August 17, which was extended to August 18 due to governor directed furloughs.

[7] This evaluation was initially due on August 18, 2020. On August 11, 2020, the CN Program notified all applicants that an additional five working days will be added on to the scheduled due date because of the four state furlough days imposed in July and the one furlough day imposed in August.

AFFECTED PERSONS

"Affected persons" are defined under WAC 246-310-010(2). In order to qualify as an affected person someone must first qualify as an "interested person" defined under WAC 246-310-010(34). During a concurrent review, each applicant is an affected person for the other applications. In addition to each applicant, the following entities requested affected person status.

Franciscan Hospice and Palliative Care – is an existing hospice agency located at 2901 Bridgeport Way West in University Place [98466], within Pierce County. The hospice agency is approved to provide Medicare and Medicaid hospice services in King, Kitsap, and Pierce counties. Franciscan Hospice and Palliative Care qualifies for interested person status for this King County concurrent review. The agency also provided public comment on the four applications under concurrent review. As a result, Franciscan Hospice and Palliative Care qualifies for affected person status for this King County concurrent review.

Envision Hospice of Washington, LLC - is a Washington State limited liability corporation owned by private persons. Its parent, Envision Home Health of Washington, is located in King County. Envision Home Health of Washington provides Medicare and Medicaid home health services to residents of King and Pierce counties. On November 20, 2019, CN #1823 was issued to Envision Hospice of Washington approving the establishment of a Medicare and Medicaid hospice agency to serve King County. The agency also provided public comment on the four applications under concurrent review. Envision Hospice of Washington, LLC qualifies for affected person status for this King County concurrent review.

SOURCE INFORMATION REVIEWED

- Bristol Hospice, LLC Certificate of Need application received December 20, 2019
- Bristol Hospice, LLC screening responses received February 28, 2020
- Continuum Care of King, LLC Certificate of Need application received December 31, 2019
- Continuum Care of King, LLC screening responses received February 28, 2020
- Emerald Healthcare, Inc. Certificate of Need application received December 31, 2019
- Emerald Healthcare, Inc. screening responses received February 28, 2020
- Signature Hospice King, LLC Certificate of Need application received December 31, 2019
- Signature Hospice King, LLC screening responses received February 28, 2020
- Bristol Hospice, LLC public comment
- Continuum Care of King, LLC public comment
- Emerald Healthcare, Inc. public comment
- Franciscan Hospice and Palliative Care public comment
- Envision Hospice of Washington, LLC public comment
- Bristol Hospice, LLC rebuttal comment
- Continuum Care of King, LLC rebuttal comment
- Emerald Healthcare, Inc. rebuttal comment
- Signature Hospice King, LLC rebuttal comment
- Envision Hospice of Washington, LLC rebuttal comment
- 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

SOURCE INFORMATION REVIEWED

- Bristol Hospice, LLC website at http://bristolhospice.com
- Continuum Care of King, LLC website at http://continuumhospice.com
- Emerald Healthcare, Inc. website at https://pennantgroup.com
- Signature Hospice King, LLC website at https://signaturehchcom
- Franciscan Hospice and Palliative Care website at https://www.chifranciscan.org
- Envision Home Health and Hospice website at https://www.envisionhomehealth.org
- CMS QCOR Compliance website: https://qcor.cms.gov/index_new.jsp
- Medicare Hospice Benefits Centers for Medicare & Medicaid Services. CMS Product No. 02154, Revised March 2020
- Washington State Secretary of State corporation data

CONCLUSIONS

Bristol Hospice, LLC

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

Continuum Care of King, LLC

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

Emerald Healthcare, Inc.

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

Signature Hospice King, LLC

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

CRITERIA DETERMINATIONS

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

Bristol Hospice, LLC
Based on the source information reviewed and agreement to the conditions identified in the conclusion section of this evaluation, the department determines that the Bristol Hospice, LLC project **meets the applicable need criteria in WAC 246-310-210 and the availability and accessibility criteria in WAC 246-310-290(13).**

Continuum Care of King, LLC
Based on the source information reviewed and agreement to the conditions identified in the conclusion section of this evaluation, the department determines that the Continuum project **meets the applicable need criteria in WAC 246-310-210 and the availability and accessibility criteria in WAC 246-310-290(13).**

Emerald Healthcare, Inc.
Based on the source information reviewed and agreement to the conditions identified in the conclusion section of this evaluation, the department determines that the Emerald project **meets the applicable need criteria in WAC 246-310-210 and the availability and accessibility criteria in WAC 246-310-290(13).**

Signature Hospice King, LLC
Based on the source information reviewed and agreement to the conditions identified in the conclusion section of this evaluation, the department determines that the Signature Hospice King, LLC project **meets 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 final and corrected version of the step-by-step methodology in November 2019 – it is attached to this evaluation as Appendix A.

Below is the discussion and evaluation of each applicant's numeric need methodology outlined in WAC 246-310-290(8).

Bristol Hospice, LLC
Bristol Hospice discussed and provided the department's year 2019-2020 numeric need methodology that was posted to its website. The numeric methodology projects a need for two hospice agencies in King County in year 2021. [source: Application, p10]

Continuum Care of King, LLC

Continuum Care discussed and provided the department's year 2019-2020 numeric need methodology that was posted to its website. The numeric methodology projects a need for two hospice agencies in King County in year 2021. [source: Application, Exhibit 5]

Emerald Healthcare, Inc.
Emerald Healthcare discussed and provided the department's year 2019-2020 numeric need methodology that was posted to its website. The numeric methodology projects a need for two hospice agencies in King County in year 2021. [source: Application, Exhibit 5]

Signature Hospice King, LLC
Signature Hospice discussed and provided the department's year 2019-2020 numeric need methodology that was posted to its website. The numeric methodology projects a need for two hospice agencies in King County in year 2021. [source: Application, Exhibit 9]

Public Comment
During the review of these four projects, both CHI Franciscan and Envision Hospice of Washington provided comments directly related to the numeric need methodology published by the department and relied on by all King County applicants during this hospice concurrent review for cycle 1. The public comments, rebuttal comments, and the department's evaluation related to this topic will be addressed at the end of this section.

CHI Franciscan Public Comments [source: April 30, 2020, public comment]
"The Certificate of Need Program (the Program) has overstated the numeric need for new hospice agencies in King County: Per WAC 246-310-290, in November of 2019, the Program published its final projection of numeric need for new hospice agencies statewide. Its projection for King County was 2.68 or 2 additional agencies in 2021 (the projection horizon). However, the projection contains an error, and when corrected, the projection shows need for only one new agency.

The error is related to how the Department treated Envision, the provider that was approved in November of 2019. WAC 246-310-290 reads:
(7) Current hospice capacity will be determined as follows:
(b) For hospice agencies that have operated (or been approved to operate) in a planning area for less than three years, ***an ADC of thirty-five and the most recent Washington average length of stay data will be used to calculate assumed annual admissions for the hospice agency as a whole for the first three years to determine current hospice capacity.*** *If a hospice agency's reported admissions exceed an ADC of thirty-five, the department will use the actual reported admissions to determine current hospice capacity;*

The intent of the rule is to "protect" a new agency at a census of 35 until it achieves that census or for three start-up years. As such, the Program should have "counted" Envision at an ADC of 35 ***per year, for each year in its projections*** *(2019-2021). Instead, and inconsistent with rule, the Program divided the ADC of 35 over three years, and counted the census of Envision at 13 per year.*

Step 8 of the methodology states:
Step 8. Determine the number of hospice agencies in the planning areas that could support the unmet need with an ADC of thirty-five.

A review of past CN hospice decisions and a review of the Program's annual projections shows absolutely, and without exception, that the ADC must be 35 without any "rounding up". For example,

in the recent Snohomish County decision (dated November 15, 2019); the unmet ADC was 127 (which, when divided by a 35 ADC, is a need for 3.63 programs). The Program determined that only three new agencies could be approved.

When the projection for King is corrected to be consistent with rule, unmet need declines from 2.6 (ADC of 93.6) to 1.9 (ADC of 69.6). Subtracting out an ADC of 35 for one new program in the 2020 cycle, leaves an unmet ADC of 34.9 and no second program is needed."

Envision Hospice of Washington [source: April 30, 2020, public comment]
"In November 2019, the Department published its "Final" 2019 interpretation of the Hospice Need Method described in WAC 246-310-290. Unfortunately, its analysis compared total projected need to an incorrect calculation of hospice "current capacity" in King County. That comparison led the Department to conclude there will be an "unmet need" equivalent to an average daily census of 94 King County hospice patients in 2021, the applicable planning horizon for 2019 projections. Errors and omissions by the Department and, subsequently, each of the four applicants, led to the incorrect conclusion that two new hospice agencies are needed in King County. The DOH incorrect "current capacity" and resulting inaccurate "unmet need" rests in three separate errors in its application of the need method to the data required for a correct calculation of need that follows the requirements of WAC 246-310-290.

1. *The Department's "Final" 2019 Method did not include Envision Hospice of Washington's newly-approved King County hospice agency and attributed no capacity to it.*
2. *The Final Method's projection of "current capacity" through 2021 did not adhere to the plain language of WAC 246-310-290(7) or 246-310-290(10).*
3. *While the Final 2019 Method misinterprets WAC 246-310-290(7)(b) and incorrectly attributes a 3-year average of 207 default admissions to Wesley Homes in King County, it contradicts its own footnote on the same page that mistakenly claims Wesley Homes 2018 admissions exceeded the year's default capacity.*

Error #1: Omitting Envision Hospice from King County capacity
By omitting Envision's new hospice from its calculations, the Department erred in its projections of "unmet need" through 2021. And, applicants that did not develop their own demonstrations of need as required but, instead, relied on the Department's incorrect analysis, also erred in their projections of "unmet need." Furthermore, their projections of "need" beyond horizon year 2021 to include 2022-2024 are likewise incorrect. By omitting Envision's King County hospice and its capacity, these calculations understated "current supply of hospice providers" and thereby over-stated "unmet need."

As soon as Envision's King County hospice received Certificate of Need approval in November 2019, it became part of that planning area's "current supply of hospice providers" This is supported by WAC 246-310-290 which states at "definitions:" (e) "Current supply of hospice providers" means all providers of hospice services that have received certificate of need approval to provide services within a planning area.

The Department's 2019 Hospice Need Method nowhere mentions Envision Hospice of Washington's newly-approved King County hospice. While its footnotes to capacity adjustments list four newly---approved Snohomish County hospices, including Envision's, it did not mention Envision's new King hospice agency in a footnote or any other part of its 2019 Need Method. And, by relying solely on the Department's methodology and failing either to consult or acknowledge the public record, none

of the four applicants listed Envision as part of the required "current supply of hospice providers" they are required to provide in their CON applications. Three of the four applicants noted Envision's existence and still did not make the necessary correction to include its default capacity as required by the hospice need rules at WAC 246-310-290(10) and (7)(b).

Nevertheless, to comply with application requirements at WAC 246-310-290(10), a hospice CON applicant must provide its own demonstrated numeric need (underlining added):
(10) In addition to demonstrating numeric need under subsection (7) of this section, applicants must meet the following certificate of need requirements:

The plain language of 246-310-290(10) says each applicant must demonstrate need for its proposed project. If, in demonstrating need, an applicant adopts the department's incorrect assumptions, method or calculations, it makes those errors its own.

The omission of Envision's new King hospice by the Department appears to have led to each of the four applicants also providing incorrect projections of unmet need to which their projects hoped to respond. As a result, whether claiming percentage market shares of the total King hospice market or percentage market shares of the incorrect "unmet need," each erred in its assumptions, analyses and discussion supporting its projected volumes and, crucially, its projected revenues based on those. All four applicants therefore failed to meet the required review criteria under the Need, Financial Feasibility, and, as a result, Process of Care criteria. None of the four King County applications – those of Bristol, Continuum, Emerald and Signature – can be approved.

Error #2: Failing to follow the plain language of WAC 246-310-290(10) and (7)(b)
This error relates to the treatment of new hospice agencies which, under 246-310-290(7) are to be given a default "capacity" equivalent to 35 ADC in "their first three years."

> *Footnote #1:*
> *October 2018 Hospice Need Method attributes 210 admissions to Wesley Homes in 2015 and 2016, years when it did not yet exist according to its CON application. It then attributes 192 admissions to Wesley in its first year, 2017. Since Wesley was "approved to operate" starting in 2017, the first year of its "first three years" would be 2017. The full amount of the calculated default, 210 admissions, would be attributed to Wesley Homes each year the subsection 7 adjustment is made, thus adding the full 210 to the current capacity of 7,643 the "unadjusted capacity" shown at page 13 of the October 2018 Hospice Need Method.*

Neither the Department nor any of the four applicants properly followed the plain language of WAC 246-310-290(7)(b) in their projections of King County hospice need. While each of the applicants acknowledge that WAC 246-310-290 controls CON decisions, they do not appear to recognize the language of WAC 246-310-290(10) which is part of it: (10) In addition to demonstrating numeric need under subsection (7) of this section, applicants must meet the following certificate of need requirements:

While WAC 246-310-290 spells out some of the required steps of the 2019 Hospice Need Method at 246-310-290(8), it is not the complete set of calculations required by the rule. At 246-310-290(7)(b) the Department and applicants are clearly given two choices how to add a hospice in its first years to the survey-based capacity to arrive at a total "current capacity" the Department has termed "adjusted capacity." The relevant language:

(7) Current hospice capacity will be determined as follows:

(a) For hospice agencies that have operated in a planning area for three years or more, current hospice capacity is calculated by determining the average number of unduplicated admissions for the last three years of operation;

(b) For hospice agencies that have operated (or been approved to operate) in a planning area for less than three years, an ADC of thirty-five and the most recent Washington average length of stay data will be used to calculate assumed annual admissions for the hospice agency as a whole for the first three years to determine current hospice capacity. If a hospice agency's reported admissions exceed an ADC of thirty-five, the department will use the actual reported admissions to determine current hospice capacity;

(c) For a hospice agency that is no longer in operation, the department will use the historical three-year admissions to calculate the statewide use rates, but will not use the admissions to calculate planning area capacity;

(d) For a hospice agency that has changed ownership, the department will use the historical three-year admissions to calculate the statewide use rates, and will use the admissions to calculate planning area capacity.

WAC 246-310-290(10) requires the additional steps in WAC 246-310-290(7) be carried out by both the Department and applicants to determine Hospice Need. Since original adoption of the language of subsection (7) in 1999 – and its recent confirmation in the revised WAC – those additional required calculations have not been included in the identified "Steps" in the rule or in the Method's worksheets the Department has built for running the Method. Instead, CON staff has shown the required calculation in tables and/or footnotes to the Step at which "current capacity" is used in the Method.

A reading of the plain language of 246-310-290(7) as it applies to King County in 2019-2021 provides this simple logic:
Every CON-approved hospice in King County must be assigned to one of only two groups:
Group 1: It <u>has been approved</u> to operate for more than three years, <u>OR</u>
Group 2: It <u>has not been approved</u> to operate for more than three years.
Footnote #2:None have been sold or closed.

For each of these two groups, 7b prescribes the required treatments:
Group 1: The "capacity" of a hospice operating for more than three years is the average of its last three years' unduplicated admissions.
Group 2: The "capacity" of a hospice not operating for more than three years is adjusted to reflect the number of admissions equivalent to 35 ADC in the year the calculation is made, or the actual number of its admissions if greater than that year's default.

In the more recent two or three years, the Department changed its approach without notice or explanation and has, at times, adopted an absurd practice of assigning the 35 ADC equivalent to new hospices in years before they were CON-approved and when they did not even exist. This ignores the WAC 246-310-290(7) requirement that the hospice be CON-approved for it to be assigned such capacity.

For decades, CON staff correctly implemented the same language as subsection (7) by adding the default admissions to the figure in the "current capacity" column as determined by the three-year average admissions of the planning area's existing hospices not eligible for adjustment under subsection (7). Thus, this "adjusted capacity" correctly became the numerical figure against which future volume projections in the columns to the right of it were compared.

By joining the Department in omitting publicly-available information about Envision's newly-approved King County hospice and by failing to include key calculations required by a complete reading of the plain language of WAC 246-310-290, all four applicants failed to recognize the correct "current capacity" and corresponding "unmet need" for hospice services in the King Planning Area. These errors leave them unable to accurately address the following aspects of their projects:

- *Project unmet need in the market*
- *Project potential volumes for their proposed hospice agencies*
- *Assess their impact on existing agencies, including Envision*
- *Demonstrate their project is the best available alternative*
- *Demonstrate the impact of their project on healthcare costs*

These shortfalls in the four applications leave the Department unable to make positive findings with regard to any of the four applicants on any of the four CON review criteria.

<u>Error 3: Incorrect Wesley Homes Capacity</u>
Instead of twice adding the 2019 35ADC default capacity of 212.5, for a total of 425 admissions, to the "current capacity" column at Step 5 for the combination of Wesley Homes and Envision, the Final Method averages three annually incorrect entries of the default ADC equivalent for Wesley Homes and averages those to arrive at 207. This is not the correct default capacity for Wesley Homes. At the same time, it contradicts its own footnote on the page and mistakenly claims Wesley Homes 2018 admissions exceeded the year's default capacity. A review of Wesley Homes' survey responses shows that both it and Envision are due a correct attribution of 35ADC, for a total of 425 admissions, in the "current capacity" column of Step 5.

<u>Correct calculation of King County "need."</u>
Appendix PC-1 demonstrates a correct calculation of all the steps required to arrive at a finding of 1.6 new hospice agencies needed for King County in 2021. It adopts the results of the Final 2019 Method through its Step 8 with these corrections:

- *Table 1 creates a correct "adjusted capacity" for King County.*
- *Table 2 subtracts that corrected capacity from Step 5's projected volumes*
- *Table 3 translates the result of Table 2 into a 2021 projection of unmet need in terms of admissions, patient days and agencies needed.*

It is important to note that, by extending only through 2021, the Method at Appendix PC-1 reduces the market shares of all existing providers through the planning horizon as required by the math of the Hospice Need Method. However, that reduction in shares is not a realistic assumption for the Department or applicants to apply beyond 2021. The Department's screening letter to Signature noted that its need projection "does not appear to take into account new patients for the providers referenced on page 19 of the application." It was asked to, "Provide a detailed explanation for the basis for this particular assumption." When queried by Envision, CON staff explained this is the same question asked of all applicants to state their market share assumptions as part of their

projection methodologies. With that standard in mind – that market shares of existing providers must be addressed – none of the four applicants met it. As a result, none have adequately demonstrated need or supported their workload projections beyond 2021.

Rebuttal Comment

Both Continuum and Emerald provided rebuttal responses directly related to the numeric need methodology published by the department and relied on by the King County applicants during the 2019-2020 hospice concurrent review cycle 1. The rebuttal comments are restated below.

Emerald Healthcare's Response: [source: Emerald Healthcare June 1, 2020, rebuttal comments]

"Envision contends that the State is incorrectly applying the need methodology in King County. We do not agree with the need methodology interpretation that Envision is purporting. We agree with the State. Franciscan does not question any of the applicant's, rather, like Envision, they contend that the State is incorrectly applying the need methodology in King County. We do not agree with the need methodology interpretation that Franciscan (and Envision) is purporting. We agree with the State."

Continuum Care's Response: [source: Continuum Care June 1, 2020, rebuttal comments]

"Both Envision and CHI Franciscan while still concurring that numeric need exists, suggest that the Program's interpretation of its need methodology is flawed. The Program has consistently used the same assumptions in populating its methodology since the rules were adopted in 2018. The Program has also previously rejected Envision's argument about how to account for new, not yet operational agencies. While Continuum concurs that the Program used the wrong volume for Wesley, in the end, it has no impact on agencies needed.

1. *The Program acknowledged and accounted for the recent approval of Envision.*
   Envision first argues that the Program omitted its new hospice from its calculation of additional agencies needed because it failed to include its future capacity in the final 2019 methodology. This is incorrect. Attachment 1 includes the section of the methodology included in the CN Analysis that included Envision. While the Program mislabeled a footnote, it is clear that it both acknowledged the approval of, and attributed capacity to Envision in King County beginning in 2018. This can be confirmed with the adjustment noted in the column labeled: "Total Admissions by County – Adjusted for New (Adjusted Cells Highlighted in YELLOW). [Footnote #1 reference here]

CHI acknowledges that Envision was counted, but disagrees as to how the calculation was made. CHI's comments are generic and indicate that the Program should not have divided the WAC 246-310-290 new provider 35 ADC "protection" by three years, but rather should have counted Envision at 35 each year. Similarly, and later in its public comment, at "Error #2", p. 4, Envision apparently acknowledges that the Program counted its volumes, but states that neither the Program nor any of the applicants properly followed the plain language of WAC 246-310-290(7)(b). This is further addressed below.

2. *The Program has consistently treated new agencies in the same manner and has previously indicated that it disagrees with Envision's suggested approach.*
   The current rule has been in effect since 2018, and every time the methodology has been run by the Program, newly approved but not yet operational agencies have been accounted for in the same manner as here. In fact, Envision acknowledges in its public comment (page 7, footnote 3) that it has been previously advised that the Program will not "address any alternate projections

by Envision". Envision suggests that the Program is willfully disregarding the law, but the Program's interpretation of the new agency ADC allowance in WAC 246-310-290(7)(b) reasonably effectuates the requirement that the 35 ADC assumption be used to calculate admissions "as a whole for the first three years" as required by WAC, rather than Envision's approach which would break those years apart.

In addition, in November of 2018, Envision's consultant, Ms. Nancy Field sent an email to individuals that had participated in the hospice rulemaking process. In this email, included as Attachment 2, she focused the email on "those of you who served on the hospice-rule making group and ***who prefer to keep the number of new WA hospices down or work for clients who do****" and noted that if the current interpretation of the rule continues forward, "it will be easier for new hospices to come into your market". Clearly, the concern about the 35 ADC is motivated not by a desire to provide the communities in the State of Washington with sufficient hospice care, but by an intent to stifle competition by limiting the number of new agencies in the State. For this reason alone, this argument should not be considered.*

3. *The Program did err in its capacity count for Wesley, an existing King County provider. This error has no impact on need in 2021.*
   Envision accurately notes that the Program incorrectly accounted for the capacity of Wesley, an existing King County home health provider. It appears that the Program inadvertently included the capacity of Kline Galland for Wesley. While we can confirm from the data that Wesley timely returned a survey, replacing the Wesley capacity with the correct capacity actually slightly increases need, but in the end has no impact on the total need for agencies – with a continued documented need for two additional agencies by 2021."

Footnote #1 included in the rebuttal comments:
"The specific sheet in the methodology is labeled: "Department of Health 2019-2020 Hospice Numeric Need Methodology Admissions – Summarized." It is page 12 of the PDF posted on the Certificate of Need Program's website."

Department's Evaluation of Numeric Methodology Public and Rebuttal Comments

WAC 246-310-290(8) provides the steps to be used in calculating the numeric need methodology for hospice services. The hospice numeric need methodology 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 the planning area (county) shows an average daily census (ADC) 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 2019-2020 hospice numeric need methodology was released in mid-October 2019; the corrected methodology was released in November 2019. The 2019-2020 methodology followed the steps required in WAC 246-310-290(8).

The hospice rules were recently updated in October 2018. During the course of the rulemaking, the Department modeled the numeric methodology for stakeholders, including the capacity adjustments. Newly revised WAC 246-310-290 has a number of organizational and structural changes. However, the language that is now in WAC 246-310-290(7)(b) was not newly added in 2018, but already existed in former WAC 246-310-290(1)(c)(ii). Nor did newly revised WAC 246-310-290 fundamentally change the calculation of the numeric need methodology. The updated rule

merely creates additional steps out of the existing process in the old rule, providing greater transparency to the process.

CHI Franciscan and Envision suggest the department change its application of current hospice capacity in WAC 246-310-290(7). The department's use of default values in calculating current capacity is not an error or miscalculation. For the Department to adopt a new interpretation of WAC 246-310-290 without any change in rule or other directive, would be inconsistent with the department's past practices, its modeling of the methodology during rulemaking, and the language of the rule itself.

Department Evaluation of Numeric Need for the King County Hospice Projects

The department's 2019 methodology was posted in October 2018, then corrected, updated, and the final methodology was posted in November 2019. Each applicant relied on the numeric methodology posted to its website to satisfy the numeric need portion of this review. The numeric methodology follows the standards as written.

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

Department's Table 1
King County Hospice Methodology Projection Summary for Year 2021

Year 2021 - Unmet Patient Days divided by 365	94
Year 2021 - Number of Agencies Needed (divide by 35)	2.68

In conclusion, the numeric methodology is a population-based assessment used to determine the projected need for hospice services in a county (planning area) for a specific projection year. Based solely on the numeric methodology applied by the department, need for three additional hospice agencies in King County is demonstrated. **The department concludes that each applicant demonstrated numeric need for the 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.

Bristol Hospice, LLC

In response to this sub-criterion, Bristol Hospice provided the following statements. [source: Application, p10 and p14]

"Unmet hospice needs and deficiencies increase end of life costs and increase deaths in inpatient settings. Many patients would prefer to pass away at home and not having access to Hospice services take away their ability to do so. These patients are denied services that meet the physical, psychosocial and spiritual needs at the end of life. In addition, they are not receiving an individualized plan of care which may include, as appropriate, the following services: nursing, physicians, hospice aides, spiritual support, therapy, dietary, counseling, volunteers, durable medical equipment, supplies, bereavement services and medications related to the terminal illness.

The certificate of need program decisions demonstrates that when there is unmet need an addition of an agency to the service area would not create an unnecessary duplication of services. Further the Hispanic population has needs identified in section A 2."

Public Comments
CHI Franciscan provided comments related to this sub-criterion. The comments are restated below.

CHI Franciscan Public Comments [source: April 30, 2020, public comment]
"In 2019, Franciscan Hospice's King County volumes increased by 6%. This means that our actual capacity has been understated and need has been overstated, giving additional credence to the unmet need being for only one additional agency in this cycle.

In closing, as a result of COVID-19 the entire health care delivery system is more fragile today than it has been at any time in a number of decades. The Program must exercise caution and correctly apply its WAC-based need methodology. CHI Franciscan respectfully requests that the Program rerun its estimated need and approve, at most, one application.

CHI Franciscan also notes for the record that all four of the applicants are for profit entities, and only one of the four (Continuum) operates a hospice in Washington (and that hospice has only been operational for a few months). The parent of Emerald, has operated a home health agency for a number of years in the South Puget Sound region. In our experience, they have been responsive to the community, and have a history of being a good partner on issues affecting our patients and their families. For this reason, we believe that if a CN is to be awarded, that Emerald should be the applicant that prevails in this process."

Rebuttal Comments
In response to the public comments submitted by CHI Franciscan, Bristol provided the following rebuttal comments. [source: Bristol Rebuttal Comments May 6, 2020]
"Public comment for the King County CON applications were released on May 4th, 2020. Bristol Hospice reviewed the comments submitted by the various groups and noted the specific comments made by Puget Sound, Continuum, and Envision on its application and screening. After review of the comments made Bristol would like to note that none of the points made by any of these parties would cause denial of its application. Bristol has been active in the CON decision-making process starting in late 2018. It has spent a significant amount of time with the DOH analysts going over each question and the required response to ensure that it has given the necessary detail to be awarded a Hospice CON. The points made by these groups were far reaching should not be considered during the review period."

Department Evaluation
The rationale and assumptions relied upon by Bristol Hospice to propose the establishment of an additional Medicare and Medicaid hospice agency in King County are limited. This section of the application allows each applicant to explain why their project is not an unnecessary duplication of services. Bristol Hospice simply relied on the numeric methodology to comply with this sub-criterion.

CHI Franciscan points out that three of the four applicants are for-profit entities; the organizational structure of an entity is not part of the review criteria used to determine Certificate of Need approval.

The approval of additional providers in the planning area will result in an additional hospice options for many terminally ill home health patients in the area. Based on the information above, the department concludes that Bristol Hospice provided scant, but practical rationale to support its project. **This sub-criterion is met.**

Continuum Care of King, LLC

In response to this sub-criterion, Continuum offered the following discussion: [source: Application, pp11-12]

"In King County, approximately 13,000 individuals die annually; and of this number, and depending on the year, approximately 43-46% die while enrolled in a hospice program. Hospice care focuses on improving the quality of life for persons faced with life-limiting illnesses and their families. The primary goals of hospice care are to provide comfort, relieve physical, emotional, and spiritual suffering, and promote the dignity of terminally ill persons. Hospice, by definition, is palliative (comfort); not curative. Hospice care is a philosophy and approach rather than a place. Care may be provided in a person's home, an assisted living facility, a skilled nursing facility, hospital, independent facility devoted to end-of-life care, or any other place where the patient "resides". The bottom line is that hospice needs to be available and accessible when patients and families need it.

"In Washington State, the need for additional hospice services is determined by the methodology contained in WAC 246-310-290(7). In a nutshell, the methodology deems that any Planning Area (County) with a projected unmet census of 35 ADC, needs an additional agency. Applied to King County, the methodology identifies a need for two additional providers by 2021, and then one additional new provider every year thereafter (the unmet ADC grows by more than 35 each year between 2021 and 2024). Continuum is ready, willing, and prepared to address the 2021 unmet need.

"The negative impact of unmet hospice needs weighs heavily on patients and families and is also costly to the health care system. The inability to manage pain and symptoms in the home and concern about a family member's symptoms and responsiveness in the days immediately before death is one of the top reasons that families call 911 or otherwise transport a terminally ill patient to the hospital. When hospice staff is not available to enroll a patient or to provide in-home or telephone consult to resolve an issue in a timeframe that is seen as reasonable to the family, hospice has failed.

"While King County's overall hospice penetration is better than the Statewide rate and just slightly below the national rate, CMS data demonstrates that there are "pockets of disparities" and underserved groups in the County. Continuum proposes to address the general need while at the same time focusing on reducing significant disparities that impact end of life. A 2016 article from the Journal of Palliative Care stated:

> *"The literature also describes a paradoxical trend in health care, such that non-whites, particularly African Americans, typically receive less care than whites over the majority of the lifespan, but proportionally more intense care than whites at EOL. For example, compared with whites, non-whites have lower rates of cardiac revascularization procedures, surgical oncology procedures, and rehabilitation services. Yet at the EOL, non-whites are more likely than whites to be hospitalized and receive aggressive acute care. In addition, in the Veterans Administration (VA) health care system, emergency room utilization during the last month of life has been reported to be higher for African American cancer patients compared with white cancer patients. African Americans are less likely to have advance directives, have their preferences honored, and enroll in hospice care.*

"CMS data confirms disparities in hospice use. For example, CMS data shows that African American Medicare beneficiaries were admitted to an ICU at higher rates than whites, and also shows that in the final six months of life, healthcare spending is significantly higher for African Americans compared to white patients.3 While the data demonstrates that there has been a substantial increase

in the use of hospice by African Americans (between 2000 and 2012, rates of hospice use among African American Medicare beneficiaries increased from 17.0% to 36.7%), the increase for whites for the same timeframe was from 23.8% to 49.0%. These statistics confirm under use continues.

"There is also significant underuse of hospice by Hispanics. Studies have shown that common barriers for Hispanics include language, religion, and family culture, beliefs and values5. Further, a Department of Health & Human Services, Centers for Medicare & Medicaid Services: Literature Review entitled Hospice in Indian Country, published in December of 2014 found both significant barriers for American Indians, and very low hospice use nationwide.

"The gaps for each of these ethnic and racial groups means that when a terminally ill patient is sent to the emergency room, or admitted to the hospital, or their pain goes uncontrolled, their end of life wishes are more difficult to respect. Not only does this add costs to the system; it also makes it more challenging for families to remain close, in a home-like environment."

Public Comment
CHI Franciscan provided comments related to this sub-criterion. The comments are restated below.

CHI Franciscan Public Comments [source: April 30, 2020, public comment]
"In 2019, Franciscan Hospice's King County volumes increased by 6%. This means that our actual capacity has been understated and need has been overstated, giving additional credence to the unmet need being for only one additional agency in this cycle.

"In closing, as a result of COVID-19 the entire health care delivery system is more fragile today than it has been at any time in a number of decades. The Program must exercise caution and correctly apply its WAC-based need methodology. CHI Franciscan respectfully requests that the Program rerun its estimated need and approve, at most, one application.

"CHI Franciscan also notes for the record that all four of the applicants are for profit entities, and only one of the four (Continuum) operates a hospice in Washington (and that hospice has only been operational for a few months). The parent of Emerald, has operated a home health agency for a number of years in the South Puget Sound region. In our experience, they have been responsive to the community, and have a history of being a good partner on issues affecting our patients and their families. For this reason, we believe that if a CN is to be awarded, that Emerald should be the applicant that prevails in this process."

Rebuttal Comment
In response to the public comments submitted by CHI Franciscan, Continuum provided the following rebuttal comments. [source: Continuum Rebuttal Comments June 1, 2020,]

"Both Envision and CHI Franciscan while still concurring that numeric need exists, suggest that the Program's interpretation of its need methodology is flawed. The Program has consistently used the same assumptions in populating its methodology since the rules were adopted in 2018. The Program has also previously rejected Envision's argument about how to account for new, not yet operational agencies. While Continuum concurs that the Program used the wrong volume for Wesley, in the end, it has no impact on agencies needed."

Department Evaluation

The rationale and assumptions relied upon by Continuum to propose the establishment of an additional Medicare and Medicaid hospice agency in King County is reasonable. The applicant relied on the numeric methodology to comply with this sub-criterion and included a discussion of hospice agencies in the county that may provide services to a limited population.

CHI Franciscan points out that three of the four applicants are for-profit entities; the organizational structure of an entity is not part of the review criteria used to determine Certificate of Need approval.

The approval of additional providers in the planning area will result in an additional hospice options for many terminally ill home health patients in the area. Based on the information above, the department concludes that Continuum provided practical rationale to support its project. This sub-criterion is met.

Emerald Healthcare, Inc.

In response to this sub-criterion, Emerald offered the following discussion. [source: Application pp13-14]

"As stated in the 2018/2019 King County Community Health Needs Assessment, 1 in 4 King County residents are to be 60 or older by 2040. The publication goes on to states that the fastest growing segments include those 85 and older and disabled. For this, "Healthcare systems need to prepare for this important demographic shift with adequate workforce capacity and accessible services."

"Puget Sound Hospice recognizes that King County residents come from a wide range of ethnic, cultural, and social economic backgrounds. We know and appreciate that each patient and family that we get the honor to care for are special and unique. Care planning for the patient and family is specific to their needs, beliefs and desires. This project intends to help ensure that all those nearing end of life in King County have ample hospice care options.

"As is demonstrated in Table 5, the King County population of persons 65+ is projected to grow by 9% from 2016-2018 to 2021. This is a population increase of 55,376 for the 65+ population alone within the next three years.

"This population growth trend projection is consistent with the actual growth that occurred from 2011 to 2018, which increased by a staggering 23%. The 65+ age cohort accounts for an overwhelming majority of the growth in King County as seen in Table 6. This tremendous growth in the elderly population has and will lead to growth in the need for hospice care."

Public Comment

CHI Franciscan provided comments related to this sub-criterion. The comments are restated below.

CHI Franciscan Public Comments [source: April 30, 2020, public comment]

"In 2019, Franciscan Hospice's King County volumes increased by 6%. This means that our actual capacity has been understated and need has been overstated, giving additional credence to the unmet need being for only one additional agency in this cycle.

"In closing, as a result of COVID-19 the entire health care delivery system is more fragile today than it has been at any time in a number of decades. The Program must exercise caution and correctly

apply its WAC-based need methodology. CHI Franciscan respectfully requests that the Program rerun its estimated need and approve, at most, one application.

"CHI Franciscan also notes for the record that all four of the applicants are for profit entities, and only one of the four (Continuum) operates a hospice in Washington (and that hospice has only been operational for a few months). The parent of Emerald, has operated a home health agency for a number of years in the South Puget Sound region. In our experience, they have been responsive to the community, and have a history of being a good partner on issues affecting our patients and their families. For this reason, we believe that if a CN is to be awarded, that Emerald should be the applicant that prevails in this process."

Rebuttal Comment
None

Department Evaluation
The rationale and assumptions relied upon by Emerald to propose the establishment of an additional Medicare and Medicaid hospice agency in King County is reasonable. The applicant relied on the numeric methodology to comply with this sub-criterion and included a discussion of hospice agencies in the county that may provide services to a limited population.

CHI Franciscan points out that three of the four applicants are for-profit entities; the organizational structure of an entity is not part of the review criteria used to determine Certificate of Need approval.

The approval of additional providers in the planning area will result in an additional hospice options for many terminally ill home health patients in the area. Based on the information above, the department concludes that Emerald provided practical rationale to support its project. **This sub-criterion is met.**

Signature Hospice King, LLC
In response to this sub-criterion, Signature Hospice provided the following statements. [source: Application, p16 & p19]

"The Department of Washington's [sic] *own methodology indicates* ***568 people*** *in King County or* ***34,179 patient days*** *without hospice services are projected for 2021. The consequences in industry of unmet hospice needs and deficiencies are seen in the above statistics, the previous year's CN applications, public comments and in the rebuttals for the past CN cycles. Signature Healthcare at Home has observed firsthand with our home health and skilled buildings delays and lack of access to hospice services in King County. The negative impacts on patients and families without access to hospice include but are not limited to caregiver burnout, lost days at work for caregivers, uncontrolled symptoms, ER visits, increased financial burden for out of pocket costs for prescriptions, DME and institutional or fragmented respite and medical death.*

Hospice continues to be the ideal venue for patients and families to benefit and have a shepherd through end of life care and a holistic palliative approach to terminal illness.

The current existing providers are not able to meet the needs of all the patients that require hospice services as outlined in the statistics of the Department of Health's needs methodology. The statistics indicate that the reach of current providers and hospice services has not kept pace with the growth of aging population in addition to the growth of need for county residents and hospice services. Of

the 9 current providers 4 are focused on smaller targeted groups thus contributing to a greater need than even outlined by the methodology. Kaiser is primarily focused on its group health members; Providence mostly works in North King and Snohomish and again focuses on its health plan members first. Kline Galland & Wesley Homes operate long term care facilities and are focused primarily on serving patients within their own facilities."

Public Comments
CHI Franciscan provided comments related to this sub-criterion. The comments are restated below.

CHI Franciscan Public Comments [source: April 30, 2020, public comment]
"In 2019, Franciscan Hospice's King County volumes increased by 6%. This means that our actual capacity has been understated and need has been overstated, giving additional credence to the unmet need being for only one additional agency in this cycle.

In closing, as a result of COVID-19 the entire health care delivery system is more fragile today than it has been at any time in a number of decades. The Program must exercise caution and correctly apply its WAC-based need methodology. cm Franciscan respectfully requests that the Program rerun its estimated need and approve, at most, one application.

CHI Franciscan also notes for the record that all four of the applicants are for profit entities, and only one of the four (Continuum) operates a hospice in Washington (and that hospice has only been operational for a few months). The parent of Emerald, has operated a home health agency for a number of years in the South Puget Sound region. In our experience, they have been responsive to the community, and have a history of being a good partner on issues affecting our patients and their families. For this reason, we believe that if a CN is to be awarded, that Emerald should be the applicant that prevails in this process."

Rebuttal Comment
None

Department Evaluation
The rationale and assumptions relied upon by Signature Hospice King to propose the establishment of an additional Medicare and Medicaid hospice agency in King County is reasonable. The applicant relied on the numeric methodology to comply with this sub-criterion and included a discussion of hospice agencies in the county that may provide services to a limited population.

CHI Franciscan points out that three of the four applicants are for-profit entities. The organizational structure of an entity is not part of the review criteria used to determine Certificate of Need approval.

The approval of additional providers in the planning area will result in an additional hospice options for many terminally ill home health patients in the area. Based on the information above, the department concludes that Signature Hospice King provided practical rationale to support its 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.

Bristol Hospice, LLC

In response to this sub-criterion, Bristol Hospice provided a copy of the following policies. [source: Application, Exhibit 4, Exhibit 10 and February 28, 2020, screening response, Exhibit 5]

Admission Criteria and Process – This policy identifies the standards and process that the hospice agency will use to admit a patient for services. The policy provides the following statements regarding admission criteria: *"Bristol Hospice will admit any adult patient with a life-limiting illness that meets the admission criteria.*

Patients will be accepted for care without discrimination on the basis of race, color, religion, age, gender, sexual orientation, disability (mental or physical), communicable disease, or place of national origin.

Patients will be accepted for care based on need for hospice services. Consideration will be given to the adequacy and suitability of hospice personnel, resources to provide the required services, and a reasonable expectation that the patient's hospice care needs can be adequately met in the patient's place of residence.

The patient's life-limiting illness and prognosis of six (6) months or less will be determined by utilizing standard clinical prognosis criteria developed by the fiscal intermediary's Local Coverage Determinations (LCDs).

Bristol Hospice reserves the right not to accept any patient who does not meet the admission criteria.

A patient will be referred to other resources if Bristol Hospice cannot meet his/her needs."

Standards of Practice for Pediatric Palliative Care – This document is published by the National Hospice and Palliative Care Organization. Bristol Hospice states it currently serves patients of all ages including pediatric patients. This is the document that Bristol Hospice would use in its pediatric program.

Charity Care Policy – the stated purpose of this policy is "*to identify the criteria to be applied when accepting patients for charity care.*" It provides the procedures to be used by the hospice agency to determine a patient's eligibility for charity care. It also provides the following non-discrimination language: "*Bristol Hospice will not deny hospice care to any individual based upon individual's ability to pay, national origin, age, physical disabilities, race, color, sex, or religion*." Bristol Hospice states this policy is used in all Bristol Hospice locations.

In addition, Bristol Hospice provided the following statements regarding types of patients to be served by the hospice agency. [source: Application, p10]
"The patients expected to be served are all those who have reached the final phase of a terminal illness and would like to focus on comfort and quality of life, rather than curative care. These individuals will have elected to participate in the Medicare or Medicaid hospice benefit or have a private plan that has a hospice benefit. If the patient is hospice eligible and would like to receive services but is uninsured and unfunded Bristol Hospice provides charity care. Bristol Hospice charity care policy can be found in Exhibit 4.

Patients will be accepted for care without discrimination on the basis of race, color, religion, age, gender, sexual orientation, disability (mental or physical), communicable disease, or place of national origin. Bristol Hospice serves patients in a broad array of setting including but not limited to Home, Assisted Living Facilities, Skilled Nursing Facilities, Nursing Homes, Board and Cares, and Adult Family Homes."

Bristol Hospice provided the following payer mix for the King County hospice agency. [source: Application, p19]

Department's Table 2
Bristol Hospice-King County
Projected Payer Mix and Percentage

Payer	Percent
Medicare and Medicare Managed Care	98.2%
Medicaid	1.0%
Commercial/Self/Other	0.8%
Total	**100.0%**

Bristol Hospice provided the following discussion regarding hours of operation and patient access to services outside the hours of operation. [source: Application, p23]
"Bristol Hospice general office hours are from 0800 to 1700; our actual operations are 24/7/365. There are always staff that are required to work after hours, weekends and holidays to meet patient needs. Further it does not rely solely on third party answers services after office hours. All calls are routed to Bristol Hospice hired and trained on call RN's for resolution. This is done through advanced technology that can hunt for available staff. If all staff are on visits a call will NEVER go to voicemail. A live clinically trained person will answer 100% of the time to address any need. Our

lights are always on. We dispatch trained staff at any hour of the day and night and our goal is to arrive within 30 minutes of any needed after hours visit."

Public Comment

During the review of this project, Envision Hospice of Washington, LLC provided public comments related to this sub-criterion. The public comments under this sub-criterion addressed all four of the applicants together. In its June 1, 2020, rebuttal comments, Envision Hospice of Washington LLC provided corrections to two of the three tables. The tables below are the corrected tables provided in the rebuttal. For ease of reading, Envision Hospice of Washington, LLC's public comments are restated below under the Bristol project and then referenced in the remaining three projects.

Envision Hospice of Washington, LLC Public Comments

[source: April 30, 2020, public comment]

Access to Hospice by Persons Under Age 65

"Of the four applications reviewed, three were asked in screening questions to provide additional information about the mix of third-party payers they assumed would be paying for services provided to their hospice patients. The CON application requires the applicant to provide the expected mix of revenue/patients. The question related to the requirements of WAC 246-310-210(2), provided here for convenience with underlining provided by Envision.

WAC 246-310-210(2)

(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. The assessment of the conformance of a project with this criterion shall include, but not be limited to, consideration as to whether the proposed services makes a contribution toward meeting the health-related needs of members of medically underserved groups which have traditionally experienced difficulties in obtaining equal access to health services, particularly those needs identified in the applicable regional health plan, annual implementation plan, and state health plan as deserving of priority. Such consideration shall include an assessment of the following:

(a) The extent to which medically underserved populations currently use the applicant's services in comparison to the percentage of the population in the applicant's service area which is medically underserved, and the extent to which medically underserved populations are expected to use the proposed services if approved;

(b) The past performance of the applicant in meeting obligations, if any, under any applicable federal regulations requiring provision of uncompensated care, community service, or access by minorities and handicapped persons to programs receiving federal financial assistance (including the existence of any unresolved civil rights access complaints against the applicant);

(c) The extent to which Medicare, Medicaid, and medically indigent patients are served by the applicant; and

(d) The extent to which the applicant offers a range of means by which a person will have access to its services (e.g., outpatient services, admission by house staff, admission by personal physician).

In response to payer mixes that included very little or no "commercial" insurance, applicants were asked at screening to "explain how this low percentage provides access to hospice services for patients in the 0-64 age range."

The stated concern was whether the proposed projects would provide services readily accessed by persons of all ages. In particular, too low a number of projected "commercial" patients may leave non-Medicare patients under age 65 without adequate access to the proposed services.

The combination of assumptions and the table below show that applicants expecting very low numbers of "commercial" patients do not meet the requirements of WAC 246-310-210 (2)(a), (c), or (e).

The table below shows the payer mix proposed by each of the four King applicants and analyzes

1) *the portion of total patients and*
2) *the portion of expected patients under age 65 that would be served by each applicant's "commercial" payer mix along with its other third-party payers.*

Assumptions:

- *13% of all King County hospice patients are under age 65.*
  Rationale: In Washington, the annual hospice provider survey summarized in the Hospice Need Method shows that 13% of all Washington hospice admissions are patients under age 65. See Step 1, Final 2019 Need Method, 3-year average of admissions, by age cohort.
- *4.4% of King County Medicare hospice payments are for persons under age 65.*
  Rationale: Medicare primarily serves persons overage 65 but also serves disabled/chronically ill persons under age 65. CMS data shows that nationally 4.4% of hospice payments to Medicare in 2018 were for patients under age 65. See Appendix PC-2.
- *33% of King County Medicaid hospice patients are under age 65.*
  Rationale: Age data for WA Medicaid hospice utilization is not available. This assumption is reasonably generous for terminally-ill patients.
- *100% of "commercial" patients are under age 65.*
  Rationale: This is the most generous assumption available.

Calculations:

- *To determine the percent of all its potential admissions under 65 that an applicant proposes to serve, the table sums the resulting percentages of patients under age 65 projected by each applicant.*
  - *For Medicare, the table calculates 4.4% of the proposed Medicare percentage for each applicant.*
  - *For Medicaid, the table assumes 33% are under age 65.*
- *To find the portion of 100 admissions by an applicant that would be under 65, we subtract the "TOTAL Estimated percent of applicant's payments for admissions under age 65," from the statewide average of 13%.*
- *To find the percent of an applicant's expected admissions under 65 compared to that projected covered by payer type by the applicant, we divide the "TOTAL Estimated percent of applicant's payments for admissions under age 65" by the 13% statewide average WA admissions, under age 65.*

Findings:
The results are shown at the bottom two rows of the table:

1) *Assuming King County patients match the statewide average, about 7 out of 100 King County patients who seek hospice care will have payers that will not be covered by the four applicants' projected payer mixes.*
2) *Assuming King County patients match the statewide average, close to half (40% to 47%) of the 13% who seek hospice care will not have insurance that is accepted by the four King County CON applicants.*

Based on this analysis, none of the four King County applicants satisfactorily address the non-numeric need requirements of WAC 246-310-210(2).

Proposed Payer Mix of King Hospice Applicants, from Applications or Screening Responses

	Bristol	Continuum	Emerald	Signature	Notes
Medicare	98.2%	87.5%	94.6%	97%	
Medicaid	1.0%	10.9%	4.0%	2%	
Self/private pay		0.9%	0.2%		Continuum calculated from revised P&L
Commercial/self/other	0.8%				
Other		0.7%			Continuum calculated from revised P&L
Commercial			1.2%	1%	
TOTAL	100.0%	100.0%	100.0%	100.0%	

Calculation of percent of King applicant's total payments covering persons age under 65

	Bristol	Continuum	Emerald	Signature	Notes/Sources/Assumptions
4.4% of applicant's proposed % Medicare payments	98.2% x 4.4% = 4.33%	87.5% x 4.4% = 3.85%	94.6% x 4.4% = 4.2%	97% x 4.4% = 4.3%	CMS reports 4.4% of hospice payments are for patients under age 65, see Appendix PC-2
33% of applicant's proposed % Medicaid payments	1% x33% = 0.33%	10.9% x 33%= 3.60%	4% x 33% = 1.32%	2% x 33% = 0.66%	Assume 33% of Medicaid hospice is under age 65
100% of applicant's commercial/other payments	0.8%	0.7%	1.2%	1.0%	Assume "commercial/other" is %100 perceent under age 65
13% of appplicants peroposed % of Self/private pay		0.12%	0.03%		Assume Hospice Method statewide average 13% under age 65 applies to Self/Private Pay category
TOTAL: Estimated percent of applicant's payments for admissions under age 65	5.46%	8.26%	6.71%	5.96%	Sum of rows above

Comparing King Applicants Payer Mix with Expected Admissions of Patients Age <65

					Notes/Calculations
Statewide average of hospice admissions under age 65	13.0%	13.0%	13.0%	13.0%	Calculated from 3-yr. average ADMS by age cohort at 2019 Hospice Need Method Step 1
Overall Shortfall: Percent of applicant's total payer mix; of 100 admissions, the % not covered due to lack of commercial coverage	7.5%	4.7%	6.3%	7.0%	Subtract applicants TOTAL estimated payments for admissions under 65 from statewide average of 13% ADMS age <65
Age cohort Shortfall: Percent of applicants' expected ADMS <65 not covered by projected payer mix.	58%	36%	48%	54%	Divide applicants' under age 65 shortfall on line above by by 13%, the statewide average percent of hospice ADMS <65

Additional discussion shows why these four applicants must be denied based on WAC 246-310-210(2):

1. *It is important to note that an applicant's percent "commercial" payer mix depends on actions taken by the applicant to contract with commercial payers in the region. So "commercial" is not a passive figure like charity care for which the applicant may simply respond to referrals without any targeted outreach or other effort to attract admissions. Planning for only 1% "commercial" admissions assumes the applicant's marketing plans do not include contracting with enough payers to serve the statewide average of 13% admissions under age 65.*
2. *Washington hospice use rates for persons under 65 are less than half of those for persons over age 65. The 2019 Final Need Method shows 61% penetration of over age 65 deaths but only 28% penetration of under 65 deaths. It would be reasonable to identify terminally-ill persons under age 65 as an underserved group in Washington.*

Mortality Table A2b. Age by Multiple Race for Residents, 2015

Age Group	Total	White	African American	Native American	Asian	Pacific Islander	More Than One Race Given[1]	Unk
State Total	**54,514**	**49,290**	**1,554**	**754**	**2,021**	**248**	**542**	**105**
Under 1	431	306	32	11	22	7	44	9
1-4	79	57	3	3	7	0	9	0
5-14	107	81	7	3	4	4	7	1
15-19	194	142	10	8	17	4	12	1
20-24	352	282	28	14	16	0	12	0
25-34	967	788	62	37	35	16	28	1
35-44	1,310	1,064	79	55	45	23	40	4
45-54	3,241	2,750	180	92	119	22	68	10
55-64	7,065	6,144	**343**	**165**	253	**62**	72	26
65-74	10,026	9,047	291	144	364	55	93	32
75-84	12,384	11,363	252	148	488	32	90	11
85-94	14,704	13,804	207	68	539	23	55	8
95 and over	3,653	3,461	60	6	112	0	12	2
Unknown	1	1	0	0	0	0	0	0

3. *The most recently-available version of DOH "Mortality Table A2b," shown above, provides important information about a pattern of earlier deaths among some minority group members compared to averages for white and Asian persons in Washington.*

   At the Age Group row labeled "55-64," note the peak number of deaths occurring among that age cohort for three groups: African American, Native American, and Pacific Islander. Considering this pattern of peak deaths before age 65 among minority groups more likely to be underserved or disadvantaged, the table shows the uneven impact on minority races of shortchanging "commercial" patients and, therefore, potential hospice admissions among persons age <65."

Rebuttal Comment

Bristol Hospice did not provide rebuttal statements to the public comments above.

Department Evaluation

The Admission Policy provided by the applicant describes the process Bristol Hospice would use to admit a patient to its hospice agency. The policy includes language to ensure all patients will be admitted for treatment without discrimination, including pediatric patients.

While Admission and Charity Care policies are typically used in conjunction, each policy includes non-discrimination language to ensure all patients eligible for hospice services could be served by the new Bristol Hospice agency.

Bristol Hospice anticipates its combined Medicare and Medicaid revenues for the proposed hospice agency will be approximately 99.2% of its total revenues. While Bristol Hospice's payer mix of 99.2% combined for Medicare and Medicaid is consistent with past hospice applications reviewed by the department, Envision Hospice of Washington expressed concerns about the projected payer mix. The concerns focused the lower percentage for commercial payers and questioned whether the percentage of 0.8% could be consistent with the sub-criterion. Bristol Hospice did not provide any rebuttal statements on this topic, therefore the department will evaluate the topic using its experience with reviews of past hospice applications.

During the year 2018 review cycle, three applications were reviewed for King County. The three applicants were Bristol Hospice, Continuum Care of King, and Envision Hospice of Washington. Below is a table showing the payer mixes reviewed in each of the three applications.

Department's Table 3
Projected Payer Mix and Percentage Comparisons

Payer	Bristol Percentage	Continuum Percentage	Envision Percentage
Medicare and Medicaid-Combined	97.0%	98.3%	95.0%
Commercial/Self/Other	1.5%	1.7%	5.0%

In the 2018 King County review, Bristol Hospice project was denied, in part, because of conflicting statements within the Charity Care and Admission Policy. The project was not denied based on a lower Commercial/Other percentage of payer mix when compared to the other two projects. The department reviewed each of the projected payer mixes and determined them to be reasonable.

Additionally, Bristol Hospice's financial data provided in the application shows that Medicare and Medicaid revenue is expected and identifies charity care as a deduction from revenue as required. Envision's concerns are noted, however, the department does not have a set payer mix percentage that must be met by an applicant.

Bristol Hospice also provided a copy of the Charity Care Policy to be used at its new King County agency. The policy provides the circumstances that a patient may qualify for charity care. Additionally, the pro forma financial statements provided in the application show a charity care line item at 2.0% of gross revenue.

The documents provided in the application referenced as the Standards of Practice for Pediatric Palliative Care also provide information necessary to review this project.

The department concludes that the Bristol Hospice King application **meets this sub-criterion**.

Continuum Care of King, LLC
In response to this sub-criterion, Continuum provided copies of the following policies. [source: Application, Exhibits 6 and 7]

Charity Care – the stated purpose of this policy is "*to provide care to patients who are indigent or otherwise unable to afford Hospice care."* The policy provides the procedure to determine if a patient qualifies for charity care. The policy includes a sliding scale with household amounts that would be used to determine charity care qualifications for a patient. The policy identifies that the social worker will determine the appropriate sliding fee schedule to be implemented.

Admission Policy – the stated purpose of this policy is "*to establish standards and a process by which a patient can be evaluated and accepted for admission."* This policy states that patients will be admitted if they meet the admission criteria, and then identifies the admission criteria. The policy also provides the following non-discrimination language: "*Eligibility for participation will not be based on the patient's race, color, religion, age, gender, sexual orientation, disability (mental or physical), communicable disease, or place of national origin."* The policy also provides information regarding the admission process.

In addition, Continuum provided the following statements regarding types of patients to be served by the hospice agency. [source: Application, p7, p21]
"Continuum will serve all patients in need of hospice desiring to be cared for by our Agency. Continuum will provide a full range of hospice services designed to meet the physiological, psychological, social, and spiritual needs of people and their families facing the end of life and bereavement in King County. Continuum will have a special emphasis on serving traditionally underserved populations.

"Continuum anticipates that it will initially serve adults, age 18 and over. If demand warrants, Continuum will evaluate the need to establish a pediatric program to serve those under age 18. However, this application has not assumed any pediatric patients or a pediatric program.

"The need for an additional provider is demonstrated via WAC and the data on King County disparities is both compelling and documented. While serving all, Continuum will prioritize the reduction of disparities in access to and use of hospice among certain historically underserved ethnicities in King County. We will do so by outreach, building trust, developing culturally appropriate services and by assuring our staff is trained and respectful of culture, values and beliefs.

"Historically, to evaluate this requirement, the department has evaluated an applicant's admission policies, willingness to serve Medicare and Medicaid patients, and to serve patients that cannot afford to pay for services. Continuum will seek both Medicare and Medicaid certification, and has included a charity care allowance in its pro forma."

Continuum provided the following payer mix for the King County hospice services. [source: February 8, 2020, screening responses]

Department's Table 4
Continuum Care of King, LLC
Projected Payer Mix and Percentage

Payer	Percent
Medicare	87.5%
Medicaid/Managed Medicaid	9.17%
Self/Other	3.33%
Total	**100.0%**

Public Comment

As previously stated, Envision Hospice of Washington, LLC provided public comments related to this sub-criterion. The public comments under this sub-criterion addressed all four of the applicants together. For ease of reading, the public comments were restated in the Bristol Hospice project section of this evaluation and are incorporated by reference here.

Rebuttal Comment

In response to the comments above, Continuum provided the following statements. [source: June 1, 2020, rebuttal statements, p6]

"B. Envision's interpretation of CN rules is fundamentally flawed and despite Envision' s suggestions to the contrary, Continuum meets all applicable access and underserved criteria in WAC 246-310-210. Envision's argument regarding impact on costs and charges is unfounded.

1. *"Envision suggests that the true underserved group in King County is the commercially insured under 65 cohort. There is no data to support this statement nor is there any suggestion by any party (payer, families, hospitals, home health agencies, etc.) that this cohort is generally underserved.*

"At page 11 of its public comment, Envision states that it "would be reasonable to identify terminally ill persons under age 65 as an underserved group in Washington". At page 8-10 it argues that each applicant is underserving this cohort by 40-45%+. Its table on 10 labeled "Proposed Mix of King County Hospice Applicants" also fails to correctly depict Continuum's proposed percentage of commercial. Envision shows it at 0%, while our February, 2020 screening response identified it at 3.33%, right in line with other recent CN approved hospice projects.

2. *"While the commercially insured under 65 is not underserved, a significant percentage of the underserved communities we proposed to target in King County are under the age of 65.*

"Importantly, because we target traditionally (and CMS documented) underserved communities, the highest percentage of our under 65 patients typically have Medicaid as a payer which is why Continuum's proposed Medicaid percentage in the application is significantly higher than that of the other applicants (9.8% vs 1-4%). Additionally, Continuum Affiliates account for Medicaid Managed Care Plans offered by commercial payers (such as Premera in Washington State) as Medicaid; and in the application, this percentage was included with Medicaid. We understand that other agencies may account for these as "commercial". It is also important to note that Medicare also covers the under 65 that meet certain disability or disease qualifications (for example, those with end-stage renal disease).

Continuum provided additional information to rebut Envision's comment. [source: June 1, 2020 rebuttal statements, pp11-16]

"G. The criticisms raised by Bristol, Emerald and Envision are generally misplaced and none affect the Program's ability to determine that the application meets all applicable WAC requirements.

"The competing concurrent review applicants raised a number of concerns intended to identify weaknesses in the Continuum application. These concerns are largely misplaced, and in fact a number were raised in prior Continuum CN reviews, and have already been rejected by the Program in the prior Analyses. In the end, the Continuum application meets all applicable criteria.

1. *"Envision suggests that Continuum's Northern California Agency "lags" in serving the underserved. Their reliance on Alameda County is wrong. Continuum has made a Demonstrated Difference*

"Envision incorrectly concludes that Continuum's Northern California agency does not serve a significant percentage of blacks or other minority populations. They incorrectly use data from CMS on Alameda County hospice agencies to draw this faulty conclusion. The problem with Envision' s data is that Continuum Care Hospice, LLC's service area is broader than Alameda County: Continuum Care Hospice's agency is certified for, and serves a five-county area' of which Alameda County is one. The other counties are: Contra Costa, Marin, Napa, and Salano. The Agency data reported by Envision is for all five of these Counties combined.

"Further, the data cited by Envision is for 2016. In 2016, and because we were just developing our outreach to the non and underserved, approximately, 50% of Continuum Care Hospice, LLC's patients were from Marin County (which is 73% white).

"The letters of support received by the CN program by Alameda County providers speak volumes to our service and outreach. We were humbled by their responses and, if the Program is not familiar with Northern California health care, several of the letters we received are from the predominant healthcare organizations serving the traditionally underserved.

The letters of support submitted for Continuum's application are considered in this evaluation but are not quoted here.

2. *"Continuum's proposed utilization by under and non-served groups are estimates, not earmarks.*

"Envision questions the "legality" of Continuum's earmarks. Continuum has no earmarks. An earmark is a resource set aside for a particular purpose. While we are confident that our commitment to outreach and unique programming will improve access and acceptance of hospice, admission "slots" are not being set aside for only these populations.

"The bottom-line reality (proven by the CMS data contained within our CN application and screening response) is that there are discrepancies in hospice use in King County. As the CMS data demonstrates, a number of minority populations in King County are less likely to die in hospice than whites. And, further, these populations have grown faster since 2010 and are projected to grow faster by 2022 than whites.

…

"5. Continuum's payer mix assumptions provided in its screening response is consistent with its financial pro formas.

"Envision attempts to argue that Continuum's payer mix does not demonstrate that it will serve patients under the age of 65. Envision further stated that Continuum's payer mix does not match its pro forma. The information included in its screening response, stated the following:

Medicare:	*87.50%*
Medicaid/Managed Medicaid	*9.17%*
Commercial/Self/Other	*3.33%*
Total:	***100.0%***

"In its screening response, Continuum labeled the 9.17% as Medicaid/Medicaid Managed Care. It should have been Medicaid only and Commercial/self/other should have also have included the Medicaid Managed Care. Continuum included Medicaid Managed Care in the Commercial/Self/Other as most Medicaid Managed Care today is provided by commercial payers, however, it was mislabeled. As detailed in Table 2 below, commercial accounts for 3.3% of total revenue.

Applicant's Table

Table 2
Payer Mix Assumptions

Payer	Category	2024 Revenue, Screening Response, Attachment 5	2024 Percentage of Total Revenue, Revenue, Screening Response, Attachment 5
Medicare	Medicare	4,683,603	87.5%
Medicaid	Medicaid	489,861	9.2%
Subtotal		**5,173,464**	**96.7%**
Medicaid Managed Care	Commercial/Self/Other	92,427	1.7%
Self (Private) Pay	Commercial/Self/Other	50,764	0.9%
Other	Commercial/Self/Other	35,535	0.7%
Subtotal: Commercial/Self/Other		**178,726**	**3.3%**
Total		**5,352,190**	**100.0%**

"As the above demonstrates, in screening, Continuum labeled the 9.2% as Medicaid/Medicaid Managed Care. That should only have been Medicaid."

Department Evaluation

The Admission Policy provided by the applicant describes the process Continuum would use to admit a patient to its hospice agency. The policy includes language to ensure all patients will be admitted for treatment without discrimination. While the policy does not specifically state that pediatric patients would be served at the agency, it does not definitively exclude them. As noted above, Continuum does not intend to serve pediatric patients initially, but will do so if the need warrants.

The Admission and Charity Care policies are typically used in conjunction, therefore, the Charity Care Policy does not specifically include non-discrimination language to ensure all patients eligible for hospice services could be served by the new agency. The Charity Care Policy provides the process to obtain charity care.

Continuum anticipates its combined Medicare and Medicaid revenues for the proposed hospice agency will be approximately 96.66 of its total revenues. While Continuum's payer mix for combined Medicare and Medicaid is consistent with past hospice applications reviewed by the department, Envision Hospice of Washington expressed concerns about the projected payer mix. The concerns questioned whether the percentage of 3.33% for commercial/other payers could be consistent with the sub-criterion. Continuum provided rebuttal statements that directly address this specific topic and are consistent with the financial projections provided. Therefore the department will evaluate the topic using its experience with reviews of past hospice applications.

During the year 2018 review cycle, three applications were reviewed for King County. The three applicants were Bristol Hospice, Continuum Care of King, and Envision Hospice of Washington. Below is a table showing the payer mixes reviewed in each of the three applications.

Department's Table 5
Projected Payer Mix and Percentage Comparisons

Payer	Bristol Percentage	Continuum Percentage	Envision Percentage
Medicare and Medicaid-Combined	97.0%	98.3%	95.0%
Commercial/Self/Other	1.5%	1.7%	5.0%

In its evaluation of the applications referenced in the table, the department reviewed each of the projected payer mixes and determined them to be reasonable. Continuum's payer mix is within the range of payer mixes reviewed and approved in past applications.

Additionally, Continuum's financial data provided in the application shows that Medicare and Medicaid revenue is expected and identifies charity care as a deduction from revenue as required. Envision's concerns are noted, however, the department does not have a set payer mix percentage that must be met by an applicant.

Continuum also provided a copy of the Charity Care Policy to be used at its new King County agency. The policy provides the circumstances that a patient may qualify for charity care. Additionally, the pro forma financial statements provided in the application show a charity care line item at 3.0% of gross revenue.

The department concludes that the Continuum application **meets this sub-criterion**.

Emerald Healthcare, Inc.
In response to this sub-criterion, Continuum provided copies of the following policies. [source: Application, Exhibit 6]

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

Charity Care – the stated purpose of this policy is to "*identify the criteria to be applied when accepting patients for charity care"* The policy provides the procedure to determine if a patient qualifies for charity care. The policy identifies that the Executive Director/Administrator will determine the appropriate amount of charity care to be provided.

Nondiscrimination Policy and Grievance Process – the stated purpose of this policy and process is to "*prevent organization personnel from discriminating against other personnel, patients, or other organizations on the basis of race, color, religion, age, sex (an individual's sex, gender identity, sex stereotyping, pregnancy, childbirth and related conditions), sexual orientation, disability (mental or physical), communicable disease, or national origin."* This policy documents the efforts Emerald will make to prevent discrimination in its delivery of hospice services and also outlines the process for filing grievances or complaints on the basis of discrimination.

In addition, Emerald provided the following statements regarding types of patients to be served by the hospice agency. [source: Application, p7, p19]
"Puget Sound Hospice recognizes that King County residents come from a wide range of ethnic, cultural, and social economic backgrounds. We know and appreciate that each patient and family that we get the honor to care for are special and unique. Care planning for the patient and family is specific to their needs, beliefs and desires. This project intends to help ensure that all those nearing end of life in King County have ample hospice care options.

…

"Puget Sound Hospice will actively pursue Medicare and Medicaid certification, and has included charity care in its financial projections. Puget Sound Hospice is committed to serving all patients regardless of race, color, religion (creed), gender, gender expression, age, national origin, disability, marital status, sexual orientation, or military status, and will ensure that all populations have access to services through its charity care policy. Furthermore, Puget Sound Hospice's admission, charity care, and non-discrimination policies demonstrate a willingness and interest in caring for Medicare, Medicaid, and non-pay patients.

"Puget Sound Hospice recognizes that King County residents come from a wide range of ethnic, cultural, and social economic backgrounds. We know and appreciate that each patient and family that we get the honor to care for are special and unique. Care planning for the patient and family is specific to their needs, beliefs and desires. This project intends to help ensure that all those nearing end of life in King County have ample hospice care options.

"As is demonstrated in Table 5, the King County population of persons 65+ is projected to grow by 9% from 2016-2018 to 2021. This is a population increase of 55,376 for the 65+ population alone within the next three years.

"This population growth trend projection is consistent with the actual growth that occurred from 2011 to 2018, which increased by a staggering 23%. The 65+ age cohort accounts for an overwhelming majority of the growth in King County as seen in Table 6. This tremendous growth in the elderly population has and will lead to growth in the need for hospice care."

Emerald provided the following payer mix for the King County hospice services. [source: Application, p22]

Department's Table 6
Emerald Healthcare Payer Mix

Payer	% of Gross Revenue
Medicare	94.6%
Medicaid	4.0%
Commercial	1.2%
Self-Pay	0.2%
Total	**100.0%**

Public Comment
As previously stated, Envision Hospice of Washington, LLC provided public comments related to this sub-criterion. The public comments under this sub-criterion addressed all four of the applicants together. For ease of reading, the public comments were restated in the Bristol Hospice project section of this evaluation and are incorporated by reference here.

Rebuttal Comment
In response to the comments above, Emerald provided the following statement. [source: May 29, 2020, rebuttal statements, p4]
"Envision contends that the State is incorrectly applying the need methodology in King County. We do not agree with the need methodology interpretation that Envision is purporting. We agree with the State."

Department Evaluation
The Admission Policy provided by the applicant describes the process Emerald would use to admit a patient to its hospice agency. The policy includes language to ensure all patients will be admitted for treatment without discrimination. While the policy does not specifically state that pediatric patients would be served at the agency, Emerald states in its screening responses, *"Puget Sound Hospice will serve all ages of qualified hospice patients."*

The Admission and Charity Care policies are typically used in conjunction, therefore, the Charity Care Policy does not specifically include non-discrimination language to ensure all patients eligible for hospice services could be served by the new agency. The Charity Care Policy provides the process to obtain charity care.

Emerald anticipates its combined Medicare and Medicaid revenues for the proposed hospice agency will be approximately 98.6 of its total revenues. While Emerald's payer mix for combined Medicare and Medicaid is consistent with past hospice applications reviewed by the department, Envision Hospice of Washington expressed concerns about the projected payer mix. The concerns questioned whether the percentage of 1.4% for commercial/other payers could be consistent with the sub-criterion. Therefore the department will evaluate the topic using its experience with reviews of past hospice applications.

During the year 2018 review cycle, three applications were reviewed for King County. The three applicants were Bristol Hospice, Continuum Care of King, and Envision Hospice of Washington. Below is a table showing the payer mixes reviewed in each of the three applications.

Department's Table 7
Projected Payer Mix and Percentage Comparisons

Payer	Bristol Percentage	Continuum Percentage	Envision Percentage
Medicare and Medicaid-Combined	97.0%	98.3%	95.0%
Commercial/Self/Other	1.5%	1.7%	5.0%

In its evaluation of the applications referenced in the table, the department reviewed each of the projected payer mixes and determined them to be reasonable. Emerald's payer mix is within the range of payer mixes reviewed and approved in past applications.

Additionally, Emerald's financial data provided in the application shows that Medicare and Medicaid revenue is expected and identifies charity care as a deduction from revenue as required. Envision's concerns are noted, however, the department does not have a set payer mix percentage that must be met by an applicant.

Emerald also provided a copy of the Charity Care Policy to be used at its new King County agency. The policy provides the circumstances that a patient may qualify for charity care. Additionally, the pro forma financial statements provided in the application show a charity care line item at 5.0% of gross revenue.

The department concludes that the Emerald Hospice King application **meets this sub-criterion**.

Signature Hospice King, LLC
In response to this sub-criterion, Signature Hospice King provided a copy of the following policies. [source: Application, Exhibit 11 and February 28, 2020, screening response, Attachment C & Attachment D]

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

Charity Care – the stated purpose of this policy is "*to identify the criteria to be applied when accepting patients for charity care."* The policy provides the procedure to determine if a patient qualifies for charity care. The policy includes a sliding scale with household amounts that would be used to determine charity care qualifications for a patient. The policy identifies that the Executive Director/Administrator, along with the Clinical Director, will determine the appropriate sliding fee schedule to be implemented.

Intake Process – the stated purpose of this document is "*to establish the process for acceptance and entry of patients into hospice*." The policy states that referrals are accepted 24/7 and personnel will be available 24/7 to accept patients into hospice. It outlines the procedures the agency would use to accept a patient for hospice services.

In addition, Signature Hospice King provided the following statements regarding types of patients to be served by the hospice agency. [source: Application, pdf16 and February 28, 2020, screening response, pdf6]
"Signature Hospice King, LLC will serve all patients eligible for hospice services under the requirements for eligibility without discrimination. This will include patients of all ages regardless of a payor source or living situation. Hospice services are "palliative" and not curative. Patients certified terminally ill and electing the hospice benefit do increase with age and the Table below demonstrates that persons over 65+ and patients in the 75-84 range. We do provide 24/7 medical interpretive services for patient care in over 200 different languages and use this service while providing care for all limited English-speaking patients and their caregivers. Our approach to hospice care is patient-centered holistic care incorporating patient goals for comfort, companionship, relief, peace, and resolution of burdensome symptoms at the end-of-life.."

Signature Hospice King, LLC plans on serving any patient that needs hospice services regardless of race, color, religion, age, gender, sexual orientation, disability (mental or physical), communicable disease, or place of national origin.

At our Portland Hospice agency, historical data shows that, on average, 4% of our patients are under the age of 65. Due to the similarities between the Portland and King County areas as described in Question 7 above, we feel that we can use this historical percentage to predict how many patients we would expect to have in King County that are under the age of 65.

Therefore, of the projected admissions of 56 for year 2021, we anticipate admitting about 2.24 patients under 65. With our ADC of 8.59 patients, this would equate to about .34 or rounding up to 1 patient on service during 2021. Again, this information is based on the similarity between Portland/Multnomah county and King county. Using this 4% to forecast for the years 2022 and 2023, we would continue to project an ADC of 34.76 patients and 1.39 patients or 7.8 unduplicated admissions under age 65. With 2023 showing a projection of Average Daily Census of 66.97, or 2.68 patients and 13.56 admissions under the age of 65."

Signature Hospice King provided the following payer mix for the King County hospice services. [source: Application, pdf24]

Department's Table 8
Signature Hospice King County
Projected Payer Mix and Percentage

Payer	Percent
Medicare (including VA)	97.0%
Medicaid	2.0%
Private Pay	1.0%
Total	**100.0%**

Signature Hospice King provided the following statements regarding hours of operation and patient access to services outside of the hours of operation. [source: Application, pdf28]
"Signature Hospice King, LLC will intend to operate a business office from 8am-5pm Monday-Friday. There will be access to a physician, and nurse 24/7 for all patients and families."

Public Comment

As previously stated, Envision Hospice of Washington, LLC provided public comments related to this sub-criterion. The public comments under this sub-criterion addressed all four of the applicants together. For ease of reading, the public comments were restated in the Bristol Hospice project section of this evaluation and are incorporated by reference here.

Rebuttal Comment

In response to the comments above, Signature Hospice King provided the following statements. [source: June 1, 2020, rebuttal statements]

"One fellow applicant stated that our Admission Criteria Policy was not edited to meet the requirements of the Department of Health, even after it was edited in the Concurrent Review.

The admission policy was edited to meet the language of WAC 246-310-210(2) by adding the verbiage at the end of paragraph 2 under the Policy section to include "income level, or other underserved groups". The whole second paragraph of the Admission Criteria Policy and Process on page 46 of the Concurrent Review now reads:

> *"Patients will be accepted for care without discrimination on the basis of race, color, religion, age, gender, sexual orientation, disability (mental or physical), communicable disease, place of national origin, income level, or other underserved groups."*

In addition, the Charity Care policy was revised to meet the requirements as stated in the Concurrent review. By changing the verbiage from "accepted" to "considered" and adding additional appendixes to serve as additional guides ensures that all the revised policies are now able to be interpreted appropriately by the Department of Health.

The Policy verbiage of the Charity Care Policy on page 51 of the Concurrent Review now reads:

> *"Patients without third-party payer coverage and who are unable to pay for hospice care will be considered for charity care admission, per established criteria. Signature Hospice will establish objective criteria and financial screening procedures for determining eligibility for charity care. Refer to established Sliding Fee Scale appendix 4-027a and Discount Application appendix 4- 027b. The organization will consistently apply the charity care policy."*

Department Evaluation

The Admission Policy provided by the applicant describes the process Signature Hospice King would use to admit a patient to its hospice agency. The policy includes language to ensure all patients will be admitted for treatment without discrimination. While the policy does not specifically state that pediatric patients would be served at the agency, it does not definitively exclude them.

The Admission and Charity Care policies are typically used in conjunction, therefore, the Charity Care Policy does not specifically include non-discrimination language to ensure all patients eligible for hospice services could be served by the new agency. The Charity Care Policy provides the process to obtain charity care.

Signature Hospice King anticipates its combined Medicare and Medicaid revenues for the proposed hospice agency will be approximately 99.0% of its total revenues. While Signature Hospice King's payer mix for combined Medicare and Medicaid is consistent with past hospice applications reviewed by the department, Envision Hospice of Washington expressed concerns about the

projected payer mix. The concerns questioned whether the percentage of 1.0% for commercial/other payers could be consistent with the sub-criterion. Signature Hospice King provided rebuttal statements, but did not address this specific topic. Therefore the department will evaluate the topic using its experience with reviews of past hospice applications.

During the year 2018 review cycle, three applications were reviewed for King County. The three applicants were Bristol Hospice, Continuum Care of King, and Envision Hospice of Washington. Below is a table showing the payer mixes reviewed in each of the three applications.

Department's Table 9
Projected Payer Mix and Percentage Comparisons

Payer	Bristol Percentage	Continuum Percentage	Envision Percentage
Medicare and Medicaid-Combined	97.0%	98.3%	95.0%
Commercial/Self/Other	1.5%	1.7%	5.0%

In its evaluation of the applications referenced in the table, the department reviewed each of the projected payer mixes and determined them to be reasonable. Signature Hospice King's payer mix is within the range of payer mixes reviewed and approved in past applications.

Additionally, Signature Hospice King's financial data provided in the application shows that Medicare and Medicaid revenue is expected and identifies charity care as a deduction from revenue as required. Envision's concerns are noted, however, the department does not have a set payer mix percentage that must be met by an applicant.

Signature Hospice King also provided a copy of the Charity Care Policy to be used at its new King County agency. The policy provides the circumstances that a patient may qualify for charity care. Additionally, the pro forma financial statements provided in the application show a charity care line item at 2.0% of gross revenue.

The documents provided in the application referenced as the Intake Process also provide information necessary to review this project.

The department concludes that the Signature Hospice King application **meets this sub-criterion**.

(3) The applicant has substantiated any of the following special needs and circumstances the proposed project is to serve.

(a) The special needs and circumstances of entities such as medical and other health professions schools, multidisciplinary clinics and specialty centers providing a substantial portion of their services or resources, or both, to individuals not residing in the health service areas in which the entities are located or in adjacent health service areas.

(b) The special needs and circumstances of biomedical and behavioral research projects designed to meet a national need and for which local conditions offer special advantages.

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

(4) The project will not have an adverse effect on health professional schools and training programs. The assessment of the conformance of a project with this criterion shall include consideration of:

(a) The effect of the means proposed for the delivery of health services on the clinical needs of health professional training programs in the area in which the services are to be provided.

(b) If proposed health services are to be available in a limited number of facilities, the extent to which the health professions schools serving the area will have access to the services for training purposes.

(5) The project is needed to meet the special needs and circumstances of enrolled members or reasonably anticipated new members of a health maintenance organization or proposed health maintenance organization and the services proposed are not available from nonhealth maintenance organization providers or other health maintenance organizations in a reasonable and cost-effective manner consistent with the basic method of operation of the health maintenance organization or proposed health maintenance organization.

Department Evaluation

This sub-criterion under WAC 246-310-210(3), (4), and (5) is not applicable for these four applications.

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

Bristol Hospice, LLC
Based on the source information reviewed, the department determines that the Bristol Hospice, LLC project **does not meet the applicable financial feasibility criteria in WAC 246-310-220.**

Continuum Care of King, LLC
Based on the source information reviewed, the department determines that the Continuum project **does not meet the applicable financial feasibility criteria in WAC 246-310-220.**

Emerald Healthcare, Inc.
Based on the source information reviewed, the department determines that the Emerald project **does not meet the applicable financial feasibility criteria in WAC 246-310-220.**

Signature Hospice King, LLC
Based on the source information reviewed, the department determines that the Signature Hospice King, LLC project **does not meet 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.[8]

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

As a part of its review, the department must determine that a project is financially feasible – not just as a stand-alone entity, but also as an addition to its own existing operations, if applicable. To

[8] 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.

complete its review, the department may request an applicant to provide projected financial information for the parent corporation if the proposed agency would be operated under the parent.

Bristol Hospice, LLC

Bristol Hospice does not own or operate any healthcare facilities in Washington State. Since it is not an existing facility, it will be operated separately from any of the out-of-state hospice agencies operated by Bristol Hospice.

Bristol Hospice provided the assumptions used to determine the projected number of patients and visits for the proposed King County hospice agency. The assumptions are restated below. [source: Application, p12 and February 28, 2020, screening response, pp2-3]

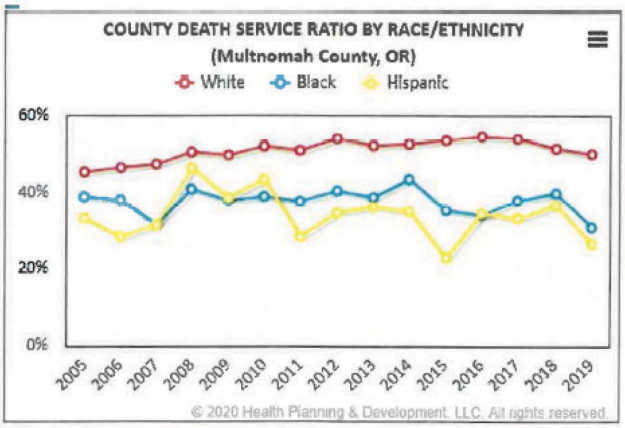
"Bristol Hospice took the Department of Health 2019-2020 Hospice Numeric Need Methodology and extended the projections out to 2023 using the same assumptions. With this it took a market share of 2% of total admissions during the first year growing to 6% in the 3rd year of operations. Bristol has seen similar results in other markets and feels that this would be reasonable in fulfilling the unmet need.

Bristol hospice has served counties that are very similar in demographics to King County. From the data below you can see the variation in 2018 and 2019 are very similar. We have done two startup hospices in Oregon. One in Multnomah that was started in 2012. This program grew in the first three year to 56 ADC. One in Eugene Oregon that we started up just this year. Eugene has had stable growth to ~50 ADC. We have examples of stable startups in nearby states that show we can serve the unmet needs in Washington.

DEATH SERVICE RATIO BY RACE/ETHNICITY

Multnomah County, OR

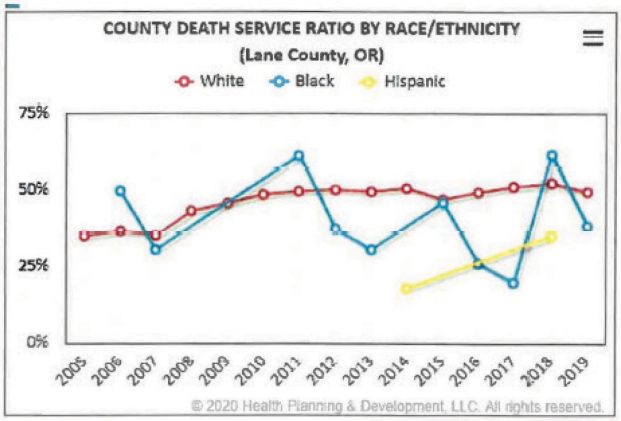
Year	All	White	Black	Hispanic
2005	45%	46%	39%	33%
2006	46%	47%	38%	29%
2007	46%	48%	32%	32%
2008	49%	51%	41%	47%
2009	45%	50%	38%	39%
2010	51%	52%	39%	44%
2011	45%	51%	38%	29%
2012	52%	54%	41%	35%
2013	51%	52%	39%	36%
2014	51%	53%	44%	35%
2015	52%	54%	35%	23%
2016	53%	55%	34%	35%
2017	52%	54%	38%	33%
2018	50%	52%	40%	37%
2019	48%	50%	31%	27%



DEATH SERVICE RATIO BY RACE/ETHNICITY

Lane County, OR

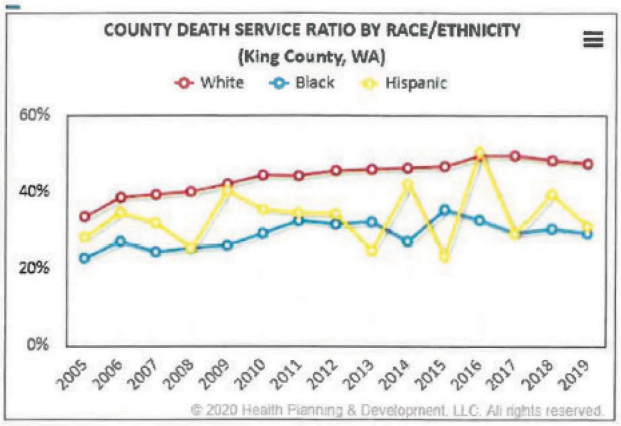
Year	All	White	Black	Hispanic
2005	35%[1]	35%[1]		
2006	37%	37%	50%	
2007	35%	35%	31%	
2008	43%	43%		
2009	46%	46%		
2010	49%	49%		
2011	50%	50%	62%	
2012	50%	50%	38%	
2013	50%	50%	31%[1]	
2014	51%	51%		18%
2015	47%	47%	46%	
2016	49%	50%	26%	
2017	51%	51%	20%	
2018	52%	53%	62%	35%
2019	49%	50%	38%	



DEATH SERVICE RATIO BY RACE/ETHNICITY

King County, WA

Year	All	White	Black	Hispanic
2005	33%	34%	23%	29%
2006	37%	39%	27%	35%
2007	38%	40%	25%	32%
2008	39%	40%	26%	26%
2009	41%	42%	26%	41%
2010	43%	45%	30%	36%
2011	43%	44%	33%	35%
2012	44%	46%	32%	35%
2013	44%	46%	32%	25%
2014	44%	47%	27%	42%
2015	45%	47%	36%	24%
2016	48%	50%	33%	51%
2017	47%	50%	30%	30%
2018	46%	48%	31%	40%
2019	45%	48%	30%	31%



Source: "HealthPivots DataLab." *HealthPivots DataLab*, https://datalab.healthpivots.com/.

Based on the assumptions above, Bristol Hospice provided the following projections for utilization of the hospice agency. [source: Application, p12]

Department's Table 10
Bristol Hospice Projected Utilization

	Year 1 – 2021	Year 2 – 2022	Year 3 - 2023
Admissions	164.73	341.02	528.86
Percentage of King Market Share	2.0%	4.0%	6.0%
Total Days	9,905.32	20,505.49	31,800.58
Average Length of Stay (calculated)	60.13	60.13	60.13
Average Daily Census	27.14	56.18	87.12

If this project is approved, the new hospice agency would be operated under Bristol Hospice, LLC. To assist in this evaluation, the department requested Bristol Hospice provide pro forma financial statements for the King County hospice agency alone and Bristol Hospice, LLC as a whole, which would incorporate the proposed projects in Thurston, Snohomish, and Pierce counties in Washington State. The pro forma statements provided are below.

- Pro forma Operating Statement King County only;

- Pro forma Operating Statement combining King, Thurston, Snohomish, and Pierce counties; and
- Pro forma Balance Sheet for King County only.

Bristol Hospice, LLC also provided its assumptions used to project the pro forma statements referenced above. [source: February 28, 2020, screening response, Exhibit 13] The assumptions tables are recreated below.

Applicant's Assumption Tables-Recreated

Revenues

All	*All PPD assumptions below are based off thousands of patients that have received services by Bristol.*
Payer Mix	*We estimated our payer mix based upon our Portland, OR location as this is the closest geographical area we serve. Assumptions are 98.2% Medicare, .8% insurance, 1% Medicaid.*
Payer Rates	*The rates used in the projections were taken from the CMS payment rates for King County for fiscal year 2020 for GIP Routine Respite Continuous Care. We estimated a blended rate of 2018 PPD for Medicare assuming a 60 day ALOS. Of the Medicare revenue 1.3% is GIP, 3.8% Is Respite, 1.3% is Continuous Care and 93.6% is routine. Insurance rates in our experience typically yields a rate equal to the Medicare rates all insurance days are estimated to be routine level of care days. The Medicaid rate in WA is also comparable to the Medicare rate and all Medicaid rates are estimated to be routine level of care days.*
Charity Care	*We have assumed charity care will amount to 2% of Patient days.*
Room and Board	*This revenue pertains to Medicaid patients residing in skilled nursing facilities ("SNF"). Instead of paying the SNF for these patients the state of WA will pay Bristol 95% of the Medicaid rate for that specific SNF. Bristol, in turn, will pay the SNF 100% of the Medicaid rate and then will bill Medicare for their hospice services. This keeps the SNF whole in terms of revenue but Bristol will show a small loss as we receive less from the state than we will pay. For example, if the SNF was being paid $100 per day by the state for a Medicaid patient and that patient signs up for hospice services the SNF will now receive $0 from the state. The state will pay Bristol $95 per day and Bristol will pay the SNF $100 per day. We estimate that between 20% - 25% of our total average dally census ("ADC") will reside in a SNF each month.*
Bad Debt	*We estimate 1% of our revenues will become uncollectable for bad debt.*

Expenses

Salaries and Wages	*Wages are based off Bureau of Labor Statistics data for wages for King County.*
Payroll Taxes	*Payroll Taxes are estimated to be 9.33% of wages in total.*
Employee Benefits	*Employee Benefits is estimated to be 11.4% of wages. This is based off historical experience.*
Workers Comp	*This is estimated to be 1.8% of wages and is in line with our experience running hospices.*
Mileage	*This is estimated from PPD's for each discipline from other locations. It varies by discipline but ranges from 3-5 dollars PPD.*
Medical Supplies	*Estimated at $3.59 PPD*
Office Supplies	*Estimated at $0.69 PPD.*
Laboratory/X-ray	*Estimated at $.0SPPD.*
Pharmacy	*Estimated at $6.50 per patient day ("PPD").*

Medical Director Fees	*Medical Director fees are estimated on a PPD of $6.00.*
Equipment Rental	*Estimated at $6.50 P*
Building Rent or Lease	*This is based off a Lease Payment of $800.00 monthly*
Depreciation and Amortization	*Based off a 36 month flat line depreciation for 30K of capital expense.*
Insurance	*Based off expected $1,100 dollars a month insurance policy.*
Utilities	*Lease included utilizes except hazardous waste and other misc. expenses that are captured here*
Contract Labor / Purchased Services	*Estimated at 2.20 PPD*
Drug Screen Background Checks	*Estimated at $.60 PPD*
On Call Technology	*Estimated at $1.40 PPD*
IT Systems	*Estimated at $.SO PPD*
Overhead allocation	*This is the cost to oversee the company from the parent that is allocated to the business. This is estimated to be $6.50 PPD*
Phone Services	*Estimated at $.93 PPD*
Other	*Estimated at $3.84 PPD Includes Postage and other misc. expenses*

Below is a summary of the projected Revenue and Expense Statement for the King County hospice agency. [February 28, 2020, screening response, Exhibit 13]

Department's Table 11
Bristol King County Hospice Agency
Revenue and Expense Statement for Projected Years 2021 through 2023

	CY 2020	CY 2021	CY 2022
Net Revenue	$1,973,769	$4,069,161	$6,300,974
Total Expenses	$1,654,269	$3,613,090	$5,587,585
Net Profit / (Loss)	**$319,500**	**$456,071**	**$713,389**

Bristol Hospice also provided the projected balance sheets for the proposed King County hospice agency. The three-year summary is shown in the table below. [Application, Exhibit 13]

Department's Table 12
Bristol King County Hospice Agency
Balance Sheet for Projected Year 2021 through 2023

Year 2021

Assets		Liabilities	
Current Assets	$10,955,038	Current Liabilities	$306,361
Property & Equipment	$48,273	Long Term Debt	$0
Other Assets	$0	**Total Liabilities and Long Term Debt**	**$306,361**
		Equity	$10,696,950
Total Assets	**$11,003,311**	**Total Liabilities and Equity**	**$11,003,311**

Year 2022

Assets		Liabilities	
Current Assets	$14,969,109	Current Liabilities	$351,361
Property & Equipment	$32,273	Long Term Debt	$0
Other Assets	$0	**Total Liabilities and Long Term Debt**	**$351,361**
		Equity	$14,650,021
Total Assets	**$15,001,382**	**Total Liabilities and Equity**	**$15,001,382**

Year 2023

Assets		Liabilities	
Current Assets	$19,345,499	Current Liabilities	$401,361
Property & Equipment	$16,273	Long Term Debt	$0
Other Assets	$0	**Total Liabilities and Long Term Debt**	**$401,361**
		Equity	$18,960,411
Total Assets	**$19,361,772**	**Total Liabilities and Equity**	**$19,361,772**

In response to the department's screening request, Bristol Hospice also provided consolidated Revenue and Expense Statements. Those statements are summarized below and rely on the assumption that this King County project is approved, and the three applications submitted in the hospice review cycle 2 for Thurston, Snohomish, and Pierce counties will also be approved. [source: February 28, 2020, screening response, Exhibit 3]

Department's Table 13
Bristol Hospice Combined Statement
Revenue and Expense Statement for Projected Years 2021 through 2023

	CY 2021	CY 2022	CY 2023
Net Revenue	$18,583,093	$21,399,950	$24,353,232
Total Expenses	$13,600,104	$15,768,561	$18,257,516
Net Profit / (Loss)	**$4,982,989**	**$5,631,389**	**$6,095,716**

In its screening of the Bristol Hospice application, the department requested that the applicant provide a consolidated Balance Sheet that relies on the assumption that this King County project is approved, and the three applications submitted in the hospice review cycle 2 for Thurston, Snohomish, and Pierce counties will also be approved.[9] [source: Department's January 31, 2020, screening question #14] Bristol Hospice did not provide the combined balance sheet summary as requested.

[9] Department's question #14: *"As a part of this Certificate of Need review, the department must determine that an approvable project is financially feasible – not just as a stand-alone entity in a new county, but also as an addition to existing operations. It is unclear from the application whether the proposed King County hospice agency will be a stand-alone LLC from the other projects to be submitted by Bristol Hospice in the 2019 hospice review cycle 2. If more than one agency will be operated under the same entity as the King County agency, provide pro forma revenue and expense projections in the same format as included in Attachment A, as well as balance sheets, for the possible outcome that the applicant is approved for one or more projects it has applied for in the two hospice agency concurrent review cycles. This can be accomplished by providing, at minimum, revenue and expense statements and balance sheets for Bristol Hospice through the projection periods using the assumption that application is approved."* Foonote #1 associated with this question stated: "This request is not a pre-determination of any of the projects submitted by the applicant; rather the request ensures a thorough and complete financial review for this King County project."

Public Comment

During the review of this project, two entities provided public comments related to this sub-criterion. The public comments are restated below by topic.

Implementation Timeline

"Bristol's proposed January 2021 start of operations is unrealistic. When Envision began implementation of its first Washington hospice agency, it was already operating a home health agency in an adjacent county, but that had little effect on the timing of its hospice licensing in Washington and its Medicare accreditation.

- *From Envision's submission of an initial hospice license application until the State's first survey visit and issuance of the State license was over three months.*
- *Additionally, from Envision's request for an accreditation survey visit it took the accrediting agency about five months to actually complete the visit.*
- *After accreditation, it took another three months for CMS to issue a provider number.*
- *Furthermore, the initial Hospice Application packet a hospice must submit to the State must include a copy of the In-home Services Orientation Class "Certificate of Completion." Applications will not be processed unless a certificate of completion has been submitted. Assuming receipt of a CON in August, the recruitment and hiring of an Administrator would need to occur in order for her or him to complete the State's In-home Services Orientation scheduled for September 2, 2020.*

It is very likely that Bristol will not be licensed or able to see its first patient until December 2020, with the accreditation survey not likely before May 2021, and the issuance of a Medicare provider number/certification and commencement of Medicare revenues until August 2021. As an experienced national hospice provider, Bristol would be expected to plan reasonably for the development of a new agency in King County and a realistic start date for licensed-only services, so it has enough patients to undergo certification, then Medicare certification and finally, the timing of its initial receipt of Medicare reimbursement."

[source: Envision Hospice of Washington, April 30, 2020, public comment]

"In their project description, Bristol wrote that the commencement and completion of the project are both projected for January 2021. It is not possible to commence and complete this project in the same month. Bristol did not clarify this in their screening response, therefore the State cannot determine the financial feasibility, cost containment, structure or process of this project and the application should be denied."

[source: Puget Sound Hospice, April 30, 2020, public comment]

Combined Financial Statements

"At Screening Question 14, the Department requested that in order to determine its project's financial feasibility "not just as a stand-alone entity in a new county, but also as an addition to existing operations," Bristol needs to "provide pro forma revenue and expense projections in the same format as included in Attachment A, as well as balance sheets, for the possible outcome that the applicant is approved for one or more projects it has applied for in the two hospice agency concurrent review cycles. This can be accomplished by providing, at minimum, revenue and expense statements and balance sheets for Bristol Hospice through the projection periods using the assumption that application is approved."

Bristol Hospice, LLC has applied for Certificates of Need in King, Thurston, Snohomish and Pierce counties. The Department is therefore asking that Bristol provide pro forma revenue and expense projections as well as balance sheets for King as a stand---alone as well as combined financials for the following approval possibilities (accepting that only the immediate parent company Bristol Hospice Northwest, LLC be included):
Bristol Northwest + King
Bristol Northwest + King + Thurston
Bristol Northwest + King + Snohomish
Bristol Northwest + King + Pierce
Bristol Northwest + King + Thurston + Snohomish
Bristol Northwest + King + Thurston + Pierce
Bristol Northwest + King + Snohomish + Pierce
Bristol Northwest + King + Thurston + Snohomish + Pierce

Bristol's response to Question 14 states: "Exhibit 3 has a projection for each individual application plus the next parent as well as a consolidated projection for all applications plus the parent." Nevertheless, Bristol's Exhibit does not contain the eight projections requested and that Bristol says it supplies. It only provides pro forma revenue and expense statements for two approval scenarios:
1. *King plus Bristol Northwest Combined, and*
2. *King, Thurston, Snohomish, Pierce and Bristol Northwest Combined.*

Bristol does not provide the response requested. Moreover, Bristol does not provide any balance sheets for any scenario as specifically requested. Without the required information, the Department will be unable to evaluate the financial feasibility of Bristol's proposal.

As further evidence of the incomplete and confusing financials provided, the pro forma balance sheet in the original application is titled "King County" but is obviously for another entity. In the first year alone, the assets show over $5m in unexplained cash and over $2.9m of receivables from just $1.9m of revenue. It has over $2.9m "owed from parent (Bristol Hospice, LLC)", and the year's earnings are over $3.8m when the pro forma revenues and expenses show $319k in earnings for that year. Additionally, the accumulated depreciation change year over year does not match what is shown in the related pro forma revenues and expenses (which does not match the assumptions stated at the line item description).

With the discrepancies and omissions of required information, it is not possible for the Department to properly evaluate or have confidence in the projections and the financial feasibility of Bristol's proposed project."
[source: Envision Hospice of Washington, April 30, 2020, public comment]

<u>Specific Line Items in Revenue and Expense Statement</u>
"WA B & O Tax: Additionally, the Bristol financials provided do not show the required line item for B&O Taxes in any of the provided pro forma revenue and expenses whether stand-alone or combined. That would be approximately $35k, $73k, and $113k in the first 3 years of operations for King alone and would be significantly more for any combined scenario. If located elsewhere, that does not respond to the application requirements.

Staffing expense: Bristol provides none of the required salary assumptions that must be provided to support its projected salaries for the FTE's in each position listed. This is not responsive to the CON application requirements and leaves Bristol's 2021-2023 pro forma figures for salaries and wages

without accurate stated assumptions supporting them. This results in unreliable financial projections. Bristol's project does not meet the financial feasibility criteria."
[source: Envision Hospice of Washington, April 30, 2020, public comment]

"Bristol's application MD contract is missing page 4, which would include the MD pay rate. Bristol provided a complete MD contract in their screening response. The MD contract rate is $300 per hour, which is approximately $100 per hour more than the market rate. The State is left with a substantially inflated MD rate to work with. This application must be denied for these reasons."
[source: Puget Sound Hospice, April 30, 2020, public comment]

"Note: Bristol includes overhead allocations that seem to be excessive in their application and screening response. In addition, the startup costs of $136,000 in the screening response also appears excessive."
[source: Puget Sound Hospice, April 30, 2020, public comment]

Rebuttal Comment
In response to the public comments, Bristol provided the following rebuttal comments. [source: Bristol Rebuttal Comments May 6, 2020]
"Public comment for the King County CON applications were released on May 4th, 2020. Bristol Hospice reviewed the comments submitted by the various groups and noted the specific comments made by Puget Sound, Continuum, and Envision on its application and screening. After review of the comments made Bristol would like to note that none of the points made by any of these parties would cause denial of its application. Bristol has been active in the CON decision-making process starting in late 2018. It has spent a significant amount of time with the DOH analysts going over each question and the required response to ensure that it has given the necessary detail to be awarded a Hospice CON. The points made by these groups were far reaching should not be considered during the review period."

Department Evaluation

Timeline for Implementation
In its rebuttal comments, Bristol Hospice did not specifically respond to this issue. Bristol identified a completion date for this project of January 2021. This date is based on the assumption that this evaluation will be released in September 2020 and the project would be approved to begin operations. Comments suggest that this timeline is unreasonable and unachievable. While the timeline is ambitious, is not completely unreasonable with the expectation that the applicant would begin implementation of its approval immediately after issuance of the CN. Further, Bristol Hospice's timeline is consistent with other timelines reviewed for hospice services.

Utilization Assumptions
An applicant's utilization assumptions are the foundation for the financial review under this sub-criterion. Bristol Hospice does not currently operate a hospice agency in Washington State. With no specific Washington State hospice experience, it based its projected utilization of the hospice agency on specific factors:

- Extension of the numeric methodology out to year 2023. Determined that the new hospice agency would capture a market share of 2.0% in year one, which increases to 4.0% in year two, and 6.0% in year three. The market share percentages are based on similar market shares in other markets.
- Average length of stay at 60.13 days based on the Washington State numeric methodology.

- Based on the two factors above, the three year average daily census calculates to 27.14 in year one and increases to 56.18 in year two, and 87.12 in year three.

The department concludes that Bristol Hospice, LLC's utilization assumptions are reasonable.

Pro Forma Financial Statements

The applicant provided pro forma Revenue and Expenses Statements for the King County agency that allowed the department to evaluate the financial viability of the proposed hospice agency alone. Bristol Hospice also provided combined pro forma Revenue and Expense Statements for Bristol Hospice, LLC and King, Thurston, Snohomish, and Pierce counties as requested. This approach allows the department to evaluate the financial viability of the proposed King hospice and other agencies that are under Washington State hospice concurrent review.

The public comments submitted during this review focus on four specific line items in the pro forma financial statements. Each line item is addressed separately below.

Washington State Business and Occupation Tax (B & O)

This tax is levied in Washington State and is based on gross income, rather than net income. Public comments state that the taxes are not identified in the King County or combined pro forma revenue and expense statements. A review of the statements confirm that the B & O taxes are not identified in a separate line item.

Staffing expense

Public comments state that the assumptions used to determine the projected salaries are not included in the application. The department notes that the specific salaries are not included in the list of assumptions; rather Bristol Hospice states that its wages are based off Bureau of Labor Statistics data for wages for King County.

Medical Director Contract

Public comments state that the medical director agreement rate is $300 per hour, which is $100 per hour more than the market rate. However, Bristol Hospice's assumptions list the medical director rate at $6.00 per patient day. To review this concern the department multiplied the $6.00 per patient day amount by the number of patient days and compared it to the amounts identified in the Revenue and Expense Statement for King County.[10] The calculations and comparison is shown below.

	Year 1	**Year 2**	**Year 3**
Per Patient Day Amount	$6.00	$6.00	$6.00
Annual Number of Patient Days	9,905.32	20,505.49	31,800.58
Calculated Amount-Annual	$59,431.92	$123,032.94	$190,803.48
Amount in Pro Forma Statement	**$562,824**	**$648,276**	**$737,892**

The table below determines the per patient day amount by dividing the amount identified in the pro forma statement by the annual number of days.

[10] This calculation is the understanding by CN staff of how the costs were determined.

	Year 1	Year 2	Year 3
Amount in Pro Forma Statement	**$562,824**	**$648,276**	**$737,892**
Annual Number of Patient Days	9,905.32	20,505.49	31,800.58
Per Patient Day Amount	$56.82	$31.61	$23.02

Overhead and Start Up Costs

Public comments suggest that both of the costs shown in the pro forma statement is 'excessive.' Bristol Hospice assumption for the overhead or allocated costs are $6.50 per patient day.[11] A calculation of that formula is shown below.

	Year 1	Year 2	Year 3
Per Patient Day Amount	$6.50	$6.50	$6.50
Annual Number of Patient Days	9,905.32	20,505.49	31,800.58
Calculated Amount-Annual	$64,384.58	$133,285.69	$206,703.77
Amount in Pro Forma Statement	**$610,097**	**$702,698**	**$799,855**

The table below determines the per patient day amount by dividing the amount identified in the pro forma statement by the annual number of days.

	Year 1	Year 2	Year 3
Amount in Pro Forma Statement	**$610,097**	**$702,698**	**$799,855**
Annual Number of Patient Days	9,905.32	20,505.49	31,800.58
Per Patient Day Amount	$61.59	$34.27	$25.15

Regarding the $136,000 identified for start-up costs, the comments do not suggest why this amount would be excessive—only that it is.

Because Bristol Hospice did not provide rebuttal comments to address the line item concerns raised, there is no available information that the department can use to confirm that the financial information provided accurately projects the expenses presented by the applicant.

Combined Balance Sheet for King, Thurston, Snohomish, and Pierce Counties

While this statement was requested during the screening of the application, it was not provided. Public comments state that the financial viability of the project cannot be reviewed without the combined statement. The department concurs.

In summary, Bristol Hospice was provided the same opportunity as the other applicants to provide rebuttal on all comments submitted on their application. Given the department did not receive any rebuttal comments to address some of the issues regarding their projected revenues and expenses for the proposed hospice agency, the department has only the information provided in the initial application and screening responses for consideration under this sub-criterion. Based on the information available, the department cannot complete the review of the immediate and long-range operating costs of Bristol Hospice's King County project. **This sub-criterion is not met.**

[11] This calculation is the understanding by CN staff of how the costs were determined.

Continuum Care of King, LLC

Continuum currently operates as a licensed-only hospice provider in King County, and has a sister entity, Continuum Care of Snohomish, LLC, that started operations in 2019

Continuum provided the assumptions used to determine the projected number of patients and visits for the proposed King County hospice agency. The assumptions are restated below. [source: Application, pp14-19]

"Table 5 details the admissions, patient days, ALOS and ADC that Continuum projects in King County beginning in 2021 through 2024 (the 3rd full year of operation) timeframe.

Applicant's Table

Table 5

Projected Patient Census for King County

	Actual 2018 (Per DOH Survey)	2021 (6 months only)[6]	2022	2023	2024
Total King County admissions per methodology	7,368	4,118	8,525	8,814	9,103
Incremental admissions over 2018 actual	0	869	1,157	1,446	1,735
Continuum King County Market Share of incremental admissions		10%	16%	17%	20%
Continuum King Admissions per Methodology		90	190	247	340
Continuum King Admissions for underserved population		10	30	58	80
Total projected Continuum admissions	NA	100	220	305	420
Continuum ALOS	NA	30.07	60.13	60.13	60.13
Continuum Patient Days	NA	3,048	13,229	18,340	25,255
Continuum ADC	NA	16.7	36.2	50.3	69.2
Continuum Median LOS	NA	20.0	20.0	20.0	20.0

Source: Applicant

"Continuum's assumptions are as follows:

- *The assumed admissions are based on a highly conservative assumption of what the Members of Continuum have experienced in opening other agencies.*
- *ALOS: The 60.13-day ALOS was based on the Washington State average contained in the published hospice methodology.*
- *Median LOS: the 20-day median LOS was based upon the Members of Continuum's actual experience in their other agencies.*

"The assumptions for admissions and median length of stay are as follows:

"Median Length of Stay Assumption:

"Based on current data, for Continuum's related agencies, approximately 20 days, for its assumption for this application.

"Admissions Assumption:
"The admissions were based on the CN Program's hospice methodology (per WAC 246-310-290), with a conservative assumption of Continuum's estimated market share of incremental (new cases). The assumptions we used in King County are highly conservative compared to our actual experience

in the agencies noted above; see, for instance, our actual experience with admissions at our agency in Concord, California, detailed in response to Question 7.

"Table 6 identifies Continuum's estimated first full year of operation estimate of patients by diagnosis

Applicant's Table
Table 6
Estimated Hospice Patients by Diagnosis and Percent

Diagnosis	# of Admissions	Percent of Total
Cancer	79	36%
Cardiac/Heart	37	17%
Alzheimer's/Dementia	31	14%
Lung Diseases	22	10%
Other [7]	51	23%
Total	**220**	**100.0%**

Source: Applicant

"The distribution of patients by diagnosis is from a combination of sources: The Members' experience with its existing operations, the federal Medicare Hospice files, and a review of recent CN approved hospice applications in Washington State.

"Annually, the Program surveys all existing hospice providers in the State. The Program then applies the survey data to the hospice need methodology in WAC 246-310-290. A copy of the methodology for King County is included as Exhibit 5. The Program's forecast is for an unmet ADC of 94 in 2021.

"Use Rate:
"Continuum adopted the "use rate" assumptions as calculated in the Program's hospice methodology (per WAC 46-310-290).

"Market Share:
"Given the estimated unmet need in King County, combined with the number of existing agencies, Continuum conservatively assumed our market share of incremental admissions to be 10% in 2021, increasing to 20% by 2024. This calculation assumes that existing providers will continue to grow to meet the remaining incremental admissions.

"Intensity of Service:
"While intensity has not been defined by the CN Program, we are responding two ways. First, related to the scope of our services. As detailed in the pro forma, we are providing routine, inpatient, general inpatient and continuous home care. We also propose to serve patients in nursing homes, assisted living, group homes and the homeless.

"Secondly, we propose to have specific outreach to communities that have been historically underserved. As such, these underserved communities are not fully reflected in the CN Program's methodology (which relies on three years of historical data projected forward). In year 1 (6 months only) we intend to serve 10 individuals (or 10% of estimated admissions) from underserved communities that are "outside" of the methodology. By our third full year, we estimate that

approximately 19% of our total admissions will be from underserved communities not reflected in historical use data. This reflects our actual experience.

"In addition, and while the question does not ask per se, about availability and accessibility, we understand that the CN Program staff wants Continuum to outline how its proposed application meets the requirements in WAC 246-310-210(1), which states:

(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. The assessment of the conformance of a project with this criterion shall include, but need not be limited to, consideration of the following:

(b) In the case of health services or facilities proposed to be provided, the efficiency and appropriateness of the use of existing services and facilities similar to those proposed;

"Historically, in CN decisions, the Program itself has stated than an unmet need calculated by application of its methodology demonstrates that other agencies will not be sufficiently available or accessible to meet the need". In one case, the Program explicitly indicated that existing agencies should not assume that they can continue to grow to address projected need.

> *"PSHH's business decision to expand services at some future date is not relevant to whether existing providers are available and accessible at the time of application. Only in rare circumstances is it responsible to apply future expansion plans of existing providers when determining a community's need. None of these circumstances exist in this application. It is also unreasonable to rely solely on existing providers hiring additional staff to meet all future projected need.*

"Further, the Program has historically found that intent to have Medicare and Medicaid certification is another indication of accessibility.

"The literature irrefutably establishes that hospice is preferred for managing patients at end of life and supporting their families. It reduces cost and improves quality. Therefore, we do not believe that there are "other services" that are comparable.

"As discussed in the application, Continuum proposes to establish a new hospice agency that will be specifically targeted to underserved populations in order to reduce disparities in access and use of hospice services among underserved ethnicities in King County. As was illustrated in Table 3 in the application, Medicare data demonstrates that certain ethnic and racial groups use hospice less than the white population. Continuum proposes to specifically outreach to these populations in order to increase their hospice utilization as it has done in California and Rhode Island."

If this project is approved, the new hospice agency in King County would be operated separately from any other entity, though it would purchase administrative services from Continuum Care Hospice LLC. The proposed hospice is not a subsidiary or under the control of any other entity, therefore Continuum did not provide projected financial statements for any other combinations of approvals of other potentially related hospice applications in this or the subsequent hospice review cycle.

Continuum also provided its assumptions used to project the pro forma statements within the statements. [source: Application, Exhibit 8]

Continuum King
Financial Assumptions

Line Item	***Assumption***
Contractual Adjustments	*Approximately 5% of total revenue.*
Charity/Indigent Care	*3% of total revenue*
Bad Debt	*2% of total revenue*
Salaries and Benefits	*Based on FTE and staffing. Benefits are assumed to be 20% of salaries.*
Medical Director	*Based on medical director contract ($4,000/month)*
Contracted Services	*For PT/OT/SP and dietician; assumed to be $0.39/per patient day (PPD)*
Pharmacy	*Assumed to be $8.59/PPD*
DME	*Assumed to be $7.58/PPD*
Medical Supplies	*Assumed to be $2.11/PPD*
Other Direct Expenses	*Assumed to be $10.70 per patient per month (includes ambulance, chemotherapy, imaging, lab, radiation)*
General Inpatient Costs	*GIP is 80% of the GIP rate, or $906.85 PPD*
Inpatient Respite Costs	*Pass thru cost*
5% room and board expense for Medicaid patients in nursing homes receiving routine care	*15% of total patient days will be eligible for room and board pass through for 2021, 20% for 2022, 25% for 2023 and 30% for 2024 will be room and board. Room and board rate assumed to be $255.41 and is based on the 2019 King County average nursing home Medicaid rate.* *Assumes Medicaid reimburses 95% of the rate. Assume no increase in the rate*
Mileage	*Assumed an average of 229.43 miles (per patient per month served at the rate of $0.58/mile. Assume no increase in IRS rate*
Advertising	*Assumed to be $23.70 per patient per month*
Advertising	*Assumed to be $23.70 per patient per month*
Amortization	*Capital cost amortization of $106,800 for 15 years*
Bank Service Charges	*Assumed to be $0.09 per patient per month*
Payroll Services	*Assumed to be $6.07 per patient per month*
Background Screening	*Assumed to be $13.28 per patient per month*
Business licenses and permits	*Assumed to be $7.64 per patient per month*
Computer / Internet	*Assumed to be $12.92 per patient per month*
Dues/Subscriptions	*Assumed to be $7.65 per patient per month*

Line Item	***Assumption***
Insurance	*Assumed to be $73.37 per patient per month.*
Overhead allocation	*In initial ½ year.15 FTE each for several key administrative staff (COO, Chief Compliance Officer, CFO, Triage) has been allocated. In Years 2-3, this is reduced to .08 FTE each. In addition, $12,000 annually has been allocated for billing, except in first half year, assumed $6,000.*
Operating Costs (lease)	*2.56% of total building operating costs over base year 2019 and in subsequent years in operating expenses, responsible for 2.56% of the increase.*
Legal & Professional Services	*Assumed to be $12.38 per patient per month*
Office Expenses & Supplies	*Assumed to be $47.01 per patient per month*
Amortization	*Capital cost amortization of $106,800 for 15 years*
Bank Service Charges	*Assumed to be $0.09 per patient per month*
Payroll Services	*Assumed to be $6.07 per patient per month*
Background Screening	*Assumed to be $13.28 per patient per month*
Business licenses and permits	*Assumed to be $7.64 per patient per month*
Computer / Internet	*Assumed to be $12.92 per patient per month*
Dues/Subscriptions	*Assumed to be $7.65 per patient per month*
Insurance	*Assumed to be $73.37 per patient per month.*
Overhead allocation	*In initial ½ year.15 FTE each for several key administrative staff (COO, Chief Compliance Officer, CFO, Triage) has been allocated. In Years 2-3, this is reduced to .08 FTE each. In addition, $12,000 annually has been allocated for billing, except in first half year, assumed $6,000.*
Operating Costs (lease)	*2.56% of total building operating costs over base year 2019 and in subsequent years in operating expenses, responsible for 2.56% of the increase.*
Legal & Professional Services	*Assumed to be $12.38 per patient per month*
Office Expenses & Supplies	*Assumed to be $47.01 per patient per month*
Pre-opening rent	*9 months of 2019 AND 12 months of 2020.*
Rent	*Per lease agreement through 2023. For 2024, a 4% increase in the 2023 rate was assumed.*
Repairs	*Assumed to be $2.06 per patient per month*
Software	*Assumed to be approximately $7k/month*

Line Item	*Assumption*
Taxes	*Assumed to be $20.83 per patient per month*
Phone	*Assumed to be $62.61 per patient per month*
Travel	*Assumed to be $12.38 per patient per month*
Uniforms	*Assumed to be $2.30 per patient per month*

Based on the assumptions above, below is a summary of the projected Revenue and Expense Statement for the King County hospice agency. [source: February 28, 2020, screening response, Attachment 5]

Department's Table 14
Continuum King Hospice
Revenue and Expense Statement for Projected Years 2022 through 2024

	CY 2022	CY 2023	CY 2024
Net Revenue	$2,790,509	$3,692,373	$5,084,580
Total Expenses	$2,536,009	$3,281,781	$4,816,971
Net Profit / (Loss)	**$7,631**[12]	**$216,257**	**$490,693**

Continuum also provided the projected balance sheets for the proposed King County hospice agency. The three-year summary is shown in the table below. [source: February 28, 2020, screening response, Attachment5]

Department's Table 15
Continuum Hospice King
Balance Sheet for Projected Year 2022 through 2024

Year 2022

Assets		Liabilities	
Current Assets	$569,675	Current Liabilities	$269,480
Property & Equipment	$96,120	Long Term Debt	$0
Other Assets	$2,110	**Total Liabilities and Long Term Debt**	**$269,480**
		Equity	$398,425
Total Assets	**$667,905**	**Total Liabilities and Equity**	**$667,905**

[12] The revenue and expense statements provided in response to screening sum to the values identified in Table 14, but do not sum to the amounts identified in the applicant's pro forma financial statements. Upon examination, it is apparent that Medicare revenue would have to be $100,000 higher than the amount in the screening responses to sum to the total stated by the applicant. This issue is addressed in the department's evaluation below.

Year 2023

Assets		Liabilities	
Current Assets	$862,667	Current Liabilities	$339,096
Property & Equipment	$89,000	Long Term Debt	$0
Other Assets	$2,110	**Total Liabilities and Long Term Debt**	**$339,096**
		Equity	$614,681
Total Assets	**$953,777**	**Total Liabilities and Equity**	**$953,777**

Year 2024

Assets		Liabilities	
Current Assets	$1,455,650	Current Liabilities	$434,267
Property & Equipment	$81,880	Long Term Debt	$0
Other Assets	$2,110	**Total Liabilities and Long Term Debt**	**$434,267**
		Equity	$1,105,373
Total Assets	**$1,539,640**	**Total Liabilities and Equity**	**$1,539.640**

Continuum provided the following information regarding the operations of the proposed King County agency. [source: February 28, 2020 screening response, p2]
"Every application submitted by Continuum proposes a new legal entity and a separately licensed and accredited agency. There will be no satellite agencies. As such, this question is not applicable."

Continuum Care of King, LLC did not provide combined financial statements for any other entity or combination of entities, either with or without the project.

Public Comment
During the review of this project, two entities provided comments related to this sub-criterion. The comments are restated below.

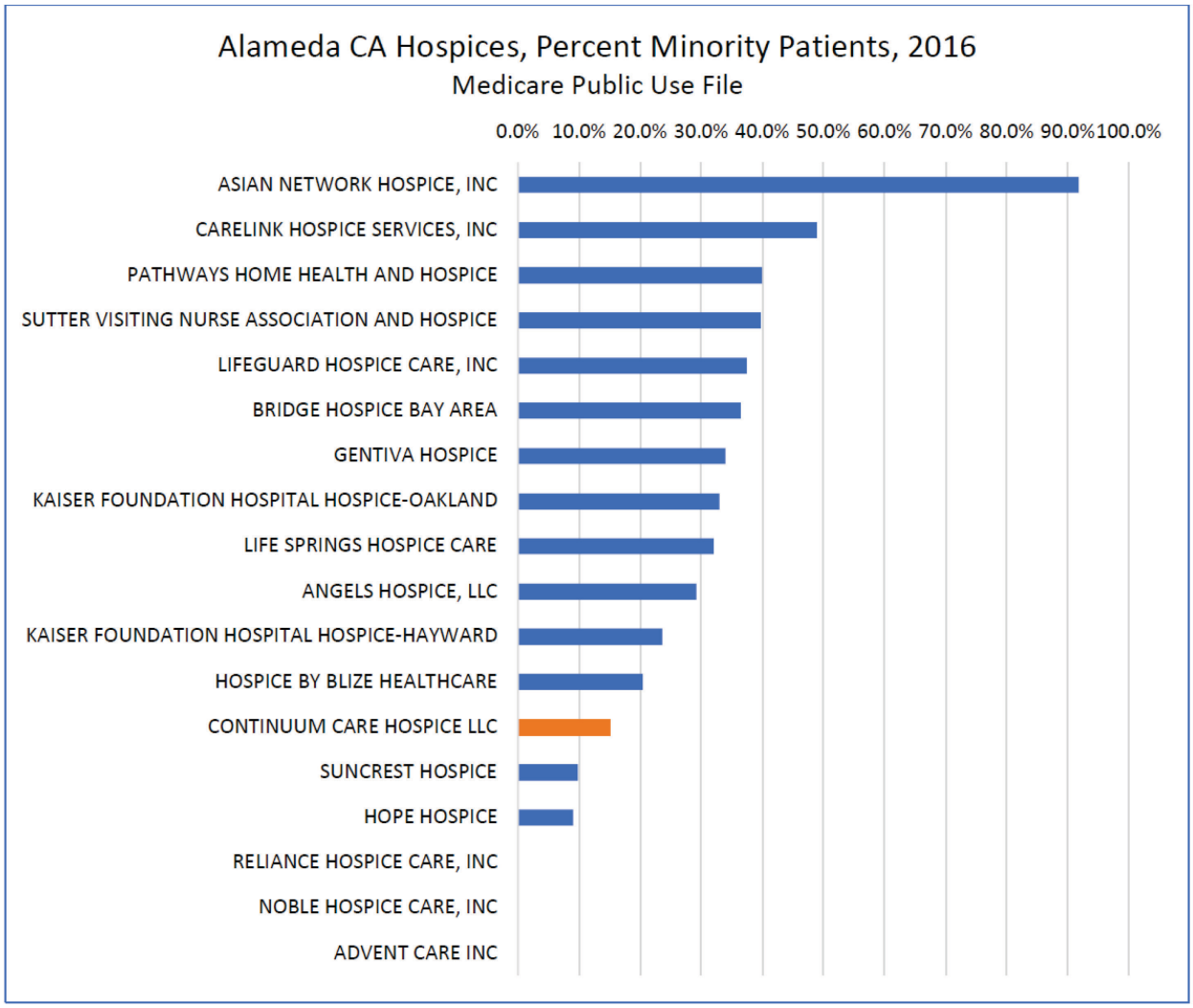
Envision Hospice of Washington LLC Public Comments [source: April 30, 2020, public comments]

"Earmarking hospice admissions for selected demographic groups
"Envision does not discount Continuum's interest in differentiating itself by its emphasizing service to King County demographic groups experiencing lower than average hospice utilization.

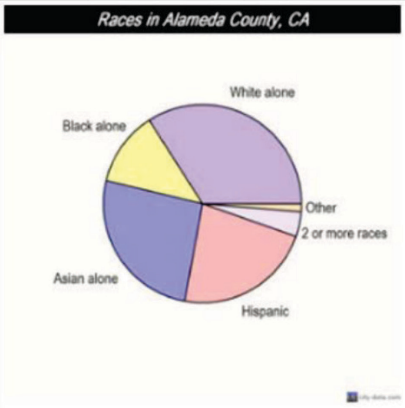
"But, Continuum's reliance on this group for a portion of its workload is not supported by the data. Federal data for Alameda County shows Continuum ranking 10th out of fourteen hospices in its percent of total patients that are minority patients.

"And, while the population of Alameda County is 68.1% minority and 31.9% white, Continuum's mix of patients as reported by CMS are 22.4% minority and 77.6% white. This record in a heavily diverse county does not suggest Continuum has any special capabilities on which it can legitimately base its claims. Its use of terms "Oakland Program," "set of tools and practices," and "learned proficiencies" are not specific as to the actions it proposes or for which it has budgeted.

"Continuum has set admissions goals for minority groups in 2023. It does not provide calculations that link 2023 to the method published in 2019. Yet, it proposes a census it believes will go beyond or "outside" historical use rates of the Hospice Need Method.



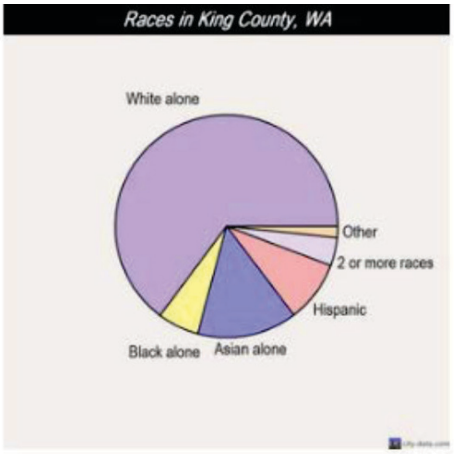
"In order to accomplish this in King County which has so little racial diversity compared to Continuum's service area in California, Envision believes Continuum will need to set aside or earmark part of its daily census in order to meet this goal. This raises legal issues for Continuum in light of state and federal laws plus CMS prohibitions against such discrimination.



Races in Alameda County, California:

- White Non-Hispanic Alone (31.9%)
- Asian alone (29.1%)
- Hispanic or Latino (22.5%)
- Black Non-Hispanic Alone (10.4%)
- Two or more races (4.7%)
- Native Hawaiian and Other Pacific Islander alone (0.8%)

Median resident age: 37.4 years
California median age: 36.4 years



Races in King County, Washington:

- White Non-Hispanic Alone (60.9%)
- Asian alone (16.7%)
- Hispanic or Latino (9.5%)
- Black Non-Hispanic Alone (5.9%)
- Two or more races (5.5%)
- Native Hawaiian and Other Pacific Islander alone (0.8%)
- American Indian and Alaska Native alone (0.4%)

Median resident age: 37.1 years
Washington median age: 37.7 years

"Impact on costs and charges

"By ignoring an existing, newly---approved hospice in King County, Continuum did not recognize the impact on operating costs that serving the same patients as those established as Envision's market share would cause. It is required by the CON application to state its assumed market shares for existing hospices but did not. Envision's project was approved as financially feasible based on growing patient volumes and related revenues from 2020---2022. If its market share is, instead, given to another new hospice before Envision's volumes can grow to their projected level, then Envision's projected operating costs per unit will necessarily rise instead of fall as planned and its financial projections thwarted by unnecessary duplication. Please see a detailed discussion of the potential impact of Continuum's proposed market share on Envision's King County hospice at Section D, Impact on Costs and Charges, above.

"Review of financial projections

"In order to determine that the capital or operating costs of the proposed project can be met those costs must be compared to the applicant's projected revenues. Such clarity is not available in the Continuum application or related material:

"B &O Taxes

"Envision is unable to find B&O taxes anywhere on the Continuum proforma financials. At 1.8% per year of "TOTAL REVENUE", it's an approximate discrepancy of $6,580, $47,586, $62, 965 and $86,705 each year 2020---2023.

	2021	***2022***	***2023***	***2024***
Total Revenue	*365,557*	*2,643,641*	*3,498,038*	*4,816,971*
B&O 1.8%	*6,580*	*47,586*	*62,965*	*86,705*

"Taxes

"Additionally, the proforma assumption in the original application says "Taxes" are $20.83 per patient per month, but the final year (2023) in the revised proforma shows $12,726 when it should be $17,497.

	2021	***2022***	***2023***	***2024***
ADC	*16.7*	*36.7*	*50.9*	*70.0*
What they show	*2,088*	*9,175*	*12,726*	*12,726*
Taxes @ $20.83	*2,087*	*9,174*	*12,723*	*17,497*

"So, not only are Taxes not calculated correctly, the figures provided are substantially less than any reasonable projection of Continuum's B&O Taxes.

"Basis for revenues

"With no stated plan beyond platitudes regarding "outreaching" to underserved groups, Continuum's excess volume projections "outside" the methodology fall short of credibility.

"Continuum workload and revenue projections

"The comparison of expenses to revenue in a pro forma operating statement depends, of course, on the accuracy of the revenue estimates. In hospice, the estimated revenue is in direct proportion to the volume of patients for which third parties make payments to the hospice. Where a hospice has over---estimated its projected Average Daily Census or admissions, it has over estimated its

projected revenues. A review of Continuum's workload projections is required to see the problem: Continuum has not provided the necessary support for its projected volumes, either in its application or when requested in screening. As a result, Continuum's financial projections do not a have sufficient basis on which to determine "the capital and operating costs of the project can be met."

Bristol Hospice Public Comment [source: April 30, 2020, public comment]
"Question #2 under the Financial Feasibility section of the Continuum Screening asks the applicant to provide combined views of financials for CONs which the applicant applied for in Kitsap and Peirce Counties. Continuum failed to provide this detail stating that the King County operation will be a "new legal entity". Because the financial sponsor is the same for each application (shown in Attachment #3 of the screening) this is a requirement. Without proof that each scenario proves to be feasible Continuum cannot be deemed to be financially feasible.

"Question #3 of the Continuum Screening asks for a combined view of the applicant and the parent. Continuum failed to provide this view stating that they will being using an "overhead allocation". The financial sponsor is required to provide a combined view with the applicant to prove financial feasibility. Without proof that this scenario proves to be feasible Continuum cannot be deemed to be financially feasible.

"In addition to the failure to provide the proper views needed to determine financial feasibility, Continuum has provided an understated overhead allocation on its Pro Forma Financials provided in Attachment 5 of its screening response. In Exhibit 8 of its CON application Continuum stated the assumption for its overhead allocation as the following:

"In initial ½ year .15 FTE each for several key administrative staff (COO, Chief Compliance Officer, CFO, Triage) has been allocated. In Years 2-3, this is reduced to .08 FTE each. In addition, $12,000 annually has been allocated for billing, except in first half year, assumed $6,000.

"This would equal a total FTE of .75 in the first year and .4 in the subsequent years. If you take out the $6,000 billing cost of $6,000 for the first year you are left with $40,875 to pay for .75 FTE of executive wages. This equates to approx. $26/hour which is well below market rate for these positions. It is likely there are additional positions who provide support who weren't listed in the assumptions, on page 5 of the application it lists the CEO which isn't listed in the assumptions. Within its historical financials for the parent providing the services in Attachment 9 of its screening response it shows its Gross Wages to be $1,253,026.94, a .75 FTE at this rate would be a cost of approximately $78,000/year. Additionally, Continuum has kept this rate flat year over year which is unrealistic considering its King County agency is projected to grow significantly requiring additional overhead allocation."

Rebuttal Comment
In response to the comments above, Continuum provided the following rebuttal statements. [source: June 1, 2020, rebuttal comments]

"Continuum's assumptions about its projected Year 4 census are reasonable.
Envision argues that our assumptions are unreasonable because our estimates of future volume failed to recognize its new King County agency. First, and as noted above, our estimate of future need is the methodology produced by the Program which did account for Envision. Secondly, our 2019 assumptions are nearly identical to the assumptions included in our 2018 CN submittal.
In its analysis of the 2018 King County applications, the Program noted that:

"The department considers the rationale and assumptions relied upon by Continuum to propose expand Medicare and Medicaid hospice agency into King County to be reasonable. The applicant considered the results of the numeric methodology and provided additional information to conclude that its project would not be an unnecessary duplication of services in the planning area.

"In addition, the Program concluded:

"Utilization Assumptions

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

- *The numeric methodology showing an unmet need of 48 patients in King County by the end of year 2020.*
- *Average annual length of stay at 60.85 days.*
- *Estimated number of admissions for the King County planning area for the years 2020 through 2023.*
- *Intensity of service.*

"The department concludes that Continuum's utilization assumptions are reasonable.

G. The criticisms raised by Bristol, Emerald and Envision are generally misplaced and none affect the Program's ability to determine that the application meets all applicable WAC requirements.

"The competing concurrent review applicants raised a number of concerns intended to identify weaknesses in the Continuum application. These concerns are largely misplaced, and in fact a number were raised in prior Continuum CN reviews, and have already been rejected by the Program in the prior Analyses. In the end, the Continuum application meets all applicable criteria.

1. *Envision suggests that Continuum's Northern California Agency "lags" in serving the underserved. Their reliance on Alameda County is wrong. Continuum has made a Demonstrated Difference*

"Envision incorrectly concludes that Continuum's Northern California agency does not serve a significant percentage of blacks or other minority populations. They incorrectly use data from CMS on Alameda County hospice agencies to draw this faulty conclusion. The problem with Envision's data is that Continuum Care Hospice, LLC's service area is broader than Alameda County: Continuum Care Hospice's agency is certified for, and serves a five-county area' of which Alameda County is one. The other counties are: Contra Costa, Marin, Napa, and Salano. The Agency data reported by Envision is for all five of these Counties combined.

"Further, the data cited by Envision is for 2016. In 2016, and because we were just developing our outreach to the non and underserved, approximately, 50% of Continuum Care Hospice, LLC's patients were from Marin County (which is 73% white).

"The letters of support received by the CN program by Alameda County providers speak volumes to our service and outreach. We were humbled by their responses and, if the Program is not familiar with Northern California health care, several of the letters we received are from the predominant healthcare organizations serving the traditionally underserved.

"We are including excerpts from several of the letters including letters from: Highland Hospital which, like Harborview, provides care to the most vulnerable and is a tertiary training hospital; Stanford, a U.S. News & World Report 2018-2019 Best Hospital and one of only 20 hospitals in the nation to earn top honors for exceptional performance in specialized and complex care; and the Alameda Health Alliance which provides health care coverage through two programs: Medi-Cal (the California equivalent of Medicaid) and Alliance Group Care for In-Home Supportive Services (IHSS) workers. Other letters of support included Sharp Hospice and Kaiser Permanente. Of note, we also received a letter of support from Harborview. An excerpt of that letter is included below as well.

(Letters of support omitted by program)

2. *Continuum's proposed utilization by under and non-served groups are estimates, not earmarks. Envision questions the "legality" of Continuum's earmarks. Continuum has no earmarks. An earmark is a resource set aside for a particular purpose. While we are confident that our commitment to outreach and unique programming will improve access and acceptance of hospice, admission "slots" are not being set aside for only these populations.*

"The bottom-line reality (proven by the CMS data contained within our CN application and screening response) is that there are discrepancies in hospice use in King County. As the CMS data demonstrates, a number of minority populations in King County are less likely to die in hospice than whites. And, further, these populations have grown faster since 2010 and are projected to grow faster by 2022 than whites.

3. *Continuum fully accounted for B&O taxes in its pro forma.*

"Envision suggests that Continuum, and in fact every other provider, excluded B&O taxes. Continuum included B& O taxes in the line item "contractual allowances". In hindsight, we should have made them a separate line time in the budget, but because they are calculated off of total revenue (as is contractual allowance) we included them in that line item. Table 1 compares the contractual allowance line item (as a percentage) to each of the other applicants and to Envision's 2018 King County submittal.

Applicant's Table

Table 1
Contractual Allowances as a Percentage of Total Revenue, 2019 King County Hospice Applicants

Applicant	Contractual Allowance as a % of gross revenue	Contractual Allowance - Year 1	Contractual Allowance - Year 1	Contractual Allowance - Year 1	Contractual Allowance - Year 1
Continuum 2019	5.0%	20,309	146,869	194,335	267,609
Emerald 2019	2%	956	36,274	77,517	119,995
Bristol 2019	0%	0	0	0	Not provided
Signature 2019	2%-assumed to be Sequestration	10,668.91	54,068.80	101,512.33	Not provided
Envision 2018	2%	29,186	58,372	77,830	Not provided

"Continuum estimates our sequestration actual contractual allowance to be 2%, leaving a surplus of $160,000 in 2024 to fund both City and State B&O taxes (which we conservatively estimated at 3.0%), as well as other to-be determined taxes that are based on total revenue.

4. *Continuum did potentially understate other taxes in 2023 by Year 3 (2023). But it has no material impact on the Feasibility of the Project.*

"Envision correctly noted that our "other taxes" line item has an error in 2023. The line item entitled "other taxes" is simply our best estimate of non-B&O taxes. It will be refined once we can confirm all applicable taxes. That said, we do have a formula error that resulted in 2022 and 2023 being identical. The correct dollar amount for 2023 should be $5,000 higher. There are two resolutions for this, none of which require that we formally change our pro forma (which is not permittable at this late date). First, the Program could subtract $5,000 from our bottom line and determine that we are still financially feasible, or it could note that our contractual allowance tax line item has enough excess funding if the tax rate is only the 1.8% suggested by Envision to cover the $5,000.

5. *Continuum's payer mix assumptions provided in its screening response is consistent with its financial pro formas.*

"Envision attempts to argue that Continuum's payer mix does not demonstrate that it will serve patients under the age of 65. Envision further stated that Continuum's payer mix does not match its pro forma. The information included in its screening response, stated the following:

Medicare:	*87.50%*
Medicaid/Managed Medicaid	*9.17%*
Commercial/Self/Other	*3.33%*
Total:	*100.0%*

"In its screening response, Continuum labeled the 9.17% as Medicaid/Medicaid Managed Care. It should have been Medicaid only and Commercial/self/other should have also have included the

Medicaid Managed Care. Continuum included Medicaid Managed Care in the Commercial/Self/Other as most Medicaid Managed Care today is provided by commercial payers, however, it was mislabeled. As detailed in Table 2 below, commercial accounts for 3.3% of total revenue.

Applicant's Table

Table 2
Payer Mix Assumptions

Payer	Category	2024 Revenue, Screening Response, Attachment 5	2024 Percentage of Total Revenue, Revenue, Screening Response, Attachment 5
Medicare	Medicare	4,683,603	87.5%
Medicaid	Medicaid	489,861	9.2%
Subtotal		**5,173,464**	**96.7%**
Medicaid Managed Care	Commercial/Self/Other	92,427	1.7%
Self (Private) Pay	Commercial/Self/Other	50,764	0.9%
Other	Commercial/Self/Other	35,535	0.7%
Subtotal: Commercial/Self/Other		**178,726**	**3.3%**
Total		**5,352,190**	**100.0%**

"As the above demonstrates, in screening, Continuum labeled the 9.2% as Medicaid/Medicaid Managed Care. That should only have been Medicaid.

7. *Continuum's Overhead Allocation is consistent with its assumptions.*[13]

"Bristol suggests that Continuum's overhead allocation is low, and our net revenue is high. Again, in the previous CN reviews, Continuum has used the very same assumptions and the Program has reviewed them and determined that they meet all requirements of WAC 246-310- 220. In specific response to Bristol's comment, Continuum offers that it did not understate its overhead allocation. Bristol has misunderstood the overhead allocation. Continuum reminds Bristol that Year 1 is only six months of operation. In addition, Bristol's 0.75 FTE calculation is not correct. There are four positions in the overhead allocation plus billing at 15% each in Year 1 (or, 0.60 FTE). When the correct FTE calculation is used, the average hourly rate is $65.50 for an average annual salary of $136,250. This is clearly above and beyond the $78,000 Bristol calculated from Attachment 5. Finally, Continuum notes for the record that the overhead allocation is highest in the startup year when the administrative staff will be more closely involved with the new agency. It has been Continuum's experience that once the agency is up and going, fewer administrative resources are required."

Department Evaluation

Utilization Assumptions

An applicant's utilization assumptions are the foundation for the financial review under this sub-criterion. Continuum operates only one other hospice agency in Washington, but it has not been

[13] Applicant's Item #6 is intentionally omitted here and is addressed later in this evaluation

open long enough to validate or refute Continuum's projections. With no specific Washington State hospice experience, it based its projected utilization of the hospice agency on specific factors:

- Extension of the numeric methodology out to year 2024. Determined that the new hospice agency would capture a market share of 16% of market growth in year one, which increases to 17% in year two, and 20% in year three. As a share of the total market, these percentages calculate to 2.5%, 3.5%, and 4.6% of all King County hospice admissions in the first three full years. The market share percentages are based on similar market shares in other markets. Continuum also based its market share assumptions on aggressive outreach to currently underserved populations in King County. While comment provided attempts to discount those projections, Continuum's rebuttal comments, coupled with the reasonable market share assumptions provided above, lead the department to conclude its market share assumptions are reasonable.
- Average length of stay at 60.13 days based on the Washington State numeric methodology.
- Based on the two factors above, the three year average daily census calculates to 36.2 in year one and increases to 50.3 in year two, and 69.2 in year three.

The department concludes that Continuum's utilization assumptions are reasonable.

Pro Forma Financial Statements

The applicant provided pro forma Revenue and Expenses Statements for the King County agency that allowed the department to evaluate the financial viability of the proposed hospice agency alone. The applicant asserts that its proposed King County agency would be operated separately from its out-of-state hospice agencies and from its other Washington State hospice agency. As a result, combined pro forma Revenue and Expense Statements were not provided.

The public comments submitted during this review focus on three specific line items in the pro forma financial statements. Each line item is addressed separately below.

Washington State Business and Occupation Tax (B & O)

This tax is levied in Washington State and is based on gross income, rather than net income. Public comments state that the taxes are not identified in the King County revenue and expense statements. A review of the statements confirm that the B & O taxes are not identified in a separate line item. Continuum contends that these taxes are accounted for in "contractual adjustments," but the department notes that taxes and contractual adjustments are not synonymous. Continuum asserts that there is sufficient surplus in its sequestration estimate to account for B & O taxes. The department concludes that "sufficient surplus" in one deduction category is not appropriate to account for omission of a known and identifiable tax on operations.

In its rebuttal comments, Continuum also notes that it may have misidentified 2023 "other taxes" by $5,000 and suggests that the department subtract $5,000 from its bottom line. As stated above, a surplus in one line item may not be used to compensate for an omission from a separate item. Further, it is inappropriate for the department to correct errors, recalculate statements, or subjectively determine that a financial statement represents something that it does not explicitly say.

The department concludes that these discrepancies are sufficient to raise doubts about the overall accuracy of Continuum's financial statements and declines to make its own arbitrary adjustment of the applicant's financial projections.

Overhead expense

Public comments state that the assumptions used to determine the projected overhead expense for billing, Chief Operating Officer, Chief Compliance Officer, Chief Financial Officer, and Triage is unrealistically low. Bristol appears to have mis-calculated four positions (billing was already deducted in Bristol's calculations) at .15 FTEs each to total .75 FTE. Continuum correctly observes that the four add to .60 FTE and the resulting wage calculated for those positions is reasonable. The department concludes that Continuum's calculations are correct and the resulting salary estimates are reasonable

Revenue Assumptions

Envision asserted that Continuum's payer mix in its screening responses was inconsistent with its pro forma financial projections. Continuum rebuts this by stating that it incorrectly included Managed Medicaid with Medicaid instead of Commercial/Self/Other in its summary table, while its detailed revenue projections correctly identify Medicaid Managed Care as being included with Commercial/Self/Other. The department concludes that such a mis-labeling adds further doubt and confusion to Continuum's financials when added to the discussion of taxes above. It is an on-going debate whether Medicaid managed care plans ought to be reported as commercial or Medicaid for accounting purposes, since they are commercial plans funded by Medicaid to cover Medicaid patients. Regardless of how they ought to be reported, Continuum has reported them inconsistently in its screening responses.

Because of the doubts created surrounding the line item concerns raised and Continuum's unpersuasive rebuttal comments, department cannot confirm that the financial information provided accurately projects the revenues and expenses presented by the applicant. As a result, the department cannot complete the review of the immediate and long-range operating costs of Continuum's King County project. **This sub-criterion is not met.**

Emerald Healthcare, Inc.

Emerald currently operates home health provider in Pierce County, and its ultimate parent, Pennant, numerous home health and hospice, skilled nursing, and assisted living facilities in Washington.

Emerald provided the assumptions used to determine the projected number of patients and visits for the proposed King County hospice agency. The assumptions are restated below. [source: Application, 15-17; Applicant's February 28, 2020, screening responses]

"Table 7 details the admissions, patient days, ALOS and ADC that Puget Sound Hospice projects in King County for its first three full years of operation as well as the commencement year, 2020.[14]

[14] The applicant replaced Table 7 from the application with Table 12 in its screening responses, including corrected patient days and average daily census

Applicant's Table

Table 12
Puget Sound Hospice Projected Patient Census for King County

	Aug-Dec 2020	2021	2022	2023
Projected Unduplicated Admissions	15	151	213	246
ALOS	60.86	60.86	60.86	60.86
Patient Days	534	9,199	19,658	30,430
ADC	3.5	25	54	83
Puget Sound Hospice Median LOS	17	17	17	17
Unmet ADC	46	94	131	169

Source: Applicant

"Puget Sound Hospice's assumptions related to use rate, market share and intensity of service used for planning and forecasting follow:

- *The numeric need methodology projects an unmet ADC of 46 in 2020 and 94 in 2021. The utilization related to this project in 2020 provided in Table 12 assumes a minimal ADC due to being late in the year as well as the credentialing process. Utilization in 2021(first full year) assumes a moderate "ramp-up" to reach an ADC of 25. The third full year is projected to reach and ADC of 41 which is only 24% of the forecasted unmet ADC for 2023.*

"ALOS: Assumes the Washington State ALOS of 60.86-days.
Patient Days- ALOS x admissions

- *ADC- Patient days divided by 365 days in a full year*
- *Median LOS- Actual experience with Pennant's hospice agencies*
- *Assume 65% of the unmet ADC in 2020; increasing to 75% of unmet need ADC in 2021, 85% of unmet need in 2021."*

In its screening responses, Emerald provided explanations for the changes it made in its Table 12, above:
"Page 17 provides the assumptions used for the projections provided in Table 12 discussed in the previous question. The first stated market share assumption is that the applicant will reach "…24% of the forecasted unmet ADC for 2023." Later on the same page, the following assumption is identified: "Assume 65% of the unmet ADC in 2020; increasing to 75% of unmet need ADC in 2021, 85% of unmet need in 2021." These two assumptions appear to conflict. Explain this discrepancy and provide a detailed explanation for the basis for this particular assumption.

"This unintentional inaccuracy has been corrected. The stated market share of 24% of the forecasted unmet ADC for 2023 was not accurate, nor were the assumptions for 2020, 2022 or 2023. Considering the numeric need of 2.6, our corrected assumptions are as follows: 15% of the unmet ADC in 2020, 53% of the unmet need in 2021, 82% of the unmet need in 2022, and 98% of the unmet need in 2023. These corrected assumptions are reflected in table 12.

…

"Table 8 identifies Puget Sound Hospice's estimated first full year of operation estimate of patients by diagnosis. The diagnoses were determined after reviewing Washington State Department of Health, Center for Health Statistics, death certificate data, 2013-2015. They were also determined

in consideration of the fact that 76% of seniors over the age of 65 in King County live with chronic disease."

Applicant's Table
Table 8
Estimated Hospice Patients by Diagnosis and Percent

Diagnosis	Percent
Dementia	25%
Cancer	20%
Heart Disease	21%
Lung Disease	9%
Liver Disease	4%
COPD	9%
Stroke/CVA	7%
HIV	3%
Amyotrophic Lateral Sclerosis (ALS)	1%
Others	1%
Total	**100%**

Source: Applicant

If this project is approved, the new hospice agency in King County would be operated separately from any other entity, though it would rely on its home health agency in Pierce County for some administrative support in the early stages of the project. When asked for financial projections that included approval of any other hospice agencies for which it is applying, the applicant provided the following statements: [Source: Applicant's February 28, 2020, screening responses]
"We recognize we were not clear in defining Puget Sound Hospice as a stand-alone agency. Puget Sound Hospice of King will operate and will record financials as a stand-alone agency. We may utilize the Tacoma home health's (Puget Sound Home Health) back office staff via contract only as needed during the first 3-4 months of the startup. Most of this utilization would occur remotely, so the travel for this utilization would be minimal. Many Pennant agencies are experienced at providing back office support to other agencies for a variety of reasons, including assisting smaller and/or start-up agencies until such agencies establish their own back office support. These arrangements have proved successful in accelerating the growth of our smaller and start-up agencies.

"The Emerald Healthcare Inc. legal entity includes Puget Sound Home Health in King County. Upon reception of the King County CN for hospice, Puget Sound Hospice of King will be included in the Emerald Healthcare Inc. legal entity, but will operate and be financially independent under the Medicare number provided for the new hospice agency. We did include the Balance Sheet for Emerald Healthcare Inc., which includes the results for Puget Sound Home Health of King Co. at Exhibit 7."

Emerald also provided its assumptions used to project the pro forma statements within the statements. The department's Table 16 below is derived from the applicant's projections. [source: Application, Exhibit 7]

Department's Table 16
Emerald Financial Assumptions

Line Item	***Assumption***
Routine Care Revenue	*Days of Care x Per Diem Rates*
Inpatient Respite Revenue	*Days of Care x Per Diem Rates*
Continuous Home Care Revenue	*Days of Care x Per Diem Rates: Assumes one 8 your shift per each unmet day*
General Inpatient Revenue	*Days of Care x Per Diem Rates*
Contractual adjustments – Medicare Managed Care, Medicaid managed Care, Private Pay, Third Party Insurance	*Assumed 2%*
Charity Care	*Assumed 5%*
Provisions for Bad Debt	*Assumed 1%*
Patient Care Costs	*FTE x Annual Compensation*
Contracted Patient Care	
Medical Director	*MD Rate of $190/hr per contract. Assumption of .75 hrs/ADC*
Physicial Therapist	*$42.38/hr 1.5 hours/20 ADC/Month*
Occupational Therapist	*$439.26/hr 1.5 hours/20 ADC/Month*
Speech Therapist	*$435.55/hr 1.5 hours/20 ADC/Month*
Dietitian	*$33.29/hr 1.5 hours/20 ADC/Month*
Direct Patient Care Costs	
DME	*$6.04/Patient Day based on Cornerstone averages*
Pharmacy	*$7.09/Patient Day based on Cornerstone averages*
General Inpatient Costs	*$841.05/General Inpatient day of care*
Medical Supplies	*$2.59/Patient Day based on Cornerstone Averages*
Inpatient Respite	*$192.30/Inpatient Respite day of care*
Room and Board	*$0.45/Patient Day based on Cornerstone averages*
Mileage	*Estimate 8 miles/day of care reimbursed at $0.45/mile based on existing local agency*
Administrator	*FTE x Annual Compensation, represents 50% of Puget Sound Administrator*
Business Office Manager, Medical Records, Scheduling	*FTE x Annual Compensation*
Intake	*FTE x Annual Compensation*
Community Liaison	*FTE x Annual Compensation*
Payroll Taxes & Benefits	*30% of Base Compensation*
Administration Costs	
Advertising	*$10,000 launch plus 1% of revenue*
Allocated Costs	*5% Allocation to Cornerstone Service Center for supporting functions; Legal, HR, Accounting, IT, and Clinical support*
B & O Taxes	*1.5% of Gross Revenue*
Dues & Subscriptions	*$375/month, primarily Medbridge*
Education and Trainings	*$10,000/year, Continuing education including Clinical education and compliance*
Information Technology/Computer/ Software Maintenance	*$1,250/month*
Insurance	*Liability and Property Content*
Legal and Professional	*Included in Allocated Costs to Cornerstone Service Center*

Line Item	***Assumption***
Licenses and Fees	*First year Accredidation (sic) $3,100, Survey $7,500, Annual State Licensure $3,000*
Postage	*$500/month*
Purchased Services	*$1,000/month; bank fees, system access: HCHB, SHP, Workday*
Repairs and Maintenance	*$150/month*
Cleaning	*$210/month*
Office Supplies	*$250/month*
Equipment lease & maintenance	*$500/month, copier and postage machines*
Building rent or lease	*Lease rate increases 3.5% annually*
Utilities	*$172 utilities per month, rate increases 3.5% annually*
Recruitment	*$5,000 startup and $250 /month following*
Telephones	*$55/FTE/Month + $250/month for landlines*
Travel	*First year $15,000 support and launch, $7,500 thereafter*

Based on the assumptions above, below is a summary of the projected Revenue and Expense Statement for the King County hospice agency. [source: February 28, 2020, screening response, Attachment 5]

Department's Table 17
Emerald King Hospice
Revenue and Expense Statement for Projected Years 2021 through 2023

	CY 2021	**CY 2022**	**CY 2023**
Net Revenue	$1,671,168	$3,674,463[15]	$5,767,339
Total Expenses	$1,629,050	$3,229,419	$4,780,943
Net Profit / (Loss)	**$41,224**	**$443,119**	**$966,743**

Emerald was asked in the application to provide the projected balance sheets for the proposed King County hospice agency. The applicant's response to that question indicated that the balance sheets would be found in Exhibit 7. Despite this answer, no projected balance sheets could be found in the application. Emerald was asked in screening to provide balance sheets for all possible combinations of approvals of any applications it might have in this and the subsequent review cycle. In response, Emerald stated, "*We did include the Balance Sheet for Emerald Healthcare Inc., which includes the results for Puget Sound Home Health of King Co. at Exhibit 7."* Exhibit 7 of the screening responses contained only a balance sheet for Emerald Healthcare as of September 30, 2019.

Public Comment

During the review of this project, two entities provided comments related to this sub-criterion. The comments are restated below.

Bristol Hospice Public Comment [source: April 30, 2020, public comment]

"Question #15 under the Financial Feasibility section of the Emerald Screening asks the applicant to provide combined views of financials for CONs which the applicant applied for in cycle 2. Emerald failed to provide this detail stating that the King County operation will be a "stand alone agency".

[15] The revenue and expense statements provided in screening to not sum to the amounts indicated in those responses. Upon examination, it is apparent that deductions from revenue for each of the three categories were not adjusted when the applicant prepared its screening response. Each category shows a declining percentage of revenue as presented in the applicant's projections.

Because the financial sponsor is the same for each application this is a requirement. Without proof that each scenario proves to be feasible Emerald cannot be deemed to be financially feasible.

Emerald provided an FTE and salary table in its application which does not tie back to the updated financials provided in its screening. In the case of Registered Nurses by year three the compensation is off by $748,599.00. They stated in their FTE table that by year three they would have 6.2 FTE's at $85,000/year which is the equivalent of 40.87/hour. 6.2 FTE's is the equivalent of 12,896 hours. 12,896 hours multiplied by the hourly rate is $527,000 - Emerald listed $1,275,559 on its P&L. See table below outlining discrepancies.

Review of the FTE salary detail provided by Emerald

Role	Salary Provided by Emerals	Hourly Equivalent	FTE year 1 provided	Equivalent hours	Total Compensation	FTE Year 2 Provided	Hourly Equivalent	Total Compensation	FTE Year 3 Provided	Hourly Equivalent	Total Compensation
Director of Patient Services	$ 91,000.00	$ 43.75	0.6	1248	$ 54,600.00	1	2080	$ 91,000.00	1	2080	$ 91,000.00
Registered Nurse	$ 85,000.00	$ 40.87	3.8	7904	$ 323,000.00	5.3	11024	$ 450,500.00	6.2	12896	$ 527,000.00
Certified Nursing Assistant	$ 31,200.00	$ 15.00	2.5	5200	$ 78,000.00	3.6	7488	$ 112,320.00	4.1	8528	$ 127,920.00
SW	$ 71,000.00	$ 34.13	0.8	1664	$ 56,800.00	1.2	2496	$ 85,200.00	1.4	2912	$ 99,400.00
Spiritual Care Coordinator	$ 56,000.00	$ 26.92	0.8	1664	$ 44,800.00	1.2	2496	$ 67,200.00	1.4	2912	$ 78,400.00
Detail provided in the P&L											
Director of Patient Services					$ 57,335.00			$ 112,526.00			$ 189,666.00
Registered Nurse					$ 385,594.00			$ 824,020.00			$1,275,559.00
Certified Nursing Assistant					$ 78,631.00			$ 168,036.00			$ 260,114.00
SW					$ 59,645.00			$ 127,463.00			$ 197,309.00
Spiritual Care Coordinator					$ 47,044.00			$ 100,534.00			$ 155,624.00

Emeralds therapy amounts are also off from their assumptions. At a lessor amount then the clinical FTE's nonetheless still slightly off.

Therapy Assumptions				
ADC	3.5	25	54	83
Divided by 20 ADC	0.175	1.25	2.7	4.15
* 1.5 Hours	0.2625	1.875	4.05	6.225
* 12 Months	3.15	22.5	48.6	74.7
* PT $42.38	$ 133.50	$ 953.55	$ 2,059.67	$ 3,165.79
* OT $39.26	$ 123.67	$ 883.35	$ 1,908.04	$ 2,932.72
* ST $35.55	$ 111.98	$ 799.88	$ 1,727.73	$ 2,655.59
Provided on the P&L				
PT	$ 33.00	$ 961.00	$ 2,054.00	$ 3,180.00
OT	$ 32.00	$ 890.00	$ 1,903.00	$ 2,946.00
ST	$ 28.00	$ 806.00	$ 1,723.00	$ 2,667.00

Based upon these errors it Emerald cannot be deemed financially feasible, they have not provided projections that tie together to provide a solid pro forma.

Emerald has provided a lack of documentation for its utilization and what has been provided would prove that its intentions are to take market share from existing agencies. It has provided FTE detail that does not tie back to its financial pro forma. In addition, it did not provide a combined view of its application with other applications in cycle 2. Based upon this detail Emerald would not move on to the tiebreaker analysis under the Need and Financial Feasibility categories.

Envision Hospice of Washington LLC Public Comments [source: April 30, 2020, public comments]

"Impact on costs and charges

By ignoring an existing, newly---approved hospice in King County, Emerald did not recognize the impact on operating costs that serving the same patients as those established as Envision's market share would cause. It is required by the CON application to state its assumed market shares for existing hospices but did not. Envision's project was approved as financially feasible based on growing patient volumes and related revenues from 2020---2022. If its market share is, instead, given to another new hospice before Envision's volumes can grow to their projected level, then Envision's projected operating costs per unit will necessarily rise instead of fall as planned and its financial projections thwarted by unnecessary duplication. Please see a detailed discussion of the potential impact of Emerald's proposed market share on Envision's King County hospice at Section D, Impact on Costs and Charges, above.

Unrealistic service date of October 2021.

Emerald revised its original earlier start of service date to begin serving patients later, starting October 1, 2020 with completion December 2023. In Envision's experience, it is highly unlikely Emerald will receive initial state licensing by October 2020. Moreover, it cannot expect revenues for patients seen that soon because it will not yet be Medicare - certified. Thus, Emerald's unrealistic start of service results in improbable revenues in 2020 and 2021.

When Envision began implementation of its first Washington hospice agency, it was already operating a home health agency in an adjacent county, but that had little effect on the timing of its hospice licensing in Washington and its Medicare accreditation.

- *From Envision's submission of an initial hospice license application until the State's first survey visit and issuance of the State license was over three months.*
- *Additionally, from Envision's request for an accreditation survey visit it took the accrediting agency about five months to actually complete the visit.*
- *After accreditation, it took another three months for CMS to issue a provider number.*
- *Furthermore, the initial Hospice Application packet to the State must include a copy of the In---home Services Orientation Class "certificate of completion." Applications will not be processed unless a certificate of completion has been submitted. Assuming receipt of a CON in August, the recruitment/hiring of an Administrator would need to occur in order for her or him to complete the State's In---home Services Orientation scheduled for September 2, 2020.*

It is very likely that Emerald will not be licensed or able to see its first patient until December 2020, with the accreditation survey not be likely before May 2021, and the issuance of a Medicare provider number/certification and commencement of Medicare revenues until August 2021. As an experienced hospice provider Pennant and its Cornerstone service center would be expected to plan reasonably for the development of a new agency in King County and a realistic start date for licensed---only services so it has enough patients to undergo certification, then Medicare certification and finally, the timing of its initial receipt of Medicare reimbursement.

Strangely, Emerald plans to rely on an existing hospice agency it calls "ours" in Thurston County to achieve rapid accreditation. That new Thurston agency it refers to is not, in fact, owned by Pennant but by a different company, Ensign, to which a CON was granted in late 2019.

Envision operates an existing hospice in Thurston County and its understanding is that Ensign's new Thurston agency has not yet begun to serve patients as of April 30, 2020 yet it was approved over

six months ago. It is unclear why Emerald would be able to start up hospice services in King County one to two months after CON approval by relying on an agency owned by a different company that has not been able to start up nearly that quickly. This confusion also raises the question why an existing WA agency claimed to be Pennant's was not mentioned elsewhere in the Emerald application as required.

Volume and revenue projections
Emerald assumes unrealistic market share assumptions as the basis for its volume and revenue projections: 15% of the unmet ADC in 2020, 53% of the unmet need in 2021, 82% of the unmet need in 2022, and 98% of the unmet need in 2023. As discussed in "need" above, these shares are not reliable and ignore Envision's existing agency that was not accounted for yet is committed to admitting 292 of the same King County patients Emerald projects it will serve.

Staff salaries
Emerald did not provide the required assumptions about salaries for each identified position in the staffing table. As a result, it has not responded to the requirement for salary information in the CON application and has not provided sufficient information for the Department to determine the accuracy or reliability of its expense projections.

Transfers from its home health agency
As part of its proposed volume projections, Emerald explains its plans to transfer terminally--- ill home health patients into its new hospice agency. In so doing, Emerald does not acknowledge Medicare law requiring an HHA to inform any of its patients considering hospice of all available hospice agencies available to it. Such an agency with both HHA and hospice cannot simply assume it will transfer those patients without a required note in the record confirming such patient information was provided. This plan also raises the concern whether Emerald meets the Process of Care requirement to assure compliance with all hospice rules and regulations.

Lack of required financial information
Emerald Healthcare, Inc has applied for hospice in King County as a DBA and has existing home health operations and is therefore required to provide, at a minimum, the pro forma revenue and expenses as well as balance sheets for King as a stand---alone, as well as the pro forma revenue and expenses as well as balance sheets for King plus existing operations, which it has not done.

Screening Question 15 discusses the financial feasibility of the project "not just as a stand---alone entity in a new county, but also as an addition to existing operations." It is clear that Emerald's existing home health agency and proposed hospice will legally exist within one single entity since Exhibit 1 of Emerald's application shows that Puget Sound Hospice of King County is a DBA of Emerald Healthcare, Inc without a separate Tax ID. Emerald has existing operations in Home Health and having separate provider numbers only means they bill Medicare separately, but does not mean they are separate companies. By definition, a DBA isn't a separate entity, but merely a "Trade Name" an entity uses for identification under the same UBI within the State of Washington that files a single federal and state tax return and single registration with the Washington Secretary of State.

Screening Question 15 also states "the department must determine that an approvable project is financially feasible – not just as a stand---alone entity in a new county, but also as an addition to existing operations" and that agencies being operated within the same business entity "provide pro forma revenue and expense projections in the same format as included in Attachment A, as well as

balance sheets, for the possible outcome that the applicant is approved for one or more projects it has applied for in the two hospice agency concurrent review cycles. This can be accomplished by providing, at minimum, revenue and expense statements and balance sheets through the projection periods using the assumption that this application is approved."

Of particular note regarding pro forma balance sheets, Section 3, item 8 of the Certificate of Need application instructs the applicant to "Provide a pro forma (projected) balance sheet and expense and revenue statements for the first three years of operation." Emerald did not provide a pro forma balance sheet in the original application and does not provide one in its screening response even though specifically requested in screening by the Department. Whether unwilling or unable to share this critical information, without it, neither the Department nor the public are unable to evaluate the projected financial health and feasibility of Emerald's project.

Emerald has not provided the required response to Screening Question 15 regarding affiliated operations and the Department cannot determine the impact of the new hospice on the existing home health agency nor can it determine the impact of the home health agency on the proposed hospice. It therefore cannot determine if the proposed hospice is financially feasible.

Additional pro forma Financials Issues

There are inconsistencies in the revised financials (Exhibit 3) including incorrect calculations for B&O taxes as well as incorrect values for the rent. The pro forma revenues and expenses have an incorrect assumption for the B&O taxes as the rates are updated for 2020 with the discrepancy as follows:

	2020	2021	2022	2023
Revenue	47,801	1,813,680	3,875,866	5,999,726
They show 1.5%	717	27,205	58,138	89,996
Should be 1.8%	860	32,646	69,766	107,995
Discrepancy	143	5,441	11,628	17,999

In response to Screening Question 23, Emerald states: "All costs associated with the newly executed lease are as follows: we anticipate prior lease payments from May 1, 2020 through September 30, 2020 totaling $11,071.39. These payments include prepaid rent of $2767.92 and a security deposit of $1383.67, plus May through September rent of $6,083.35 plus May through September utilities of $836.45. There are no additional costs. The monthly lease costs are reflected in the pro forma shown at Exhibit 3." However, we are unable to match these numbers to the pro forma revenue and expenses for 2020 which shows $9,733 for rent and $502.

The rents shown on the pro forma revenue and expenses are incorrect for 2021---2023 (pdf p.39) as the contract starts May 1 with a 12---month lease rate and the rates are not spread over the calendar year. The same observation applies to Emerald's calculations of "Utilities." See tables below:

Rent	2020	2021	2022	2023
Jan		1,216.67	1,259.25	1,303.33
Feb		1,216.67	1,259.25	1,303.33
Mar		1,216.67	1,259.25	1,303.33
Apr		1,216.67	1,259.25	1,303.33
May	1,216.67	1,259.25	1,303.33	1,348.94
Jun	1,216.67	1,259.25	1,303.33	1,348.94
Jul	1,216.67	1,259.25	1,303.33	1,348.94
Aug	1,216.67	1,259.25	1,303.33	1,348.94
Sep	1,216.67	1,259.25	1,303.33	1,348.94
Oct	1,216.67	1,259.25	1,303.33	1,348.94
Nov	1,216.67	1,259.25	1,303.33	1,348.94
Dec	1,216.67	1,259.25	1,303.33	1,348.94
Total	9,733.36	14,940.71	15,463.63	16,004.86
They show	9,733	15,111	15,640	16,187

Utilities	2020	2021	2022	2023
Jan		167.29	173.15	179.21
Feb		167.29	173.15	179.21
Mar		167.29	173.15	179.21
Apr		167.29	173.15	179.21
May	167.29	173.15	179.21	185.48
Jun	167.29	173.15	179.21	185.48
Jul	167.29	173.15	179.21	185.48
Aug	167.29	173.15	179.21	185.48
Sep	167.29	173.15	179.21	185.48
Oct	167.29	173.15	179.21	185.48
Nov	167.29	173.15	179.21	185.48
Dec	167.29	173.15	179.21	185.48
Total	1,338.32	2,054.32	2,126.22	2,200.64
They show	502	2,078	2,150	2,226

Though the amounts are not substantial, the lack of precision in the pro forma projections reduces its credibility. This problem is also evidenced in the Annual License Fees. The pro forma revenues and expenses show annual license fees at 3,000 per year. According to WAC 246---335---99, the fee is $3,283 for the initial license and either $1,856 (6---15 FTE) or $2,383 (16---50 FTE) the first year which covers a 2---year period.

Rebuttal Comment

In response to the comments above, Emerald provided the following statement. [source: May 29, 2020, rebuttal statements]

"Bristol's Comments on Commencement, Financial Feasibility and Market Share

Bristol questions our ability to commence by October 1, 2020. This date is feasible based on the normal length of the licensing process in Washington State, which tends to be 1-2 months. While it is true that we have yet to begin caring for patients in Thurston County after being awarded the CN in late November 2019, this is partly due to the DOH nurse consultant who was reviewing our P&P's being out for 2 months at the start of 2020 on an extended leave. Additionally, there was a delay at the Office of Health Systems Oversight Washington State Department of Health because of the COVID-19 pandemic. We are now under way, and will be caring for patients shortly in Thurston County.

Bristol correctly pointed out that our P&L listed the RN compensation incorrectly. The pro forma spreadsheet calculator we used was mistakenly not adjusted for the need of 2 CN's, it was set at a need of 1 CN. While this error affected the pro forma, we have updated the CN need to 2 in Attachment 1 which shows the correct RN compensation. You will notice that all pro forma factors and information are shown in the attachment, including unmet ADC, numeric need, patient days, admits, FTE's, notes, etc.

Finally, Bristol questions our assumed market share percentages. We now realize we should have been clearer. The percentages we provided are percentages of half the total unmet need based on the need for 2 CN's. Our Statement, "Considering the numeric need of 2.6, our corrected assumptions are as follows: 15% of the unmet ADC in 2020, 53% of the unmet need in 2021, 82% of the unmet need in 2022, and 98% of the unmet need in 2023" is specific to meeting half of the total unmet need.

Envision's Comment on Commencement Date and Numeric Need
Similar to Bristol's comment, Envision questions whether we can commence by October 1, 2020. The same answer applies: This date is feasible based on the normal length of the licensing process in Washington State, which tends to be 1-2 months. While it is true that we have yet to begin caring for patients in Thurston County after being awarded the CN in late November 2019, this is due in part to the DOH nurse consultant who was reviewing our P&P's being out on an extended leave in the beginning of 2020. In addition, there was a delay at the Office of Health Systems Oversight Washington State Department of Health because of the COVID-19 pandemic. We are now under way, and will be caring for patients shortly in Thurston County.

Also similar to Bristol's comment, Envision questions our assumed market share percentages. We now realize we should have been clearer. The percentages we provided are percentages of half the total unmet need based on the need for 2 CN's. Our Statement, "Considering the numeric need of 2.6, our corrected assumptions are as follows: 15% of the unmet ADC in 2020, 53% of the unmet need in 2021, 82% of the unmet need in 2022, and 98% of the unmet need in 2023" is specific to meeting half of the unmet need.

Finally, Envision contends that the State is incorrectly applying the need methodology in King County. We do not agree with the need methodology interpretation that Envision is purporting. We agree with the State."

Department Evaluation

Timeline for Implementation

In its rebuttal comments, Emerald correctly identifies the department's normal licensure timeline. It also notes that some delay in licensing its Thurston County hospice was caused by the state's response to the Covid-19 pandemic. The department concludes that Emerald's timeline, while optimistic, was reasonable at the time the application, screening responses, and rebuttal comments were provided. While the timeline is ambitious, is not completely unreasonable with the expectation that the applicant would begin implementation of its approval immediately after issuance of the CN. Further, Emerald's timeline is consistent with other timelines reviewed for hospice services.

Utilization Assumptions

An applicant's utilization assumptions are the foundation for the financial review under this sub-criterion. Emerald does not currently operate any other hospice agencies in Washington. With no

specific Washington State hospice experience, it based its projected utilization of the hospice agency on specific factors:

- Projection of numeric need out to year 2023. Determined that the new hospice agency would capture a market share of 53% of market growth in year one, which increases to 82% in year two, and 98% in year three. While Emerald provided projected admissions and patient days for 2022 and 2023, it did not provide the rationale behind the projected total unmet need for those two years, beyond discussion of population growth. As a result, it is not possible to calculate Emerald's projected share of all King County hospice admissions in the first three full years, nor is it possible to fully evaluate the logic behind those later year projections
- Average length of stay at 60.86 days based on the Pennant's existing hospice agencies, rather than the Washington State numeric methodology value of 60.31. In rebuttal, Emerald conceded that the length of stay is incorrect and provided revised utilization and financial projections based on the 60.31 length of stay. By this action, the applicant provided new information during rebuttal which cannot be incorporated at this stage of the process. As a result, the department did not evaluate Emerald's revised utilization and financial projections.
- Based on the two factors above, the three year average daily census calculates to 25 in year one and increases to 54 in year two, and 83 in year three.

Because the reasoning behind the assumed market shares relies on projected planning area need not documented in the application or screening responses, the department cannot conclude Emerald's utilization assumptions are reasonable.

Pro Forma Financial Statements

The applicant provided pro forma Revenue and Expenses Statements for the King County agency that allowed the department to evaluate the financial viability of the proposed hospice agency alone. The applicant asserts that its proposed King County agency would be operated separately from its out-of-state hospice agencies and from its other Washington State hospice agency. As a result, combined pro forma Revenue and Expense Statements were not provided.

The public comments submitted during this review focus on three specific line items in the pro forma financial statements. Each line item is addressed separately below.

Inconsistencies Between Financial Assumptions and Pro Forma Financial Statements

Both Bristol and Envision note that several discrepancies exist between Emerald's stated assumptions concerning salaries and expenses and the pro forma income statements it provided in the application and screening responses.

Bristol identified apparent discrepancies between Emerald's projected salaries for Registered Nurses and its stated assumptions. Bristol also identified discrepancies between stated expenses for various therapies and the stated assumptions. Envision alleged errors with Emerald's assumed B & O tax rate and its allocation of lease expenses in each year. Both parties noted that Emerald had not provided any projected income statements or balance sheets reflecting other hospice agencies either owned by Emerald or currently being reviewed in other review cycles.

Emerald conceded Bristol's assertion about erroneous RN compensation and, as stated above, attempted to remedy this error by providing a revised set of financial projections with both the corrected length of stay discussed above and corrected labor costs associated with the new number of nurses. As stated above, new information submitted during rebuttal cannot be considered.

The department identified in its review of the pro forma income statements in the application that some expense items were inconsistent with the stated assumptions. In its screening responses, Emerald stated that it had corrected the identified discrepancies and adjusted the partial year 2020 projections to accommodate a projected commencement date of October 1, 2020.

Emerald provided no rebuttal of Envisions discussion of B & O tax rates or rental and utilities expenses presented in its pro forma financial statements. The department also notes that the financial statements provided in screening responses contain errors in the calculation of deductions from revenue, showing those items decreasing in percentage each year of the project, rather than remaining at the ratios projected in the stated assumptions. Based on the cumulative effect of the department's conclusion regarding the unsubstantiated projected number of patients and patient days in years two and three above, as well as the un-addressed errors in the pro forma statements – both alleged and demonstrated – this evaluation will not continue to address any other issues or data in the King County statement. .

In summary, based on the information available, the department cannot complete the review of the immediate and long-range operating costs of Emerald's King County project. This sub-criterion is not met.

Signature Hospice King, LLC

Signature Hospice King, LLC does not own or operate any healthcare facilities in Washington State, however its parent corporation, Northwest Hospice, LLC has created separate hospice corporations for the Washington State counties of Snohomish, Whatcom, and Pierce. Northwest Hospice, LLC also has separate corporations in the states of Utah, Oregon and Nebraska. [source: Application, Exhibit 3]

Signature Hospice King provided the assumptions used to determine the projected number of patients and visits for the proposed King County hospice agency. The assumptions are restated below. [source: Application, pdf 18 and February 28, 2020, screening response, pdf7-8]

"In response to the earlier question, the WA CN program surveys all existing hospice providers in the state, then applies the survey data to the hospice need methodology in WAC 246-310- 290. For King County, the projected unmet ADC is 94 by 2021. With the needed number of agencies being 2.68 to address this unmet ADC, we would assume that the state of Washington will approve 2-3 agencies for the Certificate of Need. In addition, we would assume that the unmet need would be divided equally between these 2-3 agencies, resulting in an ADC of about 30-48 per agency selected by 2021.

However, we took a slightly different approach to our Census projections in Table 12. We based our first-year census growth on previous, similar sized Signature startups in other states. Our projected ADC for 2021 is 11, 36 for 2022, and 60 for 2023. This may be conservative based on the relatively smaller population size of the service area for comparable startups; however, we did not want to get overly aggressive as rapid growth could compromise patient care.

As part of our assumption, we assumed that the unmet need depicted in the state's methodology concluded that the existing providers cannot fulfil the hospice need in King County. This left us with the number of agencies (2.68) needed to take on the unmet patients. This is how we came to our statistical conclusion.

Upon review of the formulas used in Table 12, it was discovered that the information needed revision to adequately adjust through all projected years. We have provided an updated Table 12, which shows consistent data through years 2021 to 2023.

Applicant's Updated Table 12 Recreated
King County Utilization Projections

	Year 1-2021	***Year 2-2022***	***Year 3-2023***
Admissions (unduplicated)	*56*	*195*	*339*
Average Length of Stay	*66*	*71*	*75*
Median Length of Stay	*27*	*27*	*27*
Average Daily Census	*8.59*	*34.76*	*66.97*
Patient Days	*3,137.20*	*12,688.80*	*24,442.20*

In Table 12, the Projected Admissions for each year were based on a cumulative total of monthly admissions that we thought were realistic for the size of the start-up. The monthly number was rolled up in the P&L data sheet of Attachment E to give us our line item of "Additional Starts" for each year.

The Average Length of Stay was based on the Departments of Health's data on ALOS in addition to our own operational experience. We factored in an extra 6 days in 2021, 11 days in 2022, and 15 days in 2023. We based this statistical adjustment on community outreach, education and access to hospice care sooner for patients in need.

The Median Length of Stay of 28 days was taken directly from the 2019 median length of stay of our Portland agency.

The Average Daily Census for the year was the average of the monthly census for year. The monthly census was based on a formula used in our pro forma (P&L), which took the census of the previous month. The result of each month was averaged to get the Average Daily Census for the year.

The Patient Days was obtained by multiplying the Average Daily Census by 365 days."

Based on the assumptions above, Signature Hospice King provided it projected utilization shown in its Revised Table 12 above. [source: February 28, 2020, screening response, pdf7]

If this project is approved, the new hospice agency in King County would be operated separately from both its direct owner/parent (Northwest Hospice, LLC) and its parent Avamere Group, LLC. To assist in this evaluation, the applicant provided a pro forma financial statements for the King County hospice agency alone. The pro forma statements provided are below.

- Pro forma Operating Statement King County only; and
- Pro forma Balance Sheet for King County only.

Signature Hospice King also provided its assumptions used to project the pro forma statements within the statements. [source: February 28, 2020, screening response, Attachment E]

Gross Revenue

- *Medicare = Rate Per Day x Monthly Census x 97% x Days in Month*
- *Medicaid = Rate Per Day x Monthly Census x 2% x Days in Month*
- *Commercial = Rate Per Day x Monthly Census x 1% x Days in Month.*

Deductions from Revenue

- *Sequestration (contractual adjustments) = assumed to be 2%*
- *Charity Care = assumed to be 2%*
- *Bad Debt = assumed at 1%*

Expenses-Direct Costs

- *RN, LPN, LVN, clinical manager, hospice aides, spiritual counseling, volunteer coordinator, MSW – FTE times annual compensation*
- *Payroll Tax for RN, LPN, LVN, clinical manager, hospice aides, spiritual counseling, volunteer coordinator, MSW – assumed to be 8%*
- *Benefits for RN, LPN, LVN, clinical manager, hospice aides, spiritual counseling, volunteer coordinator, MSW – assumed to be 13%*
- *Medical Director – Contract = FTE times annual compensation*
- *Pharmacy – $8.00 / per patient day*
- *DME – $8.00 / per patient day*
- *Medical Supplies - $3.00 / per patient day*
- *Mileage – $13.00 / per patient day*
- *Other Direct Costs – 5% of total net revenue*

Expenses-Administrative Costs

- *Administrator – FTE times annual compensation*
- *Business office manager, intake, community liaison - FTE times annual compensation*
- *Salaries-Intake – FTE times annual compensation*
- *Salaries-Community Outreach Specialists – FTE times annual compensation*
- *Payroll Taxes– assumed to be 8%*
- *Benefits of Administrative – assumed to be 13%*
- *Mileage – $1.00 / per patient day*
- *Advertising – assumed to be $1,000/'month*
- *Home office allocation – assumed to be 7%* [calculated using net revenue]
- *B&O Tax – assumed to be 2%*
- *Rent Expenses – assumed to be 10% of the total rent*

While costs for other expenses were included in the statement, the formula for the costs listed below were not identified, however, the applicant provided the description of the items that were included in the costs.

- *IT and software maintenance includes tables, HCHB maintenance fees*
- *Purchased services includes contract labor, music therapy, massage therapy*
- *Supplies includes office supplies*
- *Telephone includes land line, internet, Efax*

Based on the assumption above, below is a summary of the projected Revenue and Expense Statement for the King County hospice agency. [source: February 28, 2020, screening response, Attachment E]

Department's Table 18
Signature Hospice King
Revenue and Expense Statement for Projected Years 2021 through 2023

	CY 2021	CY 2022	CY 2023
Net Revenue	$527,156	$2,682,917	$5,028,279
Total Expenses	$797,406	$2,230,425	$3,975,132
Net Profit / (Loss)	**($270,250)**	**$452,492**	**$1,053,147**

Signature Hospice King also provided the projected balance sheets for the proposed King County hospice agency. The three-year summary is shown in the table below. [source: February 28, 2020, screening response, Attachment F]

Department's Table 19
Signature Hospice King
Balance Sheet for Projected Year 2021 through 2023

Year 2021

Assets		Liabilities	
Current Assets	$116,958	Current Liabilities	$67,940
Property & Equipment	$23,232	Long Term Debt	$0
Other Assets	$0	**Total Liabilities and Long Term Debt**	**$67,940**
		Equity	$72,250
Total Assets	**$140,190**	**Total Liabilities and Equity**	**$140,190**

Year 2022

Assets		Liabilities	
Current Assets	$405,227	Current Liabilities	$170,267
Property & Equipment	$28,432	Long Term Debt	$0
Other Assets	$0	**Total Liabilities and Long Term Debt**	**$170,267**
		Equity	$263,392
Total Assets	**$433,659**	**Total Liabilities and Equity**	**$433,659**

Year 2023

Assets		Liabilities	
Current Assets	$1,532,191	Current Liabilities	$256,781
Property & Equipment	$28,632	Long Term Debt	$0
Other Assets	$0	**Total Liabilities and Long Term Debt**	**$256,781**
		Equity	$1,304,040
Total Assets	**$1,560,823**	**Total Liabilities and Equity**	**$1,560,821**

Signature Hospice King provided the following information regarding the operations of the proposed King County agency. [source: February 28, 2020 screening response, pdf10]
"Signature Hospice King, LLC will be a stand-alone LLC from the other projects submitted in Cycle 2. It will operate as its own entity. It will have its own PTAN, license number, payroll, revenue and expenses."

Signature Hospice King, LLC did not provide combined financial statements for Northwest Hospice, LLC as a whole, either with or without the project.

Public Comment
During the review of this project, four entities provided comments related to this sub-criterion. The comments are restated below.

Envision Hospice of Washington LLC Public Comments [source: April 30, 2020, public comments]

Completion Date
Signature describes a sequence of its new King hospice receiving licensing and accreditation before recruiting staff. But, accreditation depends on chart review of patient care, so the order Signature contemplates is reversed.

Its January 2021 start of operations is unrealistic. When Envision began implementation of its first Washington hospice agency, it was already operating a home health agency in an adjacent county, but that had little effect on the timing of its hospice licensing in Washington and its Medicare accreditation.

- *From Envision's submission of an initial hospice license application until the State's first survey visit and issuance of the State license was over three months.*
- *Additionally, from Envision's request for an accreditation survey visit it took the accrediting agency about five months to actually complete the visit.*
- *After accreditation, it took another three months for CMS to issue a provider number.*
- *Furthermore, the initial Hospice Application packet to the State must include a copy of the In-home Services Orientation Class "certificate of completion." Applications will not be processed unless a certificate of completion has been submitted. Assuming receipt of a CON in August, the recruitment/hiring of an Administrator would need to occur in order for her or him to complete the State's In-home Services Orientation scheduled for September 2, 2020.*

It is very likely that Signature will not be licensed or able to see its first patient until December 2020, with the accreditation survey not likely before May 2021, and the issuance of a Medicare provider number/certification and commencement of Medicare revenues until August 2021. As an experienced national hospice provider, Signature would be expected to plan reasonably for the development of a new agency in King County and a realistic start date for licensed-only services, so it has enough patients to undergo certification, then Medicare certification and, finally, the timing of its initial receipt of Medicare reimbursement."

Staff salaries
Signature did not provide the required assumptions about salaries for each identified position in the staffing table. As a result, it has not responded to the requirement for salary information in the CON application and has not provided sufficient information for the Department to determine the accuracy or reliability of its expense projections.

Lack of required financial information
Signature's Screening Question 21 states "It is unclear from the application whether the proposed King County hospice agency will be a stand-alone LLC from the other projects to be submitted by the applicant in the 2019 hospice review cycle 2. If more than one agency will be operated under the same entity as the King County agency, provide pro forma revenue and expense projections in the same format as included in Attachment A, as well as balance sheets, for the possible outcome that the applicant is approved for one or more projects it has applied for in the two hospice agency concurrent review cycles. This can be accomplished by providing, at minimum, revenue and expense

statements and balance sheets through the projection periods using the assumption that this application is approved."

In the screening letters sent to Signature for its current King, Pierce and Whatcom applications, the Department clarifies that the applicant is Avamere Group, LLC for all of the Signature projects. While Envision agrees that the applicant is not the individual LLCs in each county it points out that Northwest Hospice, LLC is the 100% owner of all of the LLC's involved and that Avamere Group, LLC and Bob Thomas jointly own Northwest Hospice, LLC 85% and 15% respectively. Evidence of the very close entity integration of the two firms – Northwest Hospice and Avamere Group --- is shown by the Bank letter documenting funds coming from Northwest Hospice LLC's bank account while the funding letter of commitment comes from Avamere Group, LLC. To fully understand the financial feasibility of Signature's King project, the Department needs to see balance sheets from both of these closely integrated funders of it.

The Department has correctly requested pro forma financial statements showing consolidated forecasts and balance sheets since the applicant has 3 pending applications as well as 4 other wholly owned entities that will be affected as shown on their organization chart:

Signature Hospice King, LLC (current application in King)
Signature Hospice Bellingham, LLC (current application in Whatcom)
Signature Hospice Pierce, LLC (current application in Pierce)
Signature Hospice Snohomish, LLC
Signature Hospice Bend, LLC
Signature Hospice Omaha, LLC
Signature Hospice St. George, LLC

Signature has not provided the requested pro forma financials "for the possible outcome that the applicant is approved for one or more projects it has applied for in the two hospice agency concurrent review cycles" and as such it is impossible for the Department to determine the financial feasibility of this project.

Review of Revised Financials at Screening Response, Attachment F
Signature's revised pro forma presents a number of issues, both major and minor:

- *Unable to Connect Bad Debt in the Revenues to the item description In the Revenue Reductions, Bad Debt is "Assumed to be 1%." However, it does not connect as shown in the following table:*

	Total Gross Revs	Bad Debt 1%	On P&L	Error
2021	551,615.72	5,516.16	2,758.08	-2,758.08
2022	2,795,525.54	27,955.26	2,627.63	-25,327.63
2,023	5,248,504.28	52,485.04	13,742.52	-38,742.52
			Total Error	**-66,828.23**

- *Unable to connect Medical Director compensation*
  In screening question 5, the Department was unable to match the Medical director compensation in the original application and Envision is still unable to match the compensation in Signature's screening response. The Medical Director Contract specifies $150/hour which would be an annual compensation of $312,000. Each projected year has a fractional FTE allocation, but if one multiplies the annual amount by the fractional FTE, it does not match the pro forma P&L as shown in the following table:

	2080*$150/hr	FTE	Actual	On P&L	Error
2021	312,000	0.2	62,400	62,400	0
2022	312,000	0.35	109,200	87,100	-22,100
2023	312,000	0.4	124,800	123,500	-1,300

- *Unable to Connect patient days in the Assumptions Attachment E to the P&L*
  The total Patient Days and the Average Daily Census displayed do not match the actual result of multiplying the Admissions (unduplicated) by the ALOS. See the table below:

Signature shows:	**2021**	**2022**	**2023**
Admits	56	195	339
ALOS	66	71	75
Patient Days	3,137.2	12,688.8	24,442.2
ADC	8.59	34.76	66.97
Actuals are:			
Patient Days	3,696.0	13,845.0	25,425.0
ADC	10.13	37.93	69.66
Difference	**17.9%**	**9.1%**	**4.0%**

As all the revenues are driven from these numbers, it is impossible to determine financial feasibility from the revised pro forma financials provided by Signature.

- *Mismatch of interest payments vs. loan obligations*
  The pro forma revenue and expense statement shows substantial interest payments for each year 2021---2023, but the balance sheet shows no loan or other obligation in the liabilities for those years. In 2023, interest is over $40,000. At 5% simple interest, that indicates Signature is servicing over $800k in debt to an entity that is not disclosed.
- *Bad debt unexplained*
  Bad debt is listed as an offset in the revenues section of the pro forma revenues and expenses (as it should be) --- though it includes errors as discussed above --- but there is another line labeled "Bad Debt" just above the "Total Expense" line. This implies there are loans made to others that aren't performing, or other receivables that aren't disclosed on the balance sheet.
- *Revenue errors*
  At Signature's Screening Response Attachment E, Revised Profit and Loss Statement, (see 4th line from the top of page 56) the dollar values shown in both places on the line "Rate per Day" drop over three years, starting at $225 in Year 1 and declining 4.6% by Year 3, to $215. Since these Per Diems are blends of multiple published rates, one must look "Revenue Detail, Per Diem Rates" on Attachment F's page 58 to see that Signature has entered annually declining payment rates at the "Routine Home Care" reimbursement assumptions for both the first 60 days of a stay and for days 61+. There is no obvious explanation why such a drop in the Medicare and other payers' daily rates paid for hospice home care would occur annually from 2020 and going forward – and Signature provides no explanation for it.

In an additional unexplained revenue error, a review of CMS Hospice Payment rates shows Signature understated both of the CMS 2020 Routine Home Care rates:

County/ CBSA Area	CBSA Code	Wage Index	Routine Home Care (per day) Days 1-60	Routine Home Care (per day) Days 61 and beyond	Cont Home Care (per hour)	Inpt Respite Care (per day)	Gen Inpt Care (per day)
Seattle-Bellevue-Everett	42644	1.1718	217.46	171.87	65.02	491.96	1133.56

The financial impact of the two related errors --- the initial understatement combined with the unexplained annual declines – is material, amounting to $544,629 over the projection periods. Signature provides no other assumption that might explain such low per diem rates plus annual declines in them. Without a clear rationale for the decrease in daily revenue each year, Signature's revenues are not accurate and cannot be relied upon. The Department cannot determine whether Signature's proposed project is financially feasible.

- *Minor Issues:*
  The Licenses and Fees line is difficult to tie to the fees detailed in WAC 246-335-990 because it could include other fees in 2022-2023. Nevertheless, the amount provided for 2021 is too low since the initial license fee will be 3,284 f.

  The line description for B&O says "Assumed to be 2%" but the actual numbers they display in each year are correctly calculated at 1.8%."

Emerald Healthcare Public Comment [source: April 30, 2020, public comment]
"Signature does state that a contracted medical director will be sought, and the screening response includes a "draft" contract, but they did not provide a signed MD contract or an MD pay rate. This confuses the financials further. Though the screening response P&L does show a $150 per hour rate for a contracted MD, the $150 rate is assumed, and is under the market rate by approximately $40 per hour. The State cannot determine financial feasibility (WAC 246-310-220) without a contracted MD and an actual pay rate. This is reason enough to deny Signature's application.

Finally, in their application, Signature uses what they call a "blended rate" for the hospice payment rate. Their blended rate includes the levels of care (Continuous Home Care, Inpatient Respite Care, and General Inpatient Care) and the per diem rates for days 1-60 and days 61 and beyond. Their rate is $230.94. This rate is inconsistent with Medicare's two tiered blended rate which only includes the rates for routine home care days 1-60 and days 61 and beyond. The $230.94 rate is inflated as it incorrectly assumes each patient will receive all levels of care in addition to routine home care, and its use in the application P&L inflates the revenue. While changes were made in the screening response P&L, the new rates are still inflated at $225 for 2021, $220 for 2022 and $215 for 2023. An accurate blended rate for King Co. would be approximately $186 per patient per day. Approximately 2% of patients receive Continuous Home Care and General Inpatient Care, and approximately .6% of patients receive Inpatient Respite. Financial feasibility and cost containment (WAC 246-310-220, 246-310-240) cannot reasonably be analyzed by the State. This is yet another reason the State must deny Signature's application."

Continuum Care Hospice Public Comment [source: April 30, 2020, public comment]
"The financial feasibility of the Signature proposal cannot be determined and therefore it does not meet applicable criteria in WAC 246-310-220. Specifically, Signature's proposed assumptions start with an ALOS of 66 days (10% higher than the actual State LOS) in its initial year, increasing to 75 days (23% higher than the actual State LOS) by year 3. WAC 246-310-290 (8) (f) states that:

(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.

While rule does not mandate that an applicant use the statewide average length of stay in its projections, Signature provided no data to demonstrate why it is reasonable to assume such a significant increase, other than a general statement (p7 screening) that "we factored in an extra 6 days in 2021, 11 days in 2022 and 15 days (per patient) in 2023. We based this statistical adjustment on community outreach, education and to hospice care sooner for patents in need." Without substantiation for this assumption, Signature's patient days are likely overstated.

Further, the math in revised Table 12 cannot be replicated. For example, in 2023, Signature estimates 24,442 patient days, but their math on page 7 of screening (339 admissions x 75 ALOS) indicates 25,425 patient days, not the 24,442 contained in their Updated Table 12. The narrative contains a footnote on page 8 that says the ADC for the year "was based on a formula used in our pro forma which took the census of the previous month. The result of each month was averaged to get the ADC for the year". Continuum has reviewed the pro forma in Attachment E and finds no monthly ADC in order to validate the formula. Without this information, which is now too late to provide, the Signature ADC and resulting patient days cannot be confirmed.

Finally, of the four applicants, Signature's pro forma has one of the lowest percent of Medicaid and Commercial pay. 97% of payer mix is Medicare.

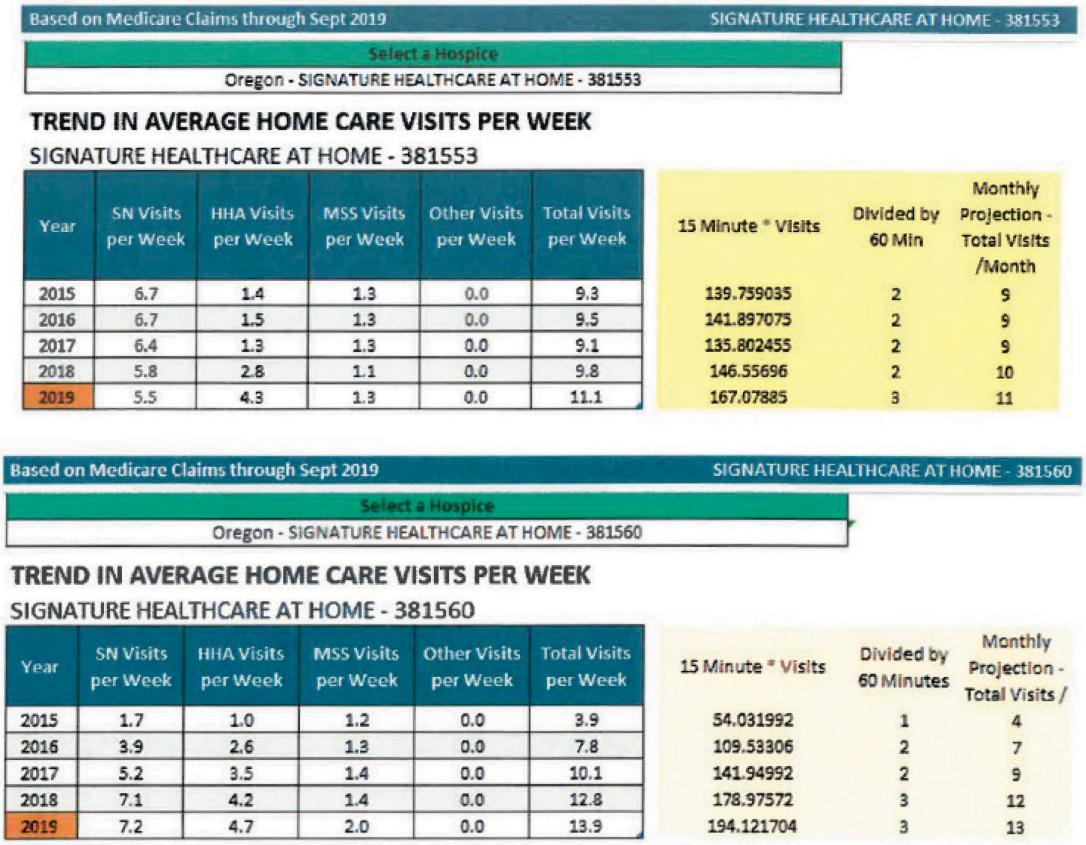
There is simply too little data in the record to justify Signature's underlying assumptions, including its LOS assumptions. The project fails financial feasibility."

Bristol Hospice Public Comment [source: April 30, 2020, public comment]
"Questions #21 under the Financial Feasibility section of the Signature Screening asks the applicant to provide combined views of financials for CONs which the applicant applied for in cycle 2. Signature failed to provide this detail stating that the King County operation will be a stand-alone LLC. Because the financial sponsor is the same for each application this is a requirement. Without proof that each scenario proves to be feasible Signature cannot be deemed to be financially feasible.

Signature has provided a lease agreement with the lessor as New Care Concepts Inc. and assumed that it will pay 10% of this lease agreement. The lease agreement isn't made out to the applicant and there was not a sublease agreement provided. In addition, the lease agreement section 17a prohibits subleasing the space. As part of the application process a site must be identified and what Signature has provided is lacking the proper documentation.

Signature has provided a proforma that is built off visits per patient. It doesn't state where it got its assumption of 20 visits per patient or how long it is assuming each visit to take. Medicare data shows that in both of its Oregon sites they are only doing 11-13 one-hour visits per patient per month. (see claims data and user guide below - please note numbers are 15-minute increments). If the assumption

of 20 visits a month is incorrect, which it appears to be, this would throw off their entire projections. Signature cannot be deemed financially feasible without proper assumptions on labor.



Based on Medicare Claims through Sept 2019 — SIGNATURE HEALTHCARE AT HOME - 381553

Select a Hospice: Oregon - SIGNATURE HEALTHCARE AT HOME - 381553

TREND IN AVERAGE HOME CARE VISITS PER WEEK

SIGNATURE HEALTHCARE AT HOME - 381553

Year	SN Visits per Week	HHA Visits per Week	MSS Visits per Week	Other Visits per Week	Total Visits per Week	15 Minute * Visits	Divided by 60 Min	Monthly Projection - Total Visits /Month
2015	6.7	1.4	1.3	0.0	9.3	139.759035	2	9
2016	6.7	1.5	1.3	0.0	9.5	141.897075	2	9
2017	6.4	1.3	1.3	0.0	9.1	135.802455	2	9
2018	5.8	2.8	1.1	0.0	9.8	146.55696	2	10
2019	5.5	4.3	1.3	0.0	11.1	167.07885	3	11

Based on Medicare Claims through Sept 2019 — SIGNATURE HEALTHCARE AT HOME - 381560

Select a Hospice: Oregon - SIGNATURE HEALTHCARE AT HOME - 381560

TREND IN AVERAGE HOME CARE VISITS PER WEEK

SIGNATURE HEALTHCARE AT HOME - 381560

Year	SN Visits per Week	HHA Visits per Week	MSS Visits per Week	Other Visits per Week	Total Visits per Week	15 Minute * Visits	Divided by 60 Minutes	Monthly Projection - Total Visits /
2015	1.7	1.0	1.2	0.0	3.9	54.031992	1	4
2016	3.9	2.6	1.3	0.0	7.8	109.53306	2	7
2017	5.2	3.5	1.4	0.0	10.1	141.94992	2	9
2018	7.1	4.2	1.4	0.0	12.8	178.97572	3	12
2019	7.2	4.7	2.0	0.0	13.9	194.121704	3	13

*Within its screening Signature provided Revised Staffing Detail in Attachment G, if you look at that attachment and try to match up the staffing costs with the updated P&L in Attachment F you will find that they do not match up. A specific example of this is the Medical Director line. The P&L doesn't align with the FTE * the $150/hour stated in the agreement.*

FTE	FTE	FTE	Notes
0.2	0.35	0.4	* FTE provided by Signature
416	728	832	Hours
$62,400.00	$109,200.00	$124,800.00	Total Pay at $150/Hour
$62,400.00	$ 87,100.00	$123,500.00	Amount listed on P&L

In addition, many of the assumptions do not add up to the numbers projected and some of the assumptions are not made clear. Payroll Tax and Benefits are stated to be 8% and 13% but Signature does not outline if this is a% of Revenue or a% of Wages. Neither add up exactly. Signature stated $13 PPD for mileage on direct employees and $1 PPD for non-direct, neither of these add up to the projections. Advertising is assumed to be $1000/month but in year three it jumps to $2,000 per month without explanation. Many of the line items are listed without an assumption at all. Within the application it states it will have Equipment costs of $28,032 but it only amortizes a total of $14,400 without specification. Signature cannot be deemed financially feasible with the lack of detail provided in its assumptions and conflicting information provided."

"Signature has stated that it plans to use its Home Health Agency staff to provide care during shortages but does not outline the financial implication of sharing staff within its P&L. It also gives names of an Administrator and Clinical Manager that they intend to use who already work for Signature. They do not outline if this will be a shared cost on the P&L."

Rebuttal Comment

In response to the comments above, Signature Hospice King provided the following rebuttal statements. [source: June 1, 2020, rebuttal comments]

"We would like to offer a response to some the criticism of our fellow applicants:

Financial Feasibility

Other applicants outlined that we needed to provide financials for each company under Northwest Hospice, LLC and for Northwest Hospice, LLC in order to be compliant and financially feasible. Signature Hospice King, LLC is a wholly owned subsidiary, so it functions as a separate and distinct legal entity from the parent company, Northwest Hospice, LLC. Therefore, we do not need to provide any additional financial information for Northwest Hospice, LLC. In addition, it is only required that we meet Financial Feasibility as deemed under:

> *Determination of financial feasibility WAC 246-310-220*
> *The determination of financial feasibility of a project shall be based on the following criteria.*
> *(1) The immediate and long-range capital and operating costs of the project can be 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.*
> *(3) The project can be appropriately financed.*

We believe we have proved the required details and meet the criteria as outlined by the Washington Department of Health.

Several of our fellow applicants pointed out minor concerns or other items on our P&L that they deemed as making our application "not financially feasible" for the Certificate of Need. The P&L is a projection, the very definition of a projection is "an estimate or forecast of a future situation or trend based on a study of present ones." We based our projection on our current hospice agencies and how we currently run a pro forma in order to obtain the numbers you see on our projected P&L. It is our best educated estimate, based on experience. But that does not mean it is perfect or will exactly reflect what will come to be if our CON is approved. Depending on how our competitors run their businesses and calculate their P&L, it will be different than ours. While they may not agree with all our calculations or methods, the projected financials are sound. Signature Hospice King, LLC has the financial support of the ownership group as noted in the letter from Ron Odermott, CFO. It is our opinion that none of the items raised by our fellow applicants infringe on the criteria listed above in WAC 246-310-220. We believe our application in its entirety makes the case that Signature Hospice King, LLC is financially feasible and capable of operating a hospice agency that will provide quality care to the people of King County.

Table 12 and Attachment E

Other applicants have stated that our math in Table 12 and from Attachment E in the Concurrent Review cannot be replicated. The calculations used in Table 12 and Attachment E are the result of complicated formulas our in-house P&L excel spreadsheet. Each year of the P&L was broken down by month, so the yearly data that was seen in the Concurrent Review was the result of the rolled-up

monthly figures. These formulas were created by our Accountants and Financial Directors and are used on our proformas for startups, budgets, and long-term planning. Using these formulas ensures that our projections that you saw are consistent with the company and therefore realistic for us.

Fellow applicants also stated that the numbers in Attachment E and Table 12 did not match. The numbers do match between the updated Table 12 on page 7 of the Concurrent Review and on page 58 of Attachment E in the Concurrent Review."

Department Evaluation

Utilization Assumptions

An applicant's utilization assumptions are the foundation for the financial review under this sub-criterion. Signature Hospice King does not currently operate a hospice agency in Washington State. Neither Northwest Hospice, LLC nor Avamere Group, LLC operate hospice agencies in Washington State. Signature does operate home health agencies in Bellevue, Bellingham, and Federal Way.
With no specific Washington State hospice experience, the applicant based its projected utilization of the hospice agency on specific factors:

- Previous and similar-sized startups in other states that resulted in projected unduplicated admissions of 56 in year one; 195 in year two; and 339 in year three.
- Average length of stay in year one of 66 days, which increases to 71 in year two and 75 in year three. The increase is based on the Washington State numeric methodology's average length of stay of 60.13 days, plus the applicant's operational experience.
- The annual average daily census is calculated based on the average per month. Three year average daily census calculates to 8.59 in year one and increases to 34.76 in year two, and 66.97 in year three.
- Patient days is the result of multiplying the annual average daily census by 365 days. Based on the two factors above. Three year projected patient days is 3,317.2 in year one; 12,688.8 in year two; and 24,442.2 in year three.

Public comments suggest that the applicant's projected and increasing average length of stay is not reasonable or supported in the application, other than the statement that *"we factored in an extra 6 days in 2021, 11 days in 2022 and 15 days (per patient) in 2023. We based this statistical adjustment on community outreach, education and to hospice care sooner for patents in need."* The statement in the public comment is correct that using the numeric methodology's statewide average length of stay is not required in an application. However, given that Signature Hospice does not own or operate any hospice agencies in Washington State, its assumptions that community outreach and education are optimistic, but maybe not impossible for year one of 66 days—which calculates to a 10% increase from the statewide average. However, years two and three calculate to an 18% and 25% increase, respectively. This is a significant increase and the rationale for this assumption is not entirely described or supported in the application. As a result, the department concludes that the applicant's projected year two and three number of patients and patient days cannot be substantiated.

Pro Forma Financial Statements

The applicant provided pro forma Revenue and Expenses Statements for the King County agency that allowed the department to evaluate the financial viability of the proposed hospice agency alone. The applicant asserts that its proposed King County agency would be operated separately from its out-of-state hospice agencies and from its Washington State home health agencies. As a result, combined pro forma Revenue and Expense Statements were not provided.

The public comments submitted during this review take issue with this approach; the department concurs that combined statements should have been provided as requested. Additional public comments focus on staff salaries, bad debt, and medical director compensation. Given the department's conclusion regarding the unsubstantiated projected number of patients and patient days in years two and three above, this evaluation will not continue to address any other issues or data in the King County statement. It is noted, however, that there are addition and calculation errors within the statement provided that were not addressed in the applicant's rebuttal documents.

In summary, based on the information available, the department cannot complete the review of the immediate and long-range operating costs of Signature Hospice's King County project. **This sub-criterion is not 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.

Bristol Hospice, LLC

The capital expenditure for this project is $30,000. There are no construction costs, rather, all costs are associated with equipment, furniture and supplies. In response to this sub-criterion, Bristol Hospice states that the charges are based on the set rates by Medicare. [source: Application, p17]

Bristol Hospice acknowledged it would need cash on hand for start-up costs and listed the items below that would be part of the start-up costs. [source: February 28, 2020, screening response, p25]

- Hiring of initial local DPCS/ Admin for a ramp up period.
- Hiring of initial Per Diem staff to get through Medicare Survey in Oct Nov Dec.
- Lease and building expenses for the startup period.
- Fees to contracted Medical Director for licensure period.
- Fees for taking care of initial patients to get through Licensure process.
- Other misc. fees and expenses associated with preparing the paperwork and licensure activities.

Rather than identifying a specific amount for start-up costs, Bristol Hospice provide a letter from its Chief Financial Officer acknowledging the $30,000 in capital expenditure. The letter further states that the parent company—Bristol Hospice Northwest—has cash on hand in excess of $1,500,000 for this project and has committed to the funding. [source: Application, Exhibit 12]

Bristol Hospice also provided the following statements about how the project will cover the costs of operation until Medicare reimbursement is received. [source: Application, p20]
"Bristol Hospice has sufficient cash on hand to cover all start up costs including covering operation costs until Medicare reimbursement is received. See Bristol Hospice of the Northwest balance sheet in Exhibit 16."

Bristol Hospice provided the following statements regarding the projects impact on capital costs and operating costs and charges for healthcare services. [source: Application, p17]

"The project will have a total of 30,000 dollars of capital impact in the question above and will produce the jobs shown in the FTE calculation.

Hospice service has studies completed as a savings to the healthcare system for example the Journal of Palliative Medicine conducted by Brian W. Powers et al. Hospice provides stabilizing support to families and provides assistance to those who are alone without family support. The overall healthcare operating costs within King County will be reduced from these unmet admissions being admitted to Bristol Hospice.

The hospice benefit is a Medicare benefit paid by the Federal program directly. Many beneficiaries are duel eligible beneficiaries of both Medicaid and Medicare. Bristol Hospice services will reduce the costs for these Medicaid beneficiaries for the county by providing supportive services and reducing acute admissions."

Public Comment

Envision Hospice of Washington provided the following comments related to this sub-criterion. [source: April 30, 2020, public comment]

"By ignoring Envision's existing, newly-approved hospice in King County, the Department and the four King County applicants did not recognize the impact on operating costs that planning on serving the same patients as those established as Envision's market share would cause. Envision's King County project was approved as financially feasible based on its projection of growing patient volumes and related revenues from 2020-2022.

If Envision's market share is, instead, is given to another new hospice before Envision's volumes can grow to their projected and CON-approved level in 2022, then Envision's projected operating costs per unit will necessarily rise, instead of fall as planned, and its CON-approved financial projections will be thwarted by unnecessary duplication.

One only need reference Envision's Year 1 financials – as portrayed below in the Department's evaluation of Envision's King County application – to see the estimated excess cost of expenses over revenues of $29,332. Additionally, by dividing Total Expenses by Admissions, one can readily see that, if planned volumes and implied market share are allocated to another new King County hospice, Envision's operating costs per unit will go up over the three-year period when they are projected to go down.

Department's Table 13
Envision King County
Projected Utilization

	CY 2020 (Year 1)	CY 2021 (Year 2)	CY 2022 (Year 3)
Admissions	109.5	219.0	292.0
Total Days	6,570	13,140	17,520
Average Length of Stay	60	60	60
Average Daily Census	18	36	48

Department's Table 14
Envision's King County Hospice Agency
Revenue and Expense Statement for Projected Years 2020 through 2022

	CY 2020 (Year 1)	CY 2021 (Year 2)	CY 2022 (Year 3)
Net Revenue	$1,387,221	$2,774,441	$3,699,254
Total Expenses	$1,416,553	$2,294,852	$2,980,843
Net Profit / (Loss)	**($29,332)**	**$479,589**	**$718,411**

Rebuttal Comment

In response to the public comments, Bristol provided the following rebuttal comments. [source: Bristol Rebuttal Comments May 6, 2020]

"Public comment for the King County CON applications were released on May 4th, 2020. Bristol Hospice reviewed the comments submitted by the various groups and noted the specific comments made by Puget Sound, Continuum, and Envision on its application and screening. After review of the comments made Bristol would like to note that none of the points made by any of these parties would cause denial of its application. Bristol has been active in the CON decision-making process starting in late 2018. It has spent a significant amount of time with the DOH analysts going over each question and the required response to ensure that it has given the necessary detail to be awarded a Hospice CON. The points made by these groups were far reaching should not be considered during the review period."

Department Evaluation

Bristol Hospice provided a letter from its Chief Financial Officer demonstrating its financial commitment to this project, including the projected capital expenditure and any start-up costs.

The department does not have an adopted standard on what constitutes an unreasonable impact on charges for health services. Medicare patients typically make up the largest percentage of patients served in hospice care. For the proposed agency, the applicant projected that 98.2% of its patients would be eligible for Medicare. Revenue from Medicare is projected to equal a similar percentage of total revenues through standard reimbursement totals and related discounts which are unlikely to increase with approval of this application.

Public comments suggest that an unreasonable impact would occur if this (or any other) project is approved in this 2019 review cycle because the applicant did not address the proposed project's impact on newly approved agencies that are not currently operating. Given the applicant's failure under sub-criterion (1) of WAC 246-310-220, the department must conclude that approval of this project may have an unreasonable impact on the costs and charges for health services in the planning area. Based on the information, the department concludes **this sub criterion is not met.**

Continuum Care of King, LLC

The capital expenditure for this project is $106,800, including leasehold improvements, office equipment, software, and legal and consulting fees. In response to this sub-criterion, Continuum provided the following statements. [source: Application, p23]

"The capital costs related to equipment, software and legal/consulting are based on Member experience and have been verified for current pricing/fees for these categories. The leasehold improvements are based on the landlord's estimates.

Leasehold improvements represent the costs to improve the space to make it functional for our staff. This includes constructing partition walls to create separate workstation areas/offices, a conference room, closets and a room for medical supply storage. It also includes an upgrade to the lighting system."

Continuum estimated its start-up costs to be approximately $41,164, which represents pre-opening rent and expenses, including 9 months of 2019 and all of 2020. [source: Application, Exhibit 8 and February 28, 2020, screening response, Attachment 5

Continuum also provided the following statements about how the project will cover the costs of operation until Medicare reimbursement is received. [source: Application, p28]

As documented by the banking letter contained in Exhibit 9, sufficient reserves exist to cover both the capital expenditure as well as the start-up period.

Continuum provided the following statements regarding the projects impact on capital costs and operating costs and charges for healthcare services. [source: Application, p26]

"This results in an operating loss in 2021, and as depicted in the balance sheet, we have a member contribution matching the bank letter which more than covers likely deficits during the initial operating period (2021). Therefore, Continuum's initial operating deficit with the members' contribution will fully cover all start up and initial operating deficits.

"The pre-opening lease expense (lease expenses incurred prior to July 2021) has already been included in the pro forma financial in the 'pre-opening' rent line item. There are no costs associated with the medical director agreement until July 2021. The medical director agreement includes an addendum which confirms that the medical director agreement commences upon initiation of patient care (which is assumed to occur beginning July 2021)."

Public Comment

Envision Hospice of Washington provided the following comments related to this sub-criterion. [source: April 30, 2020, public comment]

"By ignoring Envision's existing, newly-approved hospice in King County, the Department and the four King County applicants did not recognize the impact on operating costs that planning on serving the same patients as those established as Envision's market share would cause. Envision's King County project was approved as financially feasible based on its projection of growing patient volumes and related revenues from 2020-2022.

If Envision's market share is, instead, is given to another new hospice before Envision's volumes can grow to their projected and CON-approved level in 2022, then Envision's projected operating costs per unit will necessarily rise, instead of fall as planned, and its CON-approved financial projections will be thwarted by unnecessary duplication.

One only need reference Envision's Year 1 financials – as portrayed below in the Department's evaluation of Envision's King County application – to see the estimated excess cost of expenses over revenues of $29,332. Additionally, by dividing Total Expenses by Admissions, one can readily see that, if planned volumes and implied market share are allocated to another new King County hospice, Envision's operating costs per unit will go up over the three-year period when they are projected to go down."

Department's Table 13
Envision King County
Projected Utilization

	CY 2020 (Year 1)	CY 2021 (Year 2)	CY 2022 (Year 3)
Admissions	109.5	219.0	292.0
Total Days	6,570	13,140	17,520
Average Length of Stay	60	60	60
Average Daily Census	18	36	48

Department's Table 14
Envision's King County Hospice Agency
Revenue and Expense Statement for Projected Years 2020 through 2022

	CY 2020 (Year 1)	CY 2021 (Year 2)	CY 2022 (Year 3)
Net Revenue	$1,387,221	$2,774,441	$3,699,254
Total Expenses	$1,416,553	$2,294,852	$2,980,843
Net Profit / (Loss)	**($29,332)**	**$479,589**	**$718,411**

Rebuttal Comment

Continuum provided the following rebuttal to Envision's concerns. [source: Applicant's June 1, 2020, rebuttal comments]

"At page 2 of its public comment, Envision states that each applicant ignores the financial impact of its proposed project on the unit costs and viability of its newly approved agency. At page 12, it restates the claim and includes verbatim tables (Tables 13 and 14) from the Program's December 2019 analysis of its project. At page 7 of its public comment Envision suggests that the current hospice applicants have confidently assumed that reliance on the methodology assures their application meets the requirements of numeric need… (however), in light of the number of errors identified in the Department 2019 methodology this assertion will not hold for this review cycle.

"On its face, this statement is false because, as documented above, the methodology has been applied consistently by the Department since its adoption. Continuum's position is that there will be no impact on the Envision application resulting from our approval. Their application was approved in November of 2019 and we understand they became operational in 2020. Continuum does not expect to be operational until mid-2021, well into the second full year of Envision's operations. In that year, the Program's methodology suggests a net unmet need of 94, more than 18% higher than the combined census projected by Envision and Continuum in that year, and any one of the remaining applicants. There is no evidence to suggest that the approval of additional agencies will increase costs and charges, and in fact, and as noted in our application, publicly available data demonstrates that the availability of hospice reduces total costs of care."

Department Evaluation

Continuum provided a letter from its Chief Financial Officer demonstrating its financial commitment to this project, including the projected capital expenditure and any start-up costs.

The department does not have an adopted standard on what constitutes an unreasonable impact on charges for health services. Medicare patients typically make up the largest percentage of patients served in hospice care. For the proposed agency, the applicant projected that 87.5% of its patients would be eligible for Medicare. Revenue from Medicare is projected to equal a similar percentage of total revenues through standard reimbursement totals and related discounts which are unlikely to increase with approval of this application.

Public comments suggest that an unreasonable impact would occur if this (or any other) project is approved in this 2019 review cycle because the applicant did not address the proposed project's impact on newly approved agencies that are not currently operating. Given the applicant's failure under sub-criterion (1) of WAC 246-310-220, the department must conclude that approval of this project may have an unreasonable impact on the costs and charges for health services in the planning area. Based on the information, the department concludes **this sub criterion is not met.**

Emerald Healthcare, Inc.

The capital expenditure for this project is $15,000, including furniture, a phone system, and computer and IT equipment. In response to this sub-criterion, Emerald provided the following statements. [source: Application, p20]

"Capital expenditures were estimated via vendor quotes, and Pennant's extensive experience establishing new agencies."

Emerald estimated its start-up costs to be approximately $19,071, which represents pre-opening rent and expenses, as well as travel and recruiting expenses. Emerald also provided the following statements about how the project will cover the costs of operation until Medicare reimbursement is received. [source: February 28, 2020, screening response]

We will begin making lease payments from May 1, 2020 through September 30, 2020 totaling $11,071.39. These payments include prepaid rent of $2767.92 and a security deposit of $1383.96, and May through September rent of $6083.35 and utilities of $836.45. Additionally, we estimate $8000.00 of travel cost from June 1, 2020 through December 31, 2020 for recruiting, support and agency launch.

Emerald provided the following statements regarding the projects impact on capital costs and operating costs and charges for healthcare services. [source: Application, p20]

"As documented in Exhibit 7, the pro forma forecast for this project, the $15,000 capital investment has no impact on costs. Hospice care has been shown to be cost-effective and is documented to reduce end-of- life costs. This project proposes to address the hospice agency shortage in the County and will improve access. Over time, this will reduce the costs of end-of-life care and benefit patients and their families."

Public Comment

Envision Hospice of Washington provided the following comments related to this sub-criterion. [source: April 30, 2020, public comment]

"By ignoring Envision's existing, newly-approved hospice in King County, the Department and the four King County applicants did not recognize the impact on operating costs that planning on serving

the same patients as those established as Envision's market share would cause. Envision's King County project was approved as financially feasible based on its projection of growing patient volumes and related revenues from 2020-2022.

"If Envision's market share is, instead, is given to another new hospice before Envision's volumes can grow to their projected and CON-approved level in 2022, then Envision's projected operating costs per unit will necessarily rise, instead of fall as planned, and its CON-approved financial projections will be thwarted by unnecessary duplication.

"One only need reference Envision's Year 1 financials – as portrayed below in the Department's evaluation of Envision's King County application – to see the estimated excess cost of expenses over revenues of $29,332. Additionally, by dividing Total Expenses by Admissions, one can readily see that, if planned volumes and implied market share are allocated to another new King County hospice, Envision's operating costs per unit will go up over the three-year period when they are projected to go down."

Department's Table 13
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Projected Utilization

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Department's Table 14
Envision's King County Hospice Agency
Revenue and Expense Statement for Projected Years 2020 through 2022

	CY 2020 (Year 1)	CY 2021 (Year 2)	CY 2022 (Year 3)
Net Revenue	$1,387,221	$2,774,441	$3,699,254
Total Expenses	$1,416,553	$2,294,852	$2,980,843
Net Profit / (Loss)	**($29,332)**	**$479,589**	**$718,411**

Rebuttal Comment
None

Department Evaluation

Emerald provided a letter from the Corporate Controller of the Pennant Group demonstrating its financial commitment to this project, including the projected capital expenditure and any start-up costs.

The department does not have an adopted standard on what constitutes an unreasonable impact on charges for health services. Medicare patients typically make up the largest percentage of patients served in hospice care. For the proposed agency, the applicant projected that 94.6% of its patients would be eligible for Medicare. Revenue from Medicare is projected to equal a similar percentage of total revenues through standard reimbursement totals and related discounts which are unlikely to increase with approval of this application.

Public comments suggest that an unreasonable impact would occur if this (or any other) project is approved in this 2019 review cycle because the applicant did not address the proposed project's impact on newly approved agencies that are not currently operating. Given the applicant's failure under sub-criterion (1) of WAC 246-310-220, the department must conclude that approval of this project may have an unreasonable impact on the costs and charges for health services in the planning area. Based on the information, the department concludes **this sub criterion is not met.**

Signature Hospice King, LLC

The capital expenditure for this project is $28,032 and there are no construction costs, rather, all costs are associated with equipment, furniture and supplies. In response to this sub-criterion, Signature Hospice King provided the following statements. [source: Application, pdf22]

"Capital expenditures were formulated based on the applicants experience in establishing new agencies. In 2019 the related entity to applicant, Signature Healthcare at Home, established two new home health agencies in Oregon. The cost estimates above are based on costs from both internal IT as well as external vendors."

Signature Hospice King estimated its start-up costs to be approximately $50,000, of which $21,968 was already expended in December 2019 for the review fee when the application was submitted. [source: Application, pdf 22 and February 28, 2020, screening response, pdf5]

Signature Hospice King also provided the following statements about how the project will cover the costs of operation until Medicare reimbursement is received. [source: Application, pdf25]

"The project will be funded by Northwest Hospice, LLC until Signature Hospice King, LLC is fully functional and able to bill for service. Attached in Exhibit 13 is a copy of the bank letter which shows Northwest Hospice, LLC has sufficient funds to support this project as well as Exhibit 14 letter from the CFO Ron Odermott."

Signature Hospice King provided the following statements regarding the projects impact on capital costs and operating costs and charges for healthcare services. [source: Application, pdf22]

- *The project impact on capital costs are stated above (Table 14). Signature Hospice King is anticipating $50,000 startup costs including equipment and application review fee. This expenditure is being funded from cash on hand and will not impact charges for health services.*
- *The operating costs of startup will also be absorbed through current cash flow, cash on hand and intercompany transfers if needed and will not impact charges for health services.*

Public Comment

Envision Hospice of Washington provided the following comments related to this sub-criterion. [source: April 30, 2020, public comment]

"By ignoring Envision's existing, newly-approved hospice in King County, the Department and the four King County applicants did not recognize the impact on operating costs that planning on serving the same patients as those established as Envision's market share would cause. Envision's King County project was approved as financially feasible based on its projection of growing patient volumes and related revenues from 2020-2022.

"If Envision's market share is, instead, is given to another new hospice before Envision's volumes can grow to their projected and CON-approved level in 2022, then Envision's projected operating

costs per unit will necessarily rise, instead of fall as planned, and its CON-approved financial projections will be thwarted by unnecessary duplication.

"One only need reference Envision's Year 1 financials – as portrayed below in the Department's evaluation of Envision's King County application – to see the estimated excess cost of expenses over revenues of $29,332. Additionally, by dividing Total Expenses by Admissions, one can readily see that, if planned volumes and implied market share are allocated to another new King County hospice, Envision's operating costs per unit will go up over the three-year period when they are projected to go down."

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Net Profit / (Loss)	**($29,332)**	**$479,589**	**$718,411**

Rebuttal Comment
None

Department Evaluation

Signature Hospice King provided a letter from its Chief Financial Officer demonstrating its financial commitment to this project, including the projected capital expenditure and any start-up costs.

The department does not have an adopted standard on what constitutes an unreasonable impact on charges for health services. Medicare patients typically make up the largest percentage of patients served in hospice care. For the proposed agency, the applicant projected that 97.0% of its patients would be eligible for Medicare. Revenue from Medicare is projected to equal a similar percentage of total revenues through standard reimbursement totals and related discounts which are unlikely to increase with approval of this application.

Public comments suggest that an unreasonable impact would occur if this (or any other) project is approved in this 2019 review cycle because the applicant did not address the proposed project's impact on newly approved agencies that are not currently operating. Given the applicant's failure under sub-criterion (1) of WAC 246-310-220, the department must conclude that approval of this project may have an unreasonable impact on the costs and charges for health services in the planning area. Based on the information, the department concludes **this sub criterion is not 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.

Bristol Hospice, LLC

Bristol Hospice provided the following statements regarding the financing of the $30,000 capital expenditure and any additional start-up costs for this project. [source: Application, p18]

"Bristol has sufficient reserves available to fully fund the operational startup. No line of credit or loan or grant is needed for this project. Funding will be provided by available reserves from the owner Bristol Hospice Northwest, L.L.C. Please see Exhibit 12 for a funding letter from Bristol Hospice CFO."

The applicant also provided audited financial statements for year 2016, 2017, and 2018 for Bristol Hospice, LLC intended to demonstrate that the funds for this project are available. [source: Application, Exhibit 14]

Public Comment

None

Rebuttal Comment

None

Department Evaluation

The estimated capital cost for this project is $30,000. Bristol Hospice intends to finance this project using available reserves from its parent, Bristol Hospice, and provided a letter from its chief financial officer demonstrating financial commitment to this project. The letter provided support for the capital expenditure and any start-up costs. This approach is appropriate because documentation was provided to demonstrate assets are sufficient to cover this cost.

If this project is approved, the department would attach a condition requiring the applicant to finance the project consistent with the financing description in the application. With the financing condition, the department concludes **this sub-criterion is met.**

Continuum Care of King, LLC

Continuum provided the following statements regarding the financing of the $106,800 capital expenditure and any additional start-up costs for this project. [source: Application, p25]

"Included in Exhibit 9 is a letter from First Republic Bank indicating that Continuum Care Hospice has sufficient reserves to fund this project. A letter from the CFO of Continuum Care Hospice is also included in this Exhibit.

"Continuum has established a separate bank account for King County. This account was funded with a $750,000 opening balance. A letter from the bank, confirming this account is included in Exhibit 9."

The applicant also provided financial statements for year 2016, 2017, and 2018 for Continuum Care Hospice, LLC, as well as 2018 financial statements for Continuum Care of Rhode Island, LLC,

intended to demonstrate that the funds for this project are available. [source: Applicant's Screening Responses, Attachment 9]

Public Comment
None

Rebuttal Comment
None

Department Evaluation
The estimated capital cost for this project is $106,800. Continuum Hospice intends to finance this project using available reserves from its affiliate, Continuum Care Hospice, LLC, and provided a letter from its chief financial officer demonstrating financial commitment to this project. The letter provided support for the capital expenditure and any start-up costs. This approach is appropriate because documentation was provided to demonstrate assets are sufficient to cover this cost.

If this project is approved, the department would attach a condition requiring the applicant to finance the project consistent with the financing description in the application. With the financing condition, the department concludes **this sub-criterion is met.**

Emerald Healthcare, Inc.
Emerald provided the following statements regarding the financing of the $15,000 capital expenditure and any additional start-up costs for this project. [source: Application, p21]
"The small capital investment needed for this project will be funded by the Pennant Group, using reserves. This is the best, most efficient means of funding an expenditure of this magnitude."

Because Emerald's parent organization, The Pennant Group, Inc., is a recent creation, there are not audited historical statements. Instead, the applicant provided a copy of Pennant's Form 10-Q, filed with the Securities and Exchange Commission, intended to demonstrate that the funds for this project are available. [source: Application, Exhibit 9]

Public Comment
None

Rebuttal Comment
None

Department Evaluation
The estimated capital cost for this project is $15,000. Emerald intends to finance this project using available reserves from its parent, The Pennant Group, and provided a letter from its corporate controller demonstrating financial commitment to this project. The letter provided support for the capital expenditure and any start-up costs. This approach is appropriate because documentation was provided to demonstrate assets are sufficient to cover this cost.

If this project is approved, the department would attach a condition requiring the applicant to finance the project consistent with the financing description in the application. With the financing condition, the department concludes **this sub-criterion is met.**

Signature Hospice King, LLC

Signature Hospice King, LLC estimated the capital expenditure and startup costs would be approximately $50,000 and provided the following statements regarding the financing for this project. [source: Application, pdf23]

"Signature Hospice King, LLC and related entities currently have the capacity to fund this project without the utilization of long-term financing. Capital expenditures at startup and operating costs in the first year of operations can be funded by cash on hand and if needed intercompany transfers.

With a project of this size, management has elected to fund this project with available cash. Ownership did not consider any internal or external financing options for this project.

A letter from Key Bank was obtained that shows sufficient funds held in the account of Northwest Hospice, LLC for capital expenditures. In addition, a letter of commitment from Ron Odermott, Chief Financial Officer, is included to show the level of commitment the company has invested into the establishment and continued operations and success of a Hospice in King County."

The applicant also provided historical balance sheets for Avamere Group, LLC the parent of Northwest Hospice, LLC, which is the parent for Signature Hospice King. Years provided are 2016, 2017, and 2018. The historical documents are intended to demonstrate that the funds for this project are available. [source: Application, Exhibit 16]

Signature Hospice King provided a letter of financial commitment from the chief financial officer of Avamere Group, LLC. The letter commits to funding the "*financial capital needed to fund the launch and operations of Signature Hospice King, LLC if the application is approved*." [source: Application, Exhibit 14]

A second letter was provided from the senior client manager of Key Bank confirming Northwest Hospice, LLC current account balance on December 24, 2019, of approximately $239,984. [source: Application, Exhibit 13]

Public Comment

None

Rebuttal Comment

None

Department Evaluation

The estimated capital expenditure for this project is approximately $50,000, which include $28,032 in furniture, equipment, and miscellaneous costs. The remaining $21,968 was already expended by Signature Hospice King for the application review fee.

Signature Hospice King intends to finance this project using available reserves from its parent, Northwest Hospice, and provided a letter from its chief financial officer demonstrating financial commitment to this project. The letter provided support for the capital expenditure and any start-up costs. This approach is appropriate because documentation was provided to demonstrate assets are sufficient to cover this cost.

If this project is approved, the department would attach a condition requiring the applicant to finance the project consistent with the financing description in the application. With the financing condition, the department concludes **this sub-criterion is met.**

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

Bristol Hospice, LLC
Based on the source information reviewed, the department determines that the Bristol Hospice, LLC project **does not meet the applicable structure and process of care criteria in WAC 246-310-230.**

Continuum Care of King, LLC
Based on the source information reviewed, the department determines that the Continuum Care of King, LLC project **does not meet the applicable structure and process of care criteria in WAC 246-310-230.**

Emerald Healthcare, Inc.
Based on the source information reviewed, the department determines that the Emerald Healthcare, Inc., project **does not meet the applicable structure and process of care criteria in WAC 246-310-230.**

Signature Hospice King, LLC
Based on the source information reviewed, the department determines that the Signature Hospice King, LLC project **does not meet the applicable structure and process of care criteria in WAC 246-310-220.**

(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.

Bristol Hospice, LLC
To demonstrate compliance with this sub-criterion, Bristol Hospice provided its projected full time equivalents (FTEs) for the King County agency. The FTE table is below. [source: February 28, 2020, screening response, Exhibit 10]

Department's Table 20
Bristol Hospice FTE's Projections for King Hospice - Years 2021 - 2023

FTE Type	Year 1-2021	Year 2-2022 Increase	Year 3-2023 Increase	Total FTEs
Registered Nurses	3.00	3.00	7.00	**13.00**
Nurse Practitioner	0.10	0.20	0.40	**0.70**
Hospice Aide	4.00	4.00	3.00	**11.00**
Executive Director	1.00	0.00	0.00	**1.00**
Director of Nursing Services	0.00	1.00	0.00	**1.00**
Business/Clerical	2.00	6.00	2.00	**10.00**
Medical Social Worker	1.00	1.00	1.00	**3.00**
Pastoral/Other Counselors	1.00	1.00	1.00	**3.00**
Total FTEs	**12.10**	**16.20**	**14.40**	**42.70**

In addition to the table above, Bristol Hospice clarified that the medical director is under contract and not included in the table above. Further, physical, occupational, and speech therapies are also under contract and not included in the table.

Focusing on staffing ratios, the applicant provided the following table and statements. [source; Application, p21]

Applicant's Staff / Patient Ratio Table-Recreated

Type of Staff	Staff / Patient Ratio
Skilled Nursing (RN & LPN)	1:10 – 1:12
Physical Therapist	1 Contracted per Visit
Occupational Therapist	1 Contracted per Visit
Medical Social Worker	1:15 – 1:30
Speech Therapist	1 Contracted per Visit
Home Health/Hospice Aide	1:8 – 1:12
Chaplain	1:30 – 1:40
Volunteer Coordinator	1:100

"Bristol has staffing ratios based on National Hospice and Palliative Care Organization (NHPCO this is a nationally recognized organization that directs hospice services) grid guidelines."

Bristol Hospice provided the following statements regarding the recruitment and retention of necessary staff. [source: Application, p21]
"Bristol Hospice has a strong clinical structure with engaged flexible team members that can support the healthcare needs in cases of emergency or shortage. Bristol is supported by a centralized national recruiting team that has a strong history of hiring healthcare employees within 15 to 20 days of posting a position which is far below the national average. Bristol recruits on over 150 websites as well as hospice specific niches and organizations. Applicants can apply via their phone or other personal device to easily join the Bristol Hospice team.

All staff are vetted through extensive background checks including local and national databases as well as the government LEIE exclusion list. New hires go through at least 2 rounds of interviews to ensure they have the temperament to provide this sacred level of service to the community.

Once hired all staff must complete a rigorous training program to ensure skills are ready for the Bristol Hospice level of quality. This training includes all state and federal required trainings as well as custom Bristol Hospice coursework and best practices. Technology and in person training are both utilized to ensure a well-rounded curriculum. Each new member will receive preceptor guidance for the first weeks or months if necessary, to build competency. Every staff member is measured on performance-based indicators that are based upon electronic quantitative quality data that is stored in our clinical tracking systems. The systems gather charting information and provide feedback to clinical managers to know where to coach and guide staff. For those that are not providing high quality per the quantitative measures they will be trained to provide higher quality and put on disciplinary action if they fail to meet requirements.

Bristol Hospice offers favorable benefits packages to hire and retain talent including Health, 401K vision, dental, and tuition assistance. It allows all employees to apply for new jobs that are posted including any of the sister companies of Bristol Hospice L.L.C. allowing incredible opportunities for advancement nationally. Bristol Hospice encourages staff to continue to receive additional licensure and or education on an ongoing basis. Bristol. Hospice rewards and recognizes those that get advanced degrees or further education certificates.

Volunteers are managed by dedicated volunteer coordinator and are critical component to meeting community needs. Bristol Hospice provides training to all volunteers. This training ensure volunteers are ready to serve. This is done similarly to hired staff in a multi-pronged approach with in person and technology support. Bristol Hospice recruits' volunteers from all over the community including schools, universities, retirement organizations, current employee contacts or recommendations, local volunteer boards, and online boards. The volunteers go through a rigorous background check and Bristol Hospice loves to work alongside community constituents to serve its patients."

Bristol Hospice provided the following statements about its plans to ensure timely patient care in the event the new facility experienced barriers to staff recruitment. [source: February 28, 2020, screening response]

"The Human Resources Department is responsible for all areas pertaining to the employment, health and wellness of the employees. Human Resources has oversight regarding employee relations, benefits, payroll, Workers Compensation, recruiting, FMLA, ADA, employee morale, and employee assistance. In addition to regular full time employees, the HR Department works closely with staffing agencies, temporary services and head hunters to ensure that the program stays fully staffed to meet the needs of the patients. Bristol Hospice successfully fills its standard positions in 15 days or less and its higher level positions in less than 30 days. Bristol will start the recruitment process to have those shown in the FTE report hired in that time frame before they are needed to serve patient needs. This is key advantage to being managed by our central SLC office who has these recruiters on demand. No recruiters will be needed locally, and we can post positions etc. as needed to meet demand. Also administrative staff are not expected to do this plus all the other duties needed for a startup.

Bristol has developed hiring practices to ensure that it identifies candidates who can serve the regional needs of each Hospice Program and to encourage a diverse range of candidates. Bristol posts its positions on 150 job boards across the country including agencies and professional groups by discipline. In addition, Bristol posts its positions with local diversity departments such as the Office of Ethnic Affairs, women's advocacy groups, and local universities. Bristol encourages all employees to expand their hospice education by completing certifications requisite for their discipline and reimburses all costs associated with these endeavors. It Screens all new hires in a robust background check and a Medicare

exclusion check including our volunteers. Bristol Hospice currently meets or exceeds the Volunteer hour requirements set by Medicare.

Generally, Bristol interviews candidates in a panel interview style to ensure that applicable departments have the ability to provide input on candidates that would interact with their areas. Bristol has contracted with SkillSurvey to acquire 360° references for its applicants. This online system allows the referral source to anonymously provide references for an applicant. This provides a higher likelihood of candid and constructive references.

Once an applicant accepts an offer, Bristol provides an online solution to onboarding. The majority of essential new hire documents are read and signed prior to the first day of hire which allows the locations more time for the crucial new hire orientation, skills assessments and training. This streamlined process ensures that employees are adequately trained and ready for patient care much sooner, eliminating the possibility of low staffing and ensuring a seamless transition of qualified care providers to our patients. The Human Resources team is truly a resource for the Hospice leadership and employees. Employees receive a call from the HR Department within one week of hire to assess how the new hire orientation is progressing. They also receive an opportunity to ask questions regarding their employment and receive more in depth information regarding benefits and HR functions. The employee is then followed closely for the first 90 days to ensure that orientation is complete and the introductory period has been successfully finished.

Bristol management receives a two-day supervisor workshop that teaches standard employment law to assist them in recognizing all management processes. In addition, they receive guidance in interviewing skills, managing employees through effective communication and delegation, motivating employees and assisting employees to reach high quality standards through employee development and /or employee discipline. The training is conducted through lecture, scenarios, group discussion, games and testing. In addition to this training, management receives approximately 40 hours of additional hospice and management training through computer-based learning."

Public Comment
None

Rebuttal Comment
None

Department Evaluation

Bristol Hospice would be a new provider of Medicare and Medicaid hospice services for King County and based its staffing ratios on national standards. As a new provider, this approach is reasonable.

As shown in the staff table above, 12.1 FTEs are needed in year one-2021 to serve the estimate average daily census of 27.14 patients. The number of FTEs increases to 42.7 by the end of full year three (2023) to serve an estimated average daily census of 87.12 patients.

Bristol Hospice also clarified that its medical director and therapy staff would be under contract, and are not included in the table above. This approach is reasonable.

For recruitment and retention of staff, Bristol Hospice intends to use the strategies it has successfully used in the past for recruitment and retention of staff for its out-of-state hospice agencies. The

strategies identified by Bristol Hospice are consistent with those of other applicants reviewed and approved by the department.

Based on the information provided in the application, the department concludes that Bristol Hospice has the ability and expertise to recruit and retain a sufficient supply of qualified staff for this project. **This sub-criterion is met.**

Continuum Care of King, LLC

To demonstrate compliance with this sub-criterion, Continuum provided its projected full time equivalents (FTEs) for the King County agency. The FTE table is below. [source: Application, p28]

Department's Table 21
Bristol Hospice FTE's Projections for King Hospice - Years 2022 - 2024

FTE Type	Year 1-2022	Year 2-2023 Increase	Year 3-2024 Increase	Total FTEs
Administrator	1.00	0.00	0.00	**1.00**
Clinical Director	1.00	0.00	0.00	**1.00**
Clinical Manager	0.00	0.00	1.00	**1.00**
Registered Nurse	3.67	1.42	1.91	**7.00**
Home Health Aide	3.67	1.42	1.91	**7.00**
Medical Social Worker	1.47	0.57	0.76	**2.80**
Chaplain	1.47	0.57	0.76	**2.80**
Music Therapist	0.73	0.29	0.38	**1.40**
Intake	1.00	0.00	0.00	**1.00**
Office Manager	1.00	0.00	0.00	**1.00**
Team Coordinator	0.00	1.00	0.00	**1.00**
Marketing	1.00	0.00	0.00	**1.00**
Volunteer Coordinator	1.00	0.00	0.00	**1.00**
Bereavement Coordinator	0.00	0.50	0.50	**1.00**
Total FTEs	**17.01**	**5.77**	**7.22**	**30.00**

In addition to the table above, Continuum clarified that, physical, occupational, and speech therapies and dietitian services are also under contract and not included in the table. Continuum also provided the following discussion of the distinction between the Clinical Director and Clinical Manager positions. [Source: February 28, 2020, screening responses]

"Job descriptions for these two positions are included in Attachment 1. The Clinical Director (Director of Clinical Services) has program administration functions and oversight, and oversees the Clinical Managers. The Director of Clinical Services is responsible for QAPI, Infection Control, supervision, assistance in budgeting (staffing), oversight of clinical education and development of the team. Whereas the Clinical Manager, once the organization grows, begins to provide more of the day to day management of the interdisciplinary group, referrals, assignments, plans of care, supervision of the team and participation in specific QAPI activities."

Focusing on staffing ratios, the applicant provided the following table and statements. [source; Application, p21]

Applicant's Staff / Patient Ratio Table-Recreated

Type of Staff	**Staff / Patient Ratio**
Skilled Nursing (RN & LPN)	1:10
Medical Social Worker	1:25
Hospice Aide	1:10
Chaplain	1:25
Volunteer Coordinator	1:100

"Table 10 depicts the projected staff to patient ratio for Continuum. This ratio included in the table is the average ratio across the three-year projection period. In its November 2019 Evaluation of the Three Certificate of Need Application Proposing to Establish a Medicare and Medicaid Certified Agency in King County, the Program concluded that Continuum's proposed staffing ratios were reasonable and in conformance with applicable CN requirements."

Continuum provided the following statements regarding the recruitment and retention of necessary staff. [source: Application, p31]
"The members of Continuum, through its related agencies, have first-hand experience with staffing shortages, but importantly, staffing shortages have had no impact on timely, quality patient care. For example, our RN response time in California, where the staffing shortage is one of the worst in the nation, is 2 hours. The staffing shortage is a national problem identified by NHPCO and Medicare.

"Continuum continues to overcome this challenge using multiple strategies and tools to recruit staff. Our HR department completes daily searches for qualified candidates through the major employment sites, LinkedIn and our own website. We also have hosted job fairs and partnered with hospital job fairs to extend opportunities, and we allow/support staff interested in only part time employment. We participate in expanding the Hospice nurse industry by allowing nursing students interested in Hospice to complete rotations with our agencies from various colleges in our area. Our expectation is that by exposing nursing students to our industry we can help close the gap of need industry wide.

"If Continuum King is unable to recruit staff with our current tools and normal strategies, we are prepared to use staffing agencies, temporarily borrow staff from other agencies, use traveling staff and/or rely on recruiters to cast a search nationally and relocate nurses to the area.

"Continuum is committed to being accessible and available to our patients, 24-hours per day, 7 days per week, and to meeting the comprehensive and unique needs of each patient and their family. The staffing ratios identified in Table 10 above, ensure that our care is both high quality and responsive. The staffing is based on the Member's actual experience in their other Agencies."

Continuum provided the following statements about its plans to ensure timely patient care in the event the new facility experienced barriers to staff recruitment. [source: Application, pp31-32]
"Continuum is confident that we will be able to attract a sufficient number of qualified applicants to staff our hospice operations. We will recruit, employ and develop a diverse staff of clinicians and caregivers with skill levels appropriate to the functions they will perform. And, we will utilize various forms of recruitment techniques including the standard mechanisms of print and internet advertising and will post open positions on the Internet on various job boards (e.g. indeed.com). We will additionally use agencies and contacts with professional schools to communicate about our agency and open positions. If there are any positions that we are challenged to fill, we will use the services of a professional recruiter.

"All potential staff are extensively vetted as to character and competence using the DiSC Profile, a leading personal assessment tool used to improve work productivity, teamwork and communication. The DiSC model provides a common language that people can use to better understand themselves and adapt their behaviors with others. The DiSC tool not only helps ensure we are hiring a high quality, efficient and competent workforce of character, it also helps with staff satisfaction and retention by increasing staff and providers' self-knowledge, improving working relationship, facilitating better teamwork and teaching productive conflict.

"New staff are provided with training and orientation and work under direct supervision during their initial period of employment. The length of direct supervision is related to their existing level of experience and the judgment of their supervisors.

"As a means of employing and supporting citizens of high character, Continuum will focus on employing members of our National Guard and Reserve. Another of our Members' agencies has been recognized by the Department of Defense and honored with a Patriotic Employer award for these efforts. The award recognizes sustained support (minimum 3 years) of the Guard and Reserve.

"Continuum will offer competitive compensation packages (including 401K plans with generous matches), paid time off, a wide selection of health insurance options, dental insurance, vision insurance, life insurance, and excellent work/life balance. Continuum will also offer excellent inservice training and professional development opportunities with the main objective to enable and incentivize staff to work together to benefit patients and their families. Volunteers will also be a critical part of the hospice team. Volunteer recruitment will commence immediately upon receipt of our State license and will include the following:

- *We will post on VolunteerMatch.org and Craigslist.org for volunteers interested in making friendly visits to patients to provide companionship and socialization, as well as volunteers who are able to provide art therapy, pet therapy, massage, hair cutting and styling, designing and delivery of flower bouquets, making lap blankets, teddy bears, etc. Presentations will be made to community service organizations regarding Continuum and the volunteer program.*
- *We will connect with local colleges and university websites that connect students to volunteer opportunities, particularly for pre-med students, nursing programs, chaplaincy programs, and social work programs.*
- *We will reach out to local high school career counselors for student internship opportunities for administrative office volunteering. In the larger assisted living facilities, volunteer opportunities will be provided to the independent-living residents.*

"All applicants that apply will be thoroughly screened, undergo a full background check (using a vendor named SappHire Check), and will receive a personal interview. Once selected, volunteer orientation and training will occur as soon as the volunteer is able to schedule.

"Upon award of the CN, Continuum will begin recruiting staff. The first staff to be recruited will be the administrator and the clinical director. These two positions are expected to be filled within two to three months following CN approval; their effective employment date will be at the time of the licensure survey. In addition, four months prior to opening, patient care and office support staff will be recruited; with their effective employment date at the time of the licensure survey. In years two and three, we will continue to recruit and hire direct services staff to increase staffing levels proportionate to patients served. In addition, Continuum has an implementation team set up to help with training and onboarding of new staff. If available, existing Washington State staff will be used to assure a smooth transition.

"The recruitment strategies we intend to use, and which have proven successful at Continuum affiliates, include:

- *Offering a generous wage and benefit package that meets or exceeds that offered by other providers in the service area and adjacent population centers from which employees are likely to commute;*
- *Specifically seeking individuals with an interest in end-of-life and quality of life issues;*
- *Nationwide postings of job openings on the company website, national recruiting websites, and local community online posting;*
- *Working with local employment agencies and attending job fairs; and*
- *Establishing relationships with local colleges and universities by offering internships, training, and job opportunities."*

Public Comment
None

Rebuttal Comment
None

Department Evaluation
Continuum would be a new provider of Medicare and Medicaid hospice services for King County and based its staffing ratios on national standards and experience in other markets. As a new provider, this approach is reasonable.

As shown in the staff table above, 17.01 FTEs are needed in full year one-2022 to serve the estimate average daily census of 36.7 patients. The number of FTEs increases to 30.0 by the end of full year three (2024) to serve an estimated average daily census of 70.0 patients.

Continuum also clarified that its therapy staff would be under contract, and are not included in the table above. This approach is reasonable.

For recruitment and retention of staff, Continuum intends to use the strategies it has successfully used in the past for recruitment and retention of staff for its affiliated out-of-state hospice agencies. The strategies identified by Continuum are consistent with those of other applicants reviewed and approved by the department.

Based on the information provided in the application, the department concludes that Continuum has the ability and expertise to recruit and retain a sufficient supply of qualified staff for this project. **This sub-criterion is met.**

Emerald Healthcare, Inc.
To demonstrate compliance with this sub-criterion, Emerald provided its projected full time equivalents (FTEs) for the King County agency. The FTE table is below. [source: Application, p24]

Department's Table 22
Emerald Hospice FTE's Projections for King Hospice - Years 2021 - 2023

FTE Type	Year 1-2021	Year 2-2022 Increase	Year 3-2023 Increase	Total FTEs
Administrator	0.50	0.00	0.00	**0.50**
Business Office Manager, Medical Records, Scheduling	0.50	0.50	1.00	**2.00**
Intake	1.00	1.50	.50	**3.00**
Community Liaison	1.50	0.50	0.00	**2.00**
Director of Patient Care Services	0.60	0.40	0.00	**1.00**
Registered Nurses	3.80	1.50	0.90	**6.20**
Certified Nursing Assistant	2.50	1.10	0.50	**4.10**
Social Work	0.80	0.40	0.20	**1.40**
Pastoral/Other Counselors	0.80	0.40	0.20	**1.40**
Total FTEs	**12.00**	**6.30**	**3.30**	**21.60**

In addition to the table above, Emerald clarified that the medical director is under contract and not included in the table above. Further, physical, occupational, and speech therapies are also under contract and not included in the table.

Focusing on staffing ratios, the applicant provided the following table and statements. [source; Application, p25]

Applicant's Staff / Patient Ratio Table-Recreated

Type of Staff	Staff / Patient Ratio
Registered Nurse	1:20 – 0.8:12
Certified Nursing Assistant	1:10
Social Work	1:30
Spiritual Care Coordinator	1:30

"Puget Sound Hospice is confident that our proposed staff to patient ratio is competitive for a number of reasons. First, Pennant's other hospice agencies are able to produce quality outcomes with similar ratios. Further, we compared our proposed staff/patient ratios with recently approved CN hospice applications in Washington. In each case, our proposed ratios were as good as the ratios of these other approved projects."

Emerald provided the following statements regarding the recruitment and retention of necessary staff. [source: Application, p26]
"In addition to Emerald operating a home health agency in King County, its ultimate parent company, Pennant, owns 129 healthcare organizations around 13 states in the United States, including a senior living home in Redmond, Washington, as well as home health agencies in adjacent Pierce and Snohomish counties. In the experience of Pennant's affiliate health care agencies, health care employees are drawn to the Pacific Northwest Region for its outdoor experiences, culture and vitality, and if Puget Sound Hospice has qualified and experienced staff in good standing that want to move to King County, or to transition from long-term care or home health to hospice, we will be glad to support that relocation or transition.

"Emerald and its Pennant-affiliates also have strong and proven histories of recruiting and retaining quality staff. We offer a competitive wage scale, a generous benefit package, and a professionally rewarding work setting, as well as the potential for financial assistance in furthering training and education.

"Both Emerald and Pennant-affiliates have access to and utilize a variety of recruitment resources, including the use of social media and internet recruitment platforms such as LinkedIn, Indeed, Monster and Glassdoor, among others, and due to our employees' high job satisfaction have found great success in recruiting through our staff's network of other skilled healthcare professionals.

"With retention even more important than recruitment, all Pennant-affiliates require and provide rigorous department orientation, clinical and safety training, initial and ongoing competencies assessments, and performance evaluations."

Bristol Hospice provided the following statements about its plans to ensure timely patient care in the event the new facility experienced barriers to staff recruitment. [source: February 28, 2020, screening response]
"In the event that Puget Sound Hospice faces barriers recruiting staff, we would utilize staff from our other agencies and/or our clinical resources. We have done this in the past and it has produced successful results. Having the ability to draw from our sister agencies/service center we are able to continue providing care even when challenging circumstances arise."

Public Comment
None

Rebuttal Comment
None

Department Evaluation
Emerald would be a new provider of Medicare and Medicaid hospice services for King County and based its staffing ratios on national standards. As a new provider, this approach is reasonable.

As shown in the staff table above, 12.0 FTEs are needed in year one-2021 to serve the estimate average daily census of 25 patients. The number of FTEs increases to 21.6 by the end of full year three (2023) to serve an estimated average daily census of 41.1 patients.

Emerald also clarified that its medical director and therapy staff would be under contract, and are not included in the table above. This approach is reasonable.

For recruitment and retention of staff, Emerald intends to use the strategies it has successfully used in the past for recruitment and retention of staff for its out-of-state hospice agencies. The strategies identified by Emerald are consistent with those of other applicants reviewed and approved by the department.

Based on the information provided in the application, the department concludes that Emerald has the ability and expertise to recruit and retain a sufficient supply of qualified staff for this project. **This sub-criterion is met.**

Signature Hospice King, LLC

To demonstrate compliance with this sub-criterion, Signature Hospice King provided its projected full time equivalents (FTEs) for the King County agency. The FTE table is below. [source: February 28, 2020, screening response, pdf 19 and Attachment G]

Department's Table 23
Signature Hospice King FTE's Projections for King Hospice - Years 2021 - 2023

FTE Type	Year 1-2021	Year 2-2022 Increase	Year 3-2023 Increase	Total FTEs
Registered Nurses	1.14	2.34	3.22	**6.70**
LPN/LVN	0.00	0.83	0.84	**1.67**
Clinical Manager	0.25	0.80	0.41	**1.46**
HHA (CCNA's)	0.57	1.75	2.14	**4.46**
Medical Director	0.20	0.15	0.05	**0.40**
Spiritual Counselor	0.00	1.10	1.13	**2.23**
Volunteer Coordinator	0.00	0.66	0.68	**1.34**
MSW	0.56	0.60	1.07	**2.23**
Administrator	1.00	0.00	0.00	**1.00**
Business Office	0.78	0.22	1.00	**2.00**
Intake	0.70	0.55	0.75	**2.00**
Community Outreach Specialists	0.67	0.91	1.42	**3.00**
Total FTEs	**5.87**	**9.91**	**12.71**	**28.49**

In addition to the table above, Signature Hospice King clarified that the medical director is an employee and is included in the table. Physical, occupational, and speech therapies are under contract and not included in the table.

Focusing on staffing ratios, the applicant provided the following table and statements. [source: Application, pdf26]

Applicant's Staff / Patient Ratio Table-Recreated

Type of Staff	Staff / Patient Ratio
Skilled Nursing (RN)	1:10
Physical Therapist	Contract
Occupational Therapist	Contract
Medical Social Worker	1:30
Spiritual Care Coordinator	1:30
Speech Therapist	Contract
Home Health/Hospice Aide	1.10
Other	Contract music, pet, and massage therapies

"Signature is confident in our projected ratios based on quality outcomes and industry benchmarks as outlined by ACHC, NHPCO and HPNA. Further we compared our proposed staffing ratios with current and past Certificate of Need applicants in Washington, and in each case found our proposed ratios comparable to those approved projects."

Signature Hospice King provided the following statements regarding the recruitment and retention of necessary staff. [source: Application, p21]
"Signature Healthcare at Home owns 29 locations in home health and hospice in four states. We have a strong and proven track record for recruiting and retaining staff. We offer competitive wages, generous benefit package, professional development and clinical ladder opportunities for continuing education and higher education opportunities with financial assistance. Signature Healthcare at Home utilizes a variety of digital strategies and platforms like LinkedIn, Glassdoor, Indeed, Monster, Facebook, Career website & twitter to both actively network and recruit top talent.

Due to the nursing shortage we focus on partnering with academic institutions to build a pipeline and opportunities for preceptorship and clinical rotations.

We have a focus on retention and clinical safety which requires onboarding and ongoing competencies to ensure quality staff are prepared and knowledgeable. Signature Hospice King expects no problems finding qualified health manpower and management personnel. In addition, Signature Hospice King will have access to the recruiting department of Signature Healthcare at Home who brings experience and creative solutions to staffing."

Signature Hospice King provided the following statements about its plans to ensure timely patient care in the event the new facility experienced barriers to staff recruitment. [source: February 28, 2020, screening response, pdf 9]
"We plan on cross-training all required disciplines, nursing, social work, and office staff from our Federal Way Home Health agency in order to provide timely hospice services. By ensuring that the staff are cross trained ahead of time, if we do encounter a staffing shortage, we will be able to take it in stride. This business practice has shown positive quality outcomes for our other operations with both lines of business. In addition, we have a strong recruiting department with focused nursing, physician and social worker sourcing tools. If necessary, we have established relationships with necessary recruiting firms."

Signature Hospice King also provided specific details on staff recruitment and incentive programs it has used in the past. [source: Application, Exhibit 18]

Public Comment
None

Rebuttal Comment
None

Department Evaluation
Signature Hospice King would be a new provider of Medicare and Medicaid hospice services for King County and based its staffing ratios on national standards. As a new provider, this approach is reasonable.

As shown in the staff table above, 5.87 FTEs are needed in year one-2021 to serve an average daily census of 8.59 patients. The number of FTEs increases to 28.49 by the end of full year three (2023) to serve an estimated average daily census of 66.97 patients.

Signature Hospice King also clarified that its medical director is an employee and included in the staff table. Therapy staff would be under contract and are not included in the table above. This approach is reasonable.

For recruitment and retention of staff, Signature Hospice King intends to use the strategies it has successfully used in the past for recruitment and retention of staff for its out-of-state hospice agencies. The strategies identified by Signature Hospice King are consistent with those of other applicants reviewed and approved by the department.

Based on the information provided in the application, the department concludes that Signature Hospice King has the ability and expertise to recruit and retain a sufficient supply of qualified staff for this project. **This sub-criterion is met.**

(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.

Bristol Hospice, LLC

In response to this sub-criterion, Bristol Hospice provided the following information. [source: Application, pp23-24]

"Bristol uses the following support services partners and services for ancillary needs.

Durable Medical Equipment	*X-Ray*
Pharmacy	*Laboratory.*
Medical Supplies	*Ambulance or medical transport*
Physical Therapy	*Biowaste disposal*
Dietitian	*Inpatient Care"*

Bristol Hospice provided a copy of the executed Medical Director and Physician Services Agreement between Sabine Von Preyss, MD and Bristol Hospice-King, LLC. The agreement was executed on October 25, 2019, and outlines roles and responsibilities for each. The agreement is effective for one year, with automatic annual renewals in perpetuity (evergreen clause). [source: February 28, 2020, screening response, Exhibit 6]

Public Comment

None

Rebuttal Comment

None

Department Evaluation

Bristol Hospice is not currently a Medicare and Medicaid hospice provider in Washington State; however the organization does operate hospice agencies in a number of other states. This project proposes to serve the King County patients from a new office in the county.

Bristol Hospice provided a listing of the types of ancillary and support agreements it would use for the new hospice agency. Given that the facility is not yet operational, none of the agreements have been executed. Bristol Hospice provided a copy of its executed Medical Director and Physician Services Agreement. Information provided in the application demonstrates that the proposed hospice agency would have the experience and likely access to all hospice ancillary and support services used by the facility.

Based on the information reviewed in the application, the department concludes that Bristol Hospice has the experience and expertise to establish appropriate ancillary and support relationships for the new hospice services in King County. Based on the information, the department concludes **this sub criterion is met.**

Continuum Care of King, LLC

In response to this sub-criterion, Continuum provided the following information. [source: Application, pp35-37]

"Continuum will directly provide the majority of ancillary and support services needed. Continuum will solicit the following ancillary and support services and will finalize vendor selection after CN approval.

- *Inpatient Care*
- *PT/OT/ST*
- *X-Ray*
- *Pharmacy*
- *Durable Medical Equipment*
- *Medical Supplies*
- *Laboratory*
- *Dietary/Nutritionist*
- *Ambulance*
- *Biowaste removal*
- *Specialty therapies*

"Continuum proposes to work closely with local physicians, hospitals and other providers to ensure patients' comprehensive medical, social, and spiritual needs are met. In addition to these direct care providers/referring agencies, and while no agreements are in place at this time, specific providers that Continuum intends to develop working relationships with include:

- *Seattle/King County Area Agency on Aging.*
- *Home Care Association of Washington and the National Association for Home Care*
- *DSHS, Aging and Disability Services*
- *Home Health and home care agencies*
- *Nursing Homes*
- *VA*
- *HMOs and other payers*
- *Washington State and King County Veteran's Programs.*

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

- *For African American community, the local Chapter of the NAACP, Churches and Community Centers.*

- *For the American Indian community, Tribal leadership and tribal health care.*
- *For the Asian community, Asian Pacific Islander Coalition (APIC), Asian Counseling and Referral Services and churches.*

"Continuum will develop transfer agreements with local hospitals and nursing homes. Informal cooperative agreements-but not formal written agreements, are also planned with ambulance, the Fire Department and the Coroner's office."

Continuum provided a copy of the executed Medical Director Agreement between Alexandre De Moraes, MD and Continuum Care of King, LLC. The agreement was executed on December 28, 2018, and amended on February 25, 2019, and outlines roles and responsibilities for each. The agreement is effective for one year, with automatic annual renewals in perpetuity (evergreen clause). [source: Application, Exhibit 62]

Public Comment

During the review of this project, two entities provided comments related to this sub-criterion. The comments are restated below.

Envision Hospice, LLC

"Medical Director hours and pay

"Continuum has contracted a Medical Director based out of California. The challenges of having a medical director outside of the state would be exceedingly disruptive to providing quality care to patients and would ultimately be ineffective.

"Continuum's medical director expense projections are suspect when compared to the other applicants projected medical director expenses. Regardless of Continuum's annual number of admissions, it pays the same amount, $48,000, every year of its projected financials. A simple comparison of the final projected year of operations shows that Continuum has budgeted $57 of expense per ADC per month to pay its medical director. The other three applicants project an average of $160 per ADC/month, almost three times as much. . Either very few hours of medical director time are planned for or the medical director is being paid a very low wage per hour.

Applicant	Final Yr $	ADC	$/ADC
Bristol	$190,692	87.2	$182.24
Emerald	$142,562	83.4	$142.50
Signature	$124,800	67.0	$155.29
		Average	$160.01
Continuum	$48,000	70.0	$57.14

"It is unclear how appropriate patient care and oversight can be provided on Continuum's unusually tight budget."

Emerald Hospice, Inc.

"Continuum Hospice's medical director compensation structure is inconsistent with the Federal Anti-kickback Statute and cannot be relied on in determining its financial projections. Continuum's MD contract States, "ORGANIZATION will pay MEDICAL DIRECTOR as follows: $4000 Monthly Stipend". This stipend arrangement, which provides a payment of $4,000 even if no services are performed, does not comply with the Anti-kickback Safe Harbor provisions requiring compensation to be fair market value.

"This comment is not intended to be an accusation that Continuum is in violation of Federal criminal law or has any intention to violate Federal law. Only, that its proposed medical director compensation is not allowed under the law; which means it must provide a compensation structure that is different from the one it has presented. In lieu of this, there is no way for the State to accurately analyze the costs presented by Continuum in its application and its application must be denied."

Rebuttal Comment

Continuum provided the following information to rebut the assertions above:

"6. Continuum's Medical Director is a local provider, experienced in Hospice care, and familiar with the model of care and mission of Continuum Hospice.

"Envision alleges that an out-of-state provider may not be able to adequately serve as Medical Director in King County. While Continuum's Medical Director, Dr. Alexandre Moraes is currently located in California, Envision neglected to recognize that Dr. Moraes is both licensed in Washington State, and still routinely caring for patients in Washington.

"Dr. Moraes has agreed to be our Medical Director to ensure that our King County hospice program is initiated with the same comprehensive quality and oversight as our California agency. We are confident that having Dr. Moraes be part of the team in Washington will be of great benefit. There is no question that Dr. Moraes has the experience, ability, and skills to ensure our King County program is of the highest quality. He meets all requirements of his position, consistent with 42 CFR 418.102.

"A key reason why Continuum has asked Dr. Moraes to serve as our medical director is because of his experience with Continuum's specific model of care. This model works to assure that all patients are responded to quickly, appropriately and without delay.

"Finally, Envision's complaint that Continuum secured its medical directorship at a reasonable price is absurd. By contracting with a medical director at a reasonable flat fee, Continuum is ensuring financial stability for its operations. Dr. Moraes is well acquainted with Continuum's model and is willing to provide his services at that reasonable rate."

Department Evaluation

Continuum is not currently a Medicare and Medicaid hospice provider in Washington State; however the organization does operate hospice agencies in a number of other states. This project proposes to serve the King County patients from a new office in the county.

Continuum provided a listing of the types of ancillary and support agreements it would use for the new hospice agency. Given that the facility is not yet operational, none of the agreements have been executed. Continuum provided a copy of its executed Medical Director Agreement. While Continuum's medical director contract came under scrutiny from two of the other applicants, the department concludes that Dr. Moraes is licensed in Washington and his licensure in other states should not be an impediment to his serving in this role in Washington. In addition, criticism was raised of the proposed amount and nature of compensation – alleging that the compensation is in violation of federal regulations. The department declines to reach a conclusion on the latter complaint as it is outside the purview of the Certificate of Need program.

Information provided in the application demonstrates that the proposed hospice agency would have the experience and likely access to all hospice ancillary and support services used by the facility.

Based on the information reviewed in the application, the department concludes that Continuum has the experience and expertise to establish appropriate ancillary and support relationships for the new hospice services in King County. Based on the information, the department concludes **this sub criterion is met.**

Emerald Healthcare, Inc.
In response to this sub-criterion, Emerald provided the following information. [source: Application, p27]
"Puget Sound Hospice anticipates using many of the same ancillary and support services as does our sister organizations, Puget Sound Home Health and Olympia Transitional Care and Rehabilitation, that said, upon CN approval, we will enter into our own agreements with these vendors. Ancillary and support services that will be needed include: Physical, Occupational and Speech therapy, alternative therapies (pet, music, art, etc.), dietary, pharmacy and inpatient/respite.

"The Pennant Service Center has contracted with Puget Sound Hospice to provide exceptional services such as quality monitoring and improvement, revenue cycle management and protection, legal services, accounting services, HR support, accounts payable, information technology support, EMR software support, business intelligence and operational data monitoring, clinical resource support including education and quality assessment, HIPAA compliance monitoring, clinical and billing compliance support and monitoring, Medicare, Medicaid and state licensing, regional operations resources, and more."

Emerald provided a copy of the executed Medical Director Service Agreement between Elizabeth Black, MD and Emerald. The agreement was executed on February 24, 2020 and outlines roles and responsibilities for each. The agreement is effective for one year, with automatic annual renewals in perpetuity (evergreen clause). [source: February 28, 2020, screening response]

Public Comment
None

Rebuttal Comment
None

Department Evaluation
Emerald is not currently a Medicare and Medicaid hospice provider in Washington State; however the organization does operate hospice agencies in a number of other states. This project proposes to serve the King County patients from a new office in the county.

Emerald provided a description of the types of ancillary and support agreements it would use for the new hospice agency. Given that the facility is not yet operational, none of the agreements have been executed. Emerald provided a copy of its executed Medical Director Service Agreement. Information provided in the application demonstrates that the proposed hospice agency would have the experience and likely access to all hospice ancillary and support services used by the facility.

Based on the information reviewed in the application, the department concludes that Emerald has the experience and expertise to establish appropriate ancillary and support relationships for the new hospice services in King County. Based on the information, the department concludes **this sub criterion is met.**

Signature Hospice King, LLC

In response to this sub-criterion, Signature Hospice King provided the following information. [source: Application, pdf28]

"Signature Hospice King anticipates using many of the same support services as our sister companies, Queen Anne Healthcare (Avamere Group facility), Signature Home Health in Bellevue & Federal Way currently utilize. Upon CN approval Signature Hospice King will enter into new contracts with vendors to include, Physical, Occupational, Speech, dietary, pharmacy, inpatient, respite in addition to pet, massage or art therapy etc. In addition, Signature Hospice King will utilize the Avamere Health services management company for legal, IT, HR & accounting, and revenue cycle support."

Even though the medical director is an employee, a medical director agreement will be established for those services. A copy of the draft agreement was provided in the application, along with the job description. The draft agreement was initialed by both Joseph Denor, MD and a representative of Signature Hospice King, LLC on February 25, 2020. The agreement and outlines roles and responsibilities for each. The agreement is effective for one year, with automatic annual renewals in perpetuity (evergreen clause). [source: February 28, 2020, screening response, Attachment B]

Public Comment

During the review of this project, two entities provided comments related to this sub-criterion. The comments are restated below.

Medical Director Relationship with Signature

"According to Signature's application, their MD is not contracted, she is an employee. This is stated in section K., and shown in Table 2 of their application. The law in Washington indicates that an LLC cannot employ a physician without violating the corporate practice of medicine doctrine. As such, Signature's medical director services would need to be provided under contract. While Signature's screening response addresses this partially, they failed to secure a signed MD contract with an MD pay rate. With a completely different compensation structure needed for a contracted MD, it is impossible for the State to determine whether Signature has adequately met the certificate of need requirements related to, among other things, cost containment."

[source: Emerald Healthcare April 30, 2020, public comments]

"Signature updated its Medical Director within its screening response and provided a letter in which the Medical Director himself does not sign agreeing to provide services. The state outlined that the document must be signed by both Entities, this agreement would need to be signed by the physician who would be providing services."

[source: Bristol Hospice April 30, 2020, public comments]

Rebuttal Comment

Signature Hospice King provided the following information in response to the comments above. [source: June 1, 2020, rebuttal statements]

"Medical Director

One fellow applicant stated that we did not include a rate for the Medical Director in the Draft contract that was attached to our Concurrent review in Attachment B. However, page 33 of the Concurrent Review under Item 2.4, the rate is clearly stated to be $150/hour.

In addition, several other applicants state that the MD agreement is not signed. The MD agreement is a draft and therefore not signed. In place of a signed agreement, a letter on page 27 of the Concurrent Review response states that the contract will not be fully executed until the Certificate of Need is approved and granted. The letter on page 27 is signed by both Mary Kofstad and Dr. Darren Swensen on behalf of Dr. Joseph Denor, acknowledging that they have read the agreement and will sign it if the CON is approved.

Dr. Swensen is the owner and operator of The Swensen Medical Group, who will be providing all the Medical Directors for Signature Hospice if the CON is approved. Dr. Joseph Denor is one such medical director that is employed by Swensen Medical Group. He was specifically chosen because he lives near the proposed agency and to King County.

In accordance with the Screening Letter received and after verifying with Karen Nidermayer that a signed letter and draft agreement could be used in place of a signed contract, this was the best course of action to obtaining a Medical Director until the CON was approved or denied."

Department Evaluation

The applicant, Northwest Hospice, LLC, is not currently a Medicare and Medicaid hospice provider in Washington State; however the organization does operate home health agencies in Bellingham, Federal Way, and Seattle. The applicant also operates both home health and hospice agencies in the states of Idaho, Oregon and Utah. This project proposes to serve the King County patients from a new office in the county.

The applicant provided a listing of the types of ancillary and support agreements it would use for the new hospice agency. Further some services would be provided by its parent Avamere Health for legal, IT, HR & accounting, and revenue cycle support. Given that the facility is not yet operational, relationships have yet to be established. However, information provided in the application demonstrates that the new hospice agency would likely access appropriate support services if this project is approved.

Signature Hospice King provided a copy of its draft Medical Director and Physician Services Agreement. Concerns were raised about the agreement by two of the competing applicants.

One concern focused on the validity of the agreement because it was not signed by the actual physician that would perform the medical director duties. In some instances, this approach by an applicant would result in a failure to provide a valid medical director contract. This would occur if a physician were not part of a larger practice and did not sign the agreement or provide signature on a letter stating that the draft agreement would be executed if the project is approved. However, this is not the case in this project. Dr. Joseph Denor is the physician that would be providing the medical director services. It is true that Dr. Denor did not sign the agreement, therefore it must be considered a draft. If a draft medical director agreement is submitted, then an applicant is required to submit a letter signed by both entities acknowledging that if the project is approved, the agreement would be executed as is. Since Dr. Denor is an employee of Swenson Healthcare, the sole owner, Darren Swenson, MD signed the letter on behalf of Dr. Joseph Denor. This is an acceptable approach with an employee/employer relationship. In this case, for an executed agreement, both Dr. Swensen's and Dr. Denor's signatures must be on the document. If this project is approved, the department would include a condition requiring a copy of the executed Medical Director Agreement signed by both physicians.

The second Medical Director Agreement issue raised focused on the pay rate identified in the agreement. The concern states that the pay rate is not included in the agreement; Signature Hospice-King provided rebuttal statements identifying where, within the agreement, the pay rate is found. The pay rate is identified in the draft agreement to be $150/hour. In response to a screening question regarding the pay rate for the medical director, Signature Hospice-King also provided a revised pro forma Revenue and Expense Statement with the medical director compensation broken out from other expenses. To review this concern, the department calculated the number of hours represented by the annual amount in the statement, and then broke the hours down by month. The table below shows the calculations.

Department's Table 24
Signature Hospice-King Medical Director Calculations

	Year 1-2021	Year 2-2022	Year 3-2023
Annual Costs in Statement	$62,400	$87,100	$123,500
Pay Rate	$150/hour	$150/hour	$150/hour
Total Annual Hours	416.0	580.7	823.3
Calculated Hours / Month	34.7	48.4	68.6

As shown in the table above, the calculated hours per month are not unreasonable or unachievable for a physician.

In conclusion, information provided in the application demonstrates that the proposed hospice agency would have the experience and likely access to all hospice ancillary and support services used by the facility.

Based on the information reviewed in the application, the department concludes that Signature Hospice-King has the experience and expertise to establish appropriate ancillary and support relationships for the new hospice services in King County. As previously stated, if this project is approved, the department would include a condition requiring a copy of the executed Medical Director Agreement signed by both Dr. Swensen and Dr. Denor. Provided the applicant agrees with the condition, 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.[16] 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.

[16] WAC 246-310-230(5).

Release of Patient Identification Information

During the review of these four projects, three of the applicants provided patient identification information within their screening responses. The applicant that did not provide the patient identification information suggested during public comment that the error should result in denial of the other three projects. Below is an excerpt of the public comments.

"In Screening, the Department requested that all four applicants provide copies of their agency surveys. All applicants complied with this request. On March 5, the Department sent an email indicating that the Emerald, Bristol and Signature each sent surveys with patient-identifying protected health information. All applicants were asked to immediately destroy any copies of these files that they may have downloaded or printed. Continuum did not provide any information with patient identifiers.

Release of records with patient identifying information is a violation of HIPAA's well-known Privacy Rule, codified at 45 CFR Part 160 and Part 164 subparts A and E. As HIPAA-covered entities entrusted with extremely personal and sensitive details about patient condition and care, hospice providers have both a legal and a moral duty to treat such identifiable information with the care it deserves. Moreover, unauthorized disclosure of patient protected health information to third parties is a violation of the Medicare conditions of participation, including 42 CFR 418.52(c)(5) (patient right to confidential clinical record). The failure of each of the other applicants to identify the surveys as containing protected information, and to protect that information accordingly, points to a breakdown in core policies and/or training necessary to ensure full legal and regulatory compliance.

Each applicant's application gives lip service to a dedication to compliance as part of their structure and process of care. But with compliance, actions speak louder than words. The other applicants' inability to maintain regulatory compliance under the straightforward circumstance of applying for a CN bodes poorly for their ability to ensure compliance during the far more complex process of serving patients. In the end, the only one of the four applicants that meets Structure and Process criteria is Continuum."

[source: Continuum Care Hospice April 30, 2020, public comment]

Rebuttal Comments

None of the three applicants provided rebuttal statements regarding the suggested consequences for submitting patient identification information within the screening responses.

Department Evaluation of Release of Patient Identification Information

There is no question that patient identification information was provided during this review. Given that the Certificate of Need review is a public process, all documents are subject to public disclosure. This public process has been used by the Certificate of Need Program since its inception. Further, the Certificate of Need Program does not revise or otherwise change any documents provided during a review prior posting the documents on its shared website (Box.com).

It is imperative that all documents provided by an applicant should not include any private or patient identifying information. This also includes personal information for an applicant, such as, financial account numbers, social security numbers, or other identifying information. All documents should also be reviewed by an applicant to ensure any patient identification information, such as patient names, addresses, or other identifying information, is redacted prior to submission.

Once the program was notified of the patient identification error, the documents were immediately removed from the shared website and each of the three applicants was notified of the error and provided a timeline for resubmitting compliant documents. Further, all three applicants immediately redacted the documents and resubmitted them for posting on the shared website. Continuum's concerns about the error are noted, however, the department does not view the error by the other applicants as malicious or intentional.

Focusing specifically on hospice agency projects, the criteria under WAC 246-310-230(3) and (5) require the department to conclude that there is reasonable assurance that an applicant's project will be operated in compliance with both state and federal requirements. One patient identification submission error by an applicant should not automatically result in that applicant's denial under these criteria.

Bristol Hospice, LLC

In response to this sub-criterion and the sub-criterion under WAC 246-310-230(5), Bristol Hospice provided the following statements. [source: Application, p23]

"Bristol Hospice has no history with respect to the question"

Bristol Hospice provided the following discussion regarding its proposed assessment for customer satisfaction and quality improvement. [source: Application, p23]

"Bristol Hospice utilizes industry leading systems to track satisfaction and quality on a real time basis. Bristol's EMR systems send charting information into a tracking system that is reviewed every two weeks for trends. Examples of these comprehensive reports are found in Exhibit 19. These are reviewed by leadership to set plans for enhanced care regularly.

Bristol Hospice will have a QAPI committee that will involve at a minimum the medical director, executive director and clinical manager. This committee will routinely review the available quality data from both the government sources and internal tracking as described and available in Exhibit 20. The goals of this committee are to provide ongoing clinical processes in the following ways:

- *Root cause analysis on any issues and recommended changes to improve outcomes.*
- *Identify and implement performance improvement plans or (PIP's) for clinical teams.*
- *Monitor customer satisfaction scores and turn feedback into relevant PIP's.*
- *Review all medical categories of care to ensure areas are met.*
- *Provide a compliance review of clinical guidelines and new regulations to ensure compliance."*

Public Comment

During the review of this project, two entities provided comments related to this sub-criterion and WAC 246-310-230(5). The comments are below.

"Bristol: Process of Care (Quality)

Bristol's application states it plans to use per diem staff to "get through Medicare survey" before January 2021 and then to start staff recruitment after that. Whether Bristol has revised its unrealistic start date or not, this plan reflects a poor understanding and lack of compliance with the Medicare Conditions of Participation. Hospices are prohibited by CMS rules from using temporary staff for any of their core services. Certainly, a plan to use temporary "per diem" staff in place to "get through" accreditation raises questions about Bristol's likelihood of following all required rules and regulations meant to support the quality of care to vulnerable, terminally ill persons.

The relevant CMS language:
A hospice is required to, with the exception of physician services, substantially provide all core services directly by hospice employees on a routine basis. These services must be provided in a manner consistent with acceptable standards of practice. The following are hospice core services:

- *Physician services*
- *Nursing services, (routinely available and/or on call on a 24---hour basis, 7 days a week) provided by or under the supervision of a Registered Nurse (RN) functioning within a plan of care developed by the hospice Interdisciplinary Group (IDG) in consultation with the patient's attending physician, if the patient has an attending physician*
- *Medical social services by a qualified Social Worker under the direction of a physician*
- *Counseling (including, but not limited to, bereavement, dietary, and spiritual counseling) with respect to care of the terminally ill individual and adjustment to death; the hospice must make bereavement services available to the family and other individuals identified in the bereavement plan of care up to 1 year following the death of the patient*

The hospice may contract for physician services as specified in 42 CFR 418.64(a).

A hospice may use contracted staff, if necessary, to supplement hospice core services in order to meet the needs of patients under extraordinary or other non---routine circumstances.

Hospice agencies are also required by the CoPs at 42 CFR 418.100 to make nursing services, physician services, drugs, and biologicals routinely available on a 24-hour basis, 7 days a week. It also has to make all other covered services available on a 24-hour basis, 7 days a week, when reasonable and necessary to meet the needs of the patient and family. CoP/L tag Reference: (418.64) (L587) (L588) (L589)"
[source: Envision Hospice of Washington April 30, 2020, public comment]

Department Evaluation
As stated in the 'Applicant Description' section of this evaluation, Bristol Hospice, LLC is the applicant. According to this application, Bristol Hospice, LLC or one of its subsidiaries operates in the following states: California, Colorado, Florida, Georgia, Hawaii, Oregon, Texas, and Utah. In California, Bristol Hospice operates under the subsidiary of Optimal Hospice Care. Inn Colorado, it operates under the subsidiary of Suncrest Hospice. For the remaining states, the agencies are operated under the name of Bristol Hospice.

Bristol Hospice or one of its subsidiaries operates 19 hospice agencies in the following eight states.

Home Health or Hospice Agencies-Total 19

State	# of Facilities
California	9
Colorado	1
Florida	1
Georgia	1

State	# of Facilities
Hawaii	1
Oregon	3
Texas	2
Utah	1

Washington State Healthcare Facilities
As of the writing of this evaluation, Bristol Hospice does not operate any in home service facilities in Washington State.

Out-of-State Healthcare Facilities

All 19 hospice agencies are located out of state. The department reviewed the survey history for the applicant using the Center for Medicare and Medicaid Services (CMS) Quality, Certification & Oversight Reports (QCOR) website. The review included full years 2017 through 2019 and partial year 2020.

Two of the 19 agencies did not experience any surveys for full years 2017 through 2019 and partial year 2020. Those two agencies are Bristol Hospice in Clackamas Oregon and Bristol Hospice in Honolulu Hawaii.

For the remaining 17 agencies, each was surveyed at least once in the timeframe reviewed. Many had few or no deficiencies with no required follow up survey. One facility located in Denver, Colorado had 8 standard citations that required follow up visits in 2017; 23 standard citations and 3 condition citations that required follow up visits in year 2018; and 3 standard citations that required a follow up visits in 2019. The facility was not surveyed in 2020. Of the 17 agencies surveyed, this is the only facility with high citations and follow up visits.

Bristol Hospice provided the name and professional license number for the proposed medical director, Sabine M. Von Preyss, MD. Using data from the Medical Quality Assurance Commission, the department found that Dr. Von Preyss is compliant with state licensure and has no enforcement actions on the license. Additional key staff identified Mary A. Nester, a licensed RN that will serve as compliance officer for the new agency.

Given that Bristol Hospice proposes a new facility, other staff have not been identified. If this project is approved, the department would attach a condition requiring Bristol Hospice to provide the name and professional license number of its hospice agency staff prior to providing services.

In review of this sub-criterion, the department considered the total compliance history of the Bristol Hospice and the facilities owned and operated by them. The department also considered the compliance history of the proposed medical director that would be associated with the facility and any known staff of the proposed agency. The department concludes that Bristol Hospice and its subsidiaries have been operating in compliance with applicable state and federal licensing and certification requirements. The department also concludes there is reasonable assurance that the applicant's establishment of a new hospice agency in Washington State would not cause a negative effect on the compliance history of Bristol Hospice. The department concludes that this project **meets this sub-criterion.**

Continuum Care of King, LLC

Continuum Care operates nine hospice agencies in the following five states.

Home Health or Hospice Agencies-Total 9

State	# of Facilities
California	4
Massachusetts	2
New Hampshire	1

State	# of Facilities
Rhode Island	1
Washington	1

Washington State Healthcare Facilities

Continuum operates one hospice agency in Washington State. The facility is located in Everett, within Snohomish County and has been operational for less than two years. The department reviewed the survey history for this applicant using the Center for Medicare and Medicaid Services (CMS) Quality, Certification & Oversight Reports (QCOR) website. The review included full years 2017 through 2019 and partial year 2020.

Specific to the Everett agency, the federal survey was completed in year 2020 and there were no deficiencies found.

Out-of-State Healthcare Facilities

Of the remaining eight hospice agencies, two had not experienced any surveys for full years 2017 through 2019 and partial year 2020. One facility is located in Capitola, California and the other is located in Fall River Massachusetts.

For the remaining six agencies, each was surveyed at least once in the timeframe reviewed. Five of the six had no deficiencies. One facility in Rhode Island had two surveys—one in 2017 and one in 2019. The 2017 survey revealed 3 standard citations with no follow up survey required. The 2019 survey had no deficiencies.

Continuum provided the name and professional license number for the proposed medical director, Alexandre De Moraes, MD. Using data from the Medical Quality Assurance Commission, the department found that Dr. Denor is compliant with state licensure and has no enforcement actions on the license. .

Given that Continuum proposes a new facility, other staff have not been identified. If this project is approved, the department would attach a condition requiring Continuum to provide the name and professional license number of its hospice agency staff prior to providing services.

In review of this sub-criterion, the department considered the total compliance history of the Continuum Care, and the facilities owned and operated by them. The department also considered the compliance history of the proposed medical director that would be associated with the facility and any known staff of the proposed agency. The department concludes that Continuum's related entities have been operating in compliance with applicable state and federal licensing and certification requirements. The department concludes that this project **meets this sub-criterion.**

Emerald Healthcare, Inc.

As stated in the 'Applicant Description' section of this evaluation, Cornerstone Healthcare, Inc. owns 100% of Emerald healthcare, Inc., a Washington State corporation. Cornerstone Healthcare, Inc. is owned by The Pennant Group, Inc. For this project, The Pennant Group, Inc. is considered the applicant.

Pennant operates 40 home health or hospice agencies in the following nine states.

Home Health or Hospice Agencies-Total 17

State	# of Facilities
Arizona	6
California	7
Colorado	1
Iowa	2
Idaho	10

State	# of Facilities
Oregon	1
Texas	3
Utah	8
Washington	2

Washington State Healthcare Facilities

Pennant operates two agencies in Washington State—Elite Home Health and Hospice located in Clarkston and Puget Sound Home Health located in Tacoma. The department reviewed the survey history for the applicant using the Center for Medicare and Medicaid Services (CMS) Quality, Certification & Oversight Reports (QCOR) website. The review included full years 2017 through 2019 and partial year 2020.

Both of the Washington State facilities have had at least one federal survey for the years reviewed. The Clarkston facility showed no deficiencies found; the Tacoma facility showed 1 standard condition with no follow up visit.

Out-of-State Healthcare Facilities

Of the remaining 38 home health or hospice agencies, 25 had not experienced any surveys for full years 2017 through 2019 and partial year 2020. The majority of these facilities are located in the states of California, Idaho, and Utah.

For the remaining 13 agencies, each was surveyed at least once in the timeframe reviewed. Many had few or no deficiencies with no required follow up survey. One facility located in Meridian, Idaho had both home health and hospice surveys. For home health, this facility had 22 standard citations and 1 condition citation that required a follow up survey in year 2017. For the hospice agency, this facility had 17 standard citations with no follow up survey in 2018 and year 2019 showed 6 standard citations and 1 condition survey that required a follow up visit. Of the 13 agencies surveyed, this is the only facility with high citations and follow up visits.

Emerald provided the name and professional license number for the proposed medical director, Elizabeth L. Black, MD. Using data from the Medical Quality Assurance Commission, the department found that Black is compliant with state licensure and has no enforcement actions on the license.

Given that Emerald proposes a new facility, other staff have not been identified. If this project is approved, the department would attach a condition requiring Emerald to provide the name and professional license number of its hospice agency staff prior to providing services.

In review of this sub-criterion, the department considered the total compliance history of the Pennant organization, and the facilities owned and operated by them. The department also considered the compliance history of the proposed medical director that would be associated with the facility and any known staff of the proposed agency. The department concludes that Pennant has been operating in compliance with applicable state and federal licensing and certification requirements. The

department also concludes there is reasonable assurance that the applicant's establishment of a new hospice agency in Washington State would not cause a negative effect on the compliance history of Pennant. The department concludes that this project **meets this sub-criterion.**

Signature Hospice King, LLC
In response to this sub-criterion and the sub-criterion under WAC 246-310-230(5), the applicant provided the following statements. [source: Application, pdf28-29]
"Northwest Hospice, LLC and Avamere Home Health Care, LLC dba Signature Healthcare at Home does not have any history of criminal convictions or denial or revocation of license to operate a healthcare facility or decertification of a Medicare or Medicaid service program.

However, per our Legal Counsel, in March 2010 a related party of Avamere Group, LLC, called Belair Rehab, LLC, had its skilled nursing facility license terminated in Tacoma. The facility, which contained a ventilator unit operated by a third party, ALS, was unable to clear surveys related to the operations and compliance of the vent unit. Since that time, the State has licensed both a memory care and several SNFs to be operated by Avamere Group."

The applicant provided the following discussion regarding its proposed assessment for customer satisfaction and quality improvement. [source: Application, p27]
"Signature Hospice King, LLC will utilize Pinnacle Quality Insight to obtain customer satisfaction survey information via phone call post discharge. In addition, we will utilize Strategic Healthcare Programs (SHP) to monitor the Hospice Item Set (HIS) quality metrics."

Public Comment
None

Rebuttal Comment
None

Department Evaluation
As stated in the 'Applicant Description' section of this evaluation, Northwest Hospice, LLC owns 100% of Signature Hospice, LLC, a Washington State corporation. Northwest Hospice, LLC is owned by Avamere Group, LLC (85%) and Robert Thomas (15For this project, Avamere Group, LLC is considered the applicant.

Avamere Group, LLC operates its 'in home service' healthcare facilities, such as home health and hospice agencies, under the Signature name. The nursing homes and community based or assisted living facilities are operated under the Avamere name. The table below shows the states where the applicant has healthcare facilities.

Home Health or Hospice Agencies-Total 17

State	# of Facilities	State	# of Facilities
Idaho	6	Utah	3
Oregon	5	Washington	3

Nursing Homes or Assisted Living Facilities-Total 64[17]

State	# of Facilities	State	# of Facilities
Arizona	1	New Mexico	3
Colorado	2	Oregon	39
Idaho	1	Utah	1
Nebraska	1	Washington	15
Nevada	1		

Washington State Healthcare Facilities

Focusing on the in home service agencies, the department reviewed the survey history using the Center for Medicare and Medicaid Services (CMS) Quality, Certification & Oversight Reports (QCOR) website. The review included full years 2017 through 2019 and partial year 2020. Of the 17 total facilities, three are located in Washington State.

Home Health/Hospice		
Year(s) Surveyed	**Facility Name**	**Type of Survey**
2018	Signature Home Health-Bellevue	Federal
2017	Signature Home Health-Bellingham	Federal
2017 2020	Signature Home Health-Federal Way	Federal

All three facilities had been surveyed at least once in the 3+ year review. None of the three had been cited for more than 5 standards and all citations focused on record keeping and policies, rather than patient care. None of the citations required a follow up visit.

Avamere Group also owns and operates a total of 64 nursing homes or assisted living facilities, and of those, 15 are located in Washington State. Using the CMS QCOR website and full years 2017 through 2019 and partial year 2020, the surveys showed that 9 of the facilities had been surveyed during the timeframe and all had at least one survey where deficiencies were noted. Many of the surveys had severity and scope of level F or below. While a plan of corrections from the nursing home is required, no actual harm was found. For those facilities that had a level G and above citations, only two facilities had a level J or K citation. The remedy for these citations is a plan of correction and follow up surveys. All Washington State facilities are in substantial compliance.

Out-of-State Healthcare Facilities

Of the 17 total in home services facilities, 14 are located in the states of Idaho, Oregon, or Utah and six had not experienced any surveys for full years 2017 through 2019 and partial year 2020. For the remaining 8 agencies surveyed, all had less than 8 deficiencies and many had zero deficiencies. One facility—Signature Hospice located in Payette, Idaho—had 15 standard citations in its year 2019

[17] Within this application, Signature Hospice identified a total of 63 nursing homes/assisted living facilities. During the quality of care review for this project, staff found 64 facilities. The facility not identified in the application is Avamere Twin Oaks of Sweet Home, a nursing home located in Sweet Home, Oregon.

survey. The citations focused on record keeping and policies. No follow up surveys were necessary for any of the 15 citations.

For the out-of-state nursing homes and assisted living facilities, the department again used CMS QCOR data for full years 2017 through 2019 and partial year 2020 for its review. Of the 64 total facilities, 49 are located in the states of Arizona, Colorado, Idaho, Nebraska, Nevada, New Mexico, Oregon, and Utah, and of those 25 had surveys between 2017 through partial year 2020. All facilities surveyed had deficiencies noted, however, many of the surveys had severity and scope of level F or below. While a plan of corrections from the nursing home is required, no actual harm was found. For those facilities that had a level G and above citations, five facilities had a level J or K citation. The remedy for these citations is a plan of correction and follow up surveys. All out-of-state facilities are in substantial compliance.

Signature Hospice King provided the name and professional license number for the proposed medical director, Joseph Charles Denor, MD. Using data from the Medical Quality Assurance Commission, the department found that Dr. Denor is compliant with state licensure and has no enforcement actions on the license. Additional key staff identified Navjot Kaur Cheema, a licensed RN that will be the clinical manager and Kristina M. Kizer, a licensed physical therapist that will be the administrator. Both are in compliance with state licensure with no enforcement action.

Given that Signature Hospice proposes a new facility, other staff have not been identified. If this project is approved, the department would attach a condition requiring Signature Hospice to provide the name and professional license number of its hospice agency staff prior to providing services.

In review of this sub-criterion, the department considered the total compliance history of the parent, Avamere Group, and the facilities owned and operated by them or any subsidiaries. The department also considered the compliance history of the proposed medical director that would be associated with the facility and any known staff of the proposed agency. The department concludes that Avamere Group, through its subsidiary of Signature Hospice has been operating in compliance with applicable state and federal licensing and certification requirements. The department also concludes there is reasonable assurance that the applicant's establishment of a new hospice agency in Washington State would not cause a negative effect on the compliance history of Avamere Group. The department concludes that this project **meets this sub-criterion.**

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

WAC 246-310 does not contain specific WAC 246-310-230(4) criteria as identified in WAC 246-310-200(2)(a)(i). There are also no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that directs how to measure unwarranted fragmentation of services or what types of relationships with a services area's existing health care system should be for a project of this type and size. Therefore, using its experience and expertise the department assessed the materials in the application.

Bristol Hospice, LLC

The applicant provided the following information under this sub-criterion. [source: Application, p24]
"Across all of Bristol Hospice sister companies' year to date we have served over 2,000 different referral sources. This includes referrals from Assisted Living Facilities, Hospitals, Skilled Nursing Facilities, and Physicians. Each of these referral sources exhibited confidence in Bristol to promote

continuity and unwarranted fragmentation in services. It takes pride in providing care for each patient on an individual level based on their specific needs and disease process. Bristol Hospice will develop relationships with the entire continuum of care in King County including:

- *Local government agencies providing guidance to the community such as the Area Agency of Aging*
- *Local chapters of AARP*
- *Local chapter of National Hospice and Palliative .Care Organization*
- *Local Home Health Agencies*
- *Local Nursing Homes*
- *Local chapter of the Alzheimer's Association*
- *Local Veterans Association. Bristol has participated in the Honors flight and some sister companies are We honor Veterans level 4.*
- *Local insurance providers such as Asuris Northwest Health, Molina Healthcare, Bridgespan, Coordinated Care, Lifewise Health Plan of Washington, Kaiser Permanente, and Regence BlueSheild.*
- *Local Senior Centers and Community Centers*
- *Local Senior Olympics*
- *Local Emergency Preparation & Disaster Recovery with Local Fire/EMS/Police Departments*
- *Local radio and television news stations*
- *Local support groups and grief discussions*
- *Local groups that support Diversity and Inclusion such as Care of Washington, Black Heritage Society of Washington State, Entre Hermanos, Hearing Speech & Deafness Center, Helping Link, International Community Health Services, Lifelong AIDS Alliance, and NeighborCare Health Centers"*

Public Comment

During the review of these projects, Bristol Hospice provided public comments on the competing projects. Those comments are included and addressed in each appropriate section of this evaluation. In addition to those public comments, Bristol Hospice submitted more than 180 form letters of support for its four projects submitted during the 2019 hospice concurrent review cycles. The majority of the form letters are from healthcare facilities in California, Colorado, Georgia, Oregon, Tennessee, Texas, and Utah.[18] One letter was from a healthcare facility in Washington State, however, the name of the facility was not identified. An example of the form letter is below.

Bristol Form Letter of Support

"As [representative name here]*,* [representative title here] *I would like to offer my full support of Bristol Hospice being awarded certificates of need in King, Snohomish, Pierce and Thurston Counties.*

In my role as [representative title here] *I am aware of the needs for Hospice in King, Snohomish, Pierce and Thurston Counties and feel that the area could use an exceptional patient focused Hospice service. The communities could use the specialty programs Bristol offers as well as the prompt response and admission times.*

[18] Other states may be included because not all of the form letters provided the address of the representing healthcare facility.

The focus of Bristol Hospice is to provide a family-centered approach in the delivery of hospice care throughout all the communities it serves. With above National average survey scores in patient preferences and managing pain and treating symptoms, Bristol Hospice programs are designed to promote quality and comprehensive services to patients and their families. Bristol Hospice prides itself in keeping a standard one-hour wait time for patient consults, and admissions within four hours of a referral being received.

The caring staff at Bristol Hospice and its subsidiary programs embrace a reverence for life. All Bristol Hospice programs are licensed and certified in accordance to the state and federal hospice regulations.

Given Bristol reputation in the area and the industry, as well as the need for an additional hospice provider, it seems clear that Bristol Hospice would bring a new and fresh approach to serving King, Snohomish, Pierce and Thurston."

Rebuttal Comment
Continuum Care of King, LLC provided rebuttal comments that focus on the form letters of support submitted by Bristol Hospice and referenced above. The rebuttal comments are restated below.

"None of Bristol's letters of support are signed. They are not documentable and should not be considered. Bristol provided nearly 100 letters of support. These letters all appear to be from out of state and they are all form (exact) letters. None were placed on letterhead and none are signed. They should not carry any weight in the determination of the Bristol application."

Department Evaluation
Certificate of Need evaluations always take into account any public comments submitted during a review. While it is not unusual for an applicant to coordinate a "form letter campaign" during a review, form letters are not as helpful as one might imagine. Form letters commonly provide support in broad discussion and, as noted in rebuttal, the majority are not signed or on letterhead. Helpful public comment in a Certificate of Need review would focus on informative comments, rather than sheer numbers of letters. In other words, quality public comment that addresses specific criteria is more useful information in a review, rather than comments regarding a general endorsement of an applicant. For this review, the form letters are not discounted as the rebuttal suggests; rather they are considered and given the appropriate weight under this sub-criterion.

The evaluation of this sub-criterion also takes into account the department's evaluation of the project of the sub-criterion reviewed under WAC 246-310-210, 220, and 230. For this project, the department could not substantiate the information provided in WAC 246-310-220(1), financial feasibility. For those reasons, the department concludes that approval of Bristol Hospice's project may result in unwarranted fragmentation of hospice services in the planning area. **This sub-criterion is not met**.

Continuum Care of King, LLC
The applicant provided the following information under this sub-criterion. [source: Application, p37]
"Continuum proposes to work closely with local physicians, hospitals and other providers to ensure patients' comprehensive medical, social, and spiritual needs are met. In addition to these direct care providers/referring agencies, and while no agreements are in place at this time, specific providers that Continuum intends to develop working relationships with include:

- *Seattle/King County Area Agency on Aging.*

- *Home Care Association of Washington and the National Association for Home Care*
- *DSHS, Aging and Disability Services*
- *Home Health and home care agencies*
- *Nursing Homes*
- *VA*
- *HMOs and other payers*
- *Washington State and King County Veteran's Programs.*

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

- *For African American community, the local Chapter of the NAACP, Churches and Community Centers.*
- *For the American Indian community, Tribal leadership and tribal health care.*
- *For the Asian community, Asian Pacific Islander Coalition (APIC), Asian Counseling and Referral Services and churches.*

Continuum will develop transfer agreements with local hospitals and nursing homes. Informal cooperative agreements-but not formal written agreements, are also planned with ambulance, the Fire Department and the Coroner's office."

Public Comment
None

Rebuttal Comment
None

Department Evaluation
Continuum provided a listing of potential referral sources for its proposed hospice agency in King County and also submitted statements assuring that relationships and referral sources would be sought in the county.

The evaluation of this sub-criterion also takes into account the department's evaluation of the project of the sub-criterion reviewed under WAC 246-310-210, 220, and 230. For this project, the department could not substantiate the information provided in WAC 246-310-220(1), financial feasibility. For those reasons, the department concludes that approval of Continuum's project may result in unwarranted fragmentation of hospice services in the planning area. **This sub-criterion is not met**.

Emerald Healthcare, Inc.
The applicant provided the following information under this sub-criterion. [source: Application, p28]
"Much like the Hospitals for Healthier Community (HHC) Priorities have outlined (CHNA, 2019). Emerald commits to aligning with hospitals/health systems, and the post-acute care community to improve access to care for King County residents. As a provider who primarily operates in the community, hospice is key to bringing care to patients where they are.

"Puget Sound Hospice is currently developing formal relationships with a medical director, local hospitals, nursing homes (including our sister entity, Olympia Transitional Care and Rehabilitation, and healthcare facilities and payers who will collaborate with Puget Sound Hospice to facilitate

quick referral uptake (timely patient care), and coordinate care for our patients. The types of relationships we intend to establish include at least, primary and specialty care, hospitals, respite, long-term care (Nursing home and assisted living, home/durable medical providers and cancer centers."

Public Comment
None

Rebuttal Comment
None

Department Evaluation
Emerald did not provide a listing of potential referral sources for its proposed hospice agency in King County, rather the applicant submitted statements assuring that relationships and referral sources would be sought in the county.

The evaluation of this sub-criterion also takes into account the department's evaluation of the project of the sub-criterion reviewed under WAC 246-310-210, 220, and 230. For this project, the department could not substantiate the information provided in WAC 246-310-220(1), financial feasibility. For those reasons, the department concludes that approval of Emerald's project may result in unwarranted fragmentation of hospice services in the planning area. **This sub-criterion is not met**.

Signature Hospice King, LLC
The applicant provided the following information under this sub-criterion. [source: Application, pdf28]
"In addition to our sister companies as noted above we will seek out preferred partnerships with local hospitals, physician groups, skilled nursing, memory care and community-based care (assisted living), and senior communities. We will look for respite, GIP and continuous care partners to ensure timely and seamless care transitions for ease and comfort for patients and families when necessary."

Public Comment
None

Rebuttal Comment
None

Department Evaluation
Signature Hospice King did not provide a listing of potential referral sources for its proposed hospice agency in King County, rather the applicant submitted statements assuring that relationships and referral sources would be sought in the county.

The evaluation of this sub-criterion also takes into account the department's evaluation of the project of the sub-criterion reviewed under WAC 246-310-210, 220, and 230. For this project, the department could not substantiate the information provided in WAC 246-310-220(1), financial feasibility. For those reasons, the department concludes that approval of Signature Hospice King's project may result in unwarranted fragmentation of hospice services in the planning area. **This sub-criterion is not 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.

Bristol Hospice, LLC
This sub-criterion is addressed in sub-section (3) above and **is met for** Bristol Hospice.

Continuum Care of King, LLC
This sub-criterion is addressed in sub-section (3) above and **is met for** Continuum Care of King, LLC.

Emerald Healthcare, Inc.
This sub-criterion is addressed in sub-section (3) above and **is met for** Emerald Healthcare, Inc.

Signature Hospice King, LLC
This sub-criterion is addressed in sub-section (3) above and **is met for** Signature Hospice King, LLC.

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

Bristol Hospice, LLC
Based on the source information reviewed, the department determines that the Bristol Hospice, LLC project **does not meet the applicable cost containment criteria in WAC 246-310-240.**

Continuum Care of King, LLC
Based on the source information reviewed, the department determines that the Continuum Care of King, LLC project **does not meet the applicable cost containment criteria in WAC 246-310-240.**

Emerald Healthcare, Inc.
Based on the source information reviewed, the department determines that the Emerald Healthcare, Inc. project **does not meet the applicable cost containment criteria in WAC 246-310-240.**

Signature Hospice King, LLC
Based on the source information reviewed, the department determines that the Signature Hospice King, LLC project **does not meet 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.

Bristol Hospice, LLC

Step One

For this project, Bristol Hospice did not meet the applicable review criteria under WAC 246-310-220 and -230. Therefore, the department does not further evaluate this project under WAC 246-310-240.

Continuum Care of King, LLC
Step One
For this project, Continuum did not meet the applicable review criteria under WAC 246-310-220 and -230. Therefore, the department does not further evaluate this project under WAC 246-310-240.

Emerald Healthcare, Inc.
Step One
For this project, Emerald did not meet the applicable review criteria under WAC 246-310-220 and -230. Therefore, the department does not further evaluate this project under WAC 246-310-240.

Signature Hospice King, LLC

Step One
For this project, Signature Hospice King did not meet the applicable review criteria under WAC 246-310-220 and -230. Therefore, the department does not further evaluate this project under WAC 246-310-240.

(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.

Department Evaluation for Bristol Hospice, LLC
This application does not require construction. Therefore this sub-criterion does not apply.

Department Evaluation for Continuum Care of King, LLC
This application does not require construction. Therefore this sub-criterion does not apply.

Department Evaluation for Emerald Healthcare, Inc.
This application does not require construction. Therefore this sub-criterion does not apply.

Department Evaluation for Signature Hospice King, LLC
This application does not require construction. Therefore this sub-criterion does not apply.

APPENDIX A

Department of Health
2019-2020 Hospice Numeric Need Methodology
Admissions - Summarized

0-64 Total Admissions by County

Sum of 0-64	Column Labels		
Row Labels	2016	2017	2018
Adams	6	4	6
Asotin	10	7	6
Benton	106	110	118
Chelan	35	44	34
Clallam	6	14	16
Clark	310	282	336
Columbia	0	1	1
Cowlitz	105	124	107
Douglas	19	19	10
Ferry	3	7	6
Franklin	16	15	30
Garfield	0	1	1
Grant	42	44	41
Grays Harbor	66	72	35
Island	32	35	38
Jefferson	15	14	21
King	906	862	1,009
Kitsap	132	104	180
Kittitas	20	46	15
Klickitat	30	17	10
Lewis	53	45	56
Lincoln	4	3	7
Mason	18	34	14
Okanogan	35	34	21
Pacific	15	17	13
Pend Oreille	11	8	8
Pierce	453	419	543
San Juan	11	3	6
Skagit	62	61	48
Skamania	14	4	2
Snohomish	366	339	422
Spokane	367	397	400
Stevens	13	25	30
Thurston	132	144	114
Wahkiakum	0	1	2
Walla Walla	45	45	24
Whatcom	122	139	117
Whitman	9	29	19
Yakima	179	188	248
Grand Total	**3,768**	**3,757**	**4,114**

65+ Total Admissions by County

Sum of 65+	Column Labels		
Row Labels	2016	2017	2018
Adams	25	30	34
Asotin	47	85	121
Benton	751	875	887
Chelan	305	319	386
Clallam	110	143	187
Clark	1,737	1,898	2,124
Columbia	19	17	23
Cowlitz	645	695	600
Douglas	102	129	136
Ferry	18	37	29
Franklin	110	122	155
Garfield	3	1	2
Grant	179	216	261
Grays Harbor	264	292	180
Island	195	364	348
Jefferson	120	167	155
King	6,510	6,739	6,359
Kitsap	938	1,156	1,021
Kittitas	79	134	135
Klickitat	72	82	81
Lewis	378	420	1,164
Lincoln	17	22	29
Mason	191	232	161
Okanogan	133	132	148
Pacific	99	106	72
Pend Oreille	56	55	53
Pierce	3,401	3,356	3,175
San Juan	70	70	79
Skagit	591	616	680
Skamania	35	21	20
Snohomish	2,228	2,084	2,636
Spokane	2,176	2,467	2,248
Stevens	120	128	121
Thurston	880	899	936
Wahkiakum	5	4	5
Walla Walla	273	276	227
Whatcom	712	766	770
Whitman	207	248	227
Yakima	937	962	977
Grand Total	**24,738**	**26,365**	**26,951**

Total Admissions by County - Not Adjusted for New Approvals

Column1	Total 201	Total 201	Total 201	Average
Adams	31	34	40	**35.00**
Asotin	57	92	127	**92.00**
Benton	857	985	1,005	**949.00**
Chelan	340	363	420	**374.33**
Clallam	116	157	203	**158.67**
Clark	2,047	2,180	2,460	**2,229.00**
Columbia	19	18	24	**20.33**
Cowlitz	750	819	707	**758.67**
Douglas	121	148	146	**138.33**
Ferry	21	44	35	**33.33**
Franklin	126	137	185	**149.33**
Garfield	3	2	3	**2.67**
Grant	221	260	302	**261.00**
Grays Harbor	330	364	215	**303.00**
Island	227	399	386	**337.33**
Jefferson	135	181	176	**164.00**
King	7,416	7,601	7,368	**7,461.67**
Kitsap	1,070	1,260	1,201	**1,177.00**
Kittitas	99	180	150	**143.00**
Klickitat	102	99	91	**97.33**
Lewis	431	465	1,220	**705.33**
Lincoln	21	25	36	**27.33**
Mason	209	266	175	**216.67**
Okanogan	168	166	169	**167.67**
Pacific	114	123	85	**107.33**
Pend Oreille	67	63	61	**63.67**
Pierce	3,854	3,775	3,718	**3,782.33**
San Juan	81	73	85	**79.67**
Skagit	653	677	728	**686.00**
Skamania	49	25	22	**32.00**
Snohomish	2,594	2,423	3,058	**2,691.67**
Spokane	2,543	2,864	2,648	**2,684.83**
Stevens	133	153	151	**145.67**
Thurston	1,012	1,043	1,050	**1,035.00**
Wahkiakum	5	5	7	**5.67**
Walla Walla	318	321	251	**296.67**
Whatcom	834	905	887	**875.33**
Whitman	216	277	246	**246.17**
Yakima	1,116	1,150	1,225	**1,163.67**

Total Admissions by County - Adjusted for New

Adjusted Cells Highlighted in YELLOW

Column1	Total 201	Total 201	Total 201	Average
Adams	31	34	40	**35.00**
Asotin	57	92	127	**92.00**
Benton	857	985	1,005	**949.00**
Chelan	340	363	420	**374.33**
Clallam	116	157	416	**229.50**
Clark	2,047	2,180	2,460	**2,229.00**
Columbia	19	18	24	**20.33**
Cowlitz	750	819	707	**758.67**
Douglas	121	148	146	**138.33**
Ferry	21	44	35	**33.33**
Franklin	126	137	185	**149.33**
Garfield	3	2	3	**2.67**
Grant	221	260	302	**261.00**
Grays Harbor	330	364	215	**303.00**
Island	227	399	386	**337.33**
Jefferson	135	181	176	**164.00**
King	7,629	7,796	7,581	**7,668.17**
Kitsap	1,070	1,260	1,201	**1,177.00**
Kittitas	99	180	150	**143.00**
Klickitat	102	291	280	**224.00**
Lewis	431	465	1,220	**705.33**
Lincoln	21	25	36	**27.33**
Mason	209	266	175	**216.67**
Okanogan	168	166	169	**167.67**
Pacific	114	123	85	**107.33**
Pend Oreille	67	63	61	**63.67**
Pierce	3,854	3,775	3,718	**3,782.33**
San Juan	81	73	85	**79.67**
Skagit	653	677	728	**686.00**
Skamania	49	25	22	**32.00**
Snohomish	2,594	2,423	3,908	**2,975.00**
Spokane	2,543	2,864	2,648	**2,684.83**
Stevens	133	153	151	**145.67**
Thurston	1,012	1,043	1,475	**1,176.67**
Wahkiakum	5	5	7	**5.67**
Walla Walla	318	321	251	**296.67**
Whatcom	834	905	887	**875.33**
Whitman	216	277	246	**246.17**
Yakima	1,116	1,150	1,225	**1,163.67**

Agencies that have operated for <3 years:

Wesley Homes Hospice - approved in 2015, operational since 2017 in King County. 2018 volumes exceed "default" - no adjustment for 2018.

Heart of Hospice - approved in August 2017. Operational since August 2017 in Klickitat County.

Envision Hospice - approved in September 2018 for Thurston County.

Source:

Self-Report Provider Utilization Surveys for Years 2016-2018

Vital Statistics Death Data for Years 2016-2018

Prepared by DOH Program Staff

Department of Health
2019-2020 Hospice Numeric Need Methodology
Admissions - Summarized

Continuum Care of Snohomish - approved in July 2019 for Snohomish County.
Olympic Medical Center - approved in September 2019 for Clallam County
Symbol Healthcare - approved in November 2019 for Thurston County
Heart of Hospice - approved in November 2019 for Snohomish County
Envision Hospice - approved in November 2019 for Snohomish County
Glacier Peak Healthcre - approved in November 2019 for Snohomish County

Calculation for "default values" per WAC 246-310-290(7)(b), assumption of 35 ADC, 60.13 ALOS per CMS

35 ADC * 365 days per year = 12,775 default patient days
12,775 patient days/60.13 ALOS = 212.5 default admissions
212.5 Default
For affected counties, the actual volumes from these recently approved agnecies will be subtracted, and default values will be added.

Note: Kindred Hospice in Whitman and Spokane Counties did not respond to the department's survey. As a result, the averageof 2016 and 2017 data was used as a proxy for 2018.

Source:
Self-Report Provider Utilization Surveys for Years 2016-2018
Vital Statistics Death Data for Years 2016-2018
Prepared by DOH Program Staff

Department of Health
2019-2020 Hospice Numeric Need Methodology
including corrections received by 10/31/19

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
2016	3,768
2017	3,757
2018	4,114
average:	**3,880**

Deaths ages 0-64	
Year	Deaths
2016	13,557
2017	14,113
2018	14,055
average:	**13,908**

Use Rates	
0-64	27.89%
65+	61.56%

Hospice admissions ages 65+	
Year	Admissions
2016	24,738
2017	26,365
2018	26,951
average:	**26,018**

Deaths ages 65+	
Year	Deaths
2016	41,104
2017	42,918
2018	42,773
average:	**42,265**

Source:
Self-Report Provider Utilization Surveys for Years 2016-2018
Vital Statistics Death Data for Years 2016-2018
Prepared by DOH Program Staff

Department of Health
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WAC246-310-290(8)(b) Step 2:
Calculate the average number of total resident deaths over the last three years for each planning area by age cohort.

0-64				
County	2016	2017	2018	2016-2018 Average Deaths
Adams	34	38	28	**33**
Asotin	50	49	52	**50**
Benton	352	385	331	**356**
Chelan	123	124	130	**126**
Clallam	172	180	191	**181**
Clark	781	883	874	**846**
Columbia	12	19	6	**12**
Cowlitz	290	351	300	**314**
Douglas	56	71	51	**59**
Ferry	20	30	28	**26**
Franklin	115	133	145	**131**
Garfield	4	6	5	**5**
Grant	191	203	195	**196**
Grays Harbor	233	238	227	**233**
Island	134	166	135	**145**
Jefferson	69	69	64	**67**
King	3,204	3,256	3,264	**3,241**
Kitsap	518	485	515	**506**
Kittitas	59	91	68	**73**
Klickitat	50	63	58	**57**
Lewis	194	210	227	**210**
Lincoln	26	20	25	**24**
Mason	164	169	158	**164**
Okanogan	110	119	103	**111**
Pacific	59	88	64	**70**
Pend Oreille	35	34	43	**37**
Pierce	1,883	1,936	1,964	**1,928**
San Juan	36	18	19	**24**
Skagit	248	271	231	**250**
Skamania	39	16	27	**27**
Snohomish	1,440	1,483	1,533	**1,485**
Spokane	1,168	1,147	1,177	**1,164**
Stevens	103	96	113	**104**
Thurston	485	530	554	**523**
Wahkiakum	10	3	13	**9**
Walla Walla	123	123	110	**119**
Whatcom	365	367	360	**364**
Whitman	42	57	66	**55**
Yakima	560	586	601	**582**

65+				
County	2016	2017	2018	2016-2018 Average Deaths
Adams	92	78	72	**81**
Asotin	192	190	214	**199**
Benton	1,075	1,081	1,125	**1,094**
Chelan	535	556	573	**555**
Clallam	762	842	871	**825**
Clark	2,589	2,579	2,767	**2,645**
Columbia	48	116	43	**69**
Cowlitz	863	917	840	**873**
Douglas	227	232	255	**238**
Ferry	64	60	55	**60**
Franklin	242	284	278	**268**
Garfield	20	17	30	**22**
Grant	479	509	524	**504**
Grays Harbor	606	622	647	**625**
Island	565	630	675	**623**
Jefferson	293	308	336	**312**
King	9,766	10,039	9,917	**9,907**
Kitsap	1,704	1,780	1,713	**1,732**
Kittitas	243	237	239	**240**
Klickitat	145	151	158	**151**
Lewis	676	721	730	**709**
Lincoln	102	105	94	**100**
Mason	494	550	526	**523**
Okanogan	303	350	332	**328**
Pacific	222	262	279	**254**
Pend Oreille	120	133	130	**128**
Pierce	4,751	5,019	4,926	**4,899**
San Juan	126	115	114	**118**
Skagit	979	1,007	1,001	**996**
Skamania	64	65	56	**62**
Snohomish	3,857	4,118	4,055	**4,010**
Spokane	3,356	3,527	3,556	**3,480**
Stevens	336	376	373	**362**
Thurston	1,661	1,768	1,823	**1,751**
Wahkiakum	39	37	33	**36**
Walla Walla	485	501	445	**477**
Whatcom	1,353	1,329	1,252	**1,311**
Whitman	212	236	199	**216**
Yakima	1,458	1,471	1,517	**1,482**

Source:
Self-Report Provider Utilization Surveys for Years 2016-2018
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WAC246-310-290(8)(c) Step 3.
Multiply each hospice use rate determined in Step 1 by the planning areas' average total resident deaths determined in Step 2, separated by age cohort.

0-64		
County	2016-2018 Average Deaths	Projected Patients: 27.90% of Deaths
Adams	33	9
Asotin	50	14
Benton	356	99
Chelan	126	35
Clallam	181	50
Clark	846	236
Columbia	12	3
Cowlitz	314	87
Douglas	59	17
Ferry	26	7
Franklin	131	37
Garfield	5	1
Grant	196	55
Grays Harbor	233	65
Island	145	40
Jefferson	67	19
King	3,241	904
Kitsap	506	141
Kittitas	73	20
Klickitat	57	16
Lewis	210	59
Lincoln	24	7
Mason	164	46
Okanogan	111	31
Pacific	70	20
Pend Oreille	37	10
Pierce	1,928	538
San Juan	24	7
Skagit	250	70
Skamania	27	8
Snohomish	1,485	414
Spokane	1,164	325
Stevens	104	29
Thurston	523	146
Wahkiakum	9	2
Walla Walla	119	33
Whatcom	364	102
Whitman	55	15
Yakima	582	162

65+		
County	2016-2018 Average Deaths	Projected Patients: 61.56% of Deaths
Adams	81	50
Asotin	199	122
Benton	1,094	673
Chelan	555	341
Clallam	825	508
Clark	2,645	1,628
Columbia	69	42
Cowlitz	873	538
Douglas	238	147
Ferry	60	37
Franklin	268	165
Garfield	22	14
Grant	504	310
Grays Harbor	625	385
Island	623	384
Jefferson	312	192
King	9,907	6,099
Kitsap	1,732	1,066
Kittitas	240	148
Klickitat	151	93
Lewis	709	436
Lincoln	100	62
Mason	523	322
Okanogan	328	202
Pacific	254	157
Pend Oreille	128	79
Pierce	4,899	3,016
San Juan	118	73
Skagit	996	613
Skamania	62	38
Snohomish	4,010	2,469
Spokane	3,480	2,142
Stevens	362	223
Thurston	1,751	1,078
Wahkiakum	36	22
Walla Walla	477	294
Whatcom	1,311	807
Whitman	216	133
Yakima	1,482	912

Source:
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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.

0-64								
County	Projected Patients	2016-2018 Average Population	2019 projected population	2020 projected population	2021 projected population	2019 potential volume	2020 potential volume	2021 potential volume
Adams	9	17,899	18,160	18,291	18,456	9	10	10
Asotin	14	16,842	16,715	16,652	16,596	14	14	14
Benton	99	165,123	167,984	169,415	171,026	101	102	103
Chelan	35	61,755	62,227	62,463	62,512	35	35	35
Clallam	50	52,605	52,494	52,439	52,233	50	50	50
Clark	236	399,287	411,278	417,273	421,901	243	247	249
Columbia	3	2,905	2,822	2,780	2,745	3	3	3
Cowlitz	87	85,617	85,817	85,917	85,843	88	88	88
Douglas	17	34,335	35,130	35,527	35,803	17	17	17
Ferry	7	5,731	5,628	5,577	5,541	7	7	7
Franklin	37	83,832	88,012	90,102	92,443	38	39	40
Garfield	1	1,623	1,581	1,560	1,541	1	1	1
Grant	55	83,784	86,033	87,158	88,240	56	57	58
Grays Harbor	65	58,246	57,387	56,958	56,679	64	63	63
Island	40	62,814	63,114	63,264	63,280	41	41	41
Jefferson	19	20,670	20,705	20,722	20,636	19	19	19
King	904	1,841,848	1,885,115	1,906,749	1,918,470	925	936	942
Kitsap	141	215,543	218,538	220,035	220,614	143	144	144
Kittitas	20	37,330	38,453	39,015	39,286	21	21	21
Klickitat	16	15,955	15,702	15,575	15,439	16	16	15
Lewis	59	62,097	62,700	63,001	63,164	59	60	60
Lincoln	7	7,982	7,864	7,805	7,751	7	6	6
Mason	46	49,652	50,632	51,122	51,397	47	47	47
Okanogan	31	32,726	32,364	32,183	32,087	31	30	30
Pacific	20	14,830	14,545	14,403	14,322	19	19	19
Pend Oreille	10	9,952	9,859	9,812	9,769	10	10	10
Pierce	538	738,738	756,339	765,139	769,918	551	557	560
San Juan	7	11,084	10,863	10,753	10,730	7	7	7
Skagit	70	99,346	100,807	101,537	101,887	71	71	72
Skamania	8	9,260	9,248	9,242	9,223	8	8	8
Snohomish	414	683,800	705,787	716,781	721,527	428	434	437
Spokane	325	418,875	423,256	425,447	426,740	328	330	331
Stevens	29	34,343	34,109	33,992	33,917	29	29	29
Thurston	146	231,571	238,190	241,500	243,867	150	152	154
Wahkiakum	2	2,612	2,498	2,441	2,405	2	2	2
Walla Walla	33	50,328	50,763	50,981	51,028	33	34	34
Whatcom	102	180,629	185,418	187,812	189,267	104	106	106
Whitman	15	43,051	43,222	43,308	43,315	15	15	15
Yakima	162	219,328	222,774	224,497	225,822	165	166	167

Source:
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WAC246-310-290(8)(d) Step 4:
Using the projected patients calculated in Step 3, calculate a use rate by dividing projected patients by the three-year historical average population by county. Use this rate to determine the potential volume of hospice use by the projected population by age cohort using Office of Financial Management (OFM) data.

65+								
County	Projected Patients	2016-2018 Average Population	2019 projected population	2020 projected population	2021 projected population	2019 potential volume	2020 potential volume	2021 potential volume
Adams	**50**	**2,000**	2,227	2,341	2,383	55	58	59
Asotin	**122**	**5,426**	5,812	6,005	6,175	131	135	139
Benton	**673**	**28,657**	30,986	32,150	33,373	728	755	784
Chelan	**341**	**14,811**	15,876	16,408	17,052	366	378	393
Clallam	**508**	**20,867**	21,800	22,267	22,901	531	542	557
Clark	**1628**	**71,564**	78,605	82,125	85,686	1,788	1,869	1,950
Columbia	**42**	**1,169**	1,236	1,269	1,287	45	46	47
Cowlitz	**538**	**20,505**	22,148	22,969	23,719	581	602	622
Douglas	**147**	**7,213**	7,976	8,358	8,666	162	170	176
Ferry	**37**	**2,022**	2,168	2,241	2,289	39	41	42
Franklin	**165**	**8,343**	9,188	9,610	10,083	182	190	199
Garfield	**14**	**620**	645	658	669	14	15	15
Grant	**310**	**13,628**	14,861	15,477	16,071	338	352	366
Grays Harbor	**385**	**15,064**	16,123	16,653	17,133	412	425	438
Island	**384**	**19,163**	20,239	20,777	21,412	405	416	429
Jefferson	**192**	**10,916**	11,588	11,924	12,323	204	210	217
King	**6099**	**282,395**	310,572	324,660	337,771	6,707	7,012	7,295
Kitsap	**1066**	**49,743**	53,833	55,878	58,185	1,154	1,198	1,247
Kittitas	**148**	**7,055**	7,647	7,943	8,266	160	166	173
Klickitat	**93**	**5,310**	5,829	6,088	6,268	102	107	110
Lewis	**436**	**15,987**	16,808	17,219	17,697	459	470	483
Lincoln	**62**	**2,755**	2,891	2,959	3,039	65	66	68
Mason	**322**	**14,717**	15,905	16,499	17,167	348	361	376
Okanogan	**202**	**9,624**	10,475	10,901	11,210	220	229	235
Pacific	**157**	**6,421**	6,747	6,910	7,035	165	168	172
Pend Oreille	**79**	**3,560**	3,925	4,107	4,239	87	91	94
Pierce	**3016**	**119,836**	130,688	136,114	142,422	3,289	3,425	3,584
San Juan	**73**	**5,322**	5,768	5,991	6,174	79	82	85
Skagit	**613**	**25,308**	27,881	29,168	30,314	675	706	734
Skamania	**38**	**2,414**	2,670	2,798	2,923	42	44	46
Snohomish	**2469**	**107,560**	119,333	125,219	131,978	2,739	2,874	3,029
Spokane	**2142**	**80,834**	87,852	91,361	94,670	2,328	2,421	2,509
Stevens	**223**	**10,407**	11,360	11,837	12,214	243	253	261
Thurston	**1078**	**46,608**	50,757	52,832	54,900	1,174	1,222	1,269
Wahkiakum	**22**	**1,379**	1,503	1,565	1,580	24	25	26
Walla Walla	**294**	**10,881**	11,006	11,068	11,350	297	299	306
Whatcom	**807**	**37,426**	40,902	42,640	44,217	882	920	954
Whitman	**133**	**4,948**	5,526	5,815	6,008	148	156	161
Yakima	**912**	**35,809**	37,530	38,391	39,475	956	978	1,006

Source:
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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	2019 potential volume	2020 potential volume	2021 potential volume	Current Capacity	2019 Admits (Unmet)	2020 Admits (Unmet)	2021 Admits (Unmet)
Adams	65	68	69	**35.00**	30	33	34
Asotin	145	149	153	**92.00**	53	57	61
Benton	829	857	887	**949.00**	(120)	(92)	(62)
Chelan	401	414	429	**374.33**	27	39	54
Clallam	581	592	607	**229.50**	351	363	378
Clark	2,032	2,115	2,199	**2,229.00**	(197)	(114)	(30)
Columbia	48	49	50	**20.33**	28	29	30
Cowlitz	668	690	710	**758.67**	(90)	(69)	(49)
Douglas	179	187	193	**138.33**	41	49	55
Ferry	47	48	49	**33.33**	13	14	15
Franklin	220	229	240	**149.33**	71	80	90
Garfield	16	16	16	**2.67**	13	13	13
Grant	395	409	424	**261.00**	134	148	163
Grays Harbor	476	489	501	**303.00**	173	186	198
Island	446	457	470	**337.33**	109	119	132
Jefferson	223	229	236	**164.00**	59	65	72
King	7,633	7,948	8,237	**7,668.17**	(35)	280	568
Kitsap	1,297	1,342	1,392	**1,177.00**	120	165	215
Kittitas	181	187	194	**143.00**	38	44	51
Klickitat	118	122	125	**224.00**	(106)	(102)	(99)
Lewis	518	530	543	**705.33**	(187)	(176)	(163)
Lincoln	71	73	75	**27.33**	44	45	47
Mason	395	408	423	**216.67**	178	192	206
Okanogan	251	259	266	**167.67**	83	92	98
Pacific	184	188	190	**107.33**	76	80	83
Pend Oreille	97	101	104	**63.67**	33	37	40
Pierce	3,839	3,982	4,144	**3,782.33**	57	200	362
San Juan	86	89	91	**79.67**	6	9	11
Skagit	746	778	806	**686.00**	60	92	120
Skamania	50	52	54	**32.00**	18	20	22
Snohomish	3,166	3,308	3,466	**2,975.00**	191	333	491
Spokane	2,656	2,751	2,839	**2,684.83**	(29)	66	155
Stevens	272	282	290	**145.67**	126	136	144
Thurston	1,324	1,374	1,423	**1,176.67**	147	197	246
Wahkiakum	27	28	28	**5.67**	21	22	22
Walla Walla	330	332	340	**296.67**	34	36	43
Whatcom	986	1,025	1,060	**875.33**	111	150	185
Whitman	164	171	177	**246.17**	(82)	(75)	(70)
Yakima	1,121	1,144	1,173	**1,163.67**	(43)	(19)	9

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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.

				Step 6 (Admits * ALOS) = Unmet Patient Days			
County	**2019 Admits (Unmet)**	**2020 Admits (Unmet)**	**2021 Admits (Unmet)**	**Statewide ALOS**	**2019 Patient Days (unmet)**	**2020 Patient Days (unmet)**	**2021 Patient Days (unmet)**
Adams	30	33	34	**60.13**	1,788	1,962	2,029
Asotin	53	57	61	**60.13**	3,182	3,441	3,668
Benton	(120)	(92)	(62)	**60.13**	(7,216)	(5,519)	(3,733)
Chelan	27	39	54	**60.13**	1,622	2,368	3,262
Clallam	351	363	378	**60.13**	21,133	21,813	22,728
Clark	(197)	(114)	(30)	**60.13**	(11,876)	(6,847)	(1,811)
Columbia	28	29	30	**60.13**	1,679	1,749	1,785
Cowlitz	(90)	(69)	(49)	**60.13**	(5,429)	(4,128)	(2,949)
Douglas	41	49	55	**60.13**	2,442	2,920	3,304
Ferry	13	14	15	**60.13**	792	868	918
Franklin	71	80	90	**60.13**	4,252	4,809	5,433
Garfield	13	13	13	**60.13**	782	797	811
Grant	134	148	163	**60.13**	8,031	8,919	9,775
Grays Harbor	173	186	198	**60.13**	10,387	11,171	11,889
Island	109	119	132	**60.13**	6,529	7,182	7,948
Jefferson	59	65	72	**60.13**	3,543	3,900	4,317
King	(35)	280	568	**60.13**	(2,127)	16,807	34,179
Kitsap	120	165	215	**60.13**	7,228	9,924	12,921
Kittitas	38	44	51	**60.13**	2,272	2,663	3,077
Klickitat	(106)	(102)	(99)	**60.13**	(6,380)	(6,114)	(5,932)
Lewis	(187)	(176)	(163)	**60.13**	(11,257)	(10,566)	(9,773)
Lincoln	44	45	47	**60.13**	2,645	2,733	2,839
Mason	178	192	206	**60.13**	10,707	11,516	12,411
Okanogan	83	92	98	**60.13**	4,982	5,510	5,894
Pacific	76	80	83	**60.13**	4,595	4,823	4,999
Pend Oreille	33	37	40	**60.13**	2,002	2,241	2,414
Pierce	57	200	362	**60.13**	3,419	12,015	21,768
San Juan	6	9	11	**60.13**	357	537	687
Skagit	60	92	120	**60.13**	3,608	5,513	7,197
Skamania	18	20	22	**60.13**	1,058	1,179	1,296
Snohomish	191	333	491	**60.13**	11,506	20,029	29,529
Spokane	(29)	66	155	**60.13**	(1,727)	3,966	9,299
Stevens	126	136	144	**60.13**	7,587	8,194	8,676
Thurston	147	197	246	**60.13**	8,841	11,851	14,815
Wahkiakum	21	22	22	**60.13**	1,264	1,322	1,335
Walla Walla	34	36	43	**60.13**	2,027	2,137	2,597
Whatcom	111	150	185	**60.13**	6,681	9,016	11,111
Whitman	(82)	(75)	(70)	**60.13**	(4,961)	(4,493)	(4,181)
Yakima	(43)	(19)	9	**60.13**	(2,556)	(1,161)	558

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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.

				Step 7 (Patient Days / 365) = Unmet ADC		
County	**2019 Patient Days (unmet)**	**2020 Patient Days (unmet)**	**2021 Patient Days (unmet)**	**2019 ADC (unmet)**	**2020 ADC (unmet)**	**2021 ADC (unmet)**
Adams	1,788	1,962	2,029	5	5	6
Asotin	3,182	3,441	3,668	9	9	10
Benton	(7,216)	(5,519)	(3,733)	(20)	(15)	(10)
Chelan	1,622	2,368	3,262	4	6	9
Clallam	21,133	21,813	22,728	58	60	62
Clark	(11,876)	(6,847)	(1,811)	(33)	(19)	(5)
Columbia	1,679	1,749	1,785	5	5	5
Cowlitz	(5,429)	(4,128)	(2,949)	(15)	(11)	(8)
Douglas	2,442	2,920	3,304	7	8	9
Ferry	792	868	918	2	2	3
Franklin	4,252	4,809	5,433	12	13	15
Garfield	782	797	811	2	2	2
Grant	8,031	8,919	9,775	22	24	27
Grays Harbor	10,387	11,171	11,889	28	31	33
Island	6,529	7,182	7,948	18	20	22
Jefferson	3,543	3,900	4,317	10	11	12
King	(2,127)	16,807	34,179	(6)	46	94
Kitsap	7,228	9,924	12,921	20	27	35
Kittitas	2,272	2,663	3,077	6	7	8
Klickitat	(6,380)	(6,114)	(5,932)	(17)	(17)	(16)
Lewis	(11,257)	(10,566)	(9,773)	(31)	(29)	(27)
Lincoln	2,645	2,733	2,839	7	7	8
Mason	10,707	11,516	12,411	29	32	34
Okanogan	4,982	5,510	5,894	14	15	16
Pacific	4,595	4,823	4,999	13	13	14
Pend Oreille	2,002	2,241	2,414	5	6	7
Pierce	3,419	12,015	21,768	9	33	60
San Juan	357	537	687	1	1	2
Skagit	3,608	5,513	7,197	10	15	20
Skamania	1,058	1,179	1,296	3	3	4
Snohomish	11,506	20,029	29,529	32	55	81
Spokane	(1,727)	3,966	9,299	(5)	11	25
Stevens	7,587	8,194	8,676	21	22	24
Thurston	8,841	11,851	14,815	24	32	41
Wahkiakum	1,264	1,322	1,335	3	4	4
Walla Walla	2,027	2,137	2,597	6	6	7
Whatcom	6,681	9,016	11,111	18	25	30
Whitman	(4,961)	(4,493)	(4,181)	(14)	(12)	(11)
Yakima	(2,556)	(1,161)	558	(7)	(3)	2

Source:
Self-Report Provider Utilization Surveys for Years 2016-2018
Vital Statistics Death Data for Years 2016-2018
Prepared by DOH Program Staff

Department of Health
2019-2020 Hospice Numeric Need Methodology
including corrections received by 10/31/19

Highlighted counties have pending applications from the 2018 concurrent review. If you are interested in applying in one of these counties, please contact the CN program for more information.

WAC246-310-290(8)(h) Step 8:
Determine the number of hospice agencies in the planning area that could support the unmet need with an ADC of thirty-five.

Application Year

Step 7 (Patient Days / 365) = Unmet ADC				Step 8 - Numeric Need	
County	2019 ADC (unmet)	2020 ADC (unmet)	2021 ADC (unmet)	Numeric Need?	Agencies Needed?
Adams	5	5	6	FALSE	FALSE
Asotin	9	9	10	FALSE	FALSE
Benton	(20)	(15)	(10)	FALSE	FALSE
Chelan	4	6	9	FALSE	FALSE
Clallam	58	60	62	TRUE	1.78
Clark	(33)	(19)	(5)	FALSE	FALSE
Columbia	5	5	5	FALSE	FALSE
Cowlitz	(15)	(11)	(8)	FALSE	FALSE
Douglas	7	8	9	FALSE	FALSE
Ferry	2	2	3	FALSE	FALSE
Franklin	12	13	15	FALSE	FALSE
Garfield	2	2	2	FALSE	FALSE
Grant	22	24	27	FALSE	FALSE
Grays Harbor	28	31	33	FALSE	FALSE
Island	18	20	22	FALSE	FALSE
Jefferson	10	11	12	FALSE	FALSE
King	(6)	46	94	TRUE	2.68
Kitsap	20	27	35	TRUE	1.01
Kittitas	6	7	8	FALSE	FALSE
Klickitat	(17)	(17)	(16)	FALSE	FALSE
Lewis	(31)	(29)	(27)	FALSE	FALSE
Lincoln	7	7	8	FALSE	FALSE
Mason	29	32	34	FALSE	FALSE
Okanogan	14	15	16	FALSE	FALSE
Pacific	13	13	14	FALSE	FALSE
Pend Oreille	5	6	7	FALSE	FALSE
Pierce	9	33	60	TRUE	1.70
San Juan	1	1	2	FALSE	FALSE
Skagit	10	15	20	FALSE	FALSE
Skamania	3	3	4	FALSE	FALSE
Snohomish	32	55	81	TRUE	2.31
Spokane	(5)	11	25	FALSE	FALSE
Stevens	21	22	24	FALSE	FALSE
Thurston	24	32	41	TRUE	1.16
Wahkiakum	3	4	4	FALSE	FALSE
Walla Walla	6	6	7	FALSE	FALSE
Whatcom	18	25	30	FALSE	FALSE
Whitman	(14)	(12)	(11)	FALSE	FALSE
Yakima	(7)	(3)	2	FALSE	FALSE

Source:
Self-Report Provider Utilization Surveys for Years 2016-2018
Vital Statistics Death Data for Years 2016-2018
Prepared by DOH Program Staff

Department of Health
2019-2020 Hospice Numeric Need Methodology
0-64 Population Projection

County	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016-2018 Average Population
Adams	17,637	17,768	17,899	18,029	18,160	18,291	18,456	18,622	18,787	18,953	19,118	17,899
Asotin	16,969	16,906	16,842	16,779	16,715	16,652	16,596	16,540	16,485	16,429	16,373	16,842
Benton	162,262	163,693	165,123	166,554	167,984	169,415	171,026	172,638	174,249	175,861	177,472	165,123
Chelan	61,284	61,520	61,755	61,991	62,227	62,463	62,512	62,562	62,611	62,661	62,710	61,755
Clallam	52,716	52,661	52,605	52,550	52,494	52,439	52,233	52,027	51,821	51,615	51,409	52,605
Clark	387,296	393,291	399,287	405,282	411,278	417,273	421,901	426,529	431,158	435,786	440,414	399,287
Columbia	2,988	2,947	2,905	2,863	2,822	2,780	2,745	2,710	2,675	2,640	2,605	2,905
Cowlitz	85,417	85,517	85,617	85,717	85,817	85,917	85,843	85,769	85,695	85,621	85,547	85,617
Douglas	33,540	33,938	34,335	34,732	35,130	35,527	35,803	36,080	36,356	36,633	36,909	34,335
Ferry	5,834	5,782	5,731	5,680	5,628	5,577	5,541	5,506	5,470	5,435	5,399	5,731
Franklin	79,651	81,742	83,832	85,922	88,012	90,102	92,443	94,784	97,124	99,465	101,806	83,832
Garfield	1,665	1,644	1,623	1,602	1,581	1,560	1,541	1,522	1,502	1,483	1,464	1,623
Grant	81,535	82,660	83,784	84,909	86,033	87,158	88,240	89,322	90,403	91,485	92,567	83,784
Grays Harbor	59,105	58,675	58,246	57,817	57,387	56,958	56,679	56,401	56,122	55,844	55,565	58,246
Island	62,514	62,664	62,814	62,964	63,114	63,264	63,280	63,296	63,312	63,328	63,344	62,814
Jefferson	20,636	20,653	20,670	20,688	20,705	20,722	20,636	20,550	20,463	20,377	20,291	20,670
King	1,798,581	1,820,215	1,841,848	1,863,482	1,885,115	1,906,749	1,918,470	1,930,192	1,941,913	1,953,635	1,965,356	1,841,848
Kitsap	212,548	214,045	215,543	217,040	218,538	220,035	220,614	221,192	221,771	222,349	222,928	215,543
Kittitas	36,206	36,768	37,330	37,892	38,453	39,015	39,286	39,556	39,827	40,097	40,368	37,330
Klickitat	16,208	16,082	15,955	15,828	15,702	15,575	15,439	15,304	15,168	15,033	14,897	15,955
Lewis	61,494	61,796	62,097	62,398	62,700	63,001	63,164	63,327	63,491	63,654	63,817	62,097
Lincoln	8,101	8,042	7,982	7,923	7,864	7,805	7,751	7,698	7,644	7,591	7,537	7,982
Mason	48,672	49,162	49,652	50,142	50,632	51,122	51,397	51,672	51,946	52,221	52,496	49,652
Okanogan	33,087	32,906	32,726	32,545	32,364	32,183	32,087	31,991	31,896	31,800	31,704	32,726
Pacific	15,115	14,972	14,830	14,688	14,545	14,403	14,322	14,242	14,161	14,081	14,000	14,830
Pend Oreille	10,045	9,998	9,952	9,905	9,859	9,812	9,769	9,727	9,684	9,642	9,599	9,952
Pierce	721,137	729,937	738,738	747,538	756,339	765,139	769,918	774,696	779,475	784,253	789,032	738,738
San Juan	11,305	11,194	11,084	10,974	10,863	10,753	10,730	10,707	10,684	10,661	10,638	11,084
Skagit	97,885	98,616	99,346	100,076	100,807	101,537	101,887	102,236	102,586	102,935	103,285	99,346
Skamania	9,272	9,266	9,260	9,254	9,248	9,242	9,223	9,205	9,186	9,168	9,149	9,260
Snohomish	661,812	672,806	683,800	694,793	705,787	716,781	721,527	726,273	731,019	735,765	740,511	683,800
Spokane	414,493	416,684	418,875	421,066	423,256	425,447	426,740	428,033	429,326	430,619	431,912	418,875
Stevens	34,576	34,459	34,343	34,226	34,109	33,992	33,917	33,841	33,766	33,690	33,615	34,343
Thurston	224,951	228,261	231,571	234,880	238,190	241,500	243,867	246,235	248,602	250,970	253,337	231,571
Wahkiakum	2,726	2,669	2,612	2,555	2,498	2,441	2,405	2,368	2,332	2,295	2,259	2,612
Walla Walla	49,893	50,111	50,328	50,546	50,763	50,981	51,028	51,075	51,121	51,168	51,215	50,328
Whatcom	175,840	178,234	180,629	183,023	185,418	187,812	189,267	190,722	192,178	193,633	195,088	180,629
Whitman	42,880	42,965	43,051	43,137	43,222	43,308	43,315	43,322	43,330	43,337	43,344	43,051
Yakima	215,882	217,605	219,328	221,051	222,774	224,497	225,822	227,147	228,473	229,798	231,123	219,328

Source:
Self-Report Provider Utilization Surveys for Years 2016-2018
Vital Statistics Death Data for Years 2016-2018
Prepared by DOH Program Staff

Department of Health
2019-2020 Hospice Numeric Need Methodology
65+ Population Projection

County	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016-2018 Average Population
Adams	1,773	1,887	2,000	2,114	2,227	2,341	2,383	2,424	2,466	2,507	2,549	2,000
Asotin	5,041	5,233	5,426	5,619	5,812	6,005	6,175	6,344	6,514	6,683	6,853	5,426
Benton	26,328	27,492	28,657	29,821	30,986	32,150	33,373	34,597	35,820	37,044	38,267	28,657
Chelan	13,746	14,279	14,811	15,343	15,876	16,408	17,052	17,695	18,339	18,982	19,626	14,811
Clallam	19,934	20,401	20,867	21,334	21,800	22,267	22,901	23,535	24,168	24,802	25,436	20,867
Clark	64,524	68,044	71,564	75,085	78,605	82,125	85,686	89,247	92,807	96,368	99,929	71,564
Columbia	1,102	1,135	1,169	1,202	1,236	1,269	1,287	1,304	1,322	1,339	1,357	1,169
Cowlitz	18,863	19,684	20,505	21,326	22,148	22,969	23,719	24,470	25,220	25,971	26,721	20,505
Douglas	6,450	6,831	7,213	7,595	7,976	8,358	8,666	8,974	9,283	9,591	9,899	7,213
Ferry	1,876	1,949	2,022	2,095	2,168	2,241	2,289	2,337	2,386	2,434	2,482	2,022
Franklin	7,499	7,921	8,343	8,765	9,188	9,610	10,083	10,557	11,030	11,504	11,977	8,343
Garfield	595	607	620	633	645	658	669	680	692	703	714	620
Grant	12,395	13,011	13,628	14,244	14,861	15,477	16,071	16,665	17,258	17,852	18,446	13,628
Grays Harbor	14,005	14,535	15,064	15,594	16,123	16,653	17,133	17,612	18,092	18,571	19,051	15,064
Island	18,086	18,625	19,163	19,701	20,239	20,777	21,412	22,047	22,682	23,317	23,952	19,163
Jefferson	10,244	10,580	10,916	11,252	11,588	11,924	12,323	12,722	13,121	13,520	13,919	10,916
King	254,219	268,307	282,395	296,484	310,572	324,660	337,771	350,881	363,992	377,102	390,213	282,395
Kitsap	45,652	47,697	49,743	51,788	53,833	55,878	58,185	60,492	62,800	65,107	67,414	49,743
Kittitas	6,464	6,760	7,055	7,351	7,647	7,943	8,266	8,589	8,911	9,234	9,557	7,055
Klickitat	4,792	5,051	5,310	5,570	5,829	6,088	6,268	6,448	6,627	6,807	6,987	5,310
Lewis	15,166	15,576	15,987	16,398	16,808	17,219	17,697	18,175	18,652	19,130	19,608	15,987
Lincoln	2,619	2,687	2,755	2,823	2,891	2,959	3,039	3,119	3,200	3,280	3,360	2,755
Mason	13,528	14,123	14,717	15,311	15,905	16,499	17,167	17,836	18,504	19,173	19,841	14,717
Okanogan	8,773	9,198	9,624	10,050	10,475	10,901	11,210	11,519	11,827	12,136	12,445	9,624
Pacific	6,095	6,258	6,421	6,584	6,747	6,910	7,035	7,159	7,284	7,408	7,533	6,421
Pend Oreille	3,195	3,378	3,560	3,742	3,925	4,107	4,239	4,371	4,504	4,636	4,768	3,560
Pierce	108,983	114,409	119,836	125,262	130,688	136,114	142,422	148,729	155,037	161,344	167,652	119,836
San Juan	4,876	5,099	5,322	5,545	5,768	5,991	6,174	6,357	6,541	6,724	6,907	5,322
Skagit	22,735	24,021	25,308	26,595	27,881	29,168	30,314	31,460	32,607	33,753	34,899	25,308
Skamania	2,158	2,286	2,414	2,542	2,670	2,798	2,923	3,048	3,172	3,297	3,422	2,414
Snohomish	95,788	101,674	107,560	113,447	119,333	125,219	131,978	138,737	145,495	152,254	159,013	107,560
Spokane	73,817	77,325	80,834	84,343	87,852	91,361	94,670	97,979	101,288	104,597	107,906	80,834
Stevens	9,454	9,930	10,407	10,884	11,360	11,837	12,214	12,591	12,969	13,346	13,723	10,407
Thurston	42,459	44,534	46,608	48,683	50,757	52,832	54,900	56,967	59,035	61,102	63,170	46,608
Wahkiakum	1,254	1,316	1,379	1,441	1,503	1,565	1,580	1,595	1,611	1,626	1,641	1,379
Walla Walla	10,757	10,819	10,881	10,944	11,006	11,068	11,350	11,632	11,915	12,197	12,479	10,881
Whatcom	33,950	35,688	37,426	39,164	40,902	42,640	44,217	45,794	47,372	48,949	50,526	37,426
Whitman	4,370	4,659	4,948	5,237	5,526	5,815	6,008	6,201	6,395	6,588	6,781	4,948
Yakima	34,088	34,949	35,809	36,670	37,530	38,391	39,475	40,559	41,643	42,727	43,811	35,809

Source:
Self-Report Provider Utilization Surveys for Years 2016-2018
Vital Statistics Death Data for Years 2016-2018
Prepared by DOH Program Staff

Department of Health
2019-2020 Hospice Numeric Need Methodology
Death Data - FINAL

	0-64			65+		
County	2016	2017	2018	2016	2017	2018
ADAMS	34	38	28	92	78	72
ASOTIN	50	49	52	192	190	214
BENTON	352	385	331	1,075	1,081	1,125
CHELAN	123	124	130	535	556	573
CLALLAM	172	180	191	762	842	871
CLARK	781	883	874	2,589	2,579	2,767
COLUMBIA	12	19	6	48	116	43
COWLITZ	290	351	300	863	917	840
DOUGLAS	56	71	51	227	232	255
FERRY	20	30	28	64	60	55
FRANKLIN	115	133	145	242	284	278
GARFIELD	4	6	5	20	17	30
GRANT	191	203	195	479	509	524
GRAYS HARBOR	233	238	227	606	622	647
ISLAND	134	166	135	565	630	675
JEFFERSON	69	69	64	293	308	336
KING	3,204	3,256	3,264	9,766	10,039	9,917
KITSAP	518	485	515	1,704	1,780	1,713
KITTITAS	59	91	68	243	237	239
KLICKITAT	50	63	58	145	151	158
LEWIS	194	210	227	676	721	730
LINCOLN	26	20	25	102	105	94
MASON	164	169	158	494	550	526
OKANOGAN	110	119	103	303	350	332
PACIFIC	59	88	64	222	262	279
PEND OREILLE	35	34	43	120	133	130
PIERCE	1,883	1,936	1,964	4,751	5,019	4,926
SAN JUAN	36	18	19	126	115	114
SKAGIT	248	271	231	979	1,007	1,001
SKAMANIA	39	16	27	64	65	56
SNOHOMISH	1,440	1,483	1,533	3,857	4,118	4,055
SPOKANE	1,168	1,147	1,177	3,356	3,527	3,556
STEVENS	103	96	113	336	376	373
THURSTON	485	530	554	1,661	1,768	1,823
WAHKIAKUM	10	3	13	39	37	33
WALLA WALLA	123	123	110	485	501	445
WHATCOM	365	367	360	1,353	1,329	1,252
WHITMAN	42	57	66	212	236	199
YAKIMA	560	586	601	1,458	1,471	1,517

Source:
Self-Report Provider Utilization Surveys for Years 2016-2018
Vital Statistics Death Data for Years 2016-2018
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Department of Health
2019-2020 Hospice Numeric Need Methodology
Survey Responses

Agency Name	License Number	County	Year	0-64	65+
Assured Home Health and Hospice (Central Basin/Assured Hospice)	IHS.FS.60092413	Adams	2016	6	25
Assured Home Health and Hospice (Central Basin/Assured Hospice)	IHS.FS.60092413	Grant	2016	42	176
Assured Home Health and Hospice (Central Basin/Assured Hospice)	IHS.FS.60092413	Lincoln	2016	4	16
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Clallam	2016	6	110
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Jefferson	2016	1	6
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Lewis	2016	25	229
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Mason	2016	3	52
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Thurston	2016	30	240
Astria Home Health and Hospice (Yakima Regional Home Health and Hospice)	IHS.FS.60097245	Yakima	2016	6	88
Central Washington Hospital Home Care Services	IHS.FS.00000250	Chelan	2016	35	305
Central Washington Hospital Home Care Services	IHS.FS.00000250	Douglas	2016	19	97
Community Home Health and Hospice CHHH Community Home Care Hospice	IHS.FS.00000262	Clark	2016	78	364
Community Home Health and Hospice CHHH Community Home Care Hospice	IHS.FS.00000262	Cowlitz	2016	98	583
Community Home Health and Hospice CHHH Community Home Care Hospice	IHS.FS.00000262	Wahkiakum	2016	0	5
Elite Home Health and Hospice	IHS.FS.60384078	Asotin	2016	10	47
Elite Home Health and Hospice	IHS.FS.60384078	Garfield	2016	0	3
Evergreen Health Home Care Services	IHS.FS.00000278	Island	2016	0	7
Evergreen Health Home Care Services	IHS.FS.00000278	King	2016	292	2227
Evergreen Health Home Care Services	IHS.FS.00000278	Snohomish	2016	85	727
Franciscan Hospice	IHS.FS.00000287	King	2016	106	1140
Franciscan Hospice	IHS.FS.00000287	Kitsap	2016	45	486
Franciscan Hospice	IHS.FS.00000287	Pierce	2016	232	2499
Frontier Home Health and Hospice (Okanogan Regional)	IHS.FS.60379608	Douglas	2016	0	5
Frontier Home Health and Hospice (Okanogan Regional)	IHS.FS.60379608	Grant	2016	0	3
Frontier Home Health and Hospice (Okanogan Regional)	IHS.FS.60379608	Okanogan	2016	35	133
Gentiva Hospice (Odyssey Hospice)	IHS.FS.60330209	King	2016	24	346
Harbors Home Health and Hospice	IHS.FS.00000306	Grays Harbor	2016	66	264
Harbors Home Health and Hospice	IHS.FS.00000306	Pacific	2016	15	99
Heart of Hospice	IHS.FS.00000185	Skamania	2016	9	13
Heart of Hospice	IHS.FS.00000185	Klickitat	2016	3	25
Heartlinks Hospice and Palliative Care (Lower Valley Hospice)	IHS.FS.00000369	Benton	2016	4	107
Heartlinks Hospice and Palliative Care (Lower Valley Hospice)	IHS.FS.00000369	Yakima	2016	12	165
Home Health Care of Whidbey General Hospital (Whidbey General)	IHS.FS.00000323	Island	2016	11	99
Homecare and Hospice Southwest (Hospice SW)	IHS.FS.60331226	Clark	2016	168	976
Homecare and Hospice Southwest (Hospice SW)	IHS.FS.60331226	Cowlitz	2016	6	39
Homecare and Hospice Southwest (Hospice SW)	IHS.FS.60331226	Skamania	2016	1	5
Horizon Hospice	IHS.FS.00000332	Spokane	2016	28	350
Hospice of Kitsap County	IHS.FS.00000335	Kitsap	2016	0	0
Hospice of Spokane	IHS.FS.00000337	Ferry	2016	3	18
Hospice of Spokane	IHS.FS.00000337	Lincoln	2016	0	1
Hospice of Spokane	IHS.FS.00000337	Pend Oreille	2016	11	56
Hospice of Spokane	IHS.FS.00000337	Spokane	2016	315	1620
Hospice of Spokane	IHS.FS.00000337	Stevens	2016	13	120
Hospice of Spokane	IHS.FS.00000337	Whitman	2016	0	1
Hospice of the Northwest (Skagit Hospice Service)	IHS.FS.00000437	Island	2016	13	61
Hospice of the Northwest (Skagit Hospice Service)	IHS.FS.00000437	San Juan	2016	11	70
Hospice of the Northwest (Skagit Hospice Service)	IHS.FS.00000437	Skagit	2016	62	591
Hospice of the Northwest (Skagit Hospice Service)	IHS.FS.00000437	Snohomish	2016	7	96
Jefferson Healthcare Home Health and Hospice (Hospice of Jefferson County)	IHS.FS.00000349	Jefferson	2016	14	114
Kaiser Permanente Continuing Care Services	IHS.FS.00000353	Clark	2016	64	397
Kaiser Permanente Continuing Care Services	IHS.FS.00000353	Cowlitz	2016	1	23
Kaiser Permanente Continuing Care Services	IHS.FS.00000353	Skamania	2016	0	0
Kaiser Permanente Home Health and Hospice (Group Health)	IHS.FS.00000305	King	2016	38	567
Kaiser Permanente Home Health and Hospice (Group Health)	IHS.FS.00000305	Kitsap	2016	23	119
Kaiser Permanente Home Health and Hospice (Group Health)	IHS.FS.00000305	Pierce	2016	39	229
Kaiser Permanente Home Health and Hospice (Group Health)	IHS.FS.00000305	Snohomish	2016	6	110
Kindred Hospice (Gentiva Hospice	IHS.FS.60308060	Spokane	2016	24	206
Kindred Hospice (Gentiva Hospice	IHS.FS.60308060	Whitman	2016	9	206
Kittitas Valley Home Health and Hospice	IHS.FS.00000320	Kittitas	2016	20	79
Klickitat Valley Home Health & Hospice (Klickitat Valley Health)	IHS.FS.00000361	Klickitat	2016	5	31
Kline Galland Community Based Services	IHS.FS.60103742	King	2016	20	305
Memorial Home Care Services	IHS.FS.00000376	Yakima	2016	161	684
MultiCare Home Health, Hospice and Palliative Care	IHS.FS.60639376	King	2016	24	111
MultiCare Home Health, Hospice and Palliative Care	IHS.FS.60639377	Kitsap	2016	64	333
MultiCare Home Health, Hospice and Palliative Care	IHS.FS.60639378	Pierce	2016	182	673
Providence Hospice (Hospice of the Gorge)	IHS.FS.60201476	Klickitat	2016	22	16
Providence Hospice (Hospice of the Gorge)	IHS.FS.60201476	Skamania	2016	4	17
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	Island	2016	8	28
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	King	2016	0	0
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	Snohomish	2016	265	1288
Providence Hospice of Seattle	IHS.FS.00000336	King	2016	402	1814
Providence Hospice of Seattle	IHS.FS.00000336	Snohomish	2016	3	7
Providence SoundHomeCare and Hospice	IHS.FS.00000420	Lewis	2016	28	149
Providence SoundHomeCare and Hospice	IHS.FS.00000420	Mason	2016	15	139
Providence SoundHomeCare and Hospice	IHS.FS.00000420	Thurston	2016	102	640
Tri-Cities Chaplaincy	IHS.FS.00000456	Benton	2016	102	644
Tri-Cities Chaplaincy	IHS.FS.00000456	Franklin	2016	16	110
Walla Walla Community Hospice	IHS.FS.60480441	Columbia	2016	0	19
Walla Walla Community Hospice	IHS.FS.60480441	Walla Walla	2016	45	273
Wesley Homes	IHS.FS.60276500	King	2016	0	0

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Agency Name	License Number	County	Year	0-64	65+
Whatcom Hospice (Peacehealth)	IHS.FS.00000471	Whatcom	2016	122	712
Assured Home Health and Hospice (Central Basin/Assured Hospice)	IHS.FS.60092413	Adams	2017	4	30
Assured Home Health and Hospice (Central Basin/Assured Hospice)	IHS.FS.60092413	Grant	2017	44	209
Assured Home Health and Hospice (Central Basin/Assured Hospice)	IHS.FS.60092413	Lincoln	2017	3	22
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Clallam	2017	14	143
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Jefferson	2017	1	14
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Lewis	2017	17	257
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Mason	2017	8	43
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Thurston	2017	39	235
Astria Home Health and Hospice (Yakima Regional Home Health and Hospice)	IHS.FS.60097245	Yakima	2017	11	48
Central Washington Hospital Home Care Services	IHS.FS.00000250	Chelan	2017	44	319
Central Washington Hospital Home Care Services	IHS.FS.00000250	Douglas	2017	18	119
Community Home Health and Hospice CHHH Community Home Care Hospice	IHS.FS.00000262	Clark	2017	67	419
Community Home Health and Hospice CHHH Community Home Care Hospice	IHS.FS.00000262	Cowlitz	2017	116	630
Community Home Health and Hospice CHHH Community Home Care Hospice	IHS.FS.00000262	Wahkiakum	2017	1	4
Elite Home Health and Hospice	IHS.FS.60384078	Asotin	2017	7	85
Elite Home Health and Hospice	IHS.FS.60384078	Garfield	2017	1	1
Evergreen Health Home Care Services	IHS.FS.00000278	Island	2017	0	7
Evergreen Health Home Care Services	IHS.FS.00000278	King	2017	272	2393
Evergreen Health Home Care Services	IHS.FS.00000278	Snohomish	2017	82	478
Franciscan Hospice	IHS.FS.00000287	King	2017	90	1115
Franciscan Hospice	IHS.FS.00000287	Kitsap	2017	64	796
Franciscan Hospice	IHS.FS.00000287	Pierce	2017	181	2242
Frontier Home Health and Hospice (Okanogan Regional)	IHS.FS.60379608	Douglas	2017	1	10
Frontier Home Health and Hospice (Okanogan Regional)	IHS.FS.60379608	Grant	2017	0	7
Frontier Home Health and Hospice (Okanogan Regional)	IHS.FS.60379608	Okanogan	2017	34	132
Gentiva Hospice (Odyssey Hospice)	IHS.FS.60330209	King	2017	14	375
Harbors Home Health and Hospice	IHS.FS.00000306	Grays Harbor	2017	72	292
Harbors Home Health and Hospice	IHS.FS.00000306	Pacific	2017	17	106
Heart of Hospice	IHS.FS.00000185	Skamania	2017	2	11
Heart of Hospice	IHS.FS.00000185	Klickitat	2017	1	20
Heartlinks Hospice and Palliative Care (Lower Valley Hospice)	IHS.FS.00000369	Benton	2017	12	130
Heartlinks Hospice and Palliative Care (Lower Valley Hospice)	IHS.FS.00000369	Yakima	2017	28	197
Home Health Care of Whidbey General Hospital (Whidbey General)	IHS.FS.00000323	Island	2017	21	248
Homecare and Hospice Southwest (Hospice SW)	IHS.FS.60331226	Clark	2017	165	1064
Homecare and Hospice Southwest (Hospice SW)	IHS.FS.60331226	Cowlitz	2017	7	47
Homecare and Hospice Southwest (Hospice SW)	IHS.FS.60331226	Skamania	2017	0	0
Horizon Hospice	IHS.FS.00000332	Spokane	2017	35	420
Hospice of Kitsap County	IHS.FS.00000335	Kitsap	2017	0	0
Hospice of Spokane	IHS.FS.00000337	Ferry	2017	7	37
Hospice of Spokane	IHS.FS.00000337	Lincoln	2017	0	0
Hospice of Spokane	IHS.FS.00000337	Pend Oreille	2017	8	55
Hospice of Spokane	IHS.FS.00000337	Spokane	2017	340	1722
Hospice of Spokane	IHS.FS.00000337	Stevens	2017	25	128
Hospice of Spokane	IHS.FS.00000337	Whitman	2017	0	1
Hospice of the Northwest (Skagit Hospice Service)	IHS.FS.00000437	Island	2017	11	77
Hospice of the Northwest (Skagit Hospice Service)	IHS.FS.00000437	San Juan	2017	3	70
Hospice of the Northwest (Skagit Hospice Service)	IHS.FS.00000437	Skagit	2017	61	616
Hospice of the Northwest (Skagit Hospice Service)	IHS.FS.00000437	Snohomish	2017	7	83
Jefferson Healthcare Home Health and Hospice (Hospice of Jefferson County)	IHS.FS.00000349	Jefferson	2017	13	153
Kaiser Permanente Continuing Care Services	IHS.FS.00000353	Clark	2017	50	415
Kaiser Permanente Continuing Care Services	IHS.FS.00000353	Cowlitz	2017	1	18
Kaiser Permanente Continuing Care Services	IHS.FS.00000353	Skamania	2017	0	0
Kaiser Permanente Home Health and Hospice (Group Health)	IHS.FS.00000305	King	2017	38	487
Kaiser Permanente Home Health and Hospice (Group Health)	IHS.FS.00000305	Kitsap	2017	7	107
Kaiser Permanente Home Health and Hospice (Group Health)	IHS.FS.00000305	Pierce	2017	27	189
Kaiser Permanente Home Health and Hospice (Group Health)	IHS.FS.00000305	Snohomish	2017	2	68
Kindred Hospice (Gentiva Hospice	IHS.FS.60308060	Spokane	2017	22	325
Kindred Hospice (Gentiva Hospice	IHS.FS.60308060	Whitman	2017	29	247
Kittitas Valley Home Health and Hospice	IHS.FS.00000320	Kittitas	2017	46	134
Klickitat Valley Home Health & Hospice (Klickitat Valley Health)	IHS.FS.00000361	Klickitat	2017	11	33
Kline Galland Community Based Services	IHS.FS.60103742	King	2017	13	301
Memorial Home Care Services	IHS.FS.00000376	Yakima	2017	149	717
MultiCare Home Health, Hospice and Palliative Care	IHS.FS.60639376	King	2017	42	149
MultiCare Home Health, Hospice and Palliative Care	IHS.FS.60639377	Kitsap	2017	33	253
MultiCare Home Health, Hospice and Palliative Care	IHS.FS.60639378	Pierce	2017	211	925
Providence Hospice (Hospice of the Gorge)	IHS.FS.60201476	Klickitat	2017	5	29
Providence Hospice (Hospice of the Gorge)	IHS.FS.60201476	Skamania	2017	2	10
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	Island	2017	3	32
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	King	2017	5	14
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	Snohomish	2017	238	1440
Providence Hospice of Seattle	IHS.FS.00000336	King	2017	387	1888
Providence Hospice of Seattle	IHS.FS.00000336	Snohomish	2017	10	15
Providence SoundHomeCare and Hospice	IHS.FS.00000420	Lewis	2017	28	163
Providence SoundHomeCare and Hospice	IHS.FS.00000420	Mason	2017	26	189
Providence SoundHomeCare and Hospice	IHS.FS.00000420	Thurston	2017	105	664
Tri-Cities Chaplaincy	IHS.FS.00000456	Benton	2017	98	745
Tri-Cities Chaplaincy	IHS.FS.00000456	Franklin	2017	15	122
Walla Walla Community Hospice	IHS.FS.60480441	Columbia	2017	1	17
Walla Walla Community Hospice	IHS.FS.60480441	Walla Walla	2017	45	276

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Agency Name	License Number	County	Year	0-64	65+
Wesley Homes	IHS.FS.60276500	King	2017	1	17
Whatcom Hospice (Peacehealth)	IHS.FS.00000471	Whatcom	2017	139	766
Assured Home Health and Hospice (Central Basin/Assured Hospice)	IHS.FS.60092413	Adams	2018	6	34
Assured Home Health and Hospice (Central Basin/Assured Hospice)	IHS.FS.60092413	Grant	2018	40	254
Assured Home Health and Hospice (Central Basin/Assured Hospice)	IHS.FS.60092413	Lincoln	2018	6	28
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Clallam	2018	16	186
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Jefferson	2018	1	11
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Lewis	2018	35	280
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Mason	2018	4	44
Assured Home Health, Hospice & Home Care	IHS.FS.00000229	Thurston	2018	24	273
Astria Home Health and Hospice (Yakima Regional Home Health and Hospice)	IHS.FS.60097245	Yakima	2018	41	8
Central Washington Hospital Home Care Services	IHS.FS.00000250	Chelan	2018	34	386
Central Washington Hospital Home Care Services	IHS.FS.00000250	Douglas	2018	10	133
Community Home Health and Hospice CHHH Community Home Care Hospice	IHS.FS.00000262	Clark	2018	54	383
Community Home Health and Hospice CHHH Community Home Care Hospice	IHS.FS.00000262	Cowlitz	2018	87	524
Community Home Health and Hospice CHHH Community Home Care Hospice	IHS.FS.00000262	Wahkiakum	2018	2	5
Elite Home Health and Hospice	IHS.FS.60384078	Asotin	2018	6	121
Elite Home Health and Hospice	IHS.FS.60384078	Garfield	2018	1	2
Evergreen Health Home Care Services	IHS.FS.00000278	Island	2018	1	9
Evergreen Health Home Care Services	IHS.FS.00000278	King	2018	348	1989
Evergreen Health Home Care Services	IHS.FS.00000278	Snohomish	2018	79	690
Franciscan Hospice	IHS.FS.00000287	King	2018	102	921
Franciscan Hospice	IHS.FS.00000287	Kitsap	2018	141	693
Franciscan Hospice	IHS.FS.00000287	Pierce	2018	331	2110
Frontier Home Health and Hospice (Okanogan Regional)	IHS.FS.60379608	Douglas	2018	0	3
Frontier Home Health and Hospice (Okanogan Regional)	IHS.FS.60379608	Grant	2018	1	7
Frontier Home Health and Hospice (Okanogan Regional)	IHS.FS.60379608	Okanogan	2018	21	148
Gentiva Hospice (Odyssey Hospice)	IHS.FS.60330209	King	2018	37	180
Harbors Home Health and Hospice	IHS.FS.00000306	Grays Harbor	2018	35	180
Harbors Home Health and Hospice	IHS.FS.00000306	Pacific	2018	13	71
Heart of Hospice	IHS.FS.00000185	Skamania	2018	0	10
Heart of Hospice	IHS.FS.00000185	Klickitat	2018	1	23
Heartlinks Hospice and Palliative Care (Lower Valley Hospice)	IHS.FS.00000369	Benton	2018	6	137
Heartlinks Hospice and Palliative Care (Lower Valley Hospice)	IHS.FS.00000369	Yakima	2018	24	219
Home Health Care of Whidbey General Hospital (Whidbey General)	IHS.FS.00000323	Island	2018	20	235
Homecare and Hospice Southwest (Hospice SW)	IHS.FS.60331226	Clark	2018	243	1305
Homecare and Hospice Southwest (Hospice SW)	IHS.FS.60331226	Cowlitz	2018	20	76
Homecare and Hospice Southwest (Hospice SW)	IHS.FS.60331226	Skamania	2018	1	1
Horizon Hospice	IHS.FS.00000332	Spokane	2018	31	389
Hospice of Kitsap County	IHS.FS.00000335	Kitsap	2018	0	0
Hospice of Spokane	IHS.FS.00000337	Ferry	2018	6	29
Hospice of Spokane	IHS.FS.00000337	Lincoln	2018	1	1
Hospice of Spokane	IHS.FS.00000337	Pend Oreille	2018	8	53
Hospice of Spokane	IHS.FS.00000337	Spokane	2018	346	1593
Hospice of Spokane	IHS.FS.00000337	Stevens	2018	30	121
Hospice of Spokane	IHS.FS.00000337	Whitman	2018	none reported	none reported
Hospice of the Northwest (Skagit Hospice Service)	IHS.FS.00000437	Island	2018	6	60
Hospice of the Northwest (Skagit Hospice Service)	IHS.FS.00000437	San Juan	2018	6	79
Hospice of the Northwest (Skagit Hospice Service)	IHS.FS.00000437	Skagit	2018	48	680
Hospice of the Northwest (Skagit Hospice Service)	IHS.FS.00000437	Snohomish	2018	2	67
Jefferson Healthcare Home Health and Hospice (Hospice of Jefferson County)	IHS.FS.00000349	Jefferson	2018	20	144
Kaiser Permanente Continuing Care Services	IHS.FS.00000353	Clark	2018	39	436
Kaiser Permanente Continuing Care Services	IHS.FS.00000353	Cowlitz	2018	none reported	none reported
Kaiser Permanente Continuing Care Services	IHS.FS.00000353	Skamania	2018	none reported	none reported
Kaiser Permanente Home Health and Hospice (Group Health)	IHS.FS.00000305	King	2018	25	416
Kaiser Permanente Home Health and Hospice (Group Health)	IHS.FS.00000305	Kitsap	2018	14	96
Kaiser Permanente Home Health and Hospice (Group Health)	IHS.FS.00000305	Pierce	2018	35	198
Kaiser Permanente Home Health and Hospice (Group Health)	IHS.FS.00000305	Snohomish	2018	14	94
Kindred Hospice (Gentiva Hospice	IHS.FS.60308060	Spokane	2018	23	265.5
Kindred Hospice (Gentiva Hospice	IHS.FS.60308060	Whitman	2018	19	226.5
Kittitas Valley Home Health and Hospice	IHS.FS.00000320	Kittitas	2018	15	135
Klickitat Valley Home Health & Hospice (Klickitat Valley Health)	IHS.FS.00000361	Klickitat	2018	5	40
Kline Galland Community Based Services	IHS.FS.60103742	King	2018	29	368
Memorial Home Care Services	IHS.FS.00000376	Yakima	2018	183	750
MultiCare Home Health, Hospice and Palliative Care	IHS.FS.60639376	King	2018	32	158
MultiCare Home Health, Hospice and Palliative Care	IHS.FS.60639377	Kitsap	2018	25	232
MultiCare Home Health, Hospice and Palliative Care	IHS.FS.60639378	Pierce	2018	177	867
Providence Hospice (Hospice of the Gorge)	IHS.FS.60201476	Klickitat	2018	4	18
Providence Hospice (Hospice of the Gorge)	IHS.FS.60201476	Skamania	2018	1	9
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	Island	2018	11	44
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	King	2018	none reported	none reported
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	Snohomish	2018	316	1772
Providence Hospice of Seattle	IHS.FS.00000336	King	2018	407	1959
Providence Hospice of Seattle	IHS.FS.00000336	Snohomish	2018	11	13
Providence SoundHomeCare and Hospice	IHS.FS.00000420	Lewis	2018	21	884
Providence SoundHomeCare and Hospice	IHS.FS.00000420	Mason	2018	10	117
Providence SoundHomeCare and Hospice	IHS.FS.00000420	Thurston	2018	90	663
Tri-Cities Chaplaincy	IHS.FS.00000456	Benton	2018	112	750
Tri-Cities Chaplaincy	IHS.FS.00000456	Franklin	2018	30	155
Walla Walla Community Hospice	IHS.FS.60480441	Columbia	2018	1	23

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Agency Name	License Number	County	Year	0-64	65+
Walla Walla Community Hospice	IHS.FS.60480441	Walla Walla	2018	24	227
Wesley Homes	IHS.FS.60276500	King	2018	29	368
Whatcom Hospice (Peacehealth)	IHS.FS.00000471	Whatcom	2018	117	770
IRREGULAR-COMMUNITY HOME HEALTH & HOSPICE	IHS.FS.00000262	Pacific	2018	0	1
IRREGULAR-MULTICARE	IHS.FS.60639376	Clallam	2018	0	1

Note: Kindred Hospice in Whitman and Spokane Counties did not respond to the department's survey. As a result, the averageof 2016 and 2017 data was used as a proxy for 2018.

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