



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

June 10, 2021

Joseph Scrivens, Chief Executive Officer  
Bethany of the Northwest  
1902 120<sup>th</sup> Place SE, Suite 201  
Everett, WA 98208

*Sent via email: Joseph Scrivens, [JosephS@bethanynw.org](mailto:JosephS@bethanynw.org)*

**RE: Certificate of Need Application #21-15 – Decision Letter**

Joseph Scrivens:

We have completed review of the Certificate of Need application submitted by Bethany Home Health LLC dba Bethany Home Health. The application proposes to expand its existing services to include Medicare and Medicaid-certified home health services to the residents of Snohomish County, within Washington State. Attached is a written evaluation of the application.

For the reasons stated in the attached decision, the application is consistent with the applicable criteria of the Certificate of Need Program, provided Bethany Home Health LLC dba Bethany Home Health agrees to the following in its entirety.

**Project Description:**

This Certificate of Need approves Bethany Home Health LLC dba Bethany Home Health to expand its existing services to include Medicare and Medicaid-certified home health services to the residents of Snohomish County, Washington from its office in Everett. Home Health services provided to Snohomish County residents include skilled nursing, physical, occupational, and speech therapies, medical social services, home health aide services, medical director services, respite care, and IV therapy. Services may be provided directly or under contract.

**Conditions:**

1. Approval of the project description as stated above. Bethany Home Health LLC dba Bethany Home Health further agrees that any change to the project as described in the project description is a new project that requires a new Certificate of Need.
2. Bethany Home Health LLC dba Bethany Home Health will obtain and maintain Medicare and Medicaid certification.

3. Prior to providing Medicare and Medicaid-certified home health services to Snohomish County residents, Bethany Home Health LLC dba Bethany Home Health will provide a listing of its credentialed staff to the Certificate of Need Program for review. The listing shall include each staff person's name and professional license number.
4. Prior to providing Medicare and Medicaid-certified home health services to Snohomish County residents, Bethany Home Health LLC dba Bethany Home Health will provide the Certificate of Need Program with final versions of its below listed policies. The final policies must be consistent with the drafts provided in the application.
  - In-service Education Policy and Procedure
  - Patient Education Policy and Procedure
  - Patient Satisfaction Survey Policy and Procedure
  - Quality Assessment & Improvement Plan Policy and Procedure
  - Charity Care Policy and Procedure
  - Patients Complaints and Grievances Policy and Procedure
  - Admission Policy and Procedure
  - Face to Face Encounter Policy and Procedure
5. The service area for this Medicare and Medicaid-certified home health agency is Snohomish County. Bethany Home Health LLC dba Bethany Home Health must provide home health services to the entire county for which this Certificate of Need is granted.

**Approved Costs:**

There is no capital expenditure associated with this project.

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

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

Email your response to the Certificate of Need Program at [FSLCON@doh.wa.gov](mailto:FSLCON@doh.wa.gov). If you have any questions or would like to arrange for a meeting to discuss our decision, please contact the Certificate of Need Program at (360) 236-2955.

Sincerely,



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

Attachment

**EVALUATION DATED JUNE 10, 2021 FOR CERTIFICATE OF NEED APPLICATIONS SUBMITTED BY:**

- **JOSEPHINE CARING COMMUNITY DBA JOSEPHINE AT HOME, PROPOSING A NEW AGENCY TO PROVIDE MEDICARE AND MEDICAID-CERTIFIED HOME HEALTH SERVICES TO RESIDENTS OF SNOHOMISH COUNTY AND CAMANO ISLAND.**
- **BETHANY HOME HEALTH LLC DBA BETHANY HOME HEALTH, PROPOSING TO EXPAND ITS CURRENT SERVICES TO INCLUDE MEDICARE AND MEDICAID-CERTIFIED HOME HEALTH SERVICES TO RESIDENTS OF SNOHOMISH COUNTY.**

**APPLICANT DESCRIPTIONS**

Josephine Caring Community dba Josephine At Home

Josephine At Home (JAH) is a non-profit organization and subsidiary of Josephine Caring Community<sup>1</sup> (JCC), a non-profit organization operating under the 501(c)(3) tax code. JCC and JAH are both currently owned and operated by the applicant, JCC. In August of 2017 both the Evangelical Lutheran Church of America and Josephine Sunset Home Inc. were absorbed into what is now known as Josephine Caring Community. Although still loosely affiliated, JCC and the Evangelical Lutheran Church of America are separate entities with no financial or decision-making ties. JCC has been operational since 1908 and is located at 9901 272<sup>nd</sup> Place Northwest, Stanwood, Washington [98292], within Snohomish County. JAH is a newly licensed<sup>2</sup> entity and will be located in JCC's existing facility where it currently offers assisted living, rehabilitation, skilled nursing, memory care, and childcare services. JCC's patients generally reside in Snohomish, Skagit, and Island counties. [Sources: Application, pp 2-3 and December 28, 2020 screening response, p2]

JCC's stated mission is "*Josephine is a caregiving community for all generations*" its vision is "*To be the community of choice where no one is left uncared for*" and its values "*Josephine, rooted in God's love, believes in: Excellence of care, All people are worthy of exceptional and compassionate care in mind, body, and spirit, A pioneering spirit and courage, Honoring our past while responding to changing needs and moving into the future, Responsible stewardship. Being proactive stewards of all possible resources, Leveraging them to ensure a sustainable future.*" [Source: JCC website, Who We Are]

For this application, Josephine Caring Community dba Josephine At Home is the applicant and will be referenced in this evaluation as "*JCC.*" Additionally, the proposed agency, Josephine At Home will be referenced in this evaluation as "*JAH.*" If a Certificate of Need is issued for this project, the department recognizes that the in-home service license could be issued to either JCC or JAH.

Bethany Home Health LLC dba Bethany Home Health

Bethany Home Health LLC (BHH) is a limited liability company and wholly-owned subsidiary of Bethany of the Northwest<sup>3</sup> (BNW), a non-profit organization operating under the 501(c)(3) tax code. BNW has been operational since 1901 and has several skilled nursing facilities in Everett Washington, within Snohomish County [98201 and 98208]. BNW also jointly owns<sup>4</sup> and solely operates Everett Transitional Care Services, also a skilled nursing facility. BHH is a newly licensed<sup>5</sup> entity and the agency's office will be located at 3202 Colby Avenue, Everett, Washington [98201], within Snohomish

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<sup>1</sup> JCC's Washington Secretary of State unified business identifier is 600-089-377

<sup>2</sup> JAH's Washington State Department of Health license number is IHS.FS.60923101

<sup>3</sup> BNW's Washington Secretary of State unified business identifier is 313-007-682

<sup>4</sup> Everett Transitional Care Services is also owned by Providence Regional Medical Center.

<sup>5</sup> BHH's Washington State Department of Health license number is IHS.FS.60966822

County. [Sources: Application p1 and p5, December 28, 2020 screening response, p1 and p9, BNW’s website, About Us, and Providence’s website, Everett Transitional Care Services]

BNW’s stated core values include:

- *“Integrity – Acting with honesty without compromising the truth*
- *Compassion: Caring for each person with dignity and respect.*
- *Respect: Honoring ourselves and those whom we serve.*
- *Excellence: Continually improving and striving to be the best.*
- *Stewardship: Using our talents and resources wisely.”* [Source: Application, p5]

BNW’s main webpage states,

*“Bethany delivers state-of-the-art multi-level supportive care and nursing services Residents are fully supported so they can experience a life of independence, dignity, and purpose Designed to meet the physical, spiritual, social, and psychological needs of elderly and disabled persons Most of our residents are vulnerable, low-income senior citizens that rely on Medicare/Medicaid for housing, food, and medical services. People look to Bethany for the kind of care they want for their loved ones.”* [Source: BNW website]

For this application, Bethany Home Health LLC is the applicant and will be referenced in this evaluation as “BHH.” Additionally, its affiliated parent, Bethany of the Northwest will be referenced in this evaluation as “BNW.”

## **PROJECT DESCRIPTIONS**

### Josephine Caring Community dba Josephine At Home

Josephine Caring Community dba Josephine At Home is proposing to establish an agency that will provide Medicare and Medicaid-certified home health services to the residents of Snohomish County and Camano Island. Although typically projects are not Certificate of Need-approved to operate in a partial county<sup>6</sup> the geography of Camano Island within Island County, relative to Snohomish County is unique. Camano Island’s only direct access to services is by State Route 532 (268<sup>th</sup> Street NW) through the city of Stanwood, in Snohomish County. JCC currently operates a care center in the city of Stanwood. This project proposes to operate its Medicare and Medicaid-certified home health agency from this same site, 9901 272<sup>nd</sup> Place NW, Stanwood, Washington [98292] within Snohomish County. [Source: Application, p5]

New services to be provided to Snohomish County and Camano Island residents include the full range of care defined by the Medicare home health conditions of participation. Including: skilled nursing care, physical, occupational, and speech therapies, medical social work, home health aide, medical director, respite, and IV therapy services. [Source: Application, p5]

Given that JCC already has offices located in Snohomish County, although providing different services, it expects no delays to expand Medicare and Medicaid-certified home health services. If approved, JCC would begin providing Medicare and Medicaid-certified home health services for Snohomish County and Camano Island residents shortly after Certificate of Need review is complete.<sup>7</sup> [Source: December 28, 2020, screening response, p3] For this project, full calendar year one is 2022 and year three is 2024.

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<sup>6</sup> Camano Island makes up a one zip code of Island County.

<sup>7</sup> April 1, 2021 is the commencement and completion date specified by the applicant, however, did not incorporate timing for a second screening when estimating this date.

The estimated capital expenditure for the project is \$5,200. Since this submission proposes to set up an office in an existing facility the costs are for movable office equipment. [Source: Application, p20]

Bethany Home Health LLC dba Bethany Home Health

BHH is proposing to expand the services to include Medicare and Medicaid-certified home health services to the residents of Snohomish County. BHH has affiliates that currently operate an assisted living facility,<sup>8</sup> and three nursing homes<sup>9</sup> all located in the city of Everett. This project proposes to operate its Medicare and Medicaid-certified home health agency out of offices located at, 3202 Colby Avenue, Everett, Washington [98201] within Snohomish County. [Sources: Application p3, p5, and p29, and December 28, 2020 screening response, p9]

Services to be provided to Snohomish County residents include the full range of care defined by the Medicare home health conditions of participation. Including but not limited to, skilled nursing care, physical, occupational, and speech therapies, medical social work, home health aide, medical director, respite, and IV therapy services. [Source: Application, p6]

Given that BHH is currently licensed as an in-home services agency and plans to submit its application to CMS for Medicare certification during the certificate of need review process, it expects no delays to expanding Medicare and Medicaid-certified home health services. If approved, BHH would begin providing Medicare and Medicaid-certified home health services for Snohomish County residents by January 1, 2022. [Source: Application, p7] For this project, full calendar year one is 2022 and year three is 2024

There is no capital expenditure associated with this project since BHH is not constructing or renovating any spaces nor acquiring any equipment<sup>10</sup> with a value of more than \$1,000. [Source: Application, p20]

**APPLICABILITY OF CERTIFICATE OF NEED LAW**

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

**EVALUATION CRITERIA**

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

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

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

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<sup>8</sup> Bethany at Silver Crest

<sup>9</sup> Bethany at Pacific, Bethany at Silver Lake, and Everett Transitional Care Services

<sup>10</sup> Equipment needed for the proposed project is listed on Application p7

## **TYPE OF REVIEW**

The Josephine Caring Community application was submitted on October 15, 2020, and on October 16, 2021 Bethany Home Health LLC dba Bethany Home Health submitted an application also proposing to provide Medicare and Medicaid-certified home health services to the residents of Snohomish County. Since both applicants proposed projects in the Snohomish County planning area, they were reviewed concurrently under the regular timeline outlined in WAC 246-310-160.

## **APPLICATION CHRONOLOGY**

<b>Action</b>	<b>JCC</b>	<b>BHH</b>
Letter of Intent Received	April 28, 2020	May 28, 2020
Application Received	October 15, 2020	October 16, 2020
Department's pre-review activities <ul style="list-style-type: none"><li>DOH 1<sup>st</sup> Screening Letter Sent</li><li>Applicant's Responses Received</li></ul>	November 9, 2020 December 28, 2020	November 9, 2020 December 28, 2020
<ul style="list-style-type: none"><li>DOH 2nd Screening Letter Sent</li><li>Applicant's Responses Received</li></ul>	January 19, 2021 January 25, 2021	January 19, 2021 March 5, 2021
Beginning of Review	March 12, 2021	
Public Hearing	None Requested or Conducted	
Public Comments Deadline	April 16, 2021	
Rebuttal Comments Deadline	April 26, 2021	
Department's Anticipated Decision Date	June 10, 2021	
Department's Actual Decision Date	June 10, 2021	

## **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). Under concurrent review, each applicant is an affected person for the other’s application. Although comment was provided by multiple organizations and individuals, no other entities sought affected person status. Only the applicants are considered affected persons.

## **SOURCE INFORMATION REVIEWED**

- JCC’s Certificate of Need application received October 15, 2020
- JCC’s first screening response received December 28, 2020
- JCC’s second screening response received January 25, 2021
- BHH’s Certificate of Need application received October 16, 2020
- BHH’s first screening response received December 28, 2020
- BHH’s second screening response received March 5, 2021
- 1987 Washington State Health Plan
- Office of Financial Management Population Data 2017
- Department of Health Integrated Licensing and Regulatory System database [ILRS]
- Licensing and/or survey data provided by the Department of Health’s Office of Health Systems Oversight
- Licensing data provided by the Medical Quality Assurance Commission, Nursing Quality Assurance Commission, and Health Systems Quality Assurance Office of Customer Service
- JCC’s website: <https://www.josephinecc.com/>
- BNW’s website: <https://bethanynw.org/>

- Providence's website:  
<https://phppd.providence.org/Intel/Facility/View/560707980571816?PlanName=>
- CMS QCOR Compliance website: [https://qcor.cms.gov/index\\_new.jsp](https://qcor.cms.gov/index_new.jsp)
- Department of Social and Health Services' Nursing Home Locator webpage:  
<https://fortress.wa.gov/dshs/adsaapps/lookup/NHAdvLookup.aspx>
- Department of Social and Health Services' Assisted Living Facility Locator webpage:  
<https://fortress.wa.gov/dshs/adsaapps/lookup/BHAdvLookup.aspx>
- Washington Secretary of State corporation data

## **CONCLUSIONS**

### **Josephine Caring Community dba Josephine At Home**

For the reasons stated in this evaluation, the application submitted by Josephine Caring Community dba Josephine At Home proposing to establish a Medicare and Medicaid-certified home health agency to serve the residents of Snohomish County and Camano Island, is consistent with applicable criteria of the Certificate of Need Program, provided Josephine Caring Community dba Josephine At Home agrees to the following in its entirety.

#### **Project Description:**

This Certificate of Need approves Josephine Caring Community dba Josephine At Home to establish a Medicare and Medicaid-certified home health agency in Stanwood to serve the residents of Snohomish County and Camano Island, Washington. Home Health services provided to Snohomish County and Camano Island residents include skilled nursing, physical, occupational, and speech therapies, medical social services, home health aide services, medical director services, respite care, and IV therapy. Services may be provided directly or under contract.

#### **Conditions:**

1. Approval of the project description as stated above. Josephine Caring Community dba Josephine At Home further agrees that any change to the project as described in the project description is a new project that requires a new Certificate of Need.
2. Josephine Caring Community dba Josephine At Home shall finance the project using the financing as described in the application.
3. Josephine Caring Community dba Josephine At Home will obtain and maintain Medicare and Medicaid certification.
4. Prior to providing Medicare and Medicaid-certified home health services to Snohomish County or Camano Island residents, Josephine Caring Community dba Josephine At Home will provide the Certificate of Need Program with a listing of its credentialed staff for review. The listing shall include each staff person's name and professional license number.
5. Prior to providing Medicare and Medicaid-certified home health services to Snohomish County or Camano Island residents, Josephine Caring Community dba Josephine At Home will provide the Certificate of Need Program with a final version of its Admissions Policy, which includes Referral and Nondiscrimination, as well as a final version of Charity Care Policy. Both which are consistent with the policy and documents provided as Exhibit 10 of the initial application.

6. The service area for this Medicare and Medicaid-certified home health agency is Snohomish County and the portion of Island County identified as Camano Island. Josephine Caring Community dba Josephine At Home must provide home health services to the entire area for which this Certificate of Need is granted.

Approved Costs:

The approved capital expenditure for the establishment of the Snohomish County and Camano Island home health agency is \$5,200, which includes office furniture and computer equipment.

**Bethany Home Health LLC dba Bethany Home Health**

For the reasons stated in this evaluation, the application submitted by Bethany Home Health LLC dba Bethany Home Health proposing to expand its existing services to include Medicare and Medicaid-certified home health services to the residents of Snohomish County, is consistent with applicable criteria of the Certificate of Need Program, provided Bethany Home Health LLC dba Bethany Home Health agrees to the following in its entirety.

Project Description:

This Certificate of Need approves Bethany Home Health LLC dba Bethany Home Health to expand its existing services to include Medicare and Medicaid-certified home health services to the residents of Snohomish County, Washington from its office in Everett. Home Health services provided to Snohomish County residents include skilled nursing, physical, occupational, and speech therapies, medical social services, home health aide services, medical director services, respite care, and IV therapy. Services may be provided directly or under contract.

Conditions:

1. Approval of the project description as stated above. Bethany Home Health LLC dba Bethany Home Health further agrees that any change to the project as described in the project description is a new project that requires a new Certificate of Need.
2. Bethany Home Health LLC dba Bethany Home Health will obtain and maintain Medicare and Medicaid certification.
3. Prior to providing Medicare and Medicaid-certified home health services to Snohomish County residents, Bethany Home Health LLC dba Bethany Home Health will provide a listing of its credentialed staff to the Certificate of Need Program for review. The listing shall include each staff person's name and professional license number.
4. Prior to providing Medicare and Medicaid-certified home health services to Snohomish County residents, Bethany Home Health LLC dba Bethany Home Health will provide the Certificate of Need Program with final versions of its below listed policies. The final policies must be consistent with the drafts provided in the application.
  - In-service Education Policy and Procedure
  - Patient Education Policy and Procedure
  - Patient Satisfaction Survey Policy and Procedure
  - Quality Assessment & Improvement Plan Policy and Procedure
  - Charity Care Policy and Procedure
  - Patients Complaints and Grievances Policy and Procedure
  - Admission Policy and Procedure
  - Face to Face Encounter Policy and Procedure

5. The service area for this Medicare and Medicaid-certified home health agency is Snohomish County. Bethany Home Health LLC dba Bethany Home Health must provide home health services to the entire county for which this Certificate of Need is granted.

Approved Costs:

There is no capital expenditure associated with this project.

**CRITERIA DETERMINATIONS**

**A. Need (WAC 246-310-210)**

Josephine Caring Community dba Josephine At Home

Based on the source information reviewed and agreement to the conditions identified in the conclusion section of this evaluation, the department determines that the Josephine Caring Community project **meets** the applicable need criteria in WAC 246-310-210.

Bethany Home Health LLC dba Bethany Home Health

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

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

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

**Home Health Numeric Methodology-1987 Washington State Health Plan (SHP)**

The SHP methodology is a five-step process outlined below that projects the number of home health agencies that will be needed in a planning area. [Source: SHP, pB-35]

Step one: Project the population of the planning area, broken down by age cohort

Age Cohort
0-64
65-79
80+

Step two: Project the number of home health patients

This is done by multiplying each projected population age cohort by its corresponding use rate identified in the SHP.

Age Cohort	Use Rate
0-64	0.005
65-79	0.044
80+	0.183

Step three: Project number of patient visits

This is done by multiplying each age cohorts' projected number of home health patients (calculated in the previous step) by its corresponding number of visits identified in the SHP.

Age Cohort	Use Rate	Visits
0-64	0.005	10
65-79	0.044	14
80+	0.183	21

Step four: Determine the projected home health agencies need

This is done by dividing the total projected number of visits by 10,000, which is the amount the SHP considers the “target minimum operating volume for a home health agency.” The resulting number represents the maximum projected number of agencies needed in a planning area. The SHP specifies that fractions are rounded down to the nearest whole number.

Step five: Subtract the existing number of home health agencies in a planning area

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

Josephine Caring Community dba Josephine At Home

JCC provided a numeric methodology based on the five steps identified in the SHP, the outcome is summarized in the following table. [Source: Application, pp11-13]

**Department’s Table 1  
JCC’s Numeric Need Methodology for Year 2023**

Estimated home health agency gross need	23.79
Subtract # of home health agencies in the supply	(10)
Net need for Medicare and Medicaid home health agencies	13.79
<b>Total net need</b>	<b>13</b>

As shown in the table, JCC estimates a net need for 13 home health agencies by the end of year 2023.

Public Comment

None

Rebuttal Comment

None

Department Evaluation

The department’s evaluation of both applicants’ numeric methodology is presented following the discussion of BHH’s project.

Bethany Home Health LLC dba Bethany Home Health

BHH provided a numeric methodology based on the five steps identified in the SHP, the outcome is summarized in the following table. [Source: Application, pp9-11]

**Department’s Table 2  
BHH’s Numeric Need Methodology for Year 2024**

Estimated home health agency gross need	22.91
Subtract # of home health agencies in the supply	(12)
Net need for Medicare and Medicaid home health agencies	10.91
<b>Total net need</b>	<b>10</b>

As shown in the table, BHH estimates a net need for ten home health agencies by the end of year 2024.

Public Comment

None

Rebuttal Comment

None

Department Evaluation of Numeric Need for the Snohomish County Home Health Projects

The SHP methodology is a five-step process that projects the number of home health visits in a planning area. This section outlines these steps and applies them to Snohomish County. [Source: SHP, pB-35]

Step one: Project the population of the planning area, broken down by age cohort

**Department’s Table 3**  
**Numeric Need Methodology for Snohomish County**  
**Step One – Project Planning Area Population by Age Cohort**

Age Cohort	2022	2023	2024
0-64	725,991	729,531	733,072
65-79	110,780	116,086	121,391
80+	27,956	29,410	30,863

[Source: OFM "Projections of the Population by Age and Sex for Growth Management, 2017 GMA Projections - Medium Series"]

Step two: Project the number of home health patients

This is done by multiplying each projected population age cohort by its corresponding use rate identified in the SHP.

**Department’s Table 4**  
**Numeric Need Methodology for Snohomish County**  
**Step Two – Projected Number of Home Health Patients**

Age Cohort	Use Rate	2022	2023	2024
0-64	0.005	3,629.95	3,647.66	3,665.36
65-79	0.044	4,874.34	5,107.77	5,341.20
80+	0.183	5,115.98	5,381.99	5,648.00

Step three: Project number of patient visits

This is done by multiplying each age cohorts’ projected number of home health patients (calculated in the previous step) by its corresponding number of visits identified in the SHP.

**Department’s Table 5**  
**Numeric Need Methodology for Snohomish County**  
**Step Three – Projected Number of Home Health Visits**

Age Cohort	Use Rate	Visits	2022	2023	2024
0-64	0.005	10	36,299.53	36,476.57	36,653.61
65-79	0.044	14	68,240.73	71,508.73	74,776.73
80+	0.183	21	107,435.68	113,021.86	118,608.05
<b>Totals</b>			<b>211,975.93</b>	<b>221,007.16</b>	<b>230,038.39</b>

Step four: Determine the projected home health agencies needed

This is done by dividing the total projected number of visits by 10,000, which is the amount the SHP considers the “*target minimum operating volume for a home health agency.*” The resulting number represents the maximum projected number of agencies needed in a planning area. The SHP specifies that fractions are rounded down to the nearest whole number.

**Department’s Table 6**  
**Numeric Need Methodology for Snohomish County**  
**Step Four – Projected Number of Home Health Agencies Needed**

Age Cohort	Use Rate	Visits	2022	2023	2024
0-64	0.005	10	36,299.53	36,476.57	36,653.61
65-79	0.044	14	68,240.73	71,508.73	74,776.73
80+	0.183	21	107,435.68	113,021.86	118,608.05
Totals			211,975.93	221,007.16	230,038.39
Target Minimum Operating Volume			10,000	10,000	10,000
Number of Agencies			21.20	22.10	23.00
<b>Number of Agencies Needed</b>			<b>21</b>	<b>22</b>	<b>23</b>

Step five: Subtract the existing number of home health agencies in a planning area

The fifth and final step in the numeric methodology is to subtract the existing number of home health agencies providing services to a planning area from the projected number of agencies needed. This results in the net number of agencies needed for the planning area. Following is a brief description of how the department determines what agencies should be included or excluded from the numeric need methodology’s supply.

Important to note is that the department adheres to the definition in the 1987 Washington State Health Plan (SHP) for a home health agency which states, “*Home health agency means an entity coordinating or providing the organized delivery of home health services. Home health services means the provision of nursing services along with at least one other therapeutic service or with a supervised home health aide service to ill or disabled persons in their residences on a part-time or intermittent basis, as approved by a physician.*” [Source: SHP, pB-34]

Several factors are used to determine whether an agency is appropriately considered part of the supply for any county. The first used by the department is its internal database.<sup>11</sup> At initial licensure, renewal, or through separate request, agencies are able to list or edit its service areas, number of home health employees, and services provided. Each of these are used to help determine if an agency is available and accessible to the entirety of Snohomish County residents.

The second factor is the Certificate of Need Program’s records on which agencies are Certificate of Need approved. Thus, Medicare and Medicaid-certified and available and accessible to all residents of a county.

Another factor in how the department determines the supply includes an agencies’ response to the department’s home health utilization survey. In 2019 and 2020, the department sent utilization

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<sup>11</sup> Integrated Licensing and Regulatory System (ILRS).

surveys to all home health agencies that were licensed. The survey requested historical admissions and visits for the preceding years, 2018 and 2019 respectively.

An additional factor used in this assessment is each agencies’ public website. First, is there a site that is verifiably linked to the licensee. Second, are services listed in line with the SHP discussed earlier. Then, is Snohomish County an area that the agency lists as available to serve.

The attached analysis in Appendix B lists which agencies are sufficiently available and accessible was used in order to determine which agencies were counted in the supply.

The department started with a listing of licensed in-home services agencies, which had 1,118 licenses. Next, the department eliminated any licenses that had a status of closed, denied licensure, expired, revoked, or suspended. This left 527 in-home services licenses with a status of active or pending.

Then, agencies that did not list on their state license, home health as an agency service category or that was not serving Snohomish County, was excluded. Next, applied the SHP definition of home health agency. Based on these factors 46 home health agencies remained.

The department’s findings on these 46 agencies are detailed as Appendix A attached to this evaluation, including the rationale outlining each agencies’ inclusion or exclusion from the supply for the numeric methodology for Snohomish County. A summary is in the following table.

**Department’s Table 7  
Summary of Determining the Existing Supply for Snohomish County**

Applicants	Two agencies are excluded on this basis.
Medicare and Medicaid-certified agencies	Six agencies are <i>counted</i> .
Website research shows services are limited to a special population or to only parts of Snohomish County	11 agencies are excluded on this basis, which includes one Medicare and Medicaid-certified agency, counted above.
Website research shows services exclude the agency from the SHP definition of a home health agency	11 agencies are excluded on this basis.
No recent surveys were submitted, or website located	Six agencies are excluded on this basis.
Agencies which submitted surveys	One agency included since both its two most recent surveys had Snohomish County admits.  Five agencies are excluded since surveys had either few or no Snohomish County admits.
Agencies with websites which had verifiably the appropriate services and service area	Two agencies included although no surveys were submitted in recent years, through its website the department could verify services and service area; additionally, the agencies’ license information demonstrated a plausible home health FTE to planning area ratio.

	Three agencies are excluded although through its website the department could verify services and service area, no recent surveys were submitted, and the agencies' license information demonstrated a home health FTE to planning area ratio with which it would be challenging to achieve the SHP's target minimum operating volume <sup>12</sup> and be available to the entirety of each county listed on its license.
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Exclusion of the 38 agencies listed in Appendix B results in eight remaining agencies. The following table shows the remaining eight licenses, all of which represent the existing supply of home health agencies serving the residents of Snohomish County.

**Department's Table 8  
The Existing Supply for Snohomish County**

Agency Name	WA DOH License Number
Avail Home Health	IHS.FS.00000231
Kindred at Home	IHS.FS.00000295
Assured Home Health	IHS.FS.60497952
Brookdale Home Health	IHS.FS.60532952
Eden Home Health	IHS.FS.60491681
Evergreen Health	IHS.FS.00000278
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418
Signature Healthcare at Home	IHS.FS.00000220

The next table includes a row with the number of existing agencies (eight) that are counted in the supply.

**Department's Table 9  
Numeric Need Methodology for Snohomish County  
Step Five – Subtract the Existing Supply**

Age Cohort	Use Rate	Visits	2022	2023	2024
0-64	0.005	10	36,299.53	36,476.57	36,653.61
65-79	0.044	14	68,240.73	71,508.73	74,776.73
80+	0.183	21	107,435.68	113,021.86	118,608.05
Totals			211,975.93	221,007.16	230,038.39
Target Minimum Operating Volume			10,000	10,000	10,000
Number of Agencies			21.20	22.10	23.00
Number of Gross Agencies Needed			21	22	23
Number of Existing Agencies			8	8	8
<b>Net Agencies Needed</b>			<b>13</b>	<b>14</b>	<b>15</b>

Both applicants submitted their applications in October of 2020. Both anticipate their first full year of services to be year 2022. Taking this timeline into consideration, time spent for this review, and the completed utilization data, the department's methodology base year is 2021; projected year is 2024.

<sup>12</sup> 10,000 home health agency visits is considered the target minimum operating volume for a home health agency by the 1987 SHP.

The following table is a summary of the factors used in the department’s numeric home health methodology for Snohomish County.

**Department’s Table 10  
Department’s Numeric Methodology Assumptions and Data**

<b>Assumption</b>	<b>Data Used</b>
Planning Area	Snohomish County
Population Estimates and Forecasts	Age Group: 0 – 85+ OFM Population Data released year 2017, medium series: Projected Year 2024 – 885,326
Utilization by Age Cohort	Age 0-64 = 0.005 Age 65 – 79 = 0.044 Age 80+ = 0.183
Number of Visits by Age Cohort	Age 0-64 = 10 visits Age 65 – 79 = 14 visits Age 80+ = 21 visits
Existing Number of Providers	Eight providers based on the attached analysis

A summary of the department’s numeric methodology is presented in the following table. The methodology and supporting data are provided as Appendix B attached to this evaluation.

**Department’s Table 11  
Summary of Department of Health  
Snohomish County Home Health Need Projection**

	<b>2022</b>	<b>2023</b>	<b>2024</b>
Total Number of Patient Visits	211,975.93	221,007.16	230,038.39
Divided by 10,000	21.20	22.10	23.00
Rounded Down	21	22	23
Existing Number of Agencies	8	8	8
<b>Net Need</b>	<b>13</b>	<b>14</b>	<b>15</b>

As shown in the preceding table, need for an additional 15 home health providers is projected in projection year 2024. Based solely on the numeric methodology, need for additional home health agencies is demonstrated.

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

Josephine Caring Community dba Josephine At Home

JCC provided the following statements related to this sub-criterion.

*“Home health services are required to be provided in accordance with Medicare Home Health Conditions of Participation, which include ensuring initial assessments are performed either within 48 hours of referral, or within 48 hours of the patient's return home, or on the physician-ordered start of care date. Medicare certified home health agencies can monitor their individual timeliness through OASIS data, unfortunately this information is not currently publicly reported. However, in*

*Home Health it is important to note that these results may be impacted by COVID-19 in 2020 and beyond due to new changes to the in-home services landscape.*

Table 13. Timeliness of Care 2018

	2018 Speed of Admissions from Hospital Discharge to Home Health Agency (Medicare FFS)		
	0-1 Days	0-2 Days	0-3 Days
National Average	56%	78%	87%
Washington State Average	27%	53%	70%

Source: 2019 Providence Home Health & Services-Oregon d/b/a CN Application (Berg Data Solutions)

*While there is evidence that some existing home health agencies in Snohomish County may provide timely care, the net need of 13 home health agencies analyzed that the available data may not be an accurate reflection in regards to patient access. The rationale being that with a net need as great as 13 agencies it would be assumed that timeliness of care, along with access, is an active challenge within Snohomish County. Serving patients in rural Snohomish County is a barrier to care, a point that Josephine At Home has familiarity with in relation to our skilled nursing facility and timely referrals. Some patients decline care, or are forced to move, in order to receive necessary healthcare as they age. Recruiting skilled staff in rural areas so that they may serve those same rural community members is a key objective for Josephine At Home.” [Source: Application, p18]*

*“In examination of services being offered by existing providers, there are some agencies offering components of what JAH proposes. JAH stands apart in our ability to provide these components all under one service line umbrella. The differences are found in JAH’s proposal to offer more comprehensive services than those of existing providers as evidenced by the decades of JCC commitment to care for our county’s Medicaid and low-income population, rural population, provision of the continuum of care through our multiple JCC service lines, and in providing remote patient monitoring as a standard of care offered to all home health eligible patients. JAH is also committed to hiring a diverse workforce. JAH places high value on having our patients see themselves represented in those who are providing their care.” [Source: December 28, 2020, screening response, p3]*

*“Due to the current pandemic, Josephine At Home is anticipating that a number of persons will prefer to receive some of their home health services via telehealth. Josephine At Home’s electronic medical record (EMR) software and use of encrypted HIPAA compliant hardware, software and mobile devices will allow Josephine At Home to provide telehealth services. The convergence of COVID-19 and seasonal flu is anticipated to impact physician referrals to home health as the homebound eligibility definition has been revised. The revision expands the homebound eligibility to include those patients that have, ‘a confirmed or suspected COVID-19 diagnosis or if the patient has a condition that makes them more susceptible to contract COVID-19.’ Source: Centers for Medicare & Medicaid Services (CMS)*

*Below are Josephine Caring Communities current referral resources that Josephine At Home intends to maintain, and expand, upon.” [Source: Application, p15]*

## *Applicant's Listing of Referrals*

Table 11. Expected Referral Sources

Referral Sources
Cascade Valley Hospital
Evergreen Hospital
Harborview
Island Hospital
Kindred Hospital
Multicare Tacoma
Northwest Hospital
Overlake Hospital
Providence Hospital Everett
Skagit Valley Hospital
St. Joseph Medical Center
Swedish Medical Center
United General Hospital
University of Washington Hospital
Physician Practices
Clinics
Assisted Living Facilities
Community
Family and Caregivers

[Source: Application, p15]

When asked about numeric need for Camano Island, JCC provided the following statement. [Source: December 28, 2020, screening response, p4]

*“While Camano Island is part of Island County, it falls under the 1987 State Health Plan’s ‘regional’ service area. While addressing need by utilizing the SHP methodology, it was found to be challenging to parse out Camano Island data from Island County. When calculating need for Snohomish County, the need was so great that it was proposed to the department in a technical assistance meeting to only utilize Snohomish County data in the methodology with the understanding that home health services would be provided to the entire SHP defined ‘region.’ It should also be noted that the project’s potential revenue from Camano Island will not be a deciding financial factor. The inclusion of serving Camano Island will, instead ensure continuity of care for residents of Camano Island.”*

Additionally, when asked about existing barriers to home health services JCC provided the following related response. [Source: December 28, 2020, screening response, p4]

*“Skilled nursing diversion (SNF diversion) is a trend that has been recognized nationally over the past decade. Just as the trend was escalating, COVID-19 struck the nation and the trend expanded exponentially. The expansion was so rapid that both Evergreen Home Health and Providence Home Health Everett had to hold community admissions for home health services in Snohomish County. While this shift in providing care in the patient’s home has been steadily growing, there is now a demand that outweighs home health agencies. New CMS criteria to meet home health eligibility has also added to this expansion. But most importantly, the evidence that has always supported home health service positive outcomes is now being recognized. Home health services provide improved patient outcomes over extended hospital stays and discharges to skilled nursing or directly home, 60-70% cost savings over hospitals and skilled nursing and high patient satisfaction. CMS launched the new value driven reimbursement model this past January 2020, and with the demand by patients and providers, and availability and access of home health agencies, there’s high need to align for sustainability and patient defined positive outcomes.”*

### Public Comment

The following persons provided comment related to this sub-criterion. Included here are excerpts specific to accessing home health services for Snohomish and Island County residents.

#### Candyce Sylling, Member of the Board, Josephine Caring Community, Island County Resident

*“Josephine’s vision of being the community of choice where no one is left uncared for would be further enhanced by the creation of Home Health. Home Health care is in high demand and Josephine would like to help meet that demand by providing quality home health services.”*

#### Steve Rakes, Island County Resident

*“Home Health is in extremely high demand from patients and their families and there’s a need that outpaces the available Home Health agencies. We personally have a 94 year old neighbor that refuses to leave his home, so the home health care is vital.*

*I’m a resident of Island County and want to ensure that there’s enough services available for the entire area.”*

### Rebuttal Comment

None

### Department Evaluation

JCC is proposing its agency would be located in space within an existing assisted living facility it currently operates, located in Stanwood, within Snohomish County. JCC has current referral resources which it states JAH intends to expand. These sources include area hospitals, private practices and clinics, assisted living facilities, and the community at large. JCC states that there is some overlap in proposed services and those currently provided by existing agencies, however what sets this proposed project apart is the continuity of care JCC can offer by having multiple service lines offered under one umbrella. JCC additionally notes that new CMS criteria for home health eligibility has also escalated need for services. The public comment received for JCC on this topic is in support of the project; and reinforces the same assertions made by this application. If its application is approved, JCC would be required to be available to all residents of Snohomish County and the Island County portion of Camano Island.

Typically, the department reviews the number of home health visits by agencies counted in the supply against the projected number of visits to further assess availability and accessibility. Historical visit information is only available to the department through its use of annual surveys. Since there was a very limited number of completed surveys returned in recent years, even by CN-approved agencies, the department did not conduct this analysis for this project. Rather, the department takes into consideration the complete lack of public comments that oppose the addition of a new provider to the Snohomish County and Camano Island.

The department concludes that the numeric methodology supports need for additional home health agencies in Snohomish County. Additionally, due to the unique geographic location and sparse population of Camano Island relative to Island County (the county in which it is located) and Snohomish County to which it is geographically connected, in addition to the lack of comment from any of Island County’s current home health providers, the department finds that the additional services could only benefit the residents of Camano Island. The numeric methodology and preceding analysis demonstrate that the applicant could be approved. JCC provided a reasonable rationale for

its project. Based on the information received, the department concludes that JCC demonstrated need for its proposed project and **meets this sub-criterion.**

Bethany Home Health LLC dba Bethany Home Health

BHH provided the following statements related to this sub-criterion.

*“Snohomish County’s existing home health providers offer high quality care. However, we are increasingly aware that at least several are increasingly at capacity and are limiting or delaying new admissions.*

*Home health benefits patients and their families by supporting recovery from an injury or illness in the comfort of home and in familiar surroundings. Patients recuperating at home with the support of home health services recover faster as family and friends can play a vital role in the recovery process and mental well-being. Home health provides older patients with an enhanced sense of independence and control over their lives.*

*Home Health, in part due to an aging population and a rise in chronic conditions, coupled with a growing belief among policymakers, providers and patients that the home is the ideal care setting for post- acute care and that home health care can play a vital role in a value-based system, has resulted in demand for home health increasing at a faster rate than for many other services. Data from the U.S. Bureau of Labor Statistics demonstrates that through 2026, the projected growth of jobs in health-care settings overall is at 18 percent, with the demand for home health and personal care far outpacing the overall sector growth, with an increase of 41 percent.*

*With hospitals now being penalized by CMS for readmissions occurring within 30 days of discharge, hospitals, payers and Accountable Care Organizations (ACOs) are all actively attempting to develop a right-sized array of quality resources to ensure that appropriate and high quality post-discharge options are readily available. Given that the CN methodology for estimating home health demand pre-dates, by decades, health care reform efforts, we believe that the real need in Snohomish is in excess of that estimated by the CN methodology.*

*Importantly, recent data support the increasing role home health care will play in a reformed, value-based system, stating that: ‘The future of health care delivery hinges on the ability of payers and providers to leverage the spectrum of home-based care, with Medicare skilled home health as a formidable linchpin in that spectrum.’ This supports an earlier report by the Joint Commission that found home health as: ‘the place we need to go to make all this happen – it’s an opportunity to be the driver of where the system is going...in partnership with hospital, physicians, and other providers.’ This same report also found that ‘Home health organizations will be a linchpin’ for the Department of Health and Human Services’ National Healthcare Quality Strategy and Plan.*

*Home health is a pivotal component of the health care system, and without sufficient and accessible home health resources in the community, Snohomish County will not be equipped for success as the health care environment continues to evolve from volume to value.*

*Bethany is fully committed to ensuring that a full continuum of high-quality care is available and accessible to our patients and to our community.” [Source: Application, pp12-13]*

*“As with Bethany of the Northwest’s other services, we expect that a majority of Bethany Health’s patients and families will specifically choose Bethany due to:*

- a. *An established relationship of trust in Bethany's services; and*
- b. *Our emphasis on the highest quality of care.*

*Bethany of the Northwest already provides skilled nursing, transitional care and assisted living services to predominantly elderly individuals and their families through our other programs. These patients and families have established a trusting relationship with Bethany, and tell us regularly how hesitant they are to switch from Bethany to another provider for home health services. With the addition of home health to its continuum of care, Bethany will be able to provide these patients with continuity of care back to home. In an average month, Bethany attempts 70 home health referrals from our three SNFs, and an increasing number experience delays with initiation of home health and/or a delay in discharge. We conservatively expect the number being referred to home health will be consistent going forward, or, more likely, will increase somewhat. Given the clinical profile of patients being discharged, we expect that the majority of our patients will have rehabilitation/physical therapy needs.*

*A significant percentage will also have specialty nursing care needs such as wound care, diabetes management and medication follow-up and monitoring, and a smaller but significant group will also have occupational and speech therapy needs. Our staffing and plans of care will be designed for each individual patient and will be very flexible to be able to meet the full range of care needs for each patient.” [Source: Application, p14]*

Additionally, when asked about existing providers of home health services, BHH provided the following response. [Source: Application, p16]

*“There are seven (7) CN Approved and Medicare certified/Medicaid eligible home health agencies serving Snohomish County, including Kaiser, which only serves its members (estimated at 12-14% of Snohomish County's insured). This results in six (5) agencies that Bethany considers to be ‘similar’ in that they are generally available and accessible to the population to be served by Bethany. Past CN decisions also excluded Kaiser from supply.*

*In addition to Medicare certified/Medicaid eligible agencies, it has been the CN Program's practice in recent years to include some or all of the licensed only agency capacity (those agencies that hold an in-home services state license but are not CN approved to provide Medicare services). While Bethany believes that no licensed only agency is comparable to Medicare certified/Medicaid eligible, we did review recent CN decisions and the most recent CN methodology to understand which of the licensed only agencies the CN Program counted in supply and the criteria used in making those decisions.*

*The Department's 2019 home health methodology identified 35 agencies that were licensed in Washington and identified Snohomish County in their service area. Bethany used criteria similar to those the CN program used in past decisions and included in the supply only those licensed-only home health agencies that comply with the Medicare home health definition. This definition requires very specific services to be provided including, at a minimum, skilled nursing, and therapeutic services. A list of the licensed only home health agencies compliant with the Medicare home health definition, and for the purposes of this application, counted in supply, are also included in Table 11.*

*Using the CN program's criteria and previous decisions, Bethany is ‘counting’ in supply a total of 11 agencies, leaving a need for an additional 11 agencies in Snohomish County.”*

## Public Comments

The following entities provided comments related to this sub-criterion. Included here are excerpts specific to accessing home health services for Snohomish County residents.

### Pastor Deb Mach, Holy Cross Lutheran Church

*“Holy Cross Lutheran Church has been part of the Lake Stevens community and surrounding area since 1983...*

*Lake Stevens is a rapidly growing community in Snohomish County, and our congregation has grown and aged along with the larger community. Snohomish County is blessed in that it is home to a number of quality health care providers, but I hear regularly from congregants that Medicare and Medicaid home health services are increasingly harder to access.”*

### Susan Tiu, MD, the Everett Clinic and Member of Bethany of The Northwest Operating Board

*“As a geriatrician my goal is always to prevent or lessen the burden of disability frailty and chronic conditions on patients and their families/caregivers, and to maximize each patient's functional independence. My patients commonly have multiple chronic health issues. The National Council on Aging reports that 80% of older adults have at least one chronic disease, and 68% have at least two.*

*With this letter, I offer my insights into the need for more home health service in Snohomish County and lend my full support to Bethany 's certificate of need application to establish a new home health agency in the County. Timely access to Medicare certified home health services is extremely important. While I do not have comprehensive data, I do know that over the past few years that delays in discharge have increased from the Extended Care Program because we often cannot get home health initiated timely.*

*I have also reviewed the Bethany CN application and know that the Department's home health projection methodology suggests that the County will need up to 10 more home health agencies in the next few years. Bethany of the Northwest is at the forefront in innovations to support healthy aging and to reduce the demand and need for long-term care. Home Health will support its innovation and care continuum, but more importantly, it will address significant community need.”*

### Isaiah N. Kombol, MSW, Director of Social Services, Bethany at Silver Lake

*“While we have excellent relationships with high quality home health care providers in the county, we do agree with the results of the Program's home health projection methodology which identified need for a number of new agencies in the County. We have specifically experienced the following challenges leading to delayed admissions or start dates for services post-discharge from the SNF and/or patients not having access to the provider of their choice:*

- *Certain home health agencies limit the number of particular insurance referrals which they take at a given time.*
- *A number of home health agencies have limited availability for services such as RN/ wound care, and are unable to assist with daily wound care needs.*
- *Families and residents have expressed concerns about delayed starts by home health agencies once discharged from our SNF.*
- *Concerns have also been expressed by families and residents about home health providers often being late for scheduled appointments.*

- *Many home health agencies do not consistently notify the SNF/social workers if the resident's primary care physician does not agree to follow patients for home health. This causes potential for unsafe discharge and potential citations for SNF.*
- *Some agencies have geographic limitations on what patients they will accept. We have had some residents who reside in rural areas where most or all agencies don't service.*

*Each of these challenges can have negative impacts to timely referrals and services resulting in lower patient satisfaction, increased costs, and decreased outcomes. An additional home health agency in Snohomish County will greatly alleviate these impacts.”*

Pastors David Parks and Deborah Squires, Our Savior’s Lutheran Church

*“Our Savior's Lutheran Church has been part of the Snohomish County community for more than 125 years...*

*As Pastors, we are often acutely aware of the needs of our congregation and see the challenges they face when trying to find care for their loved ones as they age, are faced with disability or are recovering from significant health challenges. We routinely hear about their struggles in finding timely, supportive, and trusting care for their loved ones in need of home health services to ensure their safety and well-being. It is clear to us that our population needs more providers able to meet these needs now, and we only expect this need to increase as our population continues to grow and age.”*

Pastor Tom Rohde, Good Shepherd Lutheran Church at Swan’s Trail

*“I am the Pastor of Good Shepherd Lutheran Church at Swan's Trail in the City of Snohomish. Our church has a long history of ministry in our location...*

*Being located in the City of Snohomish, where over 30% of the population is over 65 and nearly 10% of households are people over 65 living alone, means our congregation reflects this makeup. Many of our members are daily faced with challenges related to aging, managing chronic conditions, and ensuring safety at home, especially when recovering from illness or injury. We have heard more often over the last several years frustration when our members or their family members can't get access to home health services in a timely manner.”*

Laurie Tate, Administrator, Bethany @ Silver Crest

*“Bethany at Silver Crest is an assisted living located in Everett, we consist of 54 apartments. Bethany of the NW has serviced our community for over 100 years...*

*Unfortunately, in our experience when our residents are recommended to receive home health there may be or can be weeks before they may be seen for therapies. We have been turned away from certain companies because they are just not able to keep up with the demand. Certain companies may only accept certain insurances in their admission process or may only accept particular insurance categories. Some companies do not service certain areas.*

*For example, we had a resident move into our facility on March 31,2021 with the recommendation of home health. We called the home health agency the day she moved in and just received a phone call back from them on April 14th,2021. They are hoping they can fit her into their schedule by the 19th of April 2021.*

*A shortage of home health agencies and providers, can also result in late or canceled visits and appointment and delays in care once residents are home, impacting restoration of function.*

*The impact on our residents with the delay in home health services can be detrimental to their physical and mental health.*

*... The existing providers provide quality service, but simply cannot keep up with demand.”*

Jody Carona, Health Facilities Planning & Development (HFPD)

*“HFPD has reviewed both applications and screening responses. We have applied the Program’s home health agency need methodology and agree that there is need for both proposed agencies. I also note that both applicants are supportive of each other’s projects, respect each other’s current role in the community, and have indicated an intent to work together to address the current unmet need in the County. This should be commended.”*

Rebuttal

None

Department Evaluation

BHH is proposing its agency would operate out of offices rented from its parent, BNW; located in Everett. BHH anticipates referrals from its affiliated skilled nursing and assisted living facilities. BHH also notes that this pattern of referrals to home health will at least be consistent or more likely continue to grow going forward. This is anticipated due to several factors. One, that with penalties from CMS for readmissions occurring within 30 days of discharge, there is a change in post-acute referral patterns which has led to a growing use of home health services. Another, that although BHH contends the methodology anticipates significant need, the methodology does not truly reflect the need that providers are seeing. Also, that BHH anticipates its existing relationship with patients and community reputation will lead to significant referrals. Lastly, that home health is a pivotal component of the system’s success which is beginning to be recognized. The public comments received for BHH and BNW on this topic were all in support of the proposed project; and reinforced the same assertions made by the applicant. If its application is approved, BHH would be required to be available to all residents of the county.

Typically, the department reviews the number of home health visits by agencies counted in the supply against the projected number of visits to further assess availability and accessibility. Historical visits information is only available to the department through its use of annual surveys. Since there was a very limited number of completed surveys returned in recent years, even by CN-approved agencies, the department did not conduct this analysis for this project. Rather, the department takes into consideration the complete lack of public comments that oppose the addition of a new provider to the county.

The department concludes that the numeric methodology supports need for additional home health agencies in Snohomish County. The numeric methodology and preceding analysis demonstrate that the applicant could be approved. BHH provided a reasonable rationale for its project. Based on the information received, the department concludes that BHH demonstrated need for its proposed project and **meets this sub-criterion.**

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

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

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

Medicare certification is a measure of an applicant's willingness to serve the elderly. With limited exceptions, Medicare is coverage for individuals age 65 and over. It is also well recognized that women live longer than men and therefore more likely to be on Medicare longer.

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

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

Josephine Caring Community dba Josephine At Home

JCC provided copies of the following draft policies. Although its affiliate has similar policies, these were specifically developed for the new home health service proposed in the JAH project. [Source: Application, Exhibit 10; December 28, 2020, screening response, p16]

- Admissions Policy, includes Referral and Nondiscrimination – draft
- Charity Care Policy – draft

JCC also provided the following statements related to this sub-criterion.

*“Josephine At Home is a new Agency and not receiving reimbursement for services under Medicare and Medicaid. However, Josephine Caring Community does receive reimbursement for their inpatient skilled services under Titles XVIII and XIX of the Social Security Act*

*The Suites Senior Living also receives Medicaid Funding for clients who qualify for home and community services through Washington State Medicaid program.”* [Source: Application, p3]

*“Josephine Caring Community has been serving Snohomish County and Camano Island for 112 years. Our commitment to serving those most vulnerable is supported in our commitment to Medicaid patients, our significant charity care and our formal non-discrimination policies that document our mission in serving the entirety of Snohomish County regardless of race, religion, disability, gender or income.”* [Source: Application, p19]

JCC currently provides healthcare services through its existing facility, including assisted living, rehabilitation, skilled nursing, memory care, and childcare services and submitted its projected sources of revenue (which includes Medicare and Medicaid) by payer for its proposed home health agency which will also serve the residents of Snohomish County and Camano Island. Following is a related statement and the projected payer mix for the proposed agency.

*“Due the difficulty in splicing data for Camano Island, the data was consolidated. The need for Snohomish County is high for CN approved home health agencies. After a TA meeting on 9/16 with DOH analyst Jeni Kido discussing data retrieval challenges for Camano Island, it was decided by Josephine At Home that pursuing Camano Island specific data was ineffective with Snohomish County data supporting a robust need methodology result.”* [Source: December 28, 2020, screening response, p8]

**Department’s Table 12  
Josephine At Home’s Projected Payer Mix**

<b>Revenue Source</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
Medicare	93.5%	94.7%	95.6%	95.9%
Medicaid	0.1%	0.1%	0.1%	0.1%
Commercial	5.5%	4.3%	3.7%	3.5%
Charity Care	0.3%	0.2%	0.2%	0.2%
Self-Pay	0.6%	0.7%	0.5%	0.4%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.1%</b>	<b>100.1%</b>

[Source: January 25, 2021, screening response document 2 of 3, Excel spreadsheet]

JCC provided the following statement related to its projections.

*“In 2021 we had a 60/40 Medicare to non-Medicare mix. For 2022-2024, we are expecting to increase our capture rate for Medicare traditional from 60% in 2021 to 70% in 2024. In 2022 we had a 65% capture rate, in 2023 and 2024 we increased to 70%.”* [Source: December 28, 2020, screening response, p8]

*“There will be no change in operations. As the 65+ population ages, the traditional Medicare population will also grow. Our capture rate will accommodate this same growth and we anticipate this will increase Josephine’s capture rate to 70% by 2023 and continue into 2024.”* [Source: January 25, 2021, screening response, p2]

Public Comment

None

Rebuttal Comments

None

Department Evaluation

JCC has been providing post-acute services to the residents of several Washington State counties through its existing facility for many years. Healthcare services have been available to low-income, racial and ethnic minorities, handicapped and other underserved groups.

The draft Admissions Policy describes the policy’s objective, criteria for admission, referral and admission process, nondiscrimination policy, and provides contacts to file a complaint. The Nondiscrimination section of the Admissions Policy includes language to ensure all patients would be admitted for treatment without discrimination. The policy states:

*“Consistent with the Josephine Caring Community’s Mission and Values, it is the policy of Josephine At Home to not discriminate against, exclude or treat differently any individuals accessing any Josephine At Home Program or Activity on any basis prohibited by local, state or federal laws, including but not limited to on the basis of race, color, national origin, age, disability, handicap, gender, gender identity, sexual orientation, or as those terms are defined under federal law and rules. Where applicable, federal statutory protections for religious freedom and conscience are applied. It is also Josephine At Home’s policy to provide aids and language assistance services to individuals with a disability, handicap, or limited English proficiency who are accessing a Josephine At Home Program or Activity. Such services may include providing qualified bilingual/multilingual staff, qualified interpreters, and qualified translators.”*

JCC anticipates through its projection period JAH’s Medicare revenues will average 94.9% of total revenues; Medicaid 0.1% of total revenues; while commercial, self-pay, and charity care will average 5.0% of total revenues. JCC also provided a sound rationale for why these figures change slightly in projection years; as well as pro forma financial statements which show each of these revenues are anticipated in projections.

JCC also provided a copy of its draft Charity Care Policy which will be used at its proposed agency. The policy states its objective; and provides the requirements and circumstances for a patient to qualify for charity care. The pro forma financial statements provided by JCC, also include charity care as a deduction of revenue.

After reviewing the information provided, the department concludes that a condition is necessary to ensure the agency’s draft policies are implemented at the new agency. The department concludes that the JCC project, with written agreement to the condition in the conclusion section of this evaluation, **meets this sub-criterion.**

#### Bethany Home Health LLC dba Bethany Home Health

BHH provided copies of the following draft policies, none are currently in use as they were developed specifically for home health services. [Sources: Application, Exhibit 6 and December 28, 2020, screening response, Attachment 4]

- In-service Education Policy and Procedure
- Patient Education Policy and Procedure
- Patient Satisfaction Survey Policy and Procedure
- Quality Assessment & Improvement Plan Policy and Procedure
- Charity Care Policy and Procedure
- Patients Complaints and Grievances Policy and Procedure
- Admission Policy and Procedure
- Face to Face Encounter Policy and Procedure

BHH provided the following clarification related to its Admission Policy. [Source: March 5, 2021, screening response, p3]

*“Home care is inclusive of home health in this policy, and Bethany, as the current holder of an in-home service license to provide services under the home health service category, is well is aware that home health services are distinctly different than home care services.”*

BHH also provided the following statements related to this sub-criterion.

*“Bethany is not currently reimbursed for services under Medicare and Medicaid. Its parent, Bethany of the Northwest’s existing nursing homes are Medicare certified and have Medicaid contracts, and its assisted living facility holds a Medicaid contract. Bethany will seek reimbursement for services under Titles XVIII and XIX of the Social Security Act upon certificate of need approval.”* [Source: Application, p3]

*“Bethany of the Northwest has a long and proven history of accepting all patients in need regardless of race, religion, disability, sex, or income.”* [Source: Application, p19]

*“Bethany recently established an in-home services agency in Snohomish County with a home health service category that became licensed in July 2020. Bethany’s parent, Bethany of the Northwest was first established in 1901 as a college and became a home for the aged in 1931. Bethany is now the fourth largest not for profit long-term care provider in the State of Washington. Bethany’s three Everett locations provide skilled nursing care, sub-acute nursing, and assisted living.”* [Source: Application, p29]

BHH affiliates currently provide Medicare and Medicaid-certified services to Snohomish County residents through its existing post-acute facilities and submitted its projected sources of revenue (which includes Medicare and Medicaid) by payer for its proposed home health agency. Following is the projected payer mix for the Snohomish County agency. [Sources: Application, p3 and December 28, 2020, screening response, p1]

**Department’s Table 13  
BHH’s Projected Payer Mix**

<b>Revenue Source</b>	<b>Percent</b>
Medicare	65%
Medicaid	12%
Commercial	20%
Self-Pay/Government	3%
<b>Total</b>	<b>100%</b>

BHH also provided the following statements related to its projections.

*“Estimated sources of revenue for the first three full years are detailed in Table 12.”* [Source: Application, p22]

*“The commercial and other category includes commercial insurance, self-pay and other government (i.e. VA, L&I).”* [Source: December 28, 2020, screening response, p1]

Public Comment

The following entity provided comment related to this sub-criterion. Included here is an excerpt specific to Bethany’s services.

Isaiah N. Kombol, MSW, Director of Social Services, Bethany at Silver Lake

*“...In addition, I know from my direct experience working in a Bethany facility, that their commitment to serving all patients and designing programs to be accessible to all will mean that many of the current referral, coordination and access issues we face will be resolved through the approval of a Bethany agency.”*

## Rebuttal Comments

None

## Department Evaluation

BHH affiliates have been providing Medicare and Medicaid-certified post-acute services to the residents of Snohomish County for many years. Healthcare services have been available to low-income, racial and ethnic minorities, handicapped and other underserved groups.

The Admission Policy and Procedure describes the process and criteria BHH would use to admit a patient. The Admissions Policy and Procedure includes language to ensure all patients would be admitted for treatment without discrimination. The policy states: *“The Agency will evaluate each individual for the appropriateness of admission without regard to race, age, color, creed, sex, national origin, ancestry, religion, handicap, disability, marital status, or sexual preference.”* In addition to this public comment from a Director of the applicant’s affiliate adds confidence that this project will contribute to increased access to services and patient choice.

BHH anticipates its Snohomish County agency’s Medicare revenues to be 65% of total revenues; Medicaid 12% of total revenues; and commercial, self-pay, and other government to be 23% of total revenues. BHH also provided pro forma financial statements that show each of these revenues are anticipated in projections. BHH does not expect these amounts to change through the projection period.

BHH also provided a copy of its draft Charity Care Policy and Procedure that will be used at the new agency. The policy provides the circumstances that a patient may be eligible for charity care, the process to apply for charity care, and how to appeal a charity care determination. The pro forma financial statements provided by BHH also include charity care as a deduction of revenue. The Policy includes the following language to ensure all patients would be admitted for treatment without discrimination.

### **“Policy Statement:**

*It is the policy of Bethany Home Health LLC to provide services to all patients regardless of ability to pay...*

### **Purpose:**

*To provide medically necessary home health care at a discounted rate or at no cost to patients or their representative, when adequate income or assets are not available to pay for home health services. Bethany Home Health will provide charity care consistent with the following procedure. Bethany Home Health will not deny medically necessary care to any patients based on their ability to pay, national origin, age, physical disabilities, race, color, sex, or religion”*

After reviewing the information provided during the review of this project, the department concludes that a condition is necessary to ensure the agency’s draft policies are implemented at the new agency. The department concludes that the BHH project, with written agreement to the condition in the conclusion section of this evaluation, **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

The criteria under WAC 246-310-210(3), (4), and (5) do not apply to these applications.

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

### Josephine Caring Community dba Josephine At Home

Based on the source information reviewed and agreement to the conditions identified in the conclusion section of this evaluation, the department determines that the Josephine Caring Community project **meets** the applicable financial feasibility criteria in WAC 246-310-220.

### Bethany Home Health LLC dba Bethany Home Health

Based on the source information reviewed and agreement to the conditions identified in the conclusion section of this evaluation, the department determines that the Bethany Home Health, LLC project **meets** 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 246-310-220(1) does not contain specific financial feasibility criteria as identified in WAC 246-310-200(2)(a)(i). There are also no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that directs what the operating revenues and expenses should be for projects of this type and size. Therefore, using its experience and expertise the department evaluates if each 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.

### Josephine Caring Community dba Josephine At Home

JCC's project to offer Snohomish County and Camano Island residents Medicare and Medicaid-certified home health services includes operating out of an office in Stanwood, within Snohomish County. JCC provided the assumptions used to determine the projected number of patients and visits for the proposed agency. These assumptions are restated here.

*"To obtain visits, we reviewed cost reports and applied cost report percentages to break-out Medicare and Medicaid. The admissions were broken up to Medicare and non-Medicare based upon the unduplicated census on the filed 2018 Medicare cost report of competing agencies. The Medicare data is based upon visits per episode for available claims data. Based upon the age demographics cohorts through 2019 we were able to develop growth projections for 2020- 2024. Between cost reports which differentiated Medicare and non-Medicare, and prior approved CN applications, we utilized such data for the non-Medicare payers in the service area.*

*Please see the Home Care Market Share tab within the Referral Buildup and Projected Volume for Budget folder, that was included in the Budget 11 12 2020 zip file, in the emailed attachment.*

*While our references and assertions are linked, their objectives differ. The Market Analysis data was gathered from the same CMS claims data and provided market share percentages which were utilized to create an overflow capture rate that was then considered in developing an overall capture rate to apply for the pro forma budget and apply to projected discharges." [Source: December 28, 2020, screening response, p6]*

*"While we utilized the 1987 State Health Plan's recommended methodology to establish need, we found that visit utilization patterns have changed significantly in the home care industry since 1987. For example, the industry has gone through two significant reimbursement changes that have impacted utilization (the 1997 interim payment system was implemented placing a per patient payment cap leading to the current PPS payment model, which was implemented in 2000. Both changes dramatically impacted visit utilization in the industry). For budgetary purposes it was more*

accurate to utilize Medicare cost reports filed by the home health agencies servicing Snohomish and Island counties for fiscal year 2018.” [Source: January 25, 2021, screening response, pp2-3]

JCC provided several Excel spreadsheets that included supporting calculations for all assumptions. The Excel file named “Referral Buildup and Projected Volume for Budget” outlined JCC’s basis for its projected utilization and market share. First, using 2020 discharges to home health agencies from five area hospitals, it projected additional discharges in subsequent years by incorporating county-specific population growth. Then, estimated its capture rate at 5.98%, which was estimated based on recent historical utilization of existing home health agencies serving Snohomish County and Camano Island residents. Last, based on age demographic cohorts through 2019 JCC developed growth projections for 2020 through 2024, estimated at 12.03%, 17.01%, and 21.99% for projection years. [Sources: December 28, 2020, screening response documents 1 of 11, p6 and 11 of 11, Excel spreadsheet]

Based on these assumptions, JCC provided the following projections for utilization of the home health agency. [Source: January 25, 2021, screening response document 2 of 3, Excel spreadsheet]

**Department’s Table 14  
Josephine At Home Projected Utilization**

	FY 2021	FY 2022	FY 2023	FY 2024
Unduplicated Patients	481	579	625	670
Total Visits	10,505	12,252	13,030	13,332
Market Share	5.18%	5.78%	5.90%	5.80%

JCC provided the following assumptions used to determine the financial feasibility for the proposed Snohomish County and Camano Island operations.

**“Balance Sheet**

1. *Accounts Receivable:*
  - a. *Shown at Net*
  - b. *DSO average 55-60 days*
2. *Property and Equipment*
  - a. *Fixed assets for Office purchased during start-up phase in the first 60 days of fiscal 2021*
  - b. *Computers, copiers and other tech equipment with exception to conference room setup will be through operating lease*
3. *Start-up Costs*
  - a. *Certain Costs identified and capitalized as an Intangible asset, amortized over 180 month period*
4. *Deposit – Office Space, one month rent*
5. *Accounts Payables*
  - a. *Non-Payroll related costs 30 days from receipt of invoice with exception to those services provided by related party, Space Occupancy, insurance and IT related expenses*
6. *Related Party Line of Credit*
  - a. *Provided by related party as needed*

**Income Statement**

1. *Revenues*
  - a. *All revenues are shown at net reimbursement with exception to Charity which is presented at the average net Fee for Service Rate.*

*b. Medicare*

- i. Episodic reimbursement based on 30-day episodes as implemented by CMS effective January 1, 2020 under the Patient Driven Groupings Model (PDGM)*
- ii. Reimbursement rate based average rate for other freestanding home health care agencies servicing the same service are of this agency.*
- iii. Increase of 7.5% and 3.5% built into fiscal years 2022 and 2023.*

*c. All Other Payers*

- i. Fee for Service Reimbursement by service*
- ii. Based on Washington State Health Care Authority rates effective July 1, 2020*
- iii. \$5 increase built into all professional services for fiscal years 2022 and 2023.*

*2. Expenses*

*a. Salaries – Based on levels needed for expected volumes at the market compensation rates in the areas serviced by the agency.*

- i. Increases to full time staff, both administrative and caregivers given in fiscal 2022 of 2%.*
- ii. Caregivers are divided into two groupings, Salaries and Per Diem:
  - 1. Salaries are full time employed personnel*
  - 2. Per Diem (also referred to Fee For Service staff) are 1099 independent contractors reimbursed at a per visit/hour rate.**

*b. Fringe Benefits estimated at 30% for salaries covering statutory taxes, benefits and health insurance.*

*c. Medical Supplies and Mileage expenses are determined at a per visit rate of \$2.17 for Medical Supplies and \$4.24 for Mileage.*

*d. NonSalary Expenses are based on a percent of revenues*

*e. Depreciation and Amortization calculated based on various office equipment and expenses using an average 10-year useful life for office equipment and 15 year useful life for start-up costs.” [Source: Application, pp16-17]*

*“Yes, the cost is accounted for in the line item ‘Indirect Expenses’ named ‘Space Occupancy.’ The rent is a percentage of revenues (0.8%), rent will increase as revenue increases.” [Source: December 28, 2020, screening response, p7]*

***“Indirect Expenses, Administrative Salaries & Wages***

*Director/Administrator, Hire in Q2*

*Scheduling Coordinator, Hire in Q2*

*Admin Support, Build up as volume increases*

***Other Administrative Expenses***

*Executive Management, Allocation from Josephine AH*

*Finance Patient Accounts/Revenue Cycle, Provided by Parent*

*Accounting / AP / AR, Provided by Parent*

*Information Systems, EMR and Leased desktops/laptops*

*Human Resources & Education, Provided by Parent*

*QAPI, Clinical Support & Supervision, Provided by Parent*

*Number of hours worked per year, 2,080*

*Number of hours worked per week, 40.0*

*Number of hours worked per day, 8.0*

Number of days worked per week, 5.0  
 Vacation days, 20  
 Admin, 15  
 Holidays, 7”

[Source: December 28, 2020, screening response document 5 of 11, Excel spreadsheet]

“The months accounted for represent a 12-month calendar year, January through December.

The gross revenues for the non-Medicare payers incorporate an increase in the Fee for Service rates in years 2022 and beyond. Also, in those years there was a shift to Medicare traditional reducing the percent of non-Medicare patients.

‘All other Administrative & General’ expenses language is intended to account for small unexpected administrative costs. There is no specific list although examples may include items such as inexpensive office supplies.

‘Related Party Line of Credit’ represents funding from the parent (JCC) for cash needs in the early years.” [Source: December 28, 2020, screening response, pp17-18]

“With the exception of charity care and some cases of self-pay, home health agencies present their revenues at net, rather than gross charge. The reason being is that FFS payers require home health agencies to bill at their payment rate (‘net’). Medicare is billed at an episodic basis. Because of this, there will be no contractual allowances recognized.” [Source: January 25, 2021, screening response, p4]

When asked about the anticipated changes in direct costs, JCC provided the following response. “The growth projections resulted in an increase in direct costs driven by the per diem staff. The reason for the increase in per diem is due to challenges in recruiting full-time professionals, specifically nursing.” [Source: December 28, 2020, screening response, p8]

JCC’s statement clarifying a staffing assumption is restated here. “Total visits are calculated per discipline for RNs and PTs. Projections on how many FT equivalents are based on market conditions, then calculated the number of visits these FT equivalents can do in a year with a difference to total visits being done by partially contracted or partially employed ‘per diem’ staff.” [Source: December 28, 2020, screening response, p10]

Based on these assumptions, JCC provided its projected revenue, expenses, and net income for the agency for projection years 2022 through 2024, which are summarized in the following table and rounded to the nearest thousand. [Source: January 25, 2021, screening response document 2 of 3, Excel spreadsheet]

**Department’s Table 15**  
**JCC’s Snohomish County and Camano Island**  
**Projected Revenues and Expenses Summary Years 2022 through 2024**

	<b>CY 2022</b>	<b>CY 2023</b>	<b>CY 2024</b>
Net Revenue	\$ 2,174,000	\$ 2,515,000	\$ 2,677,000
Total Expenses	\$ 2,100,000	\$ 2,290,000	\$ 2,424,000
<b>Net Profit / (Loss)</b>	<b>\$ 74,000</b>	<b>\$ 225,000</b>	<b>\$ 253,000</b>

Here “*Net Revenue*” includes gross revenue minus charity care; and “*Total Revenue*” includes direct expenses, as well as administrative costs.

Additionally, JCC provided the projected cash flow pro forma including projection years 2022 through 2024 for its proposed agency. [Source: January 25, 2021, screening response document 2 of 3, Excel spreadsheet]

***Applicant’s Cash Flow***

<b>rounded to nearest thousand</b>				
	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b><i>Cash Flows from Operating Activities</i></b>				
Patient Cash Receipts	1,205,000	2,043,000	2,514,000	2,570,000
Payroll and Payroll Related Expenses	(1,037,000)	(1,255,000)	(1,407,000)	(1,517,000)
Payments to NonPayroll Related Vendors	(597,000)	(817,000)	(876,000)	(891,000)
<b>Net Cash Provided by (Used In) Operating Activities</b>	<b>(429,000)</b>	<b>(29,000)</b>	<b>231,000</b>	<b>162,000</b>
<b><i>Cash Flows from Investing Activities</i></b>				
Purchase of Fixed Assets and Leasehold Improvements	(5,000)	-	-	-
Investment in Startup of Home Care Program	(95,000)	-	-	-
<b>Net Cash Provided by (Used In) Investment Activities</b>	<b>(100,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><i>Cash Flows from Financing Activities</i></b>				
Proceeds from Related Party Line of Credit	584,000	-	-	-
<b>Net Cash Provided by (Used In) Financing Activities</b>	<b>584,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
CASH EQUIVALENTS AT YEAR END	55,000	(29,000)	231,000	162,000
<b><i>Reconciliation of Net Income / (Loss) to Net Cash Provided by (Used In)</i></b>				
<b><i>Operating Activities</i></b>				
Net Income / (Loss)	(99,000)	75,000	228,000	252,000
<b>Adjustments to Net Income / (Loss)</b>				
Depreciation	9,000	9,000	9,000	9,000
Increase in Accounts Receivables	(382,000)	(122,000)	(1,000)	(107,000)
Increase in Accounts Payables	43,000	9,000	(5,000)	8,000
Rounding				
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>(429,000)</b>	<b>(29,000)</b>	<b>231,000</b>	<b>162,000</b>

JCC additionally submitted the projected balance sheets for the proposed agency. The following table summarizes years 2022 through 2024 for its proposed agency. [Source: January 25, 2021, screening response, Excel 2 of 3]

**Department's Table 16**  
**JCC's Snohomish County and Camano Island Balance Sheets' Summary**  
**Years 2022 through 2024**

<b>ASSETS</b>	<b>CY 2022</b>	<b>CY 2023</b>	<b>CY 2024</b>
Current Assets	\$ 476,000	\$ 709,000	\$ 977,000
Property & Equipment	\$ 3,000	\$ 3,000	\$ 3,000
Other Assets	\$ 80,000	\$ 71,000	\$ 63,000
<b>Total Assets</b>	<b>\$ 559,000</b>	<b>\$ 783,000</b>	<b>\$ 1,043,000</b>
<b>LIABILITIES</b>	<b>CY 2022</b>	<b>CY 2023</b>	<b>CY 2024</b>
Current Liabilities	\$ 582,000	\$ 577,000	\$ 585,000
Long Term Liabilities	\$ -	\$ -	\$ -
Total Capital	\$ (23,000)	\$ 206,000	\$ 458,000
<b>Total Liabilities &amp; Capital</b>	<b>\$ 559,000</b>	<b>\$ 783,000</b>	<b>\$ 1,043,000</b>

Public Comment

The following entity provided comment related to this sub-criterion. Included here is an excerpt specific to financial statements provided by this applicant.

Jody Carona, Health Facilities Planning & Development (HFPD)

*"I fully expect that the Program will approve both applications since such a significant need exists. However, in the unlikely event that Program elects to approve only one, HFPD submits this public comment to point out that we were unable to exact match or 'tie' a number of Josephine Caring Community's underlying assumptions or agreements to its pro forma financials, including, but not limited to:*

- *The costs associated with the medical director agreement and the consulting agreement do not appear to be included in the financial pro forma.*
- *Despite CN Program requirements to include revenue and expenses in constant dollars, escalation for both appears to be included in the financial assumptions."*

Rebuttal Comments

JCC provided the following rebuttal comment.

Josephine Caring Community dba Josephine At Home

*"Josephine Caring Community (JCC) has reviewed public comments for our home health agency project and appreciates the enthusiastic public interest in the concurrent review. JCC believes we have met all criteria for home health agency certificate of need (CN) approval but understand that aspects of any application can warrant further context for clarity. Josephine Caring Community feels it is important to respond to the comment submitted by Jody Carona of Health Facilities Planning & Development for clarification purposes:*

*1. The costs associated with the medical director agreement and consulting agreement do not appear to be included in the financial pro forma.*

*The costs associated with the medical director agreement are included in 'Other Administrative Expenses' under 'QAPI, Clinical Support & Supervision,' whereas the consulting costs were part of 'Other Administrative Costs'.*

2. Despite CN Program requirements to include revenue and expenses in constant dollars, escalation for both appears to be included in the financial assumptions.

***At the time of the Josephine’s application submission in October of 2020, the 2021 national PPS rates were not finalized and released (publish date 11/4/2020). No trend escalation was utilized. The 2021 budget rate reflects the 2019 rate. The increase in the national rate from 2019 to 2021 is 20.5% ( $(\$1,901.12 / (\$3,154.27/2)) - 100\%$ ). The increases shown for the budget years 2021 -2024 totaled 11.4% which represents half of the increase from 2019 to 2021. Please note that effective January 1, 2020 CMS changed the PPS model to the Patient Driven Grouping Model (PDGM) which now reimburses home health agencies on a 30-day episode compared to the 60-day episode prior to January 1, 2020; therefore, the 2019 rate is shown at the 60-day rate.***

***Historically Medicare revises their rates on an annual basis based on data that is at least two years old. Components, i.e., market basket analysis, reflect the cost category weights that go into providing the service; therefore, need to be changed annually to reflect changes in the mix of goods and services that the home health agency purchases to furnish home health care.***

***For the FFS service payers, JCC utilized the Washington State Health Care Authority Home Health Effective July 1, 2020 rates for King and Snohomish County and All Other Counties for Island County. The 2021 rates effective January 1, 2021 were released in February 2021. The average rate increase for the new rates is 31% for King and Snohomish and 44% for All Other Counties (Island County). Our budget shows in Year 2022 a one-time \$5 increase over the July 1, 2020 rate which represents a 13% increase for both King, Snohomish, and Island County. This is less than half of the actual increase % of the January 1, 2021 rate. This rate was kept constant through 2024.***

***We also indexed the staff salaries for retention purposes. This was in response to the Program’s application questions related to recruitment and retention of staff that informed us of the DOH interest in this area. Together with the unprecedented impact of the COVID-19 pandemic, recruitment and retention of staff requires successful agencies to implement ongoing evaluation of staff compensation.***

*While we can appreciate Ms. Carona’s public comment, and her expertise as a consultant for other CN applicants, we respectively disagree with her interpretations of our application financials. Josephine Caring Community believes we have clarified how to tie our underlying assumptions to our pro forma financials. We also believe that Josephine Caring Community has met financial feasibility criteria per **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.”*

Department Evaluation  
Utilization Assumptions

An applicant's utilization assumptions are the foundation for the financial review under this sub-criterion. The department first reviewed the assumptions used by JCC to determine the projected number of patients and visits by discipline for the proposed agency. JCC did so by researching CMS cost reports and claims data, then extrapolating unduplicated patients by payer types for Snohomish County and Camano Island. Using this information in combination with population growth data, JCC assumed its potential referral rates, and projected its market share. Within its rebuttal comments, the applicant provided sound rationale and explanations for its assumptions. The department concludes that JCC's utilization assumptions are reasonable.

Pro Forma Financial Statements

The applicant provided pro forma financial statements, including the revenue and expense statements, balance sheets, and cash flow statements, which allows the department to evaluate the financial viability of the proposal.

JCC based its anticipated revenue and expenses for its proposed agency on revenue and expenses from Snohomish County residents only. Camano Island residents were intentionally excluded because the applicant intends to service Camano Island residents while not relying on income from those visits to achieve profitability. Additional assumptions for this project are referenced earlier. JCC also used its operational experience providing post-acute care to the same region as the project as a basis for the anticipated revenue, expenses, and payer mix. From its experience, JCC expects net profits for the new agency growing to \$253,000 by the end of its third full year of operation.

The home health agency's office space will be located within the applicant's existing facility. The facility and land are owned and operated by JCC. Additionally, JCC provided copies of a single line drawing of the office space to be used within the larger facility, costs associated with use of the space, and identified parcels with a matching address, owned by the applicant. The office is to be located at 9901 272<sup>nd</sup> Place Northwest, Stanwood [98292], within Snohomish County. JCC also accounted for the lease expense in its projected revenue and expense statements as a line item "*Space Occupancy*." The anticipated expenses in financial statements match those assumed by the applicant. [Source: Application, pp5-7, and Exhibit 4]

JCC provided an executed agreement for the Medical Director, James B. Grierson, MD. The medical director agreement identifies the responsibilities of both the home health agency and its medical director, and the projected revenue and expense statements identify all costs associated with this agreement are included in line items "*QAPI, Clinical Support & Supervision*" and "*All Other Administrative & General*". [Source: December 28, 2020, screening response, document 2 of 11 and JCC's rebuttal]

There were some concerns raised in public comment related to JCC's finances, including specifically accounting for the Medical Director costs in financial statements, addressed in the previous paragraph; as well as that it appeared as though escalating costs were assumed for both revenue and expenses. Each assumption which includes an anticipated increase over the projection period, was not arbitrarily decided or attributed to a general inflation. JCC tied each assumption to research specific to its project and the project's region presenting conservative yet realistic projections. [Source: JCC's rebuttal]

The department also reviewed the projected balance sheets for JCC’s Snohomish County and Camano Island proposal. As previously stated, the purpose of the balance sheet is to review the financial status of the home health agency at a specific point in time. The balance sheet shows what the home health agency owns (assets) and how much it owes (liabilities), as well as the amount invested in the business (equity). Table 16 summarizes the projected balance sheets provided by the applicant. Projected balance sheets provided in the review shows the agency is expecting to balance assets and liabilities through the projection period.

After reviewing the information provided by the applicant, public comment and resulting rebuttal, the department concludes that the JCC project, **meets this sub-criterion.**

Bethany Home Health LLC dba Bethany Home Health

BHH’s project to offer Snohomish County residents Medicare and Medicaid-certified home health services includes operating out of an office in Stanwood, within Snohomish County. BHH provided the assumptions used to determine the projected number of patients and visits for the proposed agency, restated here.

*“In an average month, Bethany attempts 70 home health referrals from our three SNFs, and an increasing number experience delays with initiation of home health and/or a delay in discharge. We conservatively expect the number being referred to home health will be consistent going forward, or, more likely, will increase somewhat.”* [Source: Application, p14]

*“The underlying assumptions are detailed below:*

- *Bethany of the Northwest’s SNFs consistently refers about 70 patients to home health per month; this equates to 840 referrals per year. As detailed below, in Year 1, we have conservatively projected that only 25% of all referrals will elect Bethany, increasing to 50% in year 3.  
Year 1: 25% (assume 12 visits per patient due being in a start-up year)  
Year 2: 35% (assume 17 visits per patient based on national average)  
Year 3: 50% (assume 17 visits per patient)*
- *We conservatively estimate that during the first year, Bethany’s three nursing homes will generate 95% of our home health volume. The remaining 5%, is expected to come to the program from outside referrals. In year two we expect approximately 10% from outside referrals and 15% in year 3.*
- *The above assumptions, result in a market share for Bethany in its first three years as follows:*
  - *2022: 1.3%*
  - *2023: 2.5%*
  - *2024: 3.6%*
- *After the initial year, an average of 17 visits per patient based on national averages was assumed.*
- *The following distribution of visits by discipline, Based on a review of other successful Certificate of Need applications and the actual experience of other home health agencies affiliated with long-term care facilities and services.*
  - *Skilled Nursing: 35%*
  - *Physical Therapy: 35%*
  - *Speech Therapy: 3.5%*
  - *Occupational Therapy: 18%*
  - *Social Work: 2%*
  - *Home Health Aides: 6.5%”*

Based on these assumptions, BHH provided the following table of projections for utilization of the home health agency. [Source: Application, p15]

*Applicant's Table*

<b>Discipline</b>	<b>% of Total</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
RN/LPN	35.00%	926	1,924	2,874
PT	35.00%	926	1,924	2,874
HH Aide	6.50%	172	357	534
OT	18.00%	476	990	1,478
ST	3.50%	93	192	287
Social Work	2.00%	53	110	164
<b>Total</b>	<b>100.00%</b>	<b>2,646</b>	<b>5,498</b>	<b>8,211</b>

*Source: Applicant*

BHH provided the following assumptions used to determine the financial feasibility for the proposed Snohomish County operations. [Source: December 28, 2020, screening response, Attachment 1]

### ***Applicant's Financial Assumptions***

#### **Bethany Home Health Financial Assumptions**

##### Balance Sheet

- Accounts receivable – 33 days in AR
- Accounts payable – 10 days in AP
- Accrued payroll and payroll taxes – 7.9% of payroll expenses
- Related party line of credit

##### Income Statement & Change in Shareholder's Equity

- Patient service revenue – estimated prices for each service were multiplied by estimated volumes. Charges for services are listed below.
  - Skilled Nursing - \$221.00
  - Physical Therapy - \$241.00
  - Speech Therapy - \$230.00
  - OT- \$235.00
  - MSW - \$364.00
  - Home Health Aide - \$179.00
- Contractual allowances – 20% of gross patient service revenue, net of bad debt and the adjustment for charity care
- Bad debt – 1.5% of gross patient service revenue
- Adjustment for charity care – 2.5% of gross patient service revenue
- Salaries and wages – Based on expected staffing levels needed for the expected volumes and estimated salaries for each position.
- Health insurance and benefits – 7.5% of salaries
- Payroll taxes – 9.5% of salaries
- Supplies – 4.0% of gross patient service revenue
- Administrative services: \$10,000/month
- Contract labor (Medical Director): \$250/hour x 4 hours/month
- Repairs and Maintenance: \$500/month
- Utilities: \$5.95/rented SF for 1,678 SF; rounded to \$10,000.
- Rent: Per lease agreement
- Minor equipment: \$18,000 for the first year and \$5,000 for the 2<sup>nd</sup> and 3<sup>rd</sup> years.
- Travel and meals: 4.0% of gross patient service revenue
- Taxes and licenses: \$12,000 for the first year and \$3,000 for the 2<sup>nd</sup> and 3<sup>rd</sup> years.
- Other – Includes, but is not limited to:
  - Advertising (\$500/month)
  - Dues & subscriptions (\$1,500/month)
- Does not include inflation

**Table 15 (Revised)  
Projected FTEs by Discipline (Direct Care)**

			Year 1		Year 2		Year 3	
	Salaries	Visits per FTE/day	FTEs	Visits	FTEs	Visits	FTEs	Visits
Skilled Nursing (RN & LPN)	\$65,000	3.6	0.99	926	2.06	1,924	3.07	2,874
Physical Therapist	\$95,000	4.4	0.81	926	1.68	1,924	2.51	2,874
Home Health Aide	\$38,000	3.6	0.18	172	0.38	357	0.57	534
Occupational Therapist	\$90,000	4.4	0.42	476	0.87	990	1.29	1,478
Speech Therapist	\$95,000	4.4	0.08	93	0.17	192	0.25	287
Medical Social Worker	\$65,000	1.5	0.14	53	0.28	110	0.42	164
<b>Total</b>			<b>2.62</b>	<b>2,646</b>	<b>5.43</b>	<b>5,497</b>	<b>8.12</b>	<b>8,211</b>

Table 16 includes the administrative staff that will support the program, hours they will commit to the program and associated salaries and benefits.

**Table 16 (Revised)  
Administrative Staff**

	FTE	Salaries
Director	1.00	\$135,000
Case Manager	0.25	\$75,000
Marketing	0.25	\$75,000
Billing	0.19	\$70,000

In preparing the screening response, Table 17 has been revised.

**Table 17 (Revised)  
Staff to Visit Ratio**

Types of Staff	Visits Per FTE Per Day
Registered Nurse	3.6
Physical Therapy	4.4
Home Health Aide	3.6
Occupational Therapy	4.4
Speech Therapy	4.4
Medical Social Work	1.5

BHH clarified its payer mix categories with the following statement. [Source: December 28, 2020, screening response, p1]

*“The commercial and other category includes commercial insurance, self-pay and other government (i.e.VA, L&I).”*

BHH clarified its staffing expense assumptions with the following statements.

*“As was discussed on a December 21, 2020 call with CN Program staff, an FTE is 2,080 hours or 260 days per year per 1.0 FTE (assuming an 8-hour workday).”*

*Our CN Analyst noted that the term ‘productive days’ was taken from the ESRD application form. To our knowledge this is not a key performance indicator (KPI) or metric used in home health. We also reviewed the literature and discussed this with other home health agencies. Data suggests that, industry wide, the average home health RN can see approximately 4 patients per day, PT can see 6.4, OT-5.7, ST-4.8, MSW-3.5 and home health aide-6.31. Note, however, this depends on the distance and travel time between each patient and amount of documentation and interdisciplinary collaboration time per patient.”* [Source: December 28, 2020, screening response, p2]

*“...the Director position will cover both the overall entity management and the director of nursing duties, and we increased the Director FTE to a full-time position (1.0).”* [Source: March 5, 2021, screening response, p2]

Additionally, BHH clarified its costs per visits assumptions with the following statement and table. [Source: December 28, 2020, screening response, p3]

*“As shown in Table 13, the cost per visit decreases over time. This is due to the fixed costs (management fee, administrative positions, contract labor, repairs and maintenance, utilities, rent, etc.) being allocated over a larger volume of visits.”*

***Applicant’s Table***

	2022		2023		2024	
	Cost per Visit	Charge per Visit	Cost per Visit	Charge per Visit	Cost per Visit	Charge per Visit
Skilled Nursing	\$267.68	\$221	\$177.17	\$221	\$151.70	\$221
Physical Therapy	\$283.59	\$241	\$193.08	\$241	\$167.61	\$241
Speech Therapy	\$274.28	\$230	\$184.24	\$230	\$158.83	\$230
OT	\$278.48	\$235	\$187.96	\$235	\$162.50	\$235
MSW	\$381.43	\$364	\$290.92	\$364	\$265.45	\$364
Home Health Aide	\$233.94	\$179	\$143.42	\$179	\$117.96	\$179

*Source: Applicant*

Based on these assumptions, BHH provided its projected revenue, expenses, and net income for the proposed agency for projection years 2022 through 2024. Projections are summarized in the following table. [Source: December 28, 2020, screening response, Attachment 1]

**Department's Table 17**  
**BHH's Snohomish County Projected Revenues and Expenses Summary**  
**Years 2022 through 2024**

	<b>CY 2022</b>	<b>CY 2023</b>	<b>CY 2024</b>
Net Revenue	\$487,000	\$1,013,000	\$1,512,000
Total Expenses	\$729,950	\$1,016,625	\$1,309,593
<b>Net Profit / (Loss)</b>	<b>(\$242,950)</b>	<b>(\$3,625)</b>	<b>\$202,407</b>

BHH also provided the projected cash flow pro forma for projection years 2022 through 2024 for its proposed agency. [Source: December 28, 2020, screening response, Attachment 1]

***Applicant's Cash Flow***

	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b><i>Increase (Decrease) in Cash and Cash Equivalents</i></b>			
<i>Cash flows from operating activities</i>			
Receipts from and on behalf of patients	\$ 443,000	\$ 965,000	\$ 1,467,000
Payments to and on behalf of employees	(418,000)	(689,000)	(932,000)
Payments to suppliers and contractors	(267,000)	(308,000)	(357,000)
<b>Net cash provided by (used in) operating activities</b>	<b>(242,000)</b>	<b>(32,000)</b>	<b>178,000</b>
<i>Cash flows from financing activities</i>			
Proceeds from line of credit	242,000	32,000	-
Payments on line of credit	-	-	(178,000)
<b>Net cash provided by (used in) financing activities</b>	<b>242,000</b>	<b>32,000</b>	<b>(178,000)</b>
<i>Net increase in cash and cash equivalents</i>	-	-	-
<i>Cash and cash equivalents, beginning of year</i>	-	-	-
<b>Cash and cash equivalents, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b><i>Reconciliation of Net Income (Loss) to Net Cash Provided by (Used in) Operating Activities</i></b>			
<i>Net income (loss)</i>	\$ (242,000)	\$ (4,000)	\$ 202,000
<i>Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities</i>			
Bad debt	9,000	19,000	28,000
Decrease (increase) in assets:			
Accounts receivable	(53,000)	(67,000)	(73,000)
Increase (decrease) in liabilities:			
Accounts payable	8,000	-	2,000
Accrued payroll and payroll taxes	36,000	20,000	19,000
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (242,000)</b>	<b>\$ (32,000)</b>	<b>\$ 178,000</b>

BHH additionally submitted projected balance sheets for the proposed agency. The following table summarizes projection years 2022 through 2024. [Source: December 28, 2020, screening response, Attachment 1]

**Department’s Table 18  
BHH’s Snohomish County Balance Sheets’ Summary  
Years 2022 through 2024**

<b>ASSETS</b>	2022	2023	2024
Current Assets	\$44,000	\$92,000	\$137,000
Property & Equipment	\$0	\$0	\$0
Other Assets	\$0	\$0	\$0
<b>Total Assets</b>	<b>\$44,000</b>	<b>\$92,000</b>	<b>\$137,000</b>
<b>LIABILITIES</b>	2022	2023	2024
Current Liabilities	\$286,000	\$338,000	\$181,000
Long Term Liabilities	\$0	\$0	\$0
Total Capital	(\$242,000)	(\$246,000)	(\$44,000)
<b>Total Liabilities &amp; Capital</b>	<b>\$44,000</b>	<b>\$92,000</b>	<b>\$137,000</b>

BHH also submitted the projected balance sheets for its parent’s entire operations including the proposed agency. The following table summarizes projection years 2022 through 2024. [Source: December 28, 2020, screening response, Attachment 1]

**Department’s Table 19  
BNW’s Balance Sheets’ Summary  
Years 2022 through 2024**

<b>ASSETS</b>	2022	2023	2024
Current Assets	\$6,380,562	\$7,244,660	\$8,108,758
Property & Equipment	\$0	\$0	\$0
Other Assets	\$32,964,430	\$32,964,430	\$32,964,430
<b>Total Assets</b>	<b>\$39,344,992</b>	<b>\$40,209,090</b>	<b>\$41,073,188</b>
<b>LIABILITIES</b>	2022	2023	2024
Current Liabilities	\$1,405,311	\$1,405,311	\$1,405,311
Long Term Liabilities	\$5,576,521	\$5,576,521	\$5,576,521
Total Capital	\$32,363,160	\$33,227,258	\$34,091,356
<b>Total Liabilities &amp; Capital</b>	<b>\$39,344,992</b>	<b>\$40,209,090</b>	<b>\$41,073,188</b>

Public Comments

None

Rebuttal Comments

None

Department Evaluation  
Utilization Assumptions

An applicant's utilization assumptions are the foundation for the financial review under this sub-criterion. The department first reviewed the assumptions used by BHH to determine the projected number of patients and visits by discipline for the Snohomish County agency. Using the knowledge of its affiliate's existing referrals, assuming a moderate, and growing portion of those referrals will elect to use BHH, and assuming a small portion of outside referrals, BHH anticipates a conservative market share. The department concludes that BHH's utilization assumptions are reasonable.

Pro Forma Financial Statements

The applicant provided pro forma financial statements, including the revenue and expense statements, balance sheets, and cash flow statements, which allows the department to evaluate the financial viability of the proposal.

BHH based its anticipated revenue and expenses for its proposed agency on the assumptions referenced earlier. BHH used its affiliates' experience operating Snohomish County skilled nursing facilities as a basis for the anticipated revenue, expenses, and payer mix. BHH expects a slow start up, which results in a net loss for Snohomish County for its first and second full year. By its third full year (2024) there is enough growth that BHH anticipates a net profit.

The home health agency would lease space from its existing affiliate in Everett, Washington. BHH provided copies of a signed lease and a single-line drawing of the office space to be used within the larger facility. The office site is 3202 Colby Avenue, Everett [98201], within Snohomish County. BHH also accounted for all costs associated with the lease expense in its projected revenue and expense statements as line item "*Rent*," "*Repairs and Maintenance*," and "*Utilities*." The anticipated amounts match those in the lease agreement. [Sources: December 28, 2020, screening response, Attachment 1, and March 5, 2021, screening response, Attachment 1]

BHH provided a Management Services Agreement between the applicant BHH, and its parent BNW. The agreement identifies the roles and responsibilities of both the home health agency and the Manager, and the projected revenue and expense statements identify all costs associated with this agreement as a line item "*Administrative Services*." [Sources: December 28, 2020, screening response, Attachment 1, and March 5, 2021, screening response, Attachment 2]

BHH provided a Directorship Independent Contractor Agreement for its Medical Director, Darren Swenson, MD. The agreement identifies the roles and responsibilities of both the home health agency and its medical director, and the projected revenue and expense statements identify all costs associated with this agreement as a line item "*Contract labor (medical director)*." [Sources: Application, Exhibit 2 and December 28, 2020, screening response, Attachment 1]

The department also reviewed the projected balance sheets for both the applicant (BHH) and its parent (BNW) for this project. As previously stated, the purpose of the balance sheet is to review the financial status of the home health agency at a specific point in time. Both sets of balance sheets show what each entity owns (assets) and how much it owes (liabilities), as well as the amount invested in the business (equity). Tables 18 and 19 summarize the projected balance sheets provided by the applicant. Projected balance sheets provided in the review show the agency and its parent, expect to balance assets and liabilities through the projection period.

After reviewing the information provided by the applicant, the department concludes that the BHH project, **meets this sub-criterion.**

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

WAC 246-310-220(2) does not contain specific financial feasibility criteria as identified in WAC 246-310-200(2)(a)(i). There are also no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that directs what an unreasonable impact on costs and charges would be for projects of this type and size. Therefore, using its experience and expertise the department compared each proposed project’s costs with those previously considered by the department.

Josephine Caring Community dba Josephine At Home

JCC projects an estimated capital expenditure of \$5,200 for the establishment of its new agency. The expense is for office furniture and computer equipment. There are no construction costs required for this project. JCC provided the following statement on these costs. [Source: Application, p20]

*“This The capital expenditure for this project is limited to small equipment purchases and office equipement [sic] These costs were based upon Josephine Caring Community’s past experience in expanding services for the skilled nursing facility and assisted living as well as consultant’s guidance.”*

JCC provided the following information related to the capital and operating costs, impacts to costs and charges for health services, and the project’s lack of construction costs.

*“The project's capital costs are small and do not have significant impact. The project's operating costs are expected industry standard amounts in which the Josephine Caring Community CEO has committed to supporting.”* [Source: Application, p20]

*“... the Josephine At Home project has not required any construction costs”* [Source: Application, p30]

JCC provided the following table on anticipated charges per visit including projection. [Sources: Application, p24 and December 28, 2020, screening response, p9]

***Applicant’s Tables***

Table 16.

	2021		2022		2023	
	Direct Cost	Charge	Direct Cost	Charge	Direct Cost	Charge
<b>RN</b>	\$92.72	\$200	\$92.94	\$200	\$101.37	\$200
<b>PT</b>	\$105.84	\$200	\$107.91	\$200	\$105.76	\$200
<b>OT</b>	\$80	\$150	\$80	\$150	\$80	\$150
<b>ST</b>	\$75	\$150	\$75	\$150	\$75	\$150
<b>MSW</b>	\$75	\$150	\$75	\$150	\$75	\$150
<b>HHA</b>	\$25	\$75	\$25	\$75	\$25	\$75

*Charges = Nearest multiple of \$50*

Table 16. Anticipated Costs and Charges Per Visit

	2024	
	Direct Cost	Charge
RN	\$102.95	\$200.00
PT	\$107.70	\$200.00
OT	\$80.00	\$150.00
ST	\$75.00	\$150.00
MSW	\$75.00	\$150.00
HHA	\$25.00	\$75.00

Public Comments

None

Rebuttal Comments

None

Department Evaluation

Given that the only office furniture and computer equipment are needed to establish the proposed agency, the relatively low estimated capital expenditure is reasonable. JCC provided a projected payer mix for this project which is based on its federal and state reimbursement rates summarized in the following table. [Source: Application, p17]

**Department’s Table 20  
JCC’s Projected Payer Mix for Projection Years**

Source	CY 2022	CY 2023	CY 2024
Medicare	94.7%	95.6%	95.9%
Medicaid	0.1%	0.1%	0.1%
Other	5.2%	4.4%	4.1%

This anticipated payer mix is based on regional and national rates applicable to this project. JCC states that although there is an expected capital expenditure for this project, these costs relatively small and are being paid for by the applicant. The department does not expect an unreasonable impact on costs and charges for healthcare services in Snohomish County or Camano Island as a result of this project. JCC’s project **meets this sub-criterion.**

Bethany Home Health LLC dba Bethany Home Health

BHH projects an estimated capital expenditure of \$0 for this proposed project. Although the applicant expects some costs related to the project (office equipment and furniture) BHH states that none qualifies as a capital expenditure<sup>13</sup> see the applicant’s following statement. Also, there are no anticipated construction costs required for this project. [Source: Application, p20]

“WAC 246-310-010(10) defines a capital expenditure as:

*...an expenditure..., which, under generally accepted accounting principles, is not properly chargeable as an expense of operation or maintenance.*

*Generally Accepted Accounting Principles (GAAP) establish which equipment should be treated as an expense versus those that should be treated as an asset and depreciated over their useful lives*

<sup>13</sup> As defined by WAC 246-310-010(10)

based on their estimated useful lives and the initial cost. Per GAAP, minor equipment of \$5,000 or less with a short estimated useful life should be expensed. Bethany is not making any renovations to the current space nor acquiring any equipment with a value in excess of \$1,000. Therefore, for this project, there is no capital expenditure.”

BHH provided the following information related to the capital costs and its impact to costs and charges. [Source: Application, p20]

“There are no capital expenditures for this project, just expenses for minor office equipment. Home Health aligns with the ACA’s intent to improve quality, enhance the patient’s experience of care and lower costs, in that it is a very cost-effective delivery method that reduces the total costs of care, by reducing unnecessary ED visits and hospital readmissions and by providing a lower cost setting.”

BHH provided the following statement and table on anticipated charges per visit. [Source: December 28, 2020, screening response, p3]

“As shown in Table 13, the cost per visit decreases over time. This is due to the fixed costs (management fee, administrative positions, contract labor, repairs and maintenance, utilities, rent, etc.) being allocated over a larger volume of visits.”

***Applicant’s Table***

	2022		2023		2024	
	Cost per Visit	Charge per Visit	Cost per Visit	Charge per Visit	Cost per Visit	Charge per Visit
Skilled Nursing	\$267.68	\$221	\$177.17	\$221	\$151.70	\$221
Physical Therapy	\$283.59	\$241	\$193.08	\$241	\$167.61	\$241
Speech Therapy	\$274.28	\$230	\$184.24	\$230	\$158.83	\$230
OT	\$278.48	\$235	\$187.96	\$235	\$162.50	\$235
MSW	\$381.43	\$364	\$290.92	\$364	\$265.45	\$364
Home Health Aide	\$233.94	\$179	\$143.42	\$179	\$117.96	\$179

*Source: Applicant*

Public Comments

None

Rebuttal Comments

None

Department Evaluation

Typically, when office equipment and furniture are needed for a proposed project, the department expects a relatively small estimated capital expenditure associated with the project and those costs. However, based on the information provided and the direct application of the WAC, the applicant’s assertion that there is no estimated capital expenditure for this project is reasonable. Especially since a list of the equipment for the project was provided and no construction is needed.

BHH also provided a projected payer mix for this project that is based on its Snohomish County affiliate’s operational experience, see the following table.

**Department’s Table 21  
BHH’s Projected Payer Mix for Projection Years**

Source	CY 2022	CY 2023	CY 2024
Medicare	65%	65%	65%
Medicaid	12%	12%	12%
Other	23%	23%	23%

This anticipated payer mix is based on the experience of the applicant’s affiliate in the same region providing services to a similar population of people. BHH made the case that its project, proposing home health services, is a cost-effective delivery method and reduces costs that occur in a more expensive setting. Additionally, BHH’s proposed project becomes more efficient over time as it anticipates the cost per visit to decrease over time. The department does not expect an unreasonable impact on costs and charges for healthcare services in Snohomish County as a result of this project. Thus, BHH’s project **meets this sub-criterion.**

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

WAC 246-310-220(3) does not contain specific source of financing criteria as identified in WAC 246-310-200(2)(a)(i). There are also no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that directs how projects of this type and size should be financed. Therefore, using its experience and expertise the department compared each proposed project’s source of financing to those previously considered by the department.

Josephine Caring Community dba Josephine At Home

JCC provided the following statements related to this sub-criterion.

*“Please see Exhibit 12 for the Letter of Commitment from the Josephine Caring Community CEO.*

*Due to the unnecessary interest expense of financing, Josephine Home Health has elected to fund the agency with available cash.”* [Source: Application, p23]

*“Once Medicare certification is attained, Josephine At Home anticipates that the majority of Josephine At Home patients will be Medicare and Medicaid enrollees. For home health services under the Patient Driven Groupings Model (PDGM) that was implemented in January 2020, Medicare will reimburse for services in a unit of 30-days. Reimbursement will be based on several categories which translate into 432 case-mix adjusted pay groups. While this will process will initially impact revenue, it is not a substantial issue due to robust reserves available to Josephine At Home.”* [Source: Application, p25]

Public Comments

None

Rebuttal Comments

None

### Department Evaluation

JCC provided a reasonable explanation of its modest estimated capital costs; and the project has no construction cost. All capital costs are attributed to office furniture and computer equipment.

JCC intends to fund its project using existing cash reserves. JCC provided a letter of financial commitment signed by its Chief Executive Officer, Terry Robertson. The letter is dated September 29, 2020 and commits "... *that Josephine At Home, a subsidiary of Josephine Caring Community, will have all working capital necessary to finance the entire Home Health Agency project. All Home Health Agency working capital and cash-flow needs will be fully funded by Josephine Caring Community.*" [Source: Application, Exhibit 12]

After reviewing the estimated capital costs and the financial statements provided, the department concludes that a condition is necessary to ensure the project would be financed as described in the application. The department concludes that the JCC project, with written agreement to the condition in the conclusion section of this evaluation, **meets this sub-criterion.**

### Bethany Home Health LLC dba Bethany Home Health

BHH provided the following statements related to this sub-criterion.

*"There are no capital expenditures for this project, just expenses for minor office equipment."*  
[Source: Application p20]

*"There is no financing associated with this project."* [Source: Application p21]

### Public Comments

None

### Rebuttal Comments

None

### Department Evaluation

BHH's proposed project has no estimated capital expense or construction costs but does have some relatively small costs related to office equipment and furniture.

BHH provided a letter of financial commitment signed by Joseph Scrivens, Chief Executive Officer of Bethany of the Northwest. The letter is dated October 14, 2020 and commits that BNW will fund the initial equipment costs and initial operating deficits for BHH's project; and has sufficient reserves to cover these start-up costs. [Source: Application, Exhibit 9]

After reviewing the project's associated costs and the financial statements provided, the department concludes that the BHH project **meets this sub-criterion.**

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

Josephine Caring Community dba Josephine At Home

Based on the source information reviewed and agreement to the conditions identified in the conclusion section of this evaluation, the department determines that Josephine Caring Community project **meets** the applicable structure and process of care criteria in WAC 246-310-230.

Bethany Home Health LLC dba Bethany Home Health

Based on the source information reviewed and agreement to the conditions identified in the conclusion section of this evaluation, the department determines that the Bethany Home Health, LLC project **meets** the applicable structure and process of care criteria in WAC 246-310-230.

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

WAC 246-310-230(1) does not contain specific 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 area would allow for the required coverage.

Josephine Caring Community dba Josephine At Home

JCC currently operates a post-acute care center in Stanwood, within Snohomish County. With this project JCC would operate its Medicare and Medicaid-certified home health agency office from this existing facility. JCC provided a table showing its proposed staffing. This information is summarized in the following table. [Source: January 25, 2021, screening response document 2 of 3, Excel spreadsheet]

**Department’s Table 22  
JCC’s Proposed FTEs for Years 2022 through 2024**

Type of Staff	CY 2022	CY 2023	CY 2024
Nursing	2.01	3.01	3.01
Physical Therapy	2.01	2.01	2.01
Director/Administrator	1.00	1.00	1.00
Supervisor of Clinical Services	1.00	1.00	1.00
Scheduling Coordinator	1.00	1.00	1.00
Intake Admission	1.00	1.00	1.00
Marketing Exec	1.00	1.00	1.00
Admin Support	1.00	1.00	1.00
<b>Total</b>	<b>10.02</b>	<b>11.02</b>	<b>11.02</b>

JCC plans on contracting part or all of some clinical staffing positions including nursing, physical therapy, occupational therapy, speech therapy, medical social worker, home health aides, and medical director. The contracted portion of the FTEs are not included in the preceding table. It also will contract for IV therapy. [Sources: Application, p5 and January 25, 2021, screening response document 3 of 3, Excel spreadsheet]

JCC also provided a breakdown of anticipated ratios for key staffing positions. [Source: January 25, 2021, screening response document 3 of 3, Excel spreadsheet]

**Department’s Table 23  
JCC’s Proposed Staffing Ratios**

Type of Staff	Staff / Visit
Registered Nurse	4.75
Physical Therapist	5.00
Occupational Therapist	5.00
Speech Therapist	5.00
Medical Social Worker	4.00
Home Health Aide	7.00

JCC provided the following statement as to how these staffing ratios compare to other staffing standards. [Source: Application, p26]

*“Josephine hired a nationally recognized home health consulting agency that sourced and reviewed the staffing data for accuracy and confirmed that the ratios meet both national and state standards of care.”*

When asked about the anticipated changes in direct costs, JCC provided the following response.

*“The growth projections resulted in an increase in direct costs driven by the per diem staff. The reason for the increase in per diem is due to challenges in recruiting full-time professionals, specifically nursing.”* [Source: December 28, 2020, screening response, p8]

JCC’s statement clarifying a staffing assumption is restated here.

*“Total visits are calculated per discipline for RNs and PTs. Projections on how many FT equivalents are based on market conditions, then calculated the number of visits these FT equivalents can do in a year with a difference to total visits being done by partially contracted or partially employed ‘per diem’ staff.”* [Source: December 28, 2020, screening response, p10]

JCC provided the following additional statements related to this sub-criterion.

*“Josephine has been in operation in the same location for 112 years. We are the largest employer in Stanwood and Camano Island and are both familiar and adept in hiring qualified health manpower and management personnel. Due to our favorable reputation, opportunities for continuing education, scholarships, professional development and on-site child care services with an employee discount, we have not found recruitment and retention to be a challenge.*

*Job postings are listed on social media, posted internally and shared by word-of-mouth.*

*An in-service training plan can be found in Exhibits 14”* [Source: Application, p26]

*“Timely patient care is a priority to JCC and JAH. Staffing proactively and onboarding new staff through a robust training program are our first steps in reducing staffing challenges. With the trend of skilled nursing diversion continuing to grow, JAH anticipates hiring some new staff from the JCC skilled nursing facility. JAH will also utilize social media, our website, and hiring platforms to advertise open positions. JCC’s generous benefits package, which includes childcare, has been a successful recruiting tool for decades. JAH also anticipates reduced staffing challenges due to the ability to build census throughout the county and near where clinicians and administrative staff live.*

*New technologies and our cutting-edge EHR further offer opportunities for remote work that allows clinicians to remain in the field and near their place of residence.*

*... JCC does not anticipate sharing any credentialed staff with JAH and intends for the two staffs to be completely separate.” [Source: December 28, 2020, screening response, p11]*

#### Public Comments

None

#### Rebuttal Comments

None

#### Department Evaluation

JCC is currently licensed by the Washington State Department of Health to provide home health services<sup>14</sup> in Island, Skagit, and Snohomish counties. Under this license, JCC provides home health services to only private pay residents of the three counties. Additionally, since 1976 JCC has been and is currently licensed with the Washington State Department of Social and Health Services as a nursing home.<sup>15</sup> As a current post-acute healthcare provider, JCC has an understanding of the appropriate staffing necessary to establish Medicare and Medicaid home health services in Snohomish County and Camano Island. JCC provided the number of anticipated FTEs to serve Snohomish County and Camano Island. JCC expects to have a total staff of approximately 11 full-time employees by its third full year of operation. This is a relatively low number of staff to recruit over three years, and JCC has a broad existing network in the planning area, which has proven successful in recruitment and retention, and provided its staff training plan.

JCC also identified a projected staffing ratio that is based on its experience in Snohomish County with other post-acute care operations. These ratios are reasonable and consistent with data provided in past home health applications reviewed by the program. The applicant identified a prospective medical director and provided an executed medical director agreement. Additionally, the pro forma identifies all costs associated with this staffing plan.

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

#### Bethany Home Health LLC dba Bethany Home Health

BHH’s affiliates currently operate several post-acute care centers in Everett, within Snohomish County. With this project BHH would operate a Medicare and Medicaid-certified home health agency based out of offices within Snohomish County. BHH provided a table showing its proposed staffing, summarized in the following table. [Source: December 28, 2020, screening response, Attachment 1]

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<sup>14</sup> IHS.FS.60923101

<sup>15</sup> License Number 143

**Department's Table 24  
BHH's Proposed FTEs for Years 2022 through 2024**

<b>Staff</b>	<b>CY 2022</b>	<b>CY 2023</b>	<b>CY 2024</b>
Skilled Nursing	0.99	2.06	3.07
Physical Therapist	0.81	1.68	2.51
Home Health Aide	0.18	0.38	0.57
Occupational Therapist	0.42	0.87	1.29
Speech Therapist	0.08	0.17	0.25
Medical Social Worker	0.14	0.28	0.42
Director/Director of Nursing	1.00	1.00	1.00
Case Manager	0.25	0.25	0.25
Marketing	0.25	0.25	0.25
Billing	0.19	0.19	0.19
<b>Total</b>	<b>4.31</b>	<b>7.13</b>	<b>9.80</b>

BHH plans on contracting its Medical Director and some of its proposed services, respite care and IV therapy. [Source: Application, p6]

BHH also provided a breakdown of anticipated ratios for key staffing positions. [Source: December 28, 2020, screening response, Attachment 1]

**Department's Table 25  
BHH's Proposed Staffing Ratios**

<b>Type of Staff</b>	<b>Visits per FTE per Day</b>
Registered Nurse	3.6
Physical Therapist	4.4
Home Health Aide	3.6
Occupational Therapist	4.4
Speech Therapist	4.4
Medical Social Worker	1.5

BHH provided the following statements as to how these staffing ratios compare to other staffing standards.

*“Bethany reviewed several of the recent CN approved home health CN applications and consulted with several existing Washington programs. Bethany’s ratios are in line with other agency ratios previously approved by the CN program.”* [Source: Application, p26]

*“Bethany reviewed the certificate of need applications of recently approved projects and compared our staffing ratios to theirs, the application of Josephine Caring Community (which is being reviewed comparatively with ours), and national benchmarks. As can be seen in Table 1, Bethany is either in-line with other agencies, or has conservatively estimated less visits/FTE/day as compared to the average of the other facilities and national benchmarks. We expect that in reality, and particularly over time, our providers will see more patients per day, but in an effort to ensure patients are provided with the services and time they need, we opted to be conservative to demonstrate financial viability.”* [Source: December 28, 2020, screening response, p3]

BHH provided the following additional statements related to this sub-criterion.

*“Bethany’s parent, Bethany of the Northwest Bethany has been a non-profit icon of the healthcare industry in the Northwest for nearly 100 years and has a long and distinguished track record of recruiting top-notch staff. Because of its affiliation with Bethany of the Northwest, Bethany will have the ability to cross-train our nurses and therapists to serve both functions[.] Many of the staff needed for Bethany Home Health, then, will be addressed through existing Bethany of the Northwest programs and/or increasing part-time FTEs from existing facilities to full time (after specific training in home health).*

*Bethany offers very competitive salaries, generous 403B end-of-year matching, strong health, dental and vision benefits, as well as a sign-on bonus when applicable. Bethany also offers an excellent mission-based environment, a local commute, paid time off (including personal days), tuition reimbursement, scholarship opportunity, longevity bonuses, grief counseling, Employee Assistance Program, The Perks at Work program, and many other benefits. For these reasons we do not expect any problems with recruiting qualified employees.*

*Additionally, Bethany Home Health, LLC has access to excellent recruiting professionals that have been successful finding staff to meet its needs.” [Source: Application, p27]*

*“The statement on page 27 is our expectation of what will be undertaken, but we have not solicited interest from any existing BNW staff at this time and will not until, at the earliest, CN approval. That said, we have heard from clinical staff repeatedly about their interest in being cross trained.” [Source: December 28, 2020, screening response, p4]*

*“Staffing shortages as well as turnover of existing staff, results in higher costs and can impact patient satisfaction. For example, the 2016 National Healthcare Retention & RN Staffing Report indicates that the average cost of turnover for a nurse, ranges from \$37,700 to \$58,400.*

*As the largest long-term care provider in Snohomish County, Bethany currently employs over 400 clinical staff. The average length of employment for our staff is nearly six years. Our experience is the result of key strategies we utilize, including: 1) allowing flexibility in hours worked and supporting part time staff to increase their working hours; 2) providing a competitive wage and benefit package; and 3) providing career development opportunities for staff interested in seeking additional certification and/or training.*

*During the employment interview, Bethany also shares its mission and values and looks to potential employees that understand and ‘buy-in’.*

*Should we find ourselves being short of staff, we would fall back to the response in #9, above, wherein we have immediate access to cross-trained nurses and therapists that can move from the inpatient/residential setting to the community setting, or vice versa.” [Source: December 28, 2020, screening response, p5]*

BHH also provided the following statement related to its medical director. [Source: Application, p4]

*“The Medical Director will be Darren Swenson, MD. Dr. Swenson’s professional license number is MD 60793398.”*

Public Comments

None

Rebuttal Comments

None

Department Evaluation

BHH is currently licensed by the Washington State Department of Health to provide home health services in King, Skagit, and Snohomish counties.<sup>16</sup> Under this license, BHH provides home health services to only private pay residents of the three counties. Since BHH will be operated by a longstanding current healthcare provider to residents of Snohomish County, BHH has an understanding of the appropriate staffing necessary to expand its services to include Medicare and Medicaid home health services in Snohomish County. BHH provided the number of anticipated FTEs to serve Snohomish County residents, expecting to add by year three a total of 9.8 FTEs. This is a relatively low number of staff to recruit over three years.

Additionally, BHH through its affiliates, has a broad existing network of staff resources in the planning area, and has proven its success in recruitment and retention. BHH claims its historical success is partly credited to competitive wages, a multitude of benefits, various bonuses, flexible hours, and career development opportunities for staff.

BHH identified a projected staffing ratio that is conservatively based on its consultation with several existing Washington home health providers. Thus, these ratios are considered reasonable.

BHH identified a medical director and provided a medical director agreement noted as “draft” in the body of the application. However, the agreement appears to be executed, as it has an effective date of October 1, 2020 and is signed and dated by both entities involved.

Information provided in the application demonstrates that BNW is an established provider of healthcare services in Snohomish County. Based on the above information, the department concludes that BNW and thus BHH 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 246-310-230(2) does not contain specific criteria as identified in WAC 246-310-200(2)(a)(i). There are known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that a facility must meet when it is to be Medicare certified and Medicaid eligible. Therefore, using its experience and expertise the department assessed each applicant’s ability to establish and maintain appropriate relationships.

Josephine Caring Community dba Josephine At Home

JCC provided the following statements and tables related to this sub-criterion.

*“With Josephine Caring Community’s 112 year growth in serving Snohomish County and Camano Island residents, we have formed an extensive network of ancillary and support services Table 10*

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<sup>16</sup> HIS.FS.60966822

reflects expected referral sources that we consider partners in our community. In addition to the Table 10 resources, Josephine At Home will expand on existing Josephine Caring Community resources that provide pharmacy and durable medical equipment [sic].” [Source: Application, p27]

**Applicant’s Listing of Referrals**

Table 11. Expected Referral Sources

Referral Sources
Cascade Valley Hospital
Evergreen Hospital
Harborview
Island Hospital
Kindred Hospital
Multicare Tacoma
Northwest Hospital
Overlake Hospital
Providence Hospital Everett
Skagit Valley Hospital
St. Joseph Medical Center
Swedish Medical Center
United General Hospital
University of Washington Hospital
Physician Practices
Clinics
Assisted Living Facilities
Community
Family and Caregivers

“JCC has established many ancillary and support services over their 112 years in service to Snohomish County. With JAH being a new project, informal planning and meetings have occurred between the following partners although signed agreements have yet to be finalized:

- **Durable and Home Medical Equipment:** Bellevue Healthcare
- **Home Infusion and Pharmacy Services:** Consonus Pharmacy
- **Spiritual Care:** JCC Chaplain Services
- **Specialty Respiratory Services and Equipment:** Apria
- **Physical, Occupational and Speech Therapy:** Infinity Rehab
- **Home Health Consultants:** Simione Healthcare”

Additionally, JCC provided the following information regarding patients’ access to services. [Source: Application, p27]

“Josephine At Home’s Office hours will be 8:00am to 5:00pm, Monday through Friday (excluding major holidays). Josephine At Home will provide 24/7 access to staff through an on-call service in which an RN will respond within one hour.”

Public Comments

None

Rebuttal Comments

None

Department Evaluation

JCC is currently providing Medicare and Medicaid-certified post-acute services in Snohomish County; and proposes to serve Medicare and Medicaid patients residing in Snohomish County and

Camano Island from its facility in Stanwood, within Snohomish County. JCC has relationships with referral sources in the community established through its existing post-acute healthcare operations. JCC has begun informal planning and meetings with listed vendors to provide Medicare and Medicaid-certified home health services.

Information provided in the application demonstrates that the applicant has the ability and expertise to establish any new relationships necessary for the new services. Based on the information reviewed, the department concludes JCC **meets this sub-criterion.**

#### Bethany Home Health LLC dba Bethany Home Health

BHH provided the following statements related to this sub-criterion.

*“Given the strength, breadth, and expertise of our existing post-acute and long-term care operations in Snohomish County, Bethany does not anticipate any difficulty in meeting the ancillary service demands of the proposed project.”* [Source: Application, p28]

*“Below is a preliminary listing of the anticipated ancillary and support services. We have expanded this list to include providers such as hospice/palliative that we would work with to provide support services not available in-home health.*

- *Durable Medical Equipment*
- *Primary care providers*
- *Pharmacy*
- *Social Service agencies*
- *Other government services (if applicable)*
- *Hospice and palliative care*
- *Respite and inpatient (acute and long-term care)”*  
[Source: December 28, 2020, screening response, p5]

Additionally, BHH provided the following information regarding patients’ access to services.

*“Bethany’s business hours will be Monday through Friday from 8:00 a.m. to 5:00 p.m. Bethany will have staff on call 24 hours per day to support patients and families with urgent health care needs.”*  
[Source: Application, p28]

*“There will not be any limitations in availability for days of the week or year.”* [Source: December 28, 2020, screening response, p5]

#### Public Comments

The following entity provided comment related to this sub-criterion. Included here is an excerpt specific to this applicant’s relationships with other healthcare providers and its community.

#### Laurie Tate, Administrator, Bethany @ Silver Crest

*“Bethany enjoys long-standing, and positive relationships with the existing home health providers in our community and will continue to maintain those collaborative relationships moving forward. We recognize the value they provide to our residents and the importance of having provider choice. The existing providers provide quality service, but simply cannot keep up with demand. Bethany has the infrastructure, expertise and commitment to quality and service excellence to address the gaps and delays in care. Please approve the certificate of need of Bethany to establish a new Medicare/Medicaid certified home health agency in Snohomish County.”*

Rebuttal Comments

None

Department Evaluation

BHH affiliates are currently providing Medicare and Medicaid-certified post-acute services in Snohomish County; and BHH proposes to serve Medicare and Medicaid patients residing in Snohomish County from its facility in Everett, within Snohomish County. BHH plans to establish and expand upon the existing relationships its affiliates have with area ancillary and support services.

Information provided in the application and affirmed by public comment, demonstrates that the applicant has the ability and expertise to establish any new relationships necessary for the new services. Based on the information reviewed, the department concludes BHH **meets this sub-criterion.**

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

WAC 246-310-230(3) does not contain specific criteria as identified in WAC 246-310-200(2)(a)(i). There are known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that a facility must meet when it is to be Medicare certified and Medicaid eligible. Therefore, using its experience and expertise the department assessed each applicant's history in meeting these standards at other facilities owned or operated by each applicant.

As part of this review, the department must also conclude that the proposed services provided by an applicant would be provided in a manner that ensures safe and adequate care to the public.<sup>17</sup> To accomplish this task, the department reviews the quality of care compliance history for all Washington State and out-of-state healthcare facilities owned, operated, or managed by an applicant, its parent company, or its subsidiaries.

Josephine Caring Community dba Josephine At Home

JCC provided the following statements related to this sub-criterion.

*“Josephine Caring Community has no history with respect to criminal convictions, denial or revocation of a license to practice a health profession, or decertification as a provider of services in the Medicare or Medicaid program.”* [Source: Application, 28]

*“Josephine Caring Community has been in existence for 112 years and provided skilled nursing care to complex and vulnerable populations. We have continued to grow and expand services to meet patient and community needs based on evidence and data. Terry Robertson, Josephine Caring Community's CEO, has been leading Josephine for that past 12 years. He's developed new service lines, advanced existing services and has a vision to provide the entire continuum of care to all of Snohomish County and Camano Island. Terry Robertson's entire professional career has been in healthcare, beginning with a degree in healthcare administration received at Adventist Hospital in Chicago. For the past 35 years Terry has been committed to expanding the continuum of care for seniors and vulnerable populations through clinical and administrative excellence.*

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<sup>17</sup> WAC 246-310-230(5).

*Medicare conditions of participation and available data on PDGM reimbursement are the basis of our proforma budget. The proforma budget will inform the initial start-up costs and staffing, while the ongoing financial reviews by the Board, CEO, Controller, Admissions and Josephine At Home Executive Director will meet regularly [sic] to establish revenue projections that align with the Medicare conditions of participation. That said, under PDGM there remains no cost caps.” [Source: Application, 29]*

*“No, there is no information in CMS’ QCOR reports that should raise questions around JCC quality. In fact, in review of the QCOR reports for the past 4 years in previously CN approved home health agencies that are affiliated with skilled nursing facilities, JAH falls within the mean average of survey and complaint deficiencies and results. This is not meant to be interpreted that the JAH project will take quality assessments and quality improvement lightly. On the contrary, the JAH project has invested in multiple tools to measure and guide quality and process improvements to achieve ongoing clinical excellence and patient safety.” [Source: December 28, 2020, screening response, pp11-12]*

As related to maintaining quality improvement standards and assessing customer satisfaction the applicant provided the following statement and a draft version of its planned Quality Assessment/Performance Improvement Program Policy. [Source: Application, p27 and Exhibit 15]

*“Quality Improvement: Josephine At Home will develop, implement, evaluate, and maintain an effective, ongoing, agency-wide, data driven Quality Assessment/Performance Improvement (QAPI) Program under the direction of the Executive Director and multidisciplinary QAPI Committee that evaluates and monitors the quality, safety and appropriateness of services provided by the agency. Josephine at Home’s QAPI program will be ongoing, focused on client outcomes that are measurable, and have a written plan for the implementation in accordance with applicable state, federal and ACHC accreditation requirements. The committee will review and update or revise the plan of implementation at least quarterly or more often if needed. The QAPI program will provide key indicators of areas of risk management. The Josephine at Home QAPI Program activities will be incorporated into the overall Josephine Caring Community Performance Improvement Program and reported to the designated QAPI Committee, Professional Advisory Committee and Governing Body.*

*Customer Satisfaction: Josephine At Home’s commitment to its clients, their caregivers, and the staff of the organization will be reflective of its philosophy and will be reviewed in light of Josephine At Home’s own explicit and implicit commitment to provide excellent care/service to its clients. In accordance with Medicare requirements, Josephine At Home will monitor client/patient satisfaction through the administration and monitoring of Home Health Consumer Assessment of Healthcare Providers and Systems (HH-CAHPS) as part of the agency’s Quality Assessment/Performance Improvement Program, and active client/patient satisfaction survey interviews. In addition, Josephine At Home will evaluate employee satisfaction and referral source/vendor satisfaction on an annual basis. All response data will be collected, analyzed and followed up as appropriate on an ongoing basis. A summary of findings and corrective actions taken will be made and reported quarterly as part of the QAPI Program.”*

#### Public Comment

The following entities provided comments related to this sub-criterion. Included here are excerpts specific to the quality of care provided by JCC.

Candyce Sylling, Member of the Board, Josephine Caring Community, Island County Resident

*“Thank you for the opportunity to comment on Josephine Caring Community proposing to provide Medicare and Medicaid certified home health services to the residents of Snohomish County. I am a member of Josephine’s Board of Directors and the granddaughter of a former resident. My grandmother received excellent care during the last years of her life at Josephine and it is in her honor that I serve on the board.*

*I write in support of Josephine Caring Community providing home health services by first receiving a certificate of need approval through the Department of Health. JCC has provided excellent care for Snohomish County for 112 years. Josephine’s mission, to be a caregiving community for all generations, is fulfilled through the establishment of Skilled Nursing, Assisted Living, Memory Care, and Child Care.”*

Steve Rakes, Island County Resident

*“Josephine Caring Community has been serving Snohomish county for over 112 years, they’ll be able to provide that same excellent care in people’s homes...”*

*Josephine is a pillar in our community and a trusted asset to many families. Please move forward with the home health care plan.”*

Rebuttal Comments

None

Department Evaluation

As a part of this review, the department must conclude that the proposed services provided by an applicant would be provided in a manner that ensures safe and adequate care to the public.<sup>18</sup> For home health agencies, the department reviews two different areas when evaluating this sub-criterion. One is a review of the Centers for Medicare and Medicaid Services (CMS) “Terminated Provider Counts Report” covering years 2018 through current. The department uses this report to identify agencies that were involuntarily terminated from participation in Medicare reimbursement.

The department also reviews an applicant’s conformance with Medicare and Medicaid standards, with a focus on Washington State facilities. The department uses the CMS “Survey Activity Report” to identify Washington State facilities with a history of condition level findings. For CMS surveys, there are two levels of deficiencies: standard and condition.<sup>19</sup>

- Standard Level  
A deficiency is at the Standard level when there is noncompliance with any single requirement (or several requirements) within a particular standard that is not of such character as to substantially limit a facility’s capacity to furnish adequate care, or which would not jeopardize or adversely affect the health or safety of patients if the deficient practice recurred.
- Condition Level

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<sup>18</sup> WAC 246-310-230(5)

<sup>19</sup> Definitions of standard and condition level surveys: <https://www.compass-clinical.com/deciphering-tjc-condition-level-findings/>

Deficiency at the Condition level may be due to noncompliance with requirements in a single standard that, collectively, represent a severe or critical health or safety breach, or it may be the result of noncompliance with several standards within the condition. Even a seemingly small breach in critical actions, or at critical times, can kill or severely injure a patient, and such breaches would represent a serious or severe health or safety threat.

As stated in the applicant descriptions section of this evaluation, Josephine Caring Community dba Josephine At Home is one of the applicants. As of the writing of this evaluation, this applicant solely operates within Washington State. JCC owns and operates a facility located in Stanwood, within Snohomish County where it currently offers assisted living, rehabilitation, skilled nursing, memory care, and childcare services.

The home health agency licensed by the Washington State Department of Health<sup>20</sup> has not yet been surveyed since its initial licensure in February of 2019. [Source: ILRS survey data and Department of Health Office of Health Systems Oversight]

Conformance with Medicare and Medicaid Standards

Using the CMS Quality, Certification & Oversight Reports (QCOR) website, the department reviewed the historical survey information for JCC’s in-home services agency.<sup>21</sup> The following table shows the total number of agencies by state and the number of surveys reported on the QCOR website from year 2018 through current.

**Department’s Table 26  
JCC’s In-Home Services Agency**

State	# of Operational Agencies	QCOR Surveys Home Health
Washington	1	0

As shown in the preceding table, from year 2018 through current, CMS has conducted 0 surveys for the applicant’s existing in-home services agency. Since no surveys have yet been conducted on JCC’s in-home services agency the department looked to JCC’s other historical survey information. Including surveys of its nursing home.

For nursing homes and assisted living facilities the Washington State Department of Social and Health Services (DSHS) has several types of reports:

- Inspections  
Referred to as ‘surveys’, this is the process by which DSHS evaluates the facility’s compliance with applicable statutes and regulations
- Investigations  
In response to reported concerns, DSHS checks to ensure the facility is in compliance with applicable rules, regulations, and resident safety
- Enforcement Actions  
Letters summarizing action taken by DSHS to compel a return to compliance
- Fire Inspections

<sup>20</sup> IHS.FS.60923101

<sup>21</sup> ‘In home service agencies’ are home care agencies, home health agencies, and hospice agencies.

Conducted by the State Fire Marshal in coordination with the DSHS Survey Team to ensure compliance with Life Safety Code (e.g. sprinklers, alarms, evacuation)

- RN Exception Letter

Indicates facility has been granted an exception to have an RN on duty 24/7

JCC’s Snohomish County nursing home was surveyed three times and investigated five times based on information currently available on DSHS’ website.<sup>22</sup> The one available enforcement letter dated May 30, 2019, generated from inspection and investigations of the nursing home, states that “*The most serious deficiencies related to the health survey were found to be; (E); a pattern of deficiencies that constitute no actual harm with potential for more than minimal harm that is not immediate jeopardy.*” Meaning the deficiencies were not isolated nor widespread, and that there was no actual harm or immediate jeopardy to resident health or safety. This type of deficiency does require a plan of correction or an additional on-site revisit to verify whether the deficiencies had been corrected. [Source: DSHS nursing home locator webpage]

JCC’s Snohomish County assisted living facility was surveyed once based on information currently available on DSHS’ website.<sup>23</sup> The one available enforcement letter dated January 29, 2019, generated from inspection of the assisted living facility, imposes civil fines related to citations. This type of deficiency requires the issued statement of deficiencies be completed and returned attesting that actions were taken to correct and maintain correction for each cited deficiency. [Source: DSHS assisted living facility locator webpage]

Again, using the CMS Quality, Certification & Oversight Reports (QCOR) website, the department reviewed the historical survey information for JCC’s affiliates’ facilities, which is summarized in the following table.

**Department’s Table 27  
JCC’s Skilled Nursing Facility’s  
Federal Survey Summary Record 2018 to Current**

<b>Year</b>	<b># of Surveys</b>	<b>Deficiency Information</b>
2018	11 complaint 1 standard (7 with no deficiencies)	Total of 18 deficiencies Most serious of which is “ <i>Actual harm that is not immediate</i> ”
2019	7 complaint 1 standard (5 with no deficiencies)	Total of 19 deficiencies Most serious of which is “ <i>No actual harm with potential for more than minimal harm that is not immediate jeopardy</i> ”
2020	5 complaint 0 standard (4 with no deficiencies)	Total of 1 deficiency Most serious of which is “ <i>No actual harm with potential for more than minimal harm that is not immediate jeopardy</i> ”
2021	1 complaint 0 standard	Total of 2 deficiencies Most serious of which is “ <i>No actual harm with potential for more than minimal harm that is not immediate jeopardy</i> ”

<sup>22</sup> <https://fortress.wa.gov/dshs/adsaapps/lookup/NHFForms.aspx?ref=adv&Lic=143>

<sup>23</sup> <https://fortress.wa.gov/dshs/adsaapps/lookup/BHFForms.aspx?Lic=569>

The table here shows that more than half of the nursing home surveys found no deficiencies. Of those that noted deficiencies, none included immediate jeopardy to resident health or safety, and corrections were completed prior to CMS' follow up visit.

#### Terminated Provider Counts Report

Focusing on years 2018 through current, there is no evidence that any JCC facilities were involuntarily terminated from participation in Medicare reimbursement. The department concludes that JCC's associated facilities are substantially compliant with state licensure and Medicare conditions of participation.

JCC provided the name and professional license number for its proposed medical director, James B. Grierson, M.D.<sup>24</sup> Using data from the Washington State Medical Quality Assurance Commission the department confirmed that Dr. Grierson has an active license with no enforcement action in Washington State. JCC also identified some of its key staff members including its Executive Director, Leslie Palmer<sup>25</sup> and its Clinical Supervisor, Allyssa Weingel<sup>26</sup> both of which also have active licenses with no enforcement action. Since this is a new agency, additional staff have not yet been identified.

Given the compliance history of the facility JCC owns and operates, as well as that of the agency's proposed medical director and key staff, and public comments, there is reasonable assurance the new home health agency would be operated in conformance with applicable state and federal licensing and certification requirements. However, a condition is necessary to ensure the agency's commitment to qualified credentialed staff is met. The department concludes that the JCC project, with written agreement to the condition in the conclusion section of this evaluation, **meets this sub-criterion.**

#### Bethany Home Health LLC dba Bethany Home Health

BHH provided the following statements related to this sub-criterion.

*“Bethany of the Northwest is already a well-respected provider of long-term care, transitional care, and assisted living services in Snohomish County. Bethany of the Northwest also works closely with local physicians, hospitals, and other providers and organizations to ensure patients' comprehensive medical, social, and spiritual needs are met. As a subsidiary of Bethany of the Northwest, Bethany will greatly benefit from these existing relationships.*

*Bethany will promote continuity in care delivery and support the needs of home health patients and their families by facilitating the transition of care and closing the care gaps for those served in Bethany of the Northwest's existing programs. Please note that Bethany is not intending to limit its services to those we currently care for, and will work with/outreach to any provider/patient/family transferring a patient to our home health agency to assure seamless transitions[.]”* [Source: Application, 28]

*“Neither Bethany, its parent nor any affiliated entity has any history in respect to criminal convictions, denial or renovate of licenses, or decertification as cited above.”* [Source: Application, 29]

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<sup>24</sup> MD00043397

<sup>25</sup> RN60275496

<sup>26</sup> RN60773842

*“The statement on page 27 is our expectation of what will be undertaken, but we have not solicited interest from any existing BNW staff at this time and will not until, at the earliest, CN approval. That said, we have heard from clinical staff repeatedly about their interest in being cross trained.” [Source: December 28, 2020, screening response, p4]*

As related to maintaining quality improvement standards and assessing customer satisfaction the applicant provided the following statement and its Quality Assessment & Performance Improvement Plan. [Source: Application, pp27-28 and Exhibit 6]

*“Bethany’s Quality Assessment and Performance Improvement Plan, included in Exhibit 6, provides for the objective and systemic monitoring, evaluation and coordination of the quality, appropriateness and cost-effectiveness of patient care, resolves identified problems and improves the Agency’s performance. This QAPI program is designed to show measurable improvement in indicators for which there is evidence that improvement in the indicators will improve health outcomes, patient safety, and quality of care. Specific measures are used to capture significant outcomes that are essential to optimal care and will be used in care planning and coordination of services and events. Assessment of these measures are achieved through data collection, consists of clinical record review, patient interviews, and patient satisfaction reports.*

*Also included in Exhibit 6 is Bethany’s patient satisfaction policy confirming that patients will be surveyed at least upon discharge to obtain information regarding their satisfaction with the services provided. The information obtained is analyzed and any problems identified are addressed.”*

#### Public Comments

The following entities provided comment related to this sub-criterion. Included here are excerpts specific to the quality of care provided by BNW.

#### Pastor Deb Mach, Holy Cross Lutheran Church

*“Bethany of the Northwest is well regarded and has proven its quality and service excellence. It has served Snohomish County for over 100 years and with a staff of more than 400, and a dedicated group of volunteers, people continue to look to Bethany to provide Snohomish County residents with a life of independence, dignity, and purpose.*

*Many in our congregation have greatly benefited from the care and support Bethany has provided to them and their families, neighbors, and friends. I know for me personally Bethany would be my provider of choice for my loved ones.”*

#### Pastors David Parks and Deborah Squires, Our Savior’s Lutheran Church

*“Many in our congregation have come to see Bethany as their provider of choice for themselves and their relatives and friends. Bethany has a reputation in our community as not only providing high quality services but also of being a strong and loving advocate for the most vulnerable and typically underserved in our community.”*

#### Rebuttal Comments

None

### Department Evaluation

As a part of this review, the department must conclude that the proposed services provided by an applicant would be provided in a manner that ensures safe and adequate care to the public.<sup>27</sup> For home health agencies, the department reviews two different areas when evaluating this sub-criterion. One is a review of the Centers for Medicare and Medicaid Services (CMS) “Terminated Provider Counts Report” covering years 2018 through current. The department uses this report to identify agencies that were involuntarily terminated from participation in Medicare reimbursement.

The department also reviews an applicant’s conformance with Medicare and Medicaid standards, with a focus on Washington State facilities. The department uses the CMS “Survey Activity Report” to identify Washington State facilities with a history of condition level findings. For CMS surveys, there are two levels of deficiencies: standard and condition.<sup>28</sup>

- Standard Level

A deficiency is at the Standard level when there is noncompliance with any single requirement (or several requirements) within a particular standard that is not of such character as to substantially limit a facility’s capacity to furnish adequate care, or which would not jeopardize or adversely affect the health or safety of patients if the deficient practice recurred.

- Condition Level

Deficiency at the Condition level may be due to noncompliance with requirements in a single standard that, collectively, represent a severe or critical health or safety breach, or it may be the result of noncompliance with several standards within the condition. Even a seemingly small breach in critical actions, or at critical times, can kill or severely injure a patient, and such breaches would represent a serious or severe health or safety threat.

As stated in the applicant descriptions section of this evaluation, Bethany Home Health LLC dba Bethany Home Health is one of the applicants. As of the writing of this evaluation, this applicant only operates within Washington State. The parent of the applicant, BNW owns and operates two nursing homes and an assisted living facility. It also shares joint ownership of Everett Transitional Care Services, another nursing home, with Providence Regional Medical Center. All of these facilities are located in Everett, within Snohomish County.

The home health agency licensed by the Washington State Department of Health<sup>29</sup> has not yet had a survey since its initial licensure in July of 2020. [Source: ILRS survey data and Department of Health Office of Health Systems Oversight]

### Conformance with Medicare and Medicaid Standards

Using the CMS Quality, Certification & Oversight Reports (QCOR) website, the department reviewed the historical survey information for BHH’s in-home services agency.<sup>30</sup> The following table shows the total number of agencies by state and the number of surveys reported on the QCOR website from year 2018 through current.

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<sup>27</sup> WAC 246-310-230(5)

<sup>28</sup> Definitions of standard and condition level surveys: <https://www.compass-clinical.com/deciphering-tjc-condition-level-findings/>

<sup>29</sup> IHS.FS.60966822

<sup>30</sup> ‘In home service agencies’ are home care agencies, home health agencies, and hospice agencies.

**Department's Table 28  
BHH's In-Home Services Agency**

State	# of Operational Agencies	QCOR Surveys Home Health
Washington	1	0

As shown in the preceding table, from year 2018 through current, CMS has conducted a total of 0 surveys for the applicant's existing in-home services agency. Since no surveys have yet been conducted on BHH's in-home services agency the department looked to BHH-affiliated historical survey information. Including surveys of its skilled nursing facilities.

For nursing homes and assisted living facilities the Washington State Department of Social and Health Services (DSHS) has several types of reports:

- Inspections  
Referred to as 'surveys', this is the process by which DSHS evaluates the facility's compliance with applicable statutes and regulations
- Investigations  
In response to reported concerns, DSHS checks to ensure the facility is in compliance with applicable rules, regulations, and resident safety
- Enforcement Actions  
Letters summarizing action taken by DSHS to compel a return to compliance
- Fire Inspections  
Conducted by the State Fire Marshal in coordination with the DSHS Survey Team to ensure compliance with Life Safety Code (e.g. sprinklers, alarms, evacuation)
- RN Exception Letter  
Indicates facility has been granted an exception to have an RN on duty 24/7

Nursing homes BNW owns and operates in Snohomish County were surveyed eight times and investigated 28 times based on information currently available on DSHS' website.<sup>31</sup> When reviewing the 14 available enforcement letters generated from inspection and investigations of the nursing homes, states that "*The most serious deficiencies related to the health survey were found to be level; (G); isolated deficiencies that constitute actual harm that is not immediate jeopardy.*" Meaning the deficiencies were not widespread, and that there was actual harm but not immediate jeopardy to resident health or safety. This type of deficiency does require a plan of correction and an additional on-site revisit to verify whether the deficiencies had been corrected. [Source: DSHS nursing home locator webpage]

BNW's Snohomish County assisted living facility was surveyed once based on information currently available on DSHS' website.<sup>32</sup> This survey resulted in no enforcement letters. [Source: DSHS assisted living facility locator webpage]

Again, using the CMS Quality, Certification & Oversight Reports (QCOR) website, the department reviewed the historical survey information for BHH's affiliates' facilities, which is summarized in the following table.

<sup>31</sup> <https://fortress.wa.gov/dshs/adsaapps/lookup/>

<sup>32</sup> <https://fortress.wa.gov/dshs/adsaapps/lookup/BHForms.aspx?Lic=1346>

**Department's Table 29**  
**BHH's Affiliated Skilled Nursing Facilities'**  
**Federal Survey Summary Record 2018 to Current**

Facility	Year	# of Surveys	Deficiency Information
Bethany at Pacific	2018	8 complaint zero standard (5 with no deficiencies)	Total of 7 deficiencies Most serious of which is “ <i>No actual harm with potential for more than minimal harm that is not immediate jeopardy</i> ”
	2019	14 complaint 1 standard (8 with no deficiencies)	Total of 29 deficiencies Most serious of which is “ <i>Actual harm that is not immediate</i> ”
	2020	8 complaint 1 standard (4 with no deficiencies)	Total of 30 deficiencies Most serious of which is “ <i>Actual harm that is not immediate</i> ”
	2021	3 complaint zero standard (3 with no deficiencies)	Total of zero deficiencies
Bethany at Silver Lake	2018	4 complaint 1 standard (1 with no deficiencies)	Total of 22 deficiencies Most serious of which is “ <i>Actual harm that is not immediate</i> ”
	2019	5 complaint 1 standard (1 with no deficiencies)	Total of 22 deficiencies Most serious of which is “ <i>Actual harm that is not immediate</i> ”
	2020	5 complaint zero standard (4 with no deficiencies)	Total of 1 deficiency Most serious of which is “ <i>No actual harm with potential for more than minimal harm that is not immediate jeopardy</i> ”
	2021	6 complaint zero standard (4 with no deficiencies)	Total of 3 deficiencies Most serious of which is “ <i>No actual harm with potential for more than minimal harm that is not immediate jeopardy</i> ”
Everett Transitional Care Services	2018	6 complaint zero standard (5 with no deficiencies)	Total of 1 deficiency Most serious of which is “ <i>No actual harm with potential for more than minimal harm that is not immediate jeopardy</i> ”
	2019	1 complaint zero standard	Total of 2 deficiencies Most serious of which is “ <i>No actual harm with potential for more than minimal harm that is not immediate jeopardy</i> ”
	2020	No surveys found	None
	2021	No surveys found	None

The table here shows that many of the surveys found no deficiencies. Of those that noted deficiencies, none included immediate jeopardy to resident health or safety, and corrections were completed prior to CMS' follow up visit.

### Terminated Provider Counts Report

Focusing on years 2018 through current, there is no evidence that any BHH facilities were involuntarily terminated from participation in Medicare reimbursement. The department concludes that all BHH affiliated facilities are substantially compliant with state licensure and Medicare conditions of participation.

BHH provided the name and professional license number for its proposed medical director, Darren Swenson, M.D.<sup>33</sup> Using data from the Washington State Medical Quality Assurance Commission the department confirmed that Dr. Swenson has an active license with no enforcement action in Washington State. Additional staff have not yet been identified.

Given the compliance history of the facilities BNW owns and operates, as well as that of the agency's proposed medical director, and public comments, there is reasonable assurance the home health agency would be operated in conformance with applicable state and federal licensing and certification requirements. However, a condition is necessary to ensure the agency's commitment to qualified staff is met. The department concludes that the BHH project, with written agreement to the condition in the conclusion section of this evaluation, **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 246-310-230(4) does not contain specific criteria as identified in WAC 246-310-200(2)(a)(i). There are also no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that directs how to measure unwarranted fragmentation of services or what types of relationships with a services area's existing health care system should be for projects of this type and size. Therefore, using its experience and expertise the department assessed the materials in each application.

### Josephine Caring Community dba Josephine At Home

JCC provided the following statements related to this sub criterion.

*“Obtaining a Certificate of Need for a Home Health Agency is an important piece of our long-range business and financial plans. Through the Certificate of Need application, Josephine Caring Community will take another step improving continuity of care by providing physician directed home health care to those living in Snohomish County and Camano Island. The demand for home health from our existing skilled nursing facility and local partners remains high.*

*Long term, the Josephine At Home service line plans to expand to provide Home Care and Hospice. These plans will ensure continuity for patients and their families. As the health care landscape changes to value driven models, and data supports better outcomes when patients are able to obtain care in their home, Josephine is making evidence-based decisions to ensure we can meet and exceed the community's healthcare needs. COVID-19 has added additional evidence for both Josephine, and the nation, that significant changes must occur in how and where we deliver health care services.*

*Home Health Agencies are uniquely positioned to step-in and fill an even larger community need than originally foreseen. Josephine Caring Community will remain consistent in maintaining our current financial health by becoming Medicare and Medicaid certified so that we can continue to*

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<sup>33</sup> MD60793398

*responsibly expand care across Snohomish County and Camano Island. In the past 112 years, Josephine has proven that by dedicating our organization to the wellbeing of our staff, seniors, rural residents and those that are vulnerable in our community, we are investing in a healthy future for all residents. Since 1908, Josephine Caring Community has provided care with One Heart and Many Hands and continues to celebrate Fullness of Life with our community centered service lines.”* [Source: Application, p7]

*“Josephine At Home has provided health services to Snohomish County and Camano Island residents for 112 years. Existing ancillary and support resource relationship will be expanded upon, while it is predicted that new service relationships will also occur. Continuity of care will be achieved by reducing silos between agencies that refer, discharge or serve home health patients. By extending the continuum of care within Josephine Caring Community we will reduce fragmented care for patients transitioning to the post-acute care setting. Josephine At Home intends to deepen existing resource relationships while creating new healthcare partnerships to best service Snohomish County and Camano Island residents. As current and new relationships progress, Josephine At Home will create new service line agreements that are specific to the home health agency project.”* [Source: Application, p28]

#### Public Comments

None

#### Rebuttal Comments

None

#### Department Evaluation

Information provided in JCC’s application demonstrates that it has the basic infrastructure in place to establish Medicare and Medicaid-certified home health services for Snohomish County and Camano Island residents.

For this sub-criterion, the department must also consider the outcome of the financial feasibility section of this review. If a project is denied under WAC 246-310-220(1), (2), or (3), then the project must also be denied under this sub-criterion. This result is based on the department’s reasoning that if a project is not deemed financially feasible, the project has the potential to cause unwarranted fragmentation of services in the planning area if approved. Based on the information provided and conclusions in earlier parts of this evaluation, the JCC project **meets this sub-criterion**.

#### Bethany Home Health LLC dba Bethany Home Health

BHH provided the following statements related to this sub criterion.

*“Bethany of the Northwest is already a well-respected provider of long-term care, transitional care, and assisted living services in Snohomish County. Bethany of the Northwest also works closely with local physicians, hospitals, and other providers and organizations to ensure patients’ comprehensive medical, social, and spiritual needs are met. As a subsidiary of Bethany of the Northwest, Bethany will greatly benefit from these existing relationships.*

*Bethany will promote continuity in care delivery and support the needs of home health patients and their families by facilitating the transition of care and closing the care gaps for those served in Bethany of the Northwest’s existing programs. Please note that Bethany is not intending to limit its services to those we currently care for, and will work with/outreach to any provider/patient/family*

*transferring a patient to our home health agency to assure seamless transitions.” [Source: Application, p28]*

*“Bethany of the Northwest’s core values include:*

- *Integrity – Acting with honesty without compromising the truth*
- *Compassion: Caring for each person with dignity and respect.*
- *Respect: Honoring ourselves and those whom we serve.*
- *Excellence: Continually improving and striving to be the best.*
- *Stewardship: Using our talents and resources wisely.*

*These values require that Bethany of the Northwest continue to grow and expand our array of services as needs are identified. Most recently this is reflected in a partnership established with Providence Everett Medical Center to redesign the transitional care model, moving from traditional post-acute patients (now being managed well in community nursing homes) to hard to place long-stay/non-acute patients impacting occupancy and bed availability at Providence Everett, and more importantly, the quality of life of these individuals.*

*Bethany of the Northwest also recently established a licensed in-home services agency to meet the needs of patients needing safe transitions to home, and the establishment of a Medicare certified home health agency is the logical next step.” [Source: Application, pp5-6]*

#### Public Comments

The following entities provided comments related to this sub-criterion. Included here are excerpts specific to how this project has the potential to promote continuity of care in the provision of healthcare services.

#### Pastor Deb Mach, Holy Cross Lutheran Church

*“Medicare certified home health services are extremely important because they support the timely discharge of hospitalized patients to their home where they are close to family in a familiar setting, and where healing is easier. When delays occur in discharge or when home health cannot respond timely, patients and families report stress, and families, often with no perceived choice, often resort to using an emergency room.”*

#### Isaiah N. Kombol, MSW, Director of Social Services, Bethany at Silver Lake

*“I am honored today to submit this letter of support for the Bethany Home Health Certificate of Need application. I serve as the Social Services Director for Bethany at Silver Lake, a skilled nursing facility that provides 24-hour skilled nursing care and rehabilitative services, including a secure Alzheimer's and dementia care unit.*

*About 80% of our admissions are for residents needing transitional skilled or rehabilitation care following surgery, illness or injury; and so we regularly work with home health agencies to ensure patients can be discharged to home as soon as possible. We know that effective and timely discharge can help ensure improved patient outcomes and lower rehospitalization rates, and we strive to create a seamless patient transition back to their home environment...*

*...Many of our residents would love the continuity of care a Bethany agency would bring. In addition, I know from my direct experience working in a Bethany facility, that their commitment to serving all*

*patients and designing programs to be accessible to all will mean that many of the current referral, coordination and access issues we face will be resolved through the approval of a Bethany agency.”*

Pastors David Parks and Deborah Squires, Our Savior’s Lutheran Church

*“Adding home health services to the continuum of long-term, transitional, and assisted living services already provided by Bethany would be a huge blessing to our community.”*

Pastor Tom Rohde, Good Shepherd Lutheran Church at Swan’s Trail

*“Bethany of the Northwest is an extension of our church's ministry in the city of Everett. They provide wholeness of care to those in the twilight of their lives and those with special needs. Adding home health services to their continuum of care would be such a blessing to our aging community and help ensure that these valuable community members receive the care they need at the right place and time, increasing outcomes, quality, and peace for patients and families.”*

Rebuttal Comments

None

Department Evaluation

Information provided in BHH’s application and affirmed by public comments demonstrates that it has the basic infrastructure in place to provide Medicare and Medicaid-certified home health services for Snohomish County residents.

For this sub-criterion, the department must also consider the outcome of the financial feasibility section of this review. If a project is denied under WAC 246-310-220(1), (2), or (3), then the project must also be denied under this sub-criterion. This result is based on the department’s reasoning that if a project is not deemed financially feasible, the project has the potential to cause unwarranted fragmentation of services in the planning area if approved. Based on the information provided and conclusions in earlier parts of this evaluation, the BHH project **meets this sub-criterion**.

*(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.*

Josephine Caring Community dba Josephine At Home

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

Bethany Home Health LLC dba Bethany Home Health

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

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

Josephine Caring Community dba Josephine At Home

Based on the source information reviewed and agreement to the conditions identified in the conclusion section of this evaluation, the department determines that the Josephine Caring Community project **meets** the applicable cost containment criteria in WAC 246-310-240.

Bethany Home Health LLC dba Bethany Home Health

Based on the source information reviewed and agreement to the conditions identified in the conclusion section of this evaluation, the department determines that the Bethany Home Health, LLC project **meets** 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 each application has met the criteria of WAC 246-310-210 thru 230. If either project fails 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 either project has met the applicable criteria in WAC 246-310-210 through 230 criteria, the department then assesses the other options considered by the applicant. If the department determines the proposed project is better or equal to other options considered by the applicant and the department has not identified any other better options this criterion is determined to be met unless there are multiple applications.

If there are multiple applications, the department's assessment is to apply any service or facility superiority criteria contained throughout WAC 246-310 and the 1987 State Health Plan related to the specific project type.

Josephine Caring Community dba Josephine At Home

For this project, JCC met the applicable review criteria under WAC 246-310-210, 220, and 230. Therefore, the department moves on to alternatives considered by the applicant. JCC considered the several options outlined in the following table and statement. [Source: December 28, 2020, screening response, pp12-13]

## *Applicant's Table*

<b>Alternative 1: Do Not Seek New Home Health Agency</b>	
<b>Criteria, Capitol Costs, Staffing Impact</b>	<b>Advantage/Disadvantage</b>
No direct cost impact to JAH.	Advantage
Reduced continuity of care would result in less opportunity for cost efficiency improvements.	Disadvantage
Less access and availability to county residents.	Disadvantage
Quality of care declines as home health agency need is high, would remain high.	Disadvantage
There are no legal restriction impacts as a CN approval is avoided.	Advantage
Capital costs are none.	Advantage
Staffing impacts would translate to no new job opportunities.	Disadvantage
<b>Alternative 2. Seek New Home Health Agency</b>	
Cost and time impact to JCC is moderate.	Disadvantage
Improve access, availability and timeliness of care to the county.	Advantage
Improve quality of care through access and timeliness.	Advantage
Improve continuity of care.	Advantage
CN approval process requires legal consulting and burden of increased regulatory requirements for JCC.	Disadvantage
Capital costs are incurred, although small and quickly recouped.	Advantage
New job creation would have positive impact on the community, county and surrounding counties where new staff may live.	Advantage
<b>Alternative 3. Joint Venture with Another Organization</b>	
Cost and time impact to JCC may be higher due to partner organization requests and increase in complexity.	Disadvantage
Improved access, availability and timeliness of care would be expected.	Advantage
Quality of care could be improved through timeliness.	Advantage
Continuity of care may not be improved as JCC residents and patients may not be prioritized.	Disadvantage
CN approval and regulatory aspects would be a burden to JCC and may be higher in cost and time due to increased complexity of a joint venture.	Disadvantage
Capitol costs are incurred and may be increased due to increased size and scope of project.	Disadvantage
New job creation would exist although shared governance may impact aspects of hiring and benefits packages that may not be positive for all staff.	Disadvantage

*“The decision to move forward with the JAH project as stated in the CN application was based, in part, on the above criteria. The agency need calculations also clearly supports agency need in Snohomish County. And finally, for JCC to provide continuity of care through improved quality, access, availability and timeliness in care, we are best positioned to achieve this through the JAH project as proposed in the CN application.”*

When asked to discuss why its project should be considered the best available alternative for Snohomish County residents, JCC provided the following statements. [Source: December 28, 2020, screening response, pp13-14]

*“Both JCC and Bethany have calculated a net need for home health agencies in Snohomish County that exceeds 2 agencies. Both JCC and Bethany have similar faith-based backgrounds with strong clinical reputations in skilled care and assisted living. It is our belief that JCC and Bethany can support Snohomish County needs symbiotically as we intend to operate as informal partners. COVID-19 has changed the competitive landscape to one of mutual support due to the high need for in-home services. While we have answered the 1987 SHP questions below (#30-#32), it should be reiterated that this is unnecessary in this CN concurrent application review. With JCC and Bethany utilizing the SHP need methodology to calculate agency need beyond 2 agencies, JCC feels strongly that both agencies can be successful and sustainable while providing clinical excellence to all of Snohomish County.”*

When asked to discuss how JCC meets or exceeds criteria in the 1987 State Health Plan,<sup>34</sup> JCC provided the following statements. [Source: December 28, 2020, screening response, p14]

*“JAH projected charges and costs per visit align with previously approved home health agencies when compared with the same agencies CMS cost reporting data.*

*JAH plans to expand upon the JCC formal linkages in referral software from Providence Hospital Everett, Swedish Medical Center, University of Washington and Skagit Valley Hospital. There are currently no draft or executed agreements. In Table 11. Expected Referral Sources of the CN application, the referral sources not listed above will provide verbal or emailed referrals and offer similar linkages to other levels of care. The JAH future-state plan also includes launching non-skilled home care services that will work symbiotically with JAH home health services. CMS and Congress are currently finalizing legislation that will provide reimbursement for a new care model called SNF At Home. The legislation is intended to combine home health and home care services reimbursement and simulate a skilled nursing facility level of care to home health patients.*

*Yes, JAH is utilizing our EHR CRM tool, coupled with other data analytics software, that pulls data from patient referrals, intakes, outcomes, OASIS data sets and other sources to display measurement results. These tools will be defined to provide JAH with the ability to remain nimble in our execution of care by focusing resources where it will provide continued clinical excellence and positive patient outcomes. Many times, a community concern is only seen in hindsight. By having live date retrieval through our EHR CRM tool, JAH can respond quickly and decisively to issues as they arise. Community concerns that are received verbally or via social media can quickly be incorporated as a new measurement or responded to by sharing dashboard data through the JAH website or social media accounts.”*

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<sup>34</sup> Specifically, comparing projected costs and charges, documented formal linkages to other levels of care, and having a mechanism for measuring and responding to community concerns.

Public Comments

None

Rebuttal Comments

None

Department Evaluation

The department concluded in the need section of this evaluation that Snohomish County could accommodate another 15 home health agencies in projection year 2024. JCC provided a discussion of options considered, including not seeking a new agency, this proposal, and working on a joint venture with another provider. Since this project's advantages outweighed disadvantages when compared with the alternative options, JCC's rejection of options other than the one proposed in this application is appropriate. The department did not identify any alternative that was a superior alternative in terms of cost, efficiency, or effectiveness that is available or practicable. **This sub-criterion is met.**

Bethany Home Health LLC dba Bethany Home Health

For this project, BHH met the applicable review criteria under WAC 246-310-210, 220, and 230. Therefore, the department moves on to alternatives considered by the applicant. BHH considered the several options outlined in the following statement. [Source: Application, p30]

*"Given the need defined through application of the home health methodology, Bethany Home Health identified and evaluated only three alternatives prior to submitting this CN.*

- 1. Do nothing.*
- 2. Establish a licensed only home health agency only.*
- 3. File a CN to allow it to serve the unmet home health needs of the community.*

*Given the unmet need, coupled with the fact that we are increasingly aware that at least several are increasingly at capacity and are limiting or delaying new admissions, we decided that Option 1 was not responsive to community need.*

*Bethany did file all necessary paperwork and did receive a license in July 2020 as a home health agency. However, since the majority of our patients are Medicare or Medicaid patients, and the vast remainder of our patients are covered through insurance companies that require Medicare certification to contract with them, Option 2 does not serve the majority of patients in need of home health services, and therefore falls far short in addressing unmet needs*

*Option 3, filing a certificate of need to become a Medicare Certified/Medicaid eligible home health agency is the best option and will allow Bethany to serve the unmet home health needs in Snohomish County."*

When asked to discuss why its project should be considered the best available alternative for Snohomish County residents, BHH provided the following statement and table. [Source: December 28, 2020, screening response, pp6-8]

*"Bethany believes that two agencies can be fully supported under the methodology, and we know Josephine Caring to be a quality organization and would welcome their providing home health in Snohomish County along with us. With that said, should the Program ultimately determine that only one project should be approved, we are confident that we are the best available alternative for Snohomish residents. The superiority criteria in the 1987 SHP are included under Standard 5. BNW*

has restated the language of Standard 5 and the criteria, and we have added our initial response in Table 2 below.”

**Applicant’s Table**

Table 2 State Health Plan Superiority Criteria		
	Criterion	Bethany Home Health Initial Response
A	The proposed agency will meet state certification requirements	There are no state certification requirements. Bethany will meet state licensing requirements and will seek accreditation from the Community Health Accreditation Partner (CHAP).
B	The proposed agency will serve either directly or through formal agreements with other providers the entire planning area in which it is proposed to be located	BNW has expended considerable time over the past few years to develop partnerships that support the delivery of coordinated care and ensure readiness for participation in value-based care. Our central location in Snohomish County, coupled with our partnerships with organizations such as Providence and the Everett Clinic assure Bethany Home Health will serve the entire planning area. BNW is also working to expand its relationship with several other key providers. Provider interest is high in Bethany because we have a history of offering high-quality options for post-acute and direct admit care.  BNW has also been exploring partnerships that support workforce development and training.
C	The proposed agency has a written policy and budget to serve clients without regard to their source of payment	Exhibit 6 of the CN application includes Bethany’s written policy, which reads in part:  <i>It is the policy of Bethany Home Health LLC to provide services to all patients regardless of ability to pay. The agency will identify charity care cases and provide discounted or uncompensated care based upon the information provided at the time of application for charity care by the patient or their representative.</i>
D	The agency has a lower charge per visit compared to similarly organized agencies providing comparable services in the home health planning area	As was discussed with CN staff on December 21, Bethany is not aware of any public information detailing the charges of similarly organized agencies in Snohomish County. Further, we believe the 1987 SHP language is outdated and that “charges” are irrelevant to superiority comparisons. Charges are neither the fixed government nor insurer-negotiated payment a health care entity receives for providing care. Health care entities generally charge all entities the same amount but are well-aware actual payment will be based on negotiated contracts. Uninsured patients also do not typically pay “charges”. Instead, they receive discounts that consider a patient’s ability to pay and are typically similar to what the hospital negotiates with other payers. The only term that appropriately refers to that which consumers, insurers or governments pay for care is payment, not charges.
E	The agency assures continuity of care by having documented formal linkages to other levels of care	As noted in response to B above, we work closely with Providence Everett (ED, inpatient, behavioral health, hospice) and the primary care and specialty providers. We are also the largest provider of NF beds in the County and operate assisted living facilities as well.
F	The agency has	Please see response to #c. above.
	Criterion	Bethany Home Health Initial Response
	arrangements to provide charity care to clients who are unable to pay for services	
G	The agency demonstrates a mechanism for measuring and responding to community concerns	At the patient level, Exhibit 6 in the application includes a copy of Bethany’s proposed patient satisfaction policy confirming that patients will be surveyed at least upon discharge to obtain information regarding their satisfaction with services provided, and importantly that responses are analyzed, and any problems identified for QAPI review. Bethany also has a comprehensive Patient Complaints and Grievance Policy (included as Attachment 2). QAPI also reviews each Complaint Report to identify opportunities for improvement.  At the larger community level, BNW meets regularly with health care providers, and our Board is comprised of community representatives that outreach and solicit input and use that input in both strategic planning and quality committees.

Public Comments

None

Rebuttal Comments

None

Department Evaluation

The department concluded in the need section of this evaluation that Snohomish County could accommodate another 15 home health agencies in projection year 2024. BHH provided a discussion of options considered, including doing nothing, establishing a licensed-only agency, and this proposal. Based on the growing need for services, and the fact that the majority of its affiliate's patients are Medicare or Medicaid patients, BHH's rejection of options other than the one proposed in this application is appropriate. The department did not identify any alternative that was a superior alternative in terms of cost, efficiency, or effectiveness that is available or practicable. **This sub-criterion is met.**

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

- (a) The costs, scope, and methods of construction and energy conservation are reasonable;*
- (b) The project will not have an unreasonable impact on the costs and charges to the public of providing health services by other persons.*

Department Evaluation for Josephine Caring Community dba Josephine At Home

This proposal does not involve construction; thus, this sub-criterion does not apply to this project.

Department Evaluation for Bethany Home Health LLC dba Bethany Home Health

This proposal does not involve construction; thus, this sub-criterion does not apply to this project.

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

Josephine Caring Community dba Josephine At Home

JCC provided the following statement related to this sub criterion. [Source: Application, pp29-30]

*“Staff and system efficiencies are promoted through the use of SharePoint, a Microsoft Azure Cloud application that allows for a single source of data and workflow truth. SharePoint is an internal website that is a repository of all documentation, resources and links to the Josephine At Home policies, procedures and operational hyperlinks. This allows for all staff to be able to access the most current Josephine information from any device (mobile, laptop or desktop). Josephine At Home also employs the use of Point Click Care for clinical documentation. Point Click Care utilizes CRM and data analytics that can be fed to dashboards. This allows for quick access to productivity metrics and detailed data sets that inform both management and clinical and non-clinical individual contributors. Training to the metrics occurs during onboarding and will be updated frequently in multiple modes of communications (monthly staff meetings, emails, on-demand training and resources through the applications of Relias and Point Click Care, Skills Training and annual reviews).”*

Public Comments

None

Rebuttal Comments

None

Department Evaluation

JCC provided sound and reasonable rationale for expanding its existing services to include Medicare and Medicaid-certified home health services to Snohomish County and Camano Island residents. If approved, this project has the potential to improve delivery of necessary in-home services to Snohomish County and Camano Island residents. **This sub-criterion is met.**

Bethany Home Health LLC dba Bethany Home Health

BHH provided the following statement related to this sub criterion. [Source: Application, p31]

*“Bethany’s project is specifically designed to promote continuity in care delivery and support the needs of home health patients and their families. Bethany of the Northwest already operates 262 skilled and sub-acute nursing beds and 60 apartments for assisted living at three separate locations in Snohomish County. Home health services will be the perfect complement to these services, ensuring the full range of care and even greater staff efficiency and productivity. The Home Health agency will be able to share staff, administration, and ancillary services with Bethany of the Northwest, requiring very little investment, but a great complement of services to the community.”*

Public Comments

The following entity provided comment related to this sub-criterion. Included here is an excerpt specific to how the project could impact costs.

Pastor Tom Rohde, Good Shepherd Lutheran Church at Swan’s Trail

*“We have heard more often over the last several years frustration when our members or their family members can't get access to home health services in a timely manner. This causes unease to our members, and to all of us, around safety, costs of unnecessary hospitalization, and, importantly, the social, emotional and healing impacts of not being able to be in their setting of choice.”*

Rebuttal Comments

None

Department Evaluation

BHH provided sound and reasonable rationale for adding Medicare and Medicaid-certified home health services to the services its affiliates already provide to Snohomish County. If approved, this project has the potential to improve delivery of necessary in-home services to Snohomish County residents. **This sub-criterion is met.**

# APPENDIX A

Home Health Supply for Snohomish County  
Certificate of Need Applications 21-14 and 21-15  
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Agency	License Number	CN HH Files ILRs Research Research	ILRs Research	Internet Research	CN Survey Research	Conclusion
Avail Home Health	IHS.FS.00000231		Service Area(s): Snohomish, plus 27 counties throughout the State Number of HH FTEs: 125 Services: RN, HHA, PC, chore, RC, transport License 1st issued: predates ILRs	URL: <a href="http://www.availhome.com/">http://www.availhome.com/</a> Limitations (if any): None	2019 data: No survey completed. 2018 data: No survey completed.	<b>Included</b> Although no surveys were completed, the services and service areas where verifiable through the agency's website.
Kindred at Home	IHS.FS.00000295		Service Area(s): Snohomish, plus King Number of HH FTEs: 26.11 Services: RN, HHA, ST, MSW, OT, NC, PT License 1st issued: predates ILRs	URL: <a href="https://www.kindredhealthcare.com/our-services/home-care/types-of-care">https://www.kindredhealthcare.com/our-services/home-care/types-of-care</a> Limitations (if any): None	2019 data: No survey completed. 2018 data: No survey completed.	<b>Included</b> Although no surveys were completed, the services and service areas where verifiable through the agency's website.
Assured Home Health	IHS.FS.60497952	Medicare & Medicaid-certified	Service Area(s): Snohomish, plus King, Pierce Number of HH FTEs: 23 Services: RN, HHA, ST, MSW, OT, PT License 1st issued: 09/10/2014	URL: <a href="https://lhcgroupp.com/locations/assured-home-health-of-olympia/">https://lhcgroupp.com/locations/assured-home-health-of-olympia/</a> Limitations (if any): None	2019 data: Survey completed with Snohomish admits & visits, 1st year 2017. 2018 data: Survey completed with Snohomish admits & visits, 1st year 2017.	<b>Included</b>
Brookdale Home Health	IHS.FS.60532952	Medicare & Medicaid-certified	Service Area(s): Snohomish, plus Island, King Number of HH FTEs: 20.96 Services: RN, ST, PT, HHA, MSW, OT, IV, RT License 1st issued: 01/15/2015	URL: <a href="https://www.brookdale.com/en/our-services/home-health/our-services.html">https://www.brookdale.com/en/our-services/home-health/our-services.html</a> Limitations (if any): None	2019 data: No survey completed. 2018 data: Survey completed with Snohomish admits & visits.	<b>Included</b>
Eden Home Health	IHS.FS.60491681	Medicare & Medicaid-certified	Service Area(s): Snohomish, plus Island, San Juan, Skagit, Whatcom Number of HH FTEs: 123.72 Services: RN, HHA, ST, MSW, OT, PT License 1st issued: 07/24/2014	URL: <a href="https://www.empres.com/service/home-health/">https://www.empres.com/service/home-health/</a> Limitations (if any): None	2019 data: Survey completed with Snohomish admits & visits. 2018 data: No survey completed.	<b>Included</b>
Evergreen Health	IHS.FS.00000278		Service Area(s): Snohomish, plus Island, King Number of HH FTEs: 202.20 Services: RN, HHA, DME, ST, RT, MSW, OT, NC, BC, PT, IV, PC License 1st issued: predates ILRs	URL: <a href="https://www.evergreenhealth.com/home-health">https://www.evergreenhealth.com/home-health</a> Limitations (if any): None	2019 data: Survey completed with Snohomish admits & visits, 1st year 1986. 2018 data: Survey completed with Snohomish admits & visits, 1st year 1986.	<b>Included</b>
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	Medicare & Medicaid-certified	Service Area(s): Snohomish Number of HH FTEs: 141.07 Services: RN, HHA, PT, OT, ST, MSW License 1st issued: predates ILRs	URL: <a href="https://www.providence.org/services/home-care-services#tabcontent-1-pane-3">https://www.providence.org/services/home-care-services#tabcontent-1-pane-3</a> Limitations (if any): None	2019 data: Survey completed with Snohomish admits & visits, 1st year 1978. 2018 data: Survey completed with Snohomish admits & visits, 1st year 1978.	<b>Included</b>

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Agency	License Number	CN HH Files ILRs Research Research	Internet Research	CN Survey Research	Conclusion
Signature Healthcare at Home	IHS.FS.00000220	Medicare & Medicaid-certified Service Area(s): Snohomish, plus King Number of HH FTEs: 51 Services: RN, HHA, ST, MSW, OT, PT License 1st issued: predates ILRs	URL: <a href="https://signaturehch.com/health">https://signaturehch.com/health</a> Limitations (if any): None	2019 data: No survey completed. 2018 data: No survey completed.	<b>Included</b>
A-One Home Care	IHS.FS.00000219	Service Area(s): Snohomish, plus Chelan, Island, King, Skagit, Whatcom Number of HH FTEs: 31 Services: RN, HHA License 1st issued: predates ILRs	URL: None found	2019 data: No survey completed. 2018 data: No survey completed.	<b>Excluded</b> Unable to verify what if any services are available to residents of Snohomish.
Day by Day Nursing Services	IHS.FS.60907239	Service Area(s): Snohomish, plus King Number of HH FTEs: 2 Services: RN, HHA, MSW, PC, chore, RC, transport License 1st issued: 01/09/2020	URL: None found	2019 data: No survey completed. 2018 data: No survey completed.	<b>Excluded</b> Unable to verify what if any services are available to residents of Snohomish.
Harbor Health Solutions LLC	IHS.FS.60892797	Service Area(s): Snohomish, plus 17 counties throughout the State Number of HH FTEs: 18 Services: RN, PT, HHA, IV, ABA, PC, chore, RT, transport License 1st issued: 04/16/2019	URL: None found	2019 data: No survey completed. 2018 data: No survey completed.	<b>Excluded</b> Unable to verify what if any services are available to residents of Snohomish.
Precision Home Health	IHS.FS.61034384	Service Area(s): Snohomish, plus King Number of HH FTEs: 2 Services: RN, ST, NC, PT, HHA, MSW, OT, IV, NC, RT, DME, ABA, PC, chore, RC, transport License 1st issued: 10/01/2020	URL: None found	2019 data: No survey completed. 2018 data: No survey completed.	<b>Excluded</b> Unable to verify what if any services are available to residents of Snohomish.
Tulamore, Inc.	IHS.FS.61043336	Service Area(s): Snohomish, plus King Number of HH FTEs: 2 Services: RN, ST, NC, PT, HHA, MSW, OT, IV, RT, DME, ABA, PC, chore, transport License 1st issued: 08/24/2020	URL: None found	2019 data: No survey completed. 2018 data: No survey completed.	<b>Excluded</b> Unable to verify what if any services are available to residents of Snohomish.
Restoration Health Services	IHS.FS.61090653	Service Area(s): Snohomish, plus King, Pierce, Spokane Number of HH FTEs: 5 Services: RN, HHA, RT, ST, OT, PT, IV, PC, chore, transport License 1st issued: 08/31/2020	URL: <a href="http://www.rhscare.com/home-health-care-services">http://www.rhscare.com/home-health-care-services</a> Limitations (if any): Staffing agency	2019 data: Survey completed with no Snohomish admits or visits. 2018 data: No survey completed.	<b>Excluded</b> Staffing agency and no Snohomish admits or visits in its most recent utilization survey, year 2020.
Dependable Staffing and Home Health Services	IHS.FS.60876098	Service Area(s): Snohomish Number of HH FTEs: 1 Services: RN, HHA, DME, MSW, ST, RT, OT, NC, BC, PT, IV, PC, chore, transport License 1st issued: 09/20/2018	URL: <a href="https://dependablestaffingagency.com/home-health/">https://dependablestaffingagency.com/home-health/</a> Limitations (if any): Self-identified as a staffing agency.	2019 data: No survey completed. 2018 data: No survey completed.	<b>Excluded</b> Staffing agency

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Agency	License Number	CN HH Files ILRs Research Research	Internet Research	CN Survey Research	Conclusion
Journey Nursing Services	IHS.FS.61114400	Service Area(s): Snohomish, plus Island, King, Pierce, Skagit Number of HH FTEs: 5 Services: RN, NC, HHA, MSW, IV, chore, PC, RC, transport License 1st issued: 02/10/2021	URL: <a href="https://www.journournursingservices.com/services">https://www.journournursingservices.com/services</a> Limitations (if any): Staffing agency.	2019 data: No survey completed. 2018 data: No survey completed.	<b>Excluded</b> Staffing agency
Ro Health	IHS.FS.60610351	Service Area(s): Snohomish, plus Clark, Cowlitz, King, Kitsap, Lewis, Pierce Number of HH FTEs: 9 Services: RN, HHA License 1st issued: 01/21/2016	URL: <a href="https://rohealth.com/">https://rohealth.com/</a> Limitations (if any): Limitations in services, the home health-specific page is no longer functioning and is not mentioned on any other active page. Also self-identified as a staffing agency.	2019 data: No survey completed. 2018 data: No survey completed.	<b>Excluded</b> Staffing agency
Agape Healthcare Services LLC	IHS.FS.60876117	Service Area(s): Snohomish, plus King and Pierce Number of HH FTEs: 4 Services: RN, HHA, OT, PT, PC License 1st issued: 08/30/2018	URL: <a href="https://www.agapehealthcarenw.com/home-health-care-services">https://www.agapehealthcarenw.com/home-health-care-services</a> Limitations (if any): Services limited to parts of Snohomish County.	2019 data: No survey completed. 2018 data: No survey completed.	<b>Excluded</b> Services not accessible to all residents of Snohomish County.
Kaiser Permanente Home Health and Hospice	IHS.FS.00000305	Medicare & Medicaid-certified Service Area(s): Snohomish, plus King, Kitsap, Pierce Number of HH FTEs: 135.23 Services: RN, HHA, ST, MSW, OT, PT License 1st issued: predates ILRs	URL: <a href="https://healthy.kaiserpermanente.org/washington/shop-plans#individual-and-family-plans">https://healthy.kaiserpermanente.org/washington/shop-plans#individual-and-family-plans</a> Limitations (if any): Services only available to members.	2019 data: No survey completed. 2018 data: No survey completed.	<b>Excluded</b> Services not accessible to all residents of Snohomish County.
Maxim Healthcare Services	IHS.FS.00000375	Service Area(s): Snohomish, plus 20 counties throughout the State Number of HH FTEs: 53.28 Services: RN, chore, ST, RT, OT, PT, IV License 1st issued: 06/26/2003	URL: <a href="https://www.maximhealthcare.com/locations/seatle-wa">https://www.maximhealthcare.com/locations/seatle-wa</a> Limitations (if any): Services do not qualify Maxim as a home health agency by SHP definition	2019 data: No survey completed. 2018 data: No survey completed.	<b>Excluded</b> Services not accessible to all residents of Snohomish County.
Nuclear Care Partners LLC	IHS.FS.60670421	Service Area(s): All counties in the State Number of HH FTEs: 39 Services: RN, HHA License 1st issued: 10/04/2016	URL: <a href="https://www.nuclearcarepartners.com/care-services/in-home-care/">https://www.nuclearcarepartners.com/care-services/in-home-care/</a> Limitations (if any): Services are only available to former Department of Energy, atomic, and Uranium workers.	2019 data: No survey completed. 2018 data: No survey completed.	<b>Excluded</b> Services not accessible to all residents of Snohomish County.
Popes Kids Place	IHS.FS.60083889	Service Area(s): All counties in the State Number of HH FTEs: 25 Services: RN, PT, HHA, IV, PC, RC, transport License 1st issued: 06/01/2009	URL: <a href="https://popesplace.org/services/">https://popesplace.org/services/</a> Limitations (if any): Services only available to persons from birth to early adulthood.	2019 data: No survey completed. 2018 data: No survey completed.	<b>Excluded</b> Services not accessible to all residents of Snohomish County.
Seattle Childrens Hospital Home Care Services	IHS.FS.00000097	Service Area(s): All counties in the State Number of HH FTEs: 66.02 Services: RN, DME, RT, NC, IV License 1st issued: predates ILRs	URL: <a href="https://www.seattlechildrens.org/clinics/home-care-services/">https://www.seattlechildrens.org/clinics/home-care-services/</a> Limitations (if any): Services are only available to children.	2019 data: No survey completed. 2018 data: No survey completed.	<b>Excluded</b> Services not accessible to all residents of Snohomish County.

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Nursing Evolutions	IHS.FS.60318430	Service Area(s): Snohomish, plus seven counties in the NW portion of the State Number of HH FTEs: 18 Services: RN, ST, RT, OT, PT, IV License 1st issued: 04/05/2013	URL: <a href="https://www.nursingevolutions.com/what-we-do">https://www.nursingevolutions.com/what-we-do</a> Limitations (if any): Services limited to medically fragile infants and toddlers.	2019 data: Survey completed with no Snohomish admits or visits, 1st year 2015. Also only HHA services listed for each county. 2018 data: No survey completed.	<b>Excluded</b> Services not accessible to all residents of Snohomish County, services do not meet the definition of home health agency according to the SHP, and no Snohomish admits or visits in its most recent utilization survey, year 2020.
Ashley House	IHS.FS.00000227	Service Area(s): All counties in the State Number of HH FTEs: 79 Services: RN, HHA, MSW, BC, PC, RT, transport License 1st issued: predates ILRs	URL: None functioning	2019 data: Survey completed with no Snohomish admits & visits. 2018 data: No survey completed.	<b>Excluded</b> Services not accessible to all residents of Snohomish County, and no Snohomish admits or visits in its most recent utilization survey, year 2020.
Sunrise Home Care	IHS.FS.00000447	Service Area(s): Snohomish Number of HH FTEs: 1 Services: RN, HHA License 1st issued: 01/01/2004	URL: <a href="https://sunriseservicesinc.com/what-we-do/">https://sunriseservicesinc.com/what-we-do/</a> Limitations (if any): Home health specific services appear to be limited to those with Medicare and or Medicare coverage.	2019 data: Survey completed with no Snohomish admits or visits. 2018 data: No survey completed.	<b>Excluded</b> Services not accessible to all residents of Snohomish County, and no Snohomish admits or visits in its most recent utilization survey, year 2020.
Critical Nurse Staffing LLC	IHS.FS.60852239	Service Area(s): All other counties in the State Number of HH FTEs: 45 Services: RN, HHA, PC, chore, RC, transport License 1st issued: 04/24/2018	URL: <a href="https://cnscares.com/locations/">https://cnscares.com/locations/</a> & <a href="https://cnscares.com/home-care-services/">https://cnscares.com/home-care-services/</a> Limitations (if any): Services appear to only be available to specific types of workers.	2019 data: No survey completed. 2018 data: Survey completed with no Snohomish admits & visits.	<b>Excluded</b> Services not accessible to all residents of Snohomish County, and no Snohomish admits or visits in its most recent utilization survey, year 2019.
Reliable Healthcare	IHS.FS.60851874	Service Area(s): All counties in the State Number of HH FTEs: 45.84 Services: RN, ST, PT, HHA, MSW, OT, RT, PC, chore, transport License 1st issued: 05/16/2018	URL: <a href="https://reliable.health/home-health">https://reliable.health/home-health</a> Limitations (if any): None	2019 data: Survey completed with no Snohomish admits or visits. 2018 data: No survey completed.	<b>Excluded</b> No Snohomish admits or visits in its most recent utilization survey, year 2020.
Wesley Health and Homecare	IHS.FS.60276500	Service Area(s): Snohomish, plus King, Pierce Number of HH FTEs: 10.5 Services: RN, HHA, PT, OT, ST, MSW License 1st issued: 03/14/2012	URL: <a href="https://wesleychoice.org/hh-lp/">https://wesleychoice.org/hh-lp/</a> Limitations (if any): None	2019 data: No survey completed. 2018 data: Survey completed with no Snohomish admits & visits, 1st year 2007.	<b>Excluded</b> No Snohomish admits or visits in its most recent utilization survey, year 2019.

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Envision Home Health	IHS.FS.60521160	Service Area(s): Snohomish, plus King, Pierce, Thurston Number of HH FTEs: 32.75 Services: RN, HHA, ST, MSW, OT, PT License 1st issued: 12/22/2014	URL: <a href="https://www.envisionhomehealth.com/home-health-wa/">https://www.envisionhomehealth.com/home-health-wa/</a> Limitations (if any): None	2019 data: Survey completed, only King and Pierce admits & visits. 2018 data: Survey completed, only King and Pierce admits & visits.	<b>Excluded</b> No Snohomish admits or visits in its most recent two years of utilization surveys.
Family Resource Home Care	IHS.FS.60857773	Service Area(s): Snohomish, plus 19 counties throughout the state Number of HH FTEs: 21 Services: RN, HHA, PC, RC, chore, transport License 1st issued: 05/23/2018	URL: <a href="https://www.familyresourcehomecare.com/how-we-help/frequently-asked-questions/">https://www.familyresourcehomecare.com/how-we-help/frequently-asked-questions/</a> Limitations (if any): None	2019 data: Survey completed with no Snohomish admits or visits. 2018 data: Survey completed with no Snohomish admits or visits.	<b>Excluded</b> No Snohomish admits or visits in its most recent two years of utilization surveys.
Careforce	IHS.FS.00000243	Service Area(s): Snohomish, plus Island, King, Pierce, Skagit, Thurston Number of HH FTEs: 28 Services: RN, HHA, chore, PC, RC, transport License 1st issued: predates ILRs	URL: <a href="https://careforce.com/services/">https://careforce.com/services/</a> Limitations (if any): Limitations in services, although nursing is specified, no mention of home health aides or therapies can be found.	2019 data: No survey completed. 2018 data: No survey completed.	<b>Excluded</b> Limited services do not meet the definition of home health agency according to the SHP.
Childress Nursing Services	IHS.FS.60959298	Service Area(s): Snohomish, plus King and Pierce Number of HH FTEs: 3 Services: RN, ST, NC, PT, HHA, MSW, OT, RT, DME, PC, chore, transport License 1st issued: 02/25/2020	URL: <a href="https://www.childressnursing.com/about">https://www.childressnursing.com/about</a> Limitations (if any): Services focus on supporting women and their families from pre-conception to post-delivery.	2019 data: No survey completed. 2018 data: Survey completed, no Snohomish admits or visits, 1st year of service listed as 2020.	<b>Excluded</b> Limited services do not meet the definition of home health agency according to the SHP.
Estelita Su Homecare	IHS.FS.60542868	Service Area(s): Snohomish, plus King Number of HH FTEs: 5 Services: RN, HHA, PC, chore, RC, transport License 1st issued: 08/21/2015	URL: <a href="http://estelita.care/services">http://estelita.care/services</a> Limitations (if any): Services listed are all non-medical with medical services listed under other.	2019 data: No survey completed. 2018 data: No survey completed.	<b>Excluded</b> Limited services do not meet the definition of home health agency according to the SHP.
Husky Senior Care	IHS.FS.60082962	Service Area(s): Snohomish, plus Island, King, Pierce Number of HH FTEs: 4 Services: RN, HHA, PC, chore, RC, ST License 1st issued: 04/01/2009	URL: <a href="https://www.huskyseniorcare.com/services-fees">https://www.huskyseniorcare.com/services-fees</a> Limitations (if any): Limitations to services, no therapies or home health aide.	2019 data: No survey completed. 2018 data: No survey completed.	<b>Excluded</b> Limited services do not meet the definition of home health agency according to the SHP.
RWW Home and Community Rehab Services, Inc.	IHS.FS.60263077	Service Area(s): Snohomish, plus 11 counties throughout the State Number of HH FTEs: 9 Services: RN, ST, MSW, OT, PT, ABA License 1st issued: 01/10/2012	URL: <a href="https://www.rehabwithoutwalls.com/settings/home-and-community-rehab/">https://www.rehabwithoutwalls.com/settings/home-and-community-rehab/</a> Limitations (if any): Services focus on specific injury types.	2019 data: No survey completed. 2018 data: No survey completed.	<b>Excluded</b> Limited services do not meet the definition of home health agency according to the SHP.

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Agency	License Number	CN HH Files ILRs Research Research	Internet Research	CN Survey Research	Conclusion
Transitions Care Management, LLC	IHS.FS.61057211	Service Area(s): Snohomish, plus King, Kitsap, Pierce Number of HH FTEs: 12 Services: RN, NC, MSW, IV, DME, ABA, transport License 1st issued: 05/29/2020	URL: <a href="https://transitionscaresmanagement.com/services/care-manager/people-wishing-age-well/">https://transitionscaresmanagement.com/services/care-manager/people-wishing-age-well/</a> Limitations (if any): Services appear to be broadly non-medical.	2019 data: No survey completed. 2018 data: No survey completed.	<b>Excluded</b> Limited services do not meet the definition of home health agency according to the SHP.
Aveanna Healthcare	IHS.FS.00000452	Service Area(s): Snohomish, plus 27 counties throughout the State Number of HH FTEs: 93 Services: RN, HHA, PC, chore, RC, transport License 1st issued: predates ILRs	URL: <a href="https://www.aveanna.com/locations.html">https://www.aveanna.com/locations.html</a> Limitations (if any): All the Washington State locations appear to only provide pediatric & adult private duty nursing	2019 data: Survey completed with no Snohomish admits or visits. 2018 data: No survey completed.	<b>Excluded</b> Limited services do not meet the definition of home health agency according to the SHP, and no Snohomish admits or visits in its most recent utilization survey, year 2020.
Comfort of Care	IHS.FS.61105988	Service Area(s): Snohomish, plus King, Lincoln, Mason, Okanogan Number of HH FTEs: 5 Services: RN, HHA, PC, chore, transport License 1st issued: pending	URL: None found	2019 data: No survey completed. 2018 data: No survey completed.	<b>Excluded</b> License pending. Unable to verify what if any services will be available to residents of Snohomish.
Guardian Home Care	IHS.FS.60266397	Service Area(s): Snohomish, plus 24 counties throughout the State Number of HH FTEs: 25.82 Services: RN, ST, NC, PT, HHA, MSW, OT, PC, chore, RC License 1st issued: 03/07/2012	URL: <a href="https://www.guardianhomecare.net/services/">https://www.guardianhomecare.net/services/</a> Limitations (if any): Coordinating agency	2019 data: No survey completed. 2018 data: No survey completed.	<b>Excluded</b> Coordinating agency
Bethany Home Health LLC (applicant)	IHS.FS.60966822	Service Area(s): Snohomish, plus King and Skagit Number of HH FTEs: 5 Services: RN, HHA, DME, ST, MSW, OT, NC, BC, PT, IV, ABA, PC, chore, transport, RC License 1st issued: 07/22/2020	URL: <a href="https://bethanynw.org/">https://bethanynw.org/</a>	2019 data: No survey completed. 2018 data: No survey completed.	<b>Excluded</b> Applicant
Josephine at Home (applicant)	IHS.FS.60923101	Service Area(s): Snohomish, plus Island, Skagit Number of HH FTEs: 3 Services: RN, HHA, PC, chore, RC, transport License 1st issued: 02/07/2019	URL: <a href="https://www.josephinecc.com/news/josephine-at-home/">https://www.josephinecc.com/news/josephine-at-home/</a>	2019 data: No survey completed. 2018 data: No survey completed.	<b>Excluded</b> Applicant

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Agency	License Number	CN HH Files ILRs Research Research	Internet Research	CN Survey Research	Conclusion
Right At Home	IHS.FS.00000096	Service Area(s): Snohomish, plus 14 counties in the Western portion of the State Number of HH FTEs: 20 Services: RN, HHA, IV, PC, chore, transport, RC License 1st issued: 01/01/2004	URL: <a href="https://www.rightathome.net/services">https://www.rightathome.net/services</a> Limitations (if any): None	2019 data: Survey completed with 8 admits & 860 visits, 1st year 2009. 2018 data: No survey completed.	<b>Excluded</b> Although this agency does have Snohomish admits or visits in its most recent utilization survey, they fall far below the 10,000 visits which is the target minimum operating volume for a home health agency according to the SHP.
Providence at Home	IHS.FS.61127868	Service Area(s): Snohomish, plus six counties throughout the State Number of HH FTEs: 7 Services: RN, ST, PT, HHA, OT, IV, RT License 1st issued: pending	URL: <a href="https://www.providence.org/locations/wa/hospice-and-home-care-of-snohomish-county#tabcontent-1-pane-2">https://www.providence.org/locations/wa/hospice-and-home-care-of-snohomish-county#tabcontent-1-pane-2</a> Limitations (if any): None	2019 data: No survey completed. 2018 data: No survey completed.	<b>Excluded</b> Although services and service area are verifiable via the agency's website, since no surveys were completed and ILRs shows a broad service area without a large network of home health staff. Additionally, its license is pending.
Everhome Healthcare	IHS.FS.00000184	Service Area(s): Snohomish, plus nine counties in the NW portion of the State Number of HH FTEs: 9 Services: RN, HHA, PT, OT, ST, MSW, IV, PC, chore, RC License 1st issued: 01/01/2007	URL: <a href="https://www.everhomehealthcare.com/about-us">https://www.everhomehealthcare.com/about-us</a> Limitations (if any): None	2019 data: No survey completed. 2018 data: No survey completed.	<b>Excluded</b> Although services and service area are verifiable via the agency's website, since no surveys were completed and ILRs shows a broad service area without a large network of home health staff.
Serengeti Care	IHS.FS.60660148	Service Area(s): Snohomish, plus seven counties throughout the State Number of HH FTEs: 2 Services: RN, HHA, PC, chore, transport, RC License 1st issued: 06/17/2016	URL: <a href="https://serengeticare.com/services/home-health/">https://serengeticare.com/services/home-health/</a> Limitations (if any): None	2019 data: No survey completed. 2018 data: No survey completed.	<b>Excluded</b> Although services and service area are verifiable via the agency's website, since no surveys were completed and ILRs shows a broad service area without a large network of home health staff.

# APPENDIX B

# Home Health Methodology

Updated June 2021

Requested Counties	Gross Need	Total Existing Supply	Net Need*
Snohomish	23.00	46	(22)

\*a negative number indicates a surplus

## There are four parts to this document:

The population worksheet contains population information from the Office of Financial Management (OFM)

Data source: Projections of the Population by Age and Sex for Growth Management, 2017 GMA Projections - Medium Series

The existing agencies worksheet contains all active In-Home Service Agencies that are licensed to provide home health<sup>1</sup> services in Washington State.<sup>2</sup>

The methodology worksheet contains the numeric need projection, with 2021 as the submission year, projected out three years

<sup>1</sup> Washington State In-Home Services agencies license can include one or more services, including home care, home health, hospice, and hospice care centers. The lists of facilities within this workbook include only those agencies which include home health as one of their services. It may include agencies that provide one or more of the four services. Furthermore, an agency name with the words "home care," "home health," or "hospice" do not necessarily imply the level of service provided by the agency. If you have any questions or concerns regarding the inclusion of one or more listed agencies, please contact us.

<sup>2</sup> This list includes both CON-approved and state-licensed only home health agencies. Please note, while the department does count all agencies within a county, state-licensed only agencies are under no obligation to provide services across all counties listed on their license. In the event that the Department were to receive an application, the department would use survey data from responding home health providers within the service area and would use actual patient day volumes rather than the default 10,000 in the State Health Plan methodology. It should also be noted that state-licensed only agencies are NOT authorized to provide service to Medicare/Medicaid populations, regardless of the agency's certification status.

Home Health Methodology  
Updated June 2021

**County: Snohomish**

source: OFM "Projections of the Population by Age and Sex for Growth Management, 2017 GMA Projections - Medium Series"

Age	2010	2015	2020	2025	2030
<b>Total</b>	<b>710,306</b>	<b>763,717</b>	<b>844,128</b>	<b>895,626</b>	<b>945,901</b>
0-4	47,378	46,695	52,081	54,472	55,157
5-9	47,545	55,492	59,511	57,152	56,521
10-14	47,378	46,695	52,081	54,472	55,157
15-19	47,378	46,695	52,081	54,472	55,157
20-24	44,412	47,227	45,696	47,368	52,049
25-29	49,844	49,584	52,816	52,380	54,025
30-34	49,359	54,841	60,394	58,948	58,658
35-39	50,660	52,710	60,722	64,394	63,149
40-44	53,814	53,093	56,202	63,585	67,485
45-49	58,168	54,678	55,719	57,898	65,687
50-54	56,243	57,900	57,338	56,601	58,957
55-59	47,545	55,492	59,511	57,152	56,521
60-64	37,038	46,824	54,757	57,719	55,710
65-69	24,442	35,645	45,483	53,109	56,174
70-74	16,577	23,061	34,041	42,860	50,260
75-79	12,712	15,083	20,646	30,727	38,937
80-84	9,605	10,451	12,303	17,287	26,106
85+	10,208	11,547	12,746	15,030	20,191

Age	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>0-64</b>	636,762	642,995	649,229	655,462	661,695	667,929	678,125	688,321	698,517	708,713	718,909	722,450	725,991	729,531	733,072	736,613
<b>65-79</b>	53,731	57,743	61,754	65,766	69,778	73,790	79,066	84,342	89,618	94,894	100,170	105,475	110,780	116,086	121,391	126,696
<b>80+</b>	19,813	20,250	20,687	21,124	21,561	21,998	22,608	23,219	23,829	24,439	25,049	26,503	27,956	29,410	30,863	32,317
<b>Total</b>	710,306	720,988	731,670	742,352	753,035	763,717	779,799	795,881	811,964	828,046	844,128	854,428	864,727	875,027	885,326	895,626

# Home Health Methodology

Updated June 2021

## County: Snohomish

Agency	License Number	CN Approved
Assured Home Health	IHS.FS.60497952	MM Snohomish
Brookdale Home Health	IHS.FS.60532952	MM Snohomish
Eden Home Health	IHS.FS.60491681	MM Snohomish
Kaiser Permanente Home Health	IHS.FS.00000305	MM Snohomish
Providence Hospice and Home Health	IHS.FS.00000418	MM Snohomish
Signature Healthcare at Home	IHS.FS.00000220	MM Snohomish
Agape Healthcare Services	IHS.FS.60876117	
A-One Home Care	IHS.FS.00000219	
Ashley House	IHS.FS.00000227	
Avail Home Health	IHS.FS.00000231	
Aveanna Healthcare	IHS.FS.00000452	
Bethany Home Health LLC (applicant)	IHS.FS.60966822	
Careforce	IHS.FS.00000243	
Childress Nursing Services	IHS.FS.60959298	
Comfort of Care	IHS.FS.61105988	
Critical Nurse Staffing LLC	IHS.FS.60852239	
Day by Day Nursing Service	IHS.FS.60907239	
Dependable Staffing and Home Health	IHS.FS.60876098	
Envision Home Health	IHS.FS.60521160	
Estelita Su Homecare	IHS.FS.60542868	
Evergreen Health	IHS.FS.00000278	
Everhome Healthcare	IHS.FS.00000184	
Family Resource Home Care	IHS.FS.60857773	
Guardian Home Care	IHS.FS.60266397	
Harbor Health Solutions LLC	IHS.FS.60892797	
Husky Senior Care	IHS.FS.60082962	
Josephine at Home (applicant)	IHS.FS.60923101	
Journey Nursing Services	IHS.FS.61114400	
Kindred at Home	IHS.FS.00000295	
Maxim Healthcare Services	IHS.FS.00000375	
Nuclear Care Partners LLC	IHS.FS.60670421	
Nursing Evolutions	IHS.FS.60318430	
Popes Kids Place	IHS.FS.60083889	
Precision Home Health	IHS.FS.61034384	
Providence at Home	IHS.FS.61127868	
Reliable Healthcare	IHS.FS.60851874	
Restoration Health Services	IHS.FS.61090653	
Right At Home	IHS.FS.00000096	
Ro Health	IHS.FS.60610351	
RWW Home and Community Care	IHS.FS.60263077	
Seattle Childrens Hospital Home Health	IHS.FS.00000097	
Serengeti Care	IHS.FS.60660148	
Sunrise Home Care	IHS.FS.00000447	

Home Health Methodology  
Updated June 2021

Agency	License Number	CN Approved
Transitions Care Management	IHS.FS.61057211	
Tulamore, Inc.	IHS.FS.61043336	
Wesley Health and Homecare	IHS.FS.60276500	
<b>Total Home Health</b>		<b>46</b>
<b>Total M/M Certified</b>		<b>6</b>

Home Health Methodology  
Updated June 2021

1987 State Health Plan Methodology

County: Snohomish  
Submission year: 2021  
Years: 2022 -2024

2022	Age Cohort *	County Population *	SHP Formula *	Number of Visits *	=	Projected Number of Visits
	0-64	725,991	0.005	10		36,300
	65-79	110,780	0.044	14		68,241
	80+	27,956	0.183	21		107,436
						<b>TOTAL: 211,976</b>
						<i>Number of Expected Visits per Agency</i> 10,000
						<b>Projected Number of Needed Agencies 21.20</b>

2023	Age Cohort *	County Population *	SHP Formula *	Number of Visits *	=	Projected Number of Visits
	0-64	729,531	0.005	10		36,477
	65-79	116,086	0.044	14		71,509
	80+	29,410	0.183	21		113,022
						<b>TOTAL: 221,007</b>
						<i>Number of Expected Visits per Agency</i> 10,000
						<b>Projected Number of Needed Agencies 22.10</b>

2024	Age Cohort *	County Population *	SHP Formula *	Number of Visits *	=	Projected Number of Visits
	0-64	733,072	0.005	10		36,654
	65-79	121,391	0.044	14		74,777
	80+	30,863	0.183	21		118,608
						<b>TOTAL: 230,038</b>
						<i>Number of Expected Visits per Agency</i> 10,000
						<b>Projected Number of Needed Agencies 23.00</b>