

**CN21-44****Home Health Agency Certificate of Need  
Application Packet****Contents:**

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**Application submission must include:**

- One electronic copy of your application, including any applicable addendum – no paper copy is required.
- A check or money order for the review fee of **\$24,666** payable to **Department of Health**.

Include copy of the signed cover sheet with the fee if you submit the application and fee separately. This allows us to connect your application to your fee. We also strongly encourage sending payment with a tracking number.

- Mail or deliver the application and review fee to:

**Mailing Address:**

Department of Health  
Certificate of Need Program  
P O Box 47852  
Olympia, Washington 98504-7852

**Other Than By Mail:**

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

**Contact Us:**

Certificate of Need Program Office 360-236-2955 or [FSLCON@doh.wa.gov](mailto:FSLCON@doh.wa.gov).

## Application Instructions

The Certificate of Need Program will use the information in your application to determine if your project meets the applicable review criteria. These criteria are included in state law and rules. Revised Code of Washington ([RCW 70.38](#)) and Washington Administrative Code ([WAC 246-310](#)).

### General Instructions:

- Include a table of contents for application sections and appendices/exhibits
- Number **all** pages consecutively
- Make the narrative information complete and to the point.
- Cite all data sources.
- Provide copies of articles, studies, etc. cited in the application.
- Place extensive supporting data in an appendix.
- Provide a detailed listing of the assumptions you used for all of your utilization and financial projections, as well as the bases for these assumptions.
- Under no circumstance should your application contain any patient identifying information.
- Use **non-inflated** dollars for **all** cost projections
- **Do not** include a general inflation rate for these dollar amounts.
- **Do** include current contract cost increases such as union contract staff salary increases. You must identify each contractual increase in the description of assumptions included in the application.
- **Do not** include a capital expenditure contingency.
- If any of the documents provided in the application are in draft form, a draft is only acceptable if it includes the following elements:
  - a. identifies all entities associated with the agreement,
  - b. outlines all roles and responsibilities of all entities,
  - c. identifies all costs associated with the agreement,
  - d. includes all exhibits that are referenced in the agreement, and
  - e. any agreements in draft form must include a document signed by both entities committing to execute the agreement as submitted following CN approval.

**Do not skip any questions in this application. If you believe a question is not applicable to your project, explain why it is not applicable.**

**Answer the following questions in a manner that makes sense for your project. In some cases, a table may make more sense than a narrative. The department will follow up in screening if there are questions.**

Program staff members are available to provide technical assistance (TA) at no cost to you before submitting your application. While TA isn't required, it's highly recommended and can make any required review easier. To request a TA meeting, call 360-236-2955 or [email us at FSLCON@doh.wa.gov](mailto:FSLCON@doh.wa.gov).



## Certificate of Need Application Home Health Agency

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

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

<p>Signature and Title of Responsible Officer</p>  <p>Email Address:</p> <p>gschackmann@healthyliving-vancouver.com</p>	<p>Date: January 18th, 2021</p>  <p>Telephone Number: 480-495-5474</p>
<p>Legal Name of Applicant</p> <p>Healthy Living at Home - Seattle, LLC</p> <p>Address of Applicant:</p> <p>801 2nd Ave Suite 800 Seattle, WA 98104</p>	<p>Provide a brief project description</p> <p><input checked="" type="checkbox"/> New Agency</p> <p><input type="checkbox"/> Expansion of Existing Agency</p> <p><input type="checkbox"/> Other: _____</p> <p>Estimated capital expenditure: \$90,000</p>
<p>Identify the county proposed to be served for this project. Note: Each home health application must be submitted for one county only. If an applicant intends to obtain a Certificate of Need to serve more than one county, then an application must be submitted for each county separately.</p> <p>King County, Washington</p>	

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## **1. Applicant Description**

Answers to the following questions will help the department fully understand the role of the applicant(s). Your answers in this section will provide context for the reviews under Financial Feasibility ([WAC 246-310-220](#)) and Structure and Process of Care ([WAC 246-310-230](#)).

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

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

Healthy Living at Home - Seattle, LLC is the applicant.

Healthy Living at Home - Seattle, LLC, a Washington limited liability company (“HLH - Seattle”) is owned by holding company HLH Seattle Holdings, LLC a Delaware licensed limited liability company. This LLC, Healthy Living at Home - Seattle, LLC, was created specifically for this application.

An organizational chart, showing the entity relationships, can be found in Appendix A

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

Healthy Living at Home - Seattle, LLC is a Limited Liability Company. The Unified Business Identifier (UBI) is 604 451 650. See Appendix B.

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

Geoff Schackmann, Program Manager, 480-495-5474 and [gschackmann@healthyliving-vancouver.com](mailto:gschackmann@healthyliving-vancouver.com),  
1499 SE Tech Center PI Suite 140, Vancouver, WA 98683

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

Geoff Schackmann, Program Manager, 480-495-5474 and [gschackmann@healthyliving-vancouver.com](mailto:gschackmann@healthyliving-vancouver.com)  
1499 SE Tech Center PI Suite 140, Vancouver, WA 98683

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

Organizational chart that outlines the business structure is attached in Appendix A.

6. Identify all healthcare facilities and agencies owned, operated by, or managed by the applicant. This should include all facilities in Washington State as well as out-of-state facilities. The following identifying information should be included:
- Facility and Agency Name(s)
  - Facility and Agency Location(s)
  - Facility and Agency License Number(s)
  - Facility and Agency CMS Certification Number(s)
  - Facility and Agency Accreditation Status

Source: 20-02 Evaluation Packet

As of the writing of this application, the applicant does not operate another agency. However, it is affiliated with the following agencies via branding and Healthy Living Network Resources Professional Employer Organization.

Agency	Address	City, State	State	Zip code	State Lic #	PTAN (MCR #)	Accreditation Status
Advanced Healthcare Services, LLC	39899 Balentine Drive, Ste. 365	Newark, CA	CA	94560-5388	550003064	05-9682	JCAHO - Deemed
Advanced Home Health Northwest LLC dba Healthy Living at Home - Bend	1558 Southwest Nancy Way, #104	Bend, OR	OR	97702-3216	13-1525	38-7160	JCAHO - Deemed
Compass at Home - A Healthy Living Network Company, LLC	200 S. 13th St, Ste 204 & 205	Grover Beach, CA	CA	93433-2263	550002480	059589	JCAHO - Deemed
Healthy Living at Home - East Bay, LLC	1320 WILLOW PASS RD STE 555	Concord, CA	CA	94520-7990	550002198	05-9536	JCAHO - Deemed
Healthy Living at Home - Fresno, LLC	1322 East Shaw Avenue, STE 430	Fresno, CA	CA	93710-7904	550002343	05-9516	JCAHO - Deemed
Healthy Living at Home-Modesto, LLC	3600 Sisk Road, Suite 1C	Modesto, CA	CA	95356-0585	550003067	05-9686	JCAHO - Deemed
Healthy Living at Home - Palm Desert, LLC	36953 Cook St. Suite 102	Palm Desert, CA	CA	92211-6083	550003070	05-9695	JCAHO - Deemed
Healthy Living at Home - Portland, LLC	16083 SW Upper Boones Ferry Rd. Ste 100	Portland, OR	OR	97224-7736	13-1513	38-7162	JCAHO - Deemed
Healthy Living at Home - San Diego, LLC	9444 WAPLES ST STE 450	San Diego, CA	CA	92121-2985	550002093	05-9474	JCAHO - Deemed
Healthy Living at Home - Vancouver LLC	1499 SE Tech Center Plaza, STE 140	Vancouver, WA	WA	98683-5528	IHS.FS.60814521	50-7127	JCAHO - Deemed
Healthy Living at Home-Arizona, LLC	1430 E Missouri Avenue, Suite B115	Phoenix, AZ	AZ	85014-2468	HHA5825	03-7433	JCAHO - Deemed
Healthy Living at Home- Carson City, LLC	600 E. Williams St. Ste 208	Carson City, NV	NV	89701-4052	NV20181243652	29-7249	JCAHO - Deemed
Healthy Living at Home- Redding, LLC	2150 Churn Creek Rd. Ste 100	Redding, CA	CA	96002-0727	550002513	05-9579	JCAHO - Deemed
Healthy Living at Home- Monterey, LLC	2100 GARDEN RD STE I (this is Suite i)	Monterey, CA	CA	93940-5392	550003302	05-9726	JCAHO - Deemed
Healthy Living at Home, LLC (Sacramento HH)	2450 VENTURE OAKS WAY STE 220	Sacramento, CA	CA	95833-4225	550001754	05-9385	JCAHO - Deemed
Healthy Living at Home, LLC (San Jose)	1879 Lundy Ave Ste 113	San Jose, CA	CA	95131-1877	550000931	05-9062	JCAHO - Deemed
McMinnville Home Health LLC dba Healthy Living at Home - Salem	200 Hawthorne Ave SE, Suite E510	Salem, OR	OR	97301-4994	13-1515	38-7108	JCAHO - Deemed
OneCare Home Health Utah, LLC	448 Winchester Street, Suite 460	Murray, UT	UT	84107-8551	2017-HHA-UT000108	46-7214	State Accredited
Sojourn Hospice & Palliative Care-Fresno, LLC	1318 E Shaw Avenue, Suite 100	Fresno, CA	CA	93710-7912	550002681	75-1518	Sold 3/9/2020
Sojourn Hospice & Palliative Care - Redding, LLC	2150 Churn Creek Rd. Ste 150	Redding, CA	CA	96002-0742	550002893	75-1664	Sold 3/9/2020
Sojourn Hospice & Palliative Care - Sacramento, LLC	2150 River Plaza Dr., Ste 270	Sacramento, CA	CA	95833-3880	550002492	75-1507	Sold 3/9/2020
Sojourn Hospice & Palliative Care - San Diego, LLC	9444 WAPLES ST STE 450	San Diego, CA	CA	92121-2985	550003077	75-1734	Sold 3/9/2020
Sojourn Hospice & Palliative Care- East Bay, LLC	1320 WILLOW PASS RD #420	Concord, CA	CA	94520-5271	550003382	92-1543	Sold 3/9/2020
Sojourn Hospice & Palliative Care-Modesto, LLC	2301 COFFEE RD STE A	Modesto, CA	CA	95355-2308		A0-1605	Sold 3/9/2020
OneCare Home Health & Hospice - Utah, LLC (hospice division)	11576 SOUTH STATE STREET SUITE 101A	Draper, UT	UT	84020	2019-HHA-UT000161	46-1546	Sold 3/9/2020

The following contains information from our previous application [source: ILRS survey data and Department of Health Office of Health Systems Oversight].

### **CMS Survey Data**

Using the Center for Medicare and Medicaid Services Quality, Certification & Oversight Reports (QCOR) website, the department reviewed the historical survey information for all operational HLH Seattle Holdings, LLC-affiliated in-home services agencies. The department's QCOR review shows that the applicant operates a total of 34 in home service agencies in seven separate states (please note that as of this application, this number has changed to eighteen "18"). The table below shows the number and type of agencies by state (Please note, that all affiliated hospice agencies were sold in March 2020 but the tables below represent CMS data for the ownership period in question and is copied from last year's application).

**Department's Table 16**  
**HLH Seattle Holdings, LLC and Affiliates' In-Home Service Agencies**

State	# of Agencies	Type of Agency
Arizona	2	Home Health & Hospice
California	23	Home Care, Home Health, & Hospice
Idaho	2	Home Health
Nevada	2	Home Health
Oregon	3	Home Health
Utah	1	Home Health & Hospice
Washington	1	Home Health
<b>Total Agencies</b>	<b>34</b>	

Since 2017, CMS has conducted a total of 36 surveys for the applicant's existing in home service agencies. Using the QCOR information, the table below summarizes the number of agencies surveyed from year 2017 through 2020 broken down by state.

**Department's Table 17**  
**HLH Seattle Holdings, LLC and Affiliates' In-Home Service Agencies**  
**Federal Survey Summary Record 2017 to Current**

State	# of Agencies	Number of Surveys	Deficiency Information
Arizona	2	4 Standard Surveys	One Follow Up Survey
California	23	25 Standard & Complaint Surveys	Two Follow up Surveys
Idaho	2	1 Standard Survey	No Deficiencies
Nevada	2	2 Standard Surveys	One Follow Up Survey
Oregon	3	2 Standard Surveys	No Follow Up Survey
Utah	1	1 Standard Survey	No Deficiencies
Washington	1	1 Standard Survey	No Deficiencies

### **Project Description**

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

N/A - Applicant is not an existing agency.

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

N/A - Applicant is not an existing agency

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

Healthy Living at Home - Seattle, LLC has a rental agreement at 801 2nd Ave Suite 800, Seattle, WA 98104. The applicant, Healthy Living at Home - Seattle, LLC, is not an active agency.

4. Provide a detailed description of the proposed project.

Healthy Living at Home – Seattle, LLC seeks approval to establish a Medicare-certified Home Health agency to serve the residents of King County.

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

Healthy Living at Home - Seattle, LLC, the agency, fully intends to be available and accessible to the entire geography of King County.

6. With the understanding that the review of a Certificate of Need application typically takes at least six to nine months, provide an estimated timeline for project implementation, below:

#### **Anticipated Application Chronology**

Action	Healthy Living at Home - Seattle, LLC
Letter of Intent Submitted	12/8/2020
Application Submission	1/18/2021
Department's pre-review activities <ul style="list-style-type: none"><li>• DOH 1st Screening</li><li>• Applicant's Response</li><li>• DOH 2nd Screening</li><li>• Applicants Response</li></ul>	Estimated timeline: 2/2021 - 8/2021 <ul style="list-style-type: none"><li>• DOH 1st Screening</li><li>• Applicant's Response</li><li>• DOH 2nd Screening</li><li>• Applicants Response</li></ul>
CN Decision	Estimated September, 2021

Here is a more detailed look at the estimated timeline assuming a 1st and 2nd screening are elected.

Step	Timeframe	Estimated Timeline
Letter of Intent	At least 30 days, but no more than six months prior to application submission	12/8/2020
Application Submission	At least 30 days after LOI, no more than 6 months after	1/18/2021
Department Screening	15 working days to screen application for completeness	2/8/2021
Applicant Screening Response	45 calendar days to respond	3/25/2021
(optional) 2nd Department Screening	15 working days to screen application for completeness	4/15/2021
(optional) 2nd Applicant Screening Response	45 calendar days to respond	5/30/2021
Beginning of Review Preparation	5 working days	6/7/2021
Public Comment Period	35 calendar days	7/12/2021
Rebuttal Period	10 working days	7/27/2021
Ex Parte	45 calendar days	9/10/2021
Department Decision	--	10/1/2021

Event	Anticipated Month/Year
CN Approval	10/2021
Design Complete (if applicable)	N/A
Construction Commenced (if applicable)	N/A
Construction Completed (if applicable)	N/A
Agency Prepared for Survey	10/2021
Agency providing Medicare and Medicaid home health services in the proposed county.	January, 2022

\*Based on the applicants experience with Healthy Living at Home - Vancouver, it took the agency one year to complete CON process and pass Joint Commission survey.

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

<input checked="" type="checkbox"/> Skilled Nursing	<input checked="" type="checkbox"/> Occupational Therapy
<input checked="" type="checkbox"/> Home Health Aide	<input checked="" type="checkbox"/> Nutritional Counseling
<input type="checkbox"/> Durable Medical Equipment	<input type="checkbox"/> Bereavement Counseling
<input checked="" type="checkbox"/> Speech Therapy	<input checked="" type="checkbox"/> Physical Therapy
<input type="checkbox"/> Respiratory Therapy	<input type="checkbox"/> IV Services
<input checked="" type="checkbox"/> Medical Social Services	<input type="checkbox"/> Applied Behavioral Analysis
<input type="checkbox"/> Other (please describe)	

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

N/A - Applicant is not an existing agency.

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

N/A - Applicant is not an existing agency.



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

Healthy Living at Home – Seattle, LLC will provide nursing care, home health aide care; physical, occupational, and speech-language therapy; medical social services and registered dietician services – as prescribed by a Physician - to King County residents.

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

A copy of the applicable letter of intent is attached in Appendix K.

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

The applicant will seek licensure from The Joint Commission accreditation to certify its Medicare and Medicaid status.

IHS.FS.: N/A - Applicant is not an existing agency.

Medicare #: N/A - Applicant is not an existing agency.

Medicaid #: N/A - Applicant is not an existing agency.

13. Identify whether this agency will seek accreditation. If yes, identify the accrediting body.

Yes, the applicant will seek accreditation from The Joint Commission.

### **Certificate of Need Review Criteria**

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

[WAC 246-310-210](#) provides general criteria for an applicant to demonstrate need for healthcare facilities or services in the planning area. Documentation provided in this section must demonstrate that the proposed agency will be needed, available, and accessible to the community it proposes to serve. Some of the questions below only apply to existing agencies proposing to expand. For any questions that are not applicable to your project, explain why.

1. List all home health providers currently operating in the planning area.

License #	Agency Name	Rationale for Exclusion
IHS.FS.60844133	A and K Health Care Services LLC	2 home health FTEs and no website found
IHS.FS.60034694	Accredo Health Group Inc	Therapeutic Resource Center
IHS.FS.60474800	Act for Health Inc.	Agency serves children and adolescents only
IHS.FS.60876117	Agape Healthcare Services LLC	4 home health FTEs and no website for Washington State found
IHS.FS.00000214	American Healthcare Services Inc	Durable Medical Equipment Provider and no website found
IHS.FS.00000215	Amicable Health Care Inc	1 home health FTE; home care provider; 2018 survey response identified 0 home health admissions
IHS.FS.60674651	Beam Senior Care LLC	No specific website; information found on Better Business Bureau website focuses on home care services; 2 locations in King County: Bellevue & Seattle.
IHS.FS.60966822	Bethany Home Health LLC	No specific website for the home health agency; 2018 survey response identifies 0 home health admissions
IHS.FS.00000253	Children's Country Home	Serves pediatric only
IHS.FS.60959298	Childress Nursing Services LLC	Home health agency that focuses on women & families from pre-conception to post-delivery
IHS.FS.60852239	Critical Nurse Staffing LLC	No specific website for the home health agency; appears to be home care only. 2018 survey response identifies 0 home health admissions
IHS.FS.60871359	D.C.S, LLC	No website for Washington State found; 4 home health FTEs to serve 3 Washington State counties.
IHS.FS.60871865	Eden Home Health of King County, LLC	Located in Kirkland; website states full-service agencies when Medicare certified; 1 home health FTE associated with agency.
IHS.FS.60001472	EKL Health LLC	No specific website; located in Woodinville; info on web focuses on home care; 4 home health FTE associated with agency.
IHS.FS.61028960	Fedelta Home Care LLC	Website focuses on home care, not home health.
IHS.FS.60720687	Goldencare Agency LLC	No specific website; located in Woodinville; information on web focuses on home care, not home health.
IHS.FS.60266397	Guardian Home Care Inc	Website focuses on home care, not home health.
IHS.FS.60892797	Harbor Health Solutions LLC	Website focuses on home care, not home health.
IHS.FS.60934498	Haylo Care Inc.	No specific website for the home health agency.
IHS.FS.00000309	Health People Inc	No specific website for the home health agency.
IHS.FS.00000134	Helping Hands for the Disabled	No specific website for the home health agency
IHS.FS.60291296	HumanGood Washington	No specific website for the home health agency; located in Judson Park a continuing care retirement community; services focus on residents of community, not entire county.
IHS.FS.60082962	Husky Senior Care LLC	Website focuses on senior care; but not home health services. 4 home health FTEs to serve 4 Washington State counties.
IHS.FS.00000342	Infant Home Phototherapy Inc	Services for newborns only.
IHS.FS.60164493	Infusion Solutions Inc	Infusion services only

License #	Agency Name	Rationale for Exclusion
IHS.FS.00000375	Maxim Healthcare Services Inc	Website focuses on healthcare staffing; not home health agency.
IHS.FS.60542868	Miraluna SU Ventures LLC	Website focuses on owner, but does not identify home health services.
IHS.FS.00000372	Multicare Health System	Infusion services only.
IHS.FS.60503577	Nogah Home Care LLC	Website focuses on home care, not home health. 5 home health FTEs to serve 4 Washington State counties.
IHS.FS.00000096	Northwest Homecare and Staffing Services LLC	No website found; probable healthcare staffing agency. Did not complete 2018 survey identifying any services.
IHS.FS.60670421	Nuclear Care Partners LLC	Website focuses on personal care services; not home health. 39 home health FTEs to serve 39 Washington State counties.
IHS.FS.00000396	Option Care Enterprises Inc	Website focuses on infusion therapy; not home health.
IHS.FS.00000398	Option Care Enterprises Inc	Website focuses on infusion therapy; not home health.
IHS.FS.60073462	Optum Women's and Children's Health LLC	No website found. 39 home health FTEs to serve 39 Washington State counties.
IHS.FS.00000423	Pediatric Services of America Inc	No website found; pediatric only.
IHS.FS.60510592	Pediatric Services of America Inc	No website found; pediatric only.
IHS.FS.60083889	Popes Kids Place	Pediatric only.
IHS.FS.60263077	Rehab Without Walls Inc	Website focuses on rehab services only; not home health.
IHS.FS.61034384	Respect Nursing Care LLC	Website focuses on nursing care, not home health; 2 home health FTEs to serve 2 Washington State counties.
IHS.FS.61090653	Restoration Home Health Services LLC	Website states it is a nursing pool.
IHS.FS.60610351	Ro Health Inc.	No specific website for the home health agency. 9 home health FTEs to serve 7 Washington State counties.
IHS.FS.00000097	Seattle Children's Hospital	No specific website for the home health agency; pediatric only.
IHS.FS.60950400	Sofavi Home Health LLC	Website focuses on home care, not home health. 3 home health FTEs to serve 2 Washington State counties.
IHS.FS.00000227	The Ashley House	No specific website for the home health agency; pediatric only.
IHS.FS.00000452	Total Care Inc	No specific information on the website for the home health agency.
IHS.FS.61057211	Transitions Care Management, LLC	No specific information on the website for the home health agency.
IHS.FS.61043336	Tulamore Inc. Company	No specific information on the website for the home health agency.
IHS.FS.60631342	Universal Home Care LLC	Website focuses on home care, not home health.
IHS.FS.60863143	VillagePlan Care Options LLC	No specific information on the website for the home health agency.
IHS.FS.61055973	Wellspring Home Health, LLC	Website does not identify any specific home health services; agency located in Tacoma; 0 home health FTEs to serve 3 Washington State counties.
IHS.FS.60055610	Wilderness Shores Nursing LLC	Website focuses on skilled nursing, not any other home health services; 4 home health FTEs to serve 2 Washington State counties.



For the remaining 14 licensed only home health agencies, the department will count them in the supply along with the 18 Medicare and Medicaid certified agencies, resulting in 32 agencies counted as available and accessible to provide home health services in King County. The 32 agencies counted in the numeric methodology are listed in the two tables below.<sup>6</sup>

**Department's Table 6**  
**Active Agencies with Certificate of Need Approval for King County**

License #	Agency Name	Rationale for Inclusion
IHS.FS.60904213	ICHS PACE at Legacy House	CN Approved for King County
IHS.FS.00000278	Evergreen Health	CN Approved for King County
IHS.FS.60007888	Careage Home Health	CN Approved for King County
IHS.FS.60532952	Brookdale Home Health	CN Approved for King County
IHS.FS.00000305	Kaiser Permanente Home Health and Hospice	CN Approved for King County
IHS.FS.60276500	Wesley Health and Homecare	CN Approved for King County
IHS.FS.00000220	Signature Home Health	CN Approved for King County
IHS.FS.00000293	Kindred at Home	CN Approved for King County
IHS.FS.00000295	Kindred at Home	CN Approved for King County
IHS.FS.00000419	Providence Home Services	CN Approved for King County
IHS.FS.60081744	MultiCare Home Health, Hospice and Palliative Care	CN Approved for King County
IHS.FS.60497952	Assured Home Health	CN Approved for King County
IHS.FS.60506466	CHI Franciscan Health at Home	CN Approved for King County
IHS.FS.60521160	Envision Home Health	CN Approved for King County
IHS.FS.60103742	Kline Galland Community Based Services	CN Approved for King County
IHS.FS.00000382	Signature Home Health	CN Approved for King County
IHS.FS.60751653	Puget Sound Home Health of King County	CN Approved for King County
IHS.FS.00000433	Sea Mar Home Health	CN Approved for King County

**Department's Table 7**  
**Licensed Only Agencies Counted for King County**

License #	Agency Name	Rationale for Inclusion
IHS.FS.00000206	Advanced Health Care Inc	Website states the agency serves Pierce, Thurston & King counties; 80 home health FTEs to serve 3 Washington State counties.
IHS.FS.00000156	Advisicare Healthcare Solutions Inc	Website states the agency is located in Tacoma and Seattle; 15 home health FTEs to serve 2 Washington State counties.
IHS.FS.00000204	Alliance Nursing Inc	Website states the agency provides pediatric & adult private duty nursing for patients with medically intensive needs. Services provided for technology-dependent or developmentally disabled patients; 57 home health FTEs to serve 17 Washington State counties.
IHS.FS.61035006	Amedisys Washington LLC	Website states located in Bellevue; 12 home health FTEs to serve 1 Washington State county
IHS.FS.00000231	Avail Home Health Inc	Website states home health provider in King County; 125 home health FTEs to serve 39 Washington State counties.

<sup>6</sup> On December 17, 2010, CN #1434 was issued to Harvard Partners Home Health approving a Medicare and Medicaid home health agency to serve residents of King County. On October 1, 2020, the agency underwent change of ownership and subsequently closed. [source: ILRS]

**Department's Table 7 (continued)**  
**Licensed Only Agencies Counted for King County**

License #	Agency Name	Rationale for Inclusion
IHS.FS.00000243	Careforce Inc	Website states home care and home health provider in King County; 50 home health FTEs to serve 6 Washington State counties.
IHS.FS.00000184	CHC Services LLC	Website states home care and home health provider in King County; 11 home health FTEs to serve 10 Washington State counties; located in Edmonds.
IHS.FS.00000265	Coram Alternate Site Services Inc	Website states home care and home health provider in King County; 15 home health FTEs to serve 14 Washington State counties; located in Redmond.
IHS.FS.60955703	Infinity Home Health Solutions Inc.	Website states home health provider in King County; 5 home health FTEs to serve 5 Washington State counties; located in Federal Way.
IHS.FS.00000142	New Care Concepts Inc.	Website states home health provider in King County; 99 home health FTEs to serve 11 Washington State counties.
IHS.FS.00000415	Providence Health and Services - Washington	Website states home health provider in King County; 16 home health FTEs to serve 1 Washington State county.
IHS.FS.00000417	Providence Health and Services - Washington	Website states home health provider in King County; 47 home health FTEs to serve 22 Washington State counties.
IHS.FS.60660148	Serengeti Care Partners LLC	Website states home health provider in King County; 24 home health FTEs to serve 2 Washington State counties.
IHS.FS.00000028	Wesley Homes Community Health Services	Website states home health provider in King and Pierce counties; 2 home health FTEs to serve 2 Washington State counties.

2. Complete the numeric methodology outlined in Appendix J . [make sure that Appendix J includes reference to template on website]

#### Department Evaluation

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 King County. [source: SHP, pB-35]

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

<b>Department's Table 2</b>			
<b>Numeric Need Methodology for King County</b>			
<b>Step One – Project Planning Area Population by Age Cohort</b>			
Age Cohort	2021	2022	2023
0-64	1,918,470	1,930,192	1,941,913
65-79	263,725	273,267	282,808
80+	74,045	77,614	81,184

[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 their corresponding use rate.

<b>Department's Table 3</b>				
<b>Numeric Need Methodology for King County</b>				
<b>Step Two – Projected Number of Home Health Patients</b>				
Age Cohort	Use Rate	2021	2022	2023
0-64	0.005	9,592	9,651	9,710
65-79	0.044	11,064	12,024	12,444
80+	0.183	13,550	14,203	14,857

Step three: Project number of patient visits

This is done by multiplying each age cohorts' number of patients by their corresponding number of visits.

<b>Department's Table 4</b>					
<b>Numeric Need Methodology for King County</b>					
<b>Step Three – Projected Number of Home Health Visits</b>					
Age Cohort	Use Rate	Visits	2021	2022	2023
0-64	0.005	10	95,924	96,510	97,096
65-79	0.044	14	162,455	168,332	174,210
80+	0.183	21	284,556	298,272	311,989
<b>Totals</b>			<b>542,934</b>	<b>563,114</b>	<b>583,294</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 considered the “target minimum operating volume for a home health agency.” The resulting number represents the maximum projected number of agencies needed in a planning area. The SHP states fractions are rounded down to the nearest whole number.

**Department’s Table 5**  
**Numeric Need Methodology for King County**  
**Step Four – Projected Number of Home Health Agencies Needed**

	2021	2022	2023
Total Number of Visits from Step 3 Table	542,934	563,114	583,294
Target Minimum Operating Volume	10,000	10,000	10,000
Number of Agencies	54.29	56.31	58.33
<b>Number of Agencies Needed</b>	<b>54</b>	<b>56</b>	<b>58</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 in a planning area from the projected number of agencies needed. This results in the net number of agencies needed for the planning area. The following analysis of which agencies are sufficiently available and accessible will be used in order to determine which will be counted in the supply.

The department started with a listing of licensed home health agencies that serve King County with a status of ‘active’ and listed home health as a category. This resulted in 109 licenses.

The definition in the 1987 Washington State Health Plan for a home health agency 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] This filter resulted in elimination of 25 licenses based on the service categories listed on each agency’s license, leaving 84 home health agencies.

Of the remaining 84 agencies, 18 are Medicare and Medicaid certified home health agencies and 66 are considered ‘licensed only’ home health agencies. The 18 Medicare and Medicaid certified agencies will be counted in the supply.

For the remaining 66 ‘licensed only’ agencies, the department reviewed its internal database<sup>5</sup>, the agency’s most recent two annual CN utilization surveys (if available), and/or the home health agency’s public website to determine whether the agency fits the 1987 SHP definition of a home health agency. Of the 66 agencies, 52 are excluded in the count of available home health agencies for King County. The table beginning on the following page lists the 53 excluded agencies with notes identifying the rationale behind exclusion.

<sup>5</sup> Integrated Licensing and Regulatory System (ILRS).

The next table includes a row with the number of existing agencies (32) that are counted in the supply.

**Department's Table 8**  
**Numeric Need Methodology for King County**  
**Step Five – Projected Number of Home Health Agencies Needed**

	2021	2022	2023
Total Number of Visits from Step 3 Table	542,934	563,114	583,294
Target Minimum Operating Volume	10,000	10,000	10,000
Number of Agencies	54.29	56.31	58.33
Number of Agencies Needed	54	56	58
Subtract Number of Existing Agencies	32	32	32
<b>Net Agencies Needed</b>	<b>22</b>	<b>24</b>	<b>26</b>

The applicant submitted its application in December 2019 and based its application on experience in Clark County in Washington State. Healthy Living at Home-Seattle anticipates providing Medicare and Medicaid-certified home health services in King County by January 2021. Taking this operational timeline into consideration, time spent for this review, and the completed utilization data, for the department methodology base year is 2019; projected year is 2022.

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

[Source: 20-02 Evaluation Decision; also see Appendix J]

3. If applicable, provide a discussion identifying which agencies identified in response to question 1 should be excluded from the numeric need methodology and why. Examples for exclusion could include but are not limited to: not serving the entire geography of the planning area, being exclusively dedicated to DME, infusion, or respiratory care, or only serving limited groups.

Of the remaining 84 agencies, 18 are Medicare and Medicaid certified home health agencies and 66 are considered 'licensed only' home health agencies. The 18 Medicare and Medicaid certified agencies will be counted in the supply.

For the remaining 66 'licensed only' agencies, the department reviewed its internal database<sup>5</sup>, the agency's most recent two annual CN utilization surveys (if available), and/or the home health agency's public website to determine whether the agency fits the 1987 SHP definition of a home health agency. Of the 66 agencies, 52 are excluded in the count of available home health agencies for King County. The table beginning on the following page lists the 53 excluded agencies with notes identifying the rationale behind exclusion.

Please see the table included in answer 2.1 for individual assessment by agency that determines if the respective agency should be included or excluded.

4. If the answer to question 2 shows no numeric need in the planning area, explain why this application should not be considered an unnecessary duplication of services for the proposed planning area. Provide any documentation to support the response.

The planning area shows a net need of 26 agencies for year 2023.

The next table includes a row with the number of existing agencies (32) that are counted in the supply.

**Department's Table 8**  
**Numeric Need Methodology for King County**  
**Step Five – Projected Number of Home Health Agencies Needed**

	2021	2022	2023
Total Number of Visits from Step 3 Table	542,934	563,114	583,294
Target Minimum Operating Volume	10,000	10,000	10,000
Number of Agencies	54.29	56.31	58.33
Number of Agencies Needed	54	56	58
Subtract Number of Existing Agencies	32	32	32
<b>Net Agencies Needed</b>	<b>22</b>	<b>24</b>	<b>26</b>

The applicant submitted its application in December 2019 and based its application on experience in Clark County in Washington State. Healthy Living at Home-Seattle anticipates providing Medicare and Medicaid-certified home health services in King County by January 2021. Taking this operational timeline into consideration, time spent for this review, and the completed utilization data, for the department methodology base year is 2019; projected year is 2022.

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



**Department's Table 9**  
**Department's Numeric Methodology Assumptions and Data**

Assumption	Data Used
Planning Area	King County
Population Estimates and Forecasts	Age Group: 0 – 85+ OFM Population Data released year 2017, medium series: Current Year 2019 – 489,882 Projected Year 2022 – 515,776
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	32 providers based on the preceding analysis

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

**Department's Table 10**  
**Summary of Department of Health**  
**King County Home Health Need Projection**

	2021	2022	2023
Total Number of Patient Visits	542,934	563,114	583,294
Divided by 10,000	54.29	56.31	58.33
Rounded Down	54	56	58
Existing Number of Agencies	32	32	32
<b>Net Need</b>	<b>22</b>	<b>24</b>	<b>26</b>

As shown in the preceding table, need for an additional 22 home health providers is shown in projection year 2021. Based solely on the numeric methodology, need for additional home health agencies in King County 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.

[Source: 20-02 Evaluation Decision; also see Appendix J]



5. For existing agencies, using the table below, provide the home health agency's historical utilization broken down by county for the last three full calendar years.

N/A - Applicant is not an existing agency.

COUNTY	Identify Year	Identify Year	Identify Year
Total number of admissions			
Total number of visits			
Average number of visits/patient			

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

COUNTY	2022	2023	2024
Total number of admissions	180	252	353
Total number of visits*	4,874	13,126	24,614
Projected number of visits/patient	14.44	14.44	14.44
*Total number of visits include recertified patients. Based on applicant's experience it is estimated that 20% of patients will be recertified.			

7. Identify any factors in the planning area that could restrict patient access to home health services.

Availability of clinical staff is identified as one of the main factors in the planning area that could restrict patient access to home health services.

According to Healthy Living Network Resources, there is high competition in King County with many RN home health job openings and only 4.4 job seekers per opening.

The Applicant will mitigate these factors with the following:

- 1) Has an established agreement with Healthy Living Network Resources who has a dedicated recruitment team. They will leverage the many resources available to them to promote and advertise job listings, screen and hire candidates.
- 2) Healthy Living Network Resources currently has clinicians interested in transferring to the Seattle market when opened.
- 3) The Applicant has a competitive benefit package designed to attract and retain clinical staff.

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

The applicant and this application is not considered an unnecessary duplication of services for King County as evidenced by the need for 26 additional agencies by the year 2023.

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

The applicant confirms that it will be available and accessible to the entire planning area of King County.

10. Identify how this project will be available and accessible to underserved groups.

Healthy Living at Home - Seattle, LLC will serve individuals with a wide variety of healthcare needs, many of whom have few other support resources for skilled routine medical or personal care. As a home-health care agency, Healthy Living at Home - Seattle will work with all racial and ethnic minorities, women, and people with disabilities. The Applicant will also develop preferred provider relationships with managed care payors servicing the King County area. Finally, the Applicant will provide charity care to clients as outlined in the question 11 below.

11. Provide a copy of the following policies:

- Admissions policy (below)
- Charity care or financial assistance policy (below)
- Patient Rights and Responsibilities policy (need)
- Non-discrimination policy (below)
- Any other policies directly related with patient access (example, involuntary discharge)

## **Admissions Policy**

Healthy Living at Home - Seattle, LLC

Provision of Care, Treatment, and Service

### **ADMISSION CRITERIA AND PROCESS**

Policy No. 2-005.1

#### **PURPOSE**

To establish standards and a process by which a patient can be evaluated and accepted for admission.

#### **POLICY**

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

Patients will be accepted for care based on the adequacy and suitability of organization personnel, resources to provide required services, and the reasonable expectation that the patient's medical, nursing, rehabilitative, and social needs can be adequately met in the patient's place of residence.

While patients are accepted for services based on their medical needs, a patient's ability to pay for such services, whether through state or federal assistance programs, private insurance, or personal assets is another factor that will be considered.

The organization reserves the right not to accept any patient who does not meet the admission criteria.

The patient will be referred to other resources if the organization cannot meet his/her needs.

Once a patient is admitted to service, the organization will be responsible for providing care and services within its financial and service capabilities, mission, and applicable law and regulations.

#### ***Admission Criteria***

1. The patient must be under the care of a physician. The patient's physician (or other authorized licensed independent practitioner) must order and approve the provision of any service. A skilled service must be ordered.
2. The patient must desire home health services.
3. Healthy Living at Home - Seattle, LLC will accept any patient who is appropriate for home health, regardless of payment source. The effectiveness and safety of care, treatment, and service is not dependent on the patient's ability to pay.
4. The patient must reside within the geographical area that Healthy Living at Home - Seattle, LLC serves.
5. The physical facilities and equipment in the patient's home must be adequate for safe and effective care.

6. Services may be provided to patients insured by Medicare who have a primary need for skilled nursing, physical, and/or speech therapy on an intermittent basis and are homebound. (A patient is considered to be homebound if he/she has a condition that restricts his/her ability to leave his/her place of residence except with the aid of supportive devices, the use of special transportation, the assistance of another person, or if he/she has a condition which is such that leaving his/her home is medically contraindicated.)
7. Acceptance for home health services is realistically based on the patient's willingness and ability to function in a noninstitutional environment, and the willingness, ability, and availability of family/caregiver or significant individuals to participate in the care.

## PROCEDURE

1. The organization will utilize referral information provided by the family/caregiver, health care clinicians from acute care facilities, skilled or intermediate nursing facilities, other agencies, and physician offices in the determination of eligibility for admission to the program. If the patient's physician does not make the request for service, he/she will be consulted prior to the evaluation visit and initiation of services.
  - A. If the patient resides in an assisted living facility, it will be determined the type of state license the facility holds, if any, and the required services the facility is obligated to provide.
    1. A copy of the patient's service agreement with the facility will be viewed to ensure that home health services ordered and provided are not duplicative of those services or required to be provided by the facility
2. The Clinical Supervisor will assign clinical organization personnel to conduct assessments of eligibility for services within 48 hours of acceptance of referral information and/or discharge from a referring facility.
  - A. The initial visit must be performed either within 48 hours of the referral, within 48 hours of the patient's return home, or on the start of the care date ordered by the physician (or other authorized licensed independent practitioner).
  - B. The patient's most critical needs for home health services must be identified during the initial assessment, and met in a timely fashion.
  - C. The initial and comprehensive assessments must be conducted by a registered nurse, unless physical therapy or speech language pathology is the only requested service for that patient. In those cases, the physical therapist or speech therapist may conduct the assessments. These assessments may be conducted by the occupational therapist if the need for occupational therapy establishes program eligibility.
3. Assignment of appropriate clinical personnel to conduct the initial assessment of patient's eligibility for admission will be based on:
  - A. Patient's geographical location

- B. Complexity of the patient's medical needs and level of care required
  - C. Organization personnel's education and experience
  - D. Organization personnel's special training and their competence to meet patient's needs
  - E. Urgency of identified need for assessment
4. In the event that the time frame for assessment cannot be met, the patient's physician and the referral source, as well as the patient, will be notified for approval of the delay.
- A. Such notification and approval will be documented.
  - B. If approval is not obtained for the delay, the patient will be referred to another organization for services.
5. A nurse or therapist will attempt to make a first contact prior to the patient's hospital discharge, if possible or appropriate. The initial home visit will be made within 48 hours after the patient's discharge from a facility or as ordered by the physician (or other authorized licensed independent practitioner).
6. During the initial assessment visit, the admitting clinician will review the patient's eligibility for home health services, according to the admission criteria to determine or confirm:
- A. Level of services required
  - B. Eligibility (meets admission criteria)
  - C. Qualifying face-to-face encounter date, if completed within ninety (90) days prior to admission. (See "[Face-to-Face Encounter Procedure](#)" Addendum 2-005.A.)
  - D. Source of payment
7. If eligibility criteria is met, the patient and family/caregiver will be provided with an organization brochure and various educational materials providing sufficient information on:
- A. Nature and goals of care and service
  - B. Hours during which care and service are available
  - C. Access to care after hours
  - D. Care costs, if any, to be paid by the patient
  - E. Organization mission, objectives, and the scope of care provided both directly and through contractual agreement
  - F. Safety information

- G. Infection control information including hand and respiratory hygiene practices
  - H. Emergency management plans
  - I. Available community resources
  - J. Complaint/grievance process
  - K. Advance Directives
  - L. Other organization personnel involved in care
  - M. Mechanism for notifying the patient and/or family/caregiver of changes in care and any related liability for payment as a result of those changes
  - N. Notice of privacy practices
8. Patient rights and responsibilities will be explained to the patient and family/caregiver. If a face-to-face encounter has not been completed prior to admission, the clinician will explain the requirement that a face-to-face encounter visit with their physician or allowed NP must be completed within thirty (30) days of admission.
  9. The admitting clinician will document that the above information has been furnished to the patient and/or family/caregiver, and he/she will also document any information not understood by the patient and/or family/caregiver.
  10. The patient and/or family/caregiver, after review, will be given the opportunity to either accept or refuse services.
  11. The patient or his/her representative will sign the required forms indicating acceptance of services and receipt of patient rights and privacy information.
  12. Refusal of services will be documented in the clinical record. Notification of the Clinical Supervisor, physician, and referral source will follow with appropriate documentation in the clinical record.
  13. The admitting clinician will contact the physician for clarification, acceptance, or rejection of care.
  14. The admitting clinician will consult with the Clinical Supervisor concerning the patient's condition following the initial visit. Based on the clinical personnel's assessment of the patient's eligibility for admission, the patient will be admitted for services or referred to alternate sources for care.
  15. If the patient is accepted for home health, an initial plan of care will be developed in consultation with the physician and the patient and then submitted to the physician for signature.



16. The initial written assessment will be completed within 24 hours of the original assessment/admission visit. All documentation needed to develop the plan of care will be completed and turned into the office no later than the next business day.
17. A comprehensive assessment must be completed within five (5) calendar days of the patient's start of care. (See "[Initial and Comprehensive Assessment](#)" Policy No. 2-007.)
  - A. Each patient must receive a patient-specific, comprehensive assessment that identifies the need for home health care and that meets the patient's medical, nursing, rehabilitative, social, and discharge planning needs.
  - B. Outcomes and Assessment Information Set (OASIS) data must be collected on all patients receiving skilled services, except prepartum and postpartum patients, and patients under the age of 18. OASIS data collection is not required for patients who are receiving only personal care or support services (homemaker services). The OASIS data will be collected during the comprehensive assessment. The assessment tool must include the exact use of the current versions of the OASIS data set.
18. The time frames apply for weekends, holidays, and weekday admissions.
19. A clinical record will be initiated for each patient admitted for home health services.
20. If a patient does not meet the admission criteria or cannot be cared for by the organization, the Clinical Supervisor will be notified and appropriate referrals to other sources of care will be made on behalf of the patient.
21. The following individuals will be notified of non-admits:
  - A. Patient
  - B. Physician
  - C. Referral source (if not physician)
22. A record of non-admits will be kept for statistical purposes, referencing the date of referral, date of assessment, patient name, services required, physician, reason for non-admit, referral to other health care facilities, etc.
23. In the event a patient does not meet the stated criteria for admission to the program, the Executive Director/Administrator, in consultation with the Medical Director, may decide upon exceptions, with the request of the referring party and/or the patient.
24. In the event continued care to a patient contradicts the recommendations of an external or internal entity performing a utilization review, the Executive Director/Administrator will be notified. All care, service, and discharge decisions must be made in response to the care required by the patient, regardless of the external or internal organization's recommendation. The patient, family/caregiver (as appropriate), and physician will be involved in deliberations about the denial of care or conflict about care decisions.

25. A record of conflict of care issues and outcomes will be kept for statistical purposes, referencing the date of the conflict of care issue, the patient name, the external or internal organization recommendations and reasons, and complete documentation of organization decision and patient care needs.
26. Home Health agencies providing a one-time visit for a patient may provide the following written documentation in lieu of the home health plan of care and patient recovered to included:
  - A. Patient name, age, current address and phone number
  - B. Confirmation that the patient was provided a written bill of rights
  - C. Patient consent for services to be provided
  - D. Authorizing practitioner orders; and
  - E. Documentation of services provided.



## **Charity Care Policy**

Healthy Living at Home - Seattle, LLC

Leadership

### **CHARITY CARE Policy No. 4-027.1**

#### **PURPOSE**

To identify the criteria to be applied when accepting patients for charity care.

#### **POLICY**

Patients without third-party payer coverage and who are unable to pay for medically necessary care will be accepted for charity care admission, per established criteria.

Healthy Living at Home - Seattle, LLC will establish objective criteria and financial screening procedures for determining eligibility for charity care.

The organization will consistently apply the charity care policy.

#### **PROCEDURE**

1. When it is identified that the patient has no source for payment of services and requires medically necessary care, the patient must provide personal financial information upon which the determination of charity care will be made.
2. A social worker will meet with the patient to determine potential eligibility for financial assistance from other community resources.
3. The Executive Director/Administrator, with the Clinical Director, will review all applicable patient information, including financial declarations, physician (or other authorized licensed independent practitioner) orders, initial assessment information, and social work notes to determine acceptance for charity care.
4. All documentation utilized in the determination for acceptance for charity care will be maintained in the patient's billing record.
5. When financial declarations reveal the patient is able to make partial payment for services, the Executive Director/Administrator, with the Clinical Director, will determine the appropriate sliding-fee schedule to be implemented.
6. The revised sliding-fee schedule will be presented to the patient for agreement and signature.
7. After acceptance for charity care, the patient's ability to pay will be reassessed by the social worker prior to each recertification period.

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**Policy No. 4-027.2**

8. When the organization is unable to admit the patient or to continue charity care, every effort will be made to refer the patient for appropriate care with an alternate provider.
9. The referral source will be advised of acceptance, non-acceptance, continuation, or discharge from charity care.

# **Patient Rights & Responsibilities Policy**

Healthy Living at Home - Seattle, LLC

Rights and Ethics

## **RIGHTS/RESPONSIBILITIES**

**Policy No. 1-001.1**

### **PURPOSE**

To encourage awareness of patient rights and responsibilities, to provide guidelines to assist patients making decisions regarding care, and to support active participation in care planning.

### **POLICY**

Each patient will be an active, informed participant in his/her plan of care. To ensure this process, the patient will be empowered with certain rights and responsibilities as described. A patient may designate someone to act as his/her representative. This representative, on behalf of the patient, may exercise any of the rights provided by the policies and procedures established by the organization.

To assist with fully understanding patient rights and responsibilities, all policies are available to organization personnel, the patient, and his/her representatives as well as other organizations and the interested public.

### **PROCEDURE**

1. The patient will be informed verbally and in writing during the initial evaluation visit, in advance of furnishing care to the patient, of the following:
  - A. The ownership or control of the organization
  - B. The organization's mission and care/services provided directly or through contractual arrangements
  - C. The goals of care, the interventions that support those goals and the identification of the staff providing service
  - D. The hours of care/service and how to obtain care/service after hours and the name of the supervisor
  - E. The right to be informed of his/her condition, participate in all aspects of care, and the right to refuse all or part of his/her care to the extent permitted by law
  - F. The right to formulate Advance Directives and the organization's policy on the withholding of resuscitative services and the withdrawal of life-sustaining treatment (see "[Advance Directive Information Statement](#)" Addendum 1-004.A) and to lodge complaints concerning the implementation of the advance directive requirements.
  - G. The value or purpose of any technical procedure that will be performed, including the benefits, risks, and who will perform the task or procedure

- H. The cost of services that will be billed to his/her insurance(s) and/or self (verbally and in writing). And document the patient's or designated family member's approval.
- I. The completion of all assessments and care to be furnished, based on the comprehensive assessment. The organization shall ensure that the patient receives all services outlined in the plan of care.
- J. The establishment and revision of the plan of care, including the disciplines that will furnish the care and the frequency of visits as well as any changes in the care to be furnished.
- K. The expected outcomes of care, including patient-identified goals, and anticipated risks and benefits; as well as any factors that could impact treatment effectiveness.
- L. A fully itemized billing statement upon request, including the date of each service and the charge. Licensees providing services through a managed care plan are not required to provide itemized billing statements; and
- M. The right to pain assessment and management
- N. The right to privacy, security, and respect of property and person
- O. The right to be free from mental, physical, sexual and/or verbal abuse, including injuries of unknown source, neglect, misappropriation of property, or exploitation
- P. The right to voice a complaint or concern regarding care or service. The availability of other sources to receive questions and complaints and assist in resolution
- Q. Organization policy regarding confidentiality and disclosure of medical information; including, patient privacy rights related to the collection of the Outcome and Assessment Information Set (OASIS):
  - 1. The right to be informed that OASIS information will be collected and the purpose of the collection
  - 2. The right to have the information kept confidential
  - 3. The right to be informed that OASIS information will not be disclosed except for legitimate purposes allowed by the Federal Privacy Act
  - 4. The right to be informed that the collected OASIS data, OASIS Outcome-Based Quality Improvement (OBQI), OASIS Outcome-Based Quality Monitoring (OBQM), and/or publicly reported Quality Measure reports will be shared with accreditation surveyors as appropriate and this data may be used to identify and prioritize performance improvement activities
  - 5. The right to refuse to answer questions

6. The right to see, review, and request changes on his/her assessment
- R. The right to have communication needs met (See Policy No. 1-012 "[Facilitating Communication](#)")
  1. The organization shall provide verbal notice of the patient's rights and responsibilities in the patient's primary or preferred language and in a manner the individual understands, free of charge, with the use of a competent interpreter if necessary, no later than the completion of the second (2<sup>nd</sup>) visit from a skilled professional (RN, PT, SLP, OT).
- S. The right to choose whether or not to participate in research, investigations or experimental studies or clinical trials
- T. The right to have cultural, psychosocial, spiritual, and personal values, beliefs, and preferences respected
- U. Be cared for by properly trained personnel, contractors, and volunteers with coordination of services
- V. Informed of the cost and method of payment for equipment, equipment repairs, and equipment replacement with documentation of the patient's or designated family member's approval.
- W. The availability of the applicable toll-free home health agency hotline and other sources to receive questions or complaints and assist in resolution including implementation of the advance directive requirements.
- X. The organization's transfer and discharge policies.
- Y. The contact information for the agency administrator, including the administrator's name, business address, and business phone number in order to receive complaints.
- Z. The names, addresses, and telephone numbers of the following Federally-funded and state-funded entities that serve the area where the patient resides:
  1. Agency on Aging
  2. Center for Independent Living
  3. Protection and Advocacy Agency
  4. Aging and Disability Resource Center
  5. Quality Improvement Organizations

2. Within four (4) business days of the initial evaluation visit, the organization shall provide written notice of the transfer and discharge policies, provide contact information of the administrator, provide verbal notice of the rights and responsibilities, and obtain signature from the patient or legal representative to confirm that they have received a copy of the notice of rights and responsibilities.
3. Patient and family/caregiver responsibilities will be explained upon admission and in advance of furnishing care to as needed. The patient and family/caregiver are responsible for:
  - A. Providing accurate and complete information about the present complaints, past illnesses, hospitalizations, medications, and other matters relating to the patient's health
  - B. Reporting unexpected changes in the patient's condition
  - C. Providing feedback regarding services, needs and expectations
  - D. Asking questions regarding care or services
  - E. Following instructions
  - F. Understanding and accepting the consequences for outcomes if the care, services, and/or treatment plan are not followed
  - G. Following the organization's policies and procedures concerning patient care and conduct
  - H. Showing respect and consideration for the organization's personnel and property
  - I. Meeting financial commitments by promptly meeting any financial obligation agreed to with the organization
  - J. Distinguishing a legally authorized representative from a patient selected representative and provide the organization with the documentation that supports the appointment of any legally authorized representative.
4. The admitting clinician will provide each patient or his/her representative with a written copy of the Patient Rights and Responsibilities on admission.
5. The Patient Rights and Responsibilities statement will be explained (verbal) and distributed to the patient prior to the initiation of organization services. This verbal explanation will be in conversational language and tone and/or communication method he/she can reasonably be expected to understand.
6. The patient or legal representative will be requested to sign the Patient Rights and Responsibilities form. The original form will be kept in the patient's clinical record. A copy will be maintained by the patient. The patient's refusal to sign will be documented in the clinical record, including the reason for refusal.

7. The admitting clinician will document that the patient has received a copy of the Patient Rights and Responsibilities.
  - A. If the patient is unable to understand his/her rights and responsibilities, documentation in the clinical note will be made.
  - B. In the event a communication barrier exists, if possible, special devices or interpreters will be made available.
  - C. Written information will be provided to patients in English and predominant non-English languages of the population served.
8. When the patient's representative signs the Patient Rights and Responsibilities form, an explanation of that relationship must be documented and kept on file in the clinical record.
9. The family or guardian may exercise the patient's rights when a patient is incompetent or a minor.
10. Supervisory visits with clinical disciplines will be conducted to ensure these rights are honored and protected according to organization policy.
11. All organization personnel, both clinical and non-clinical, will be oriented to the patient's rights and responsibilities prior to the end of their orientation program, as well as annually.

(See "[Patient Privacy Rights](#)" Policy No. 1-016.)



## **Non-discrimination Policy**

Healthy Living at Home - Seattle, LLC

Rights and Ethics

### **NONDISCRIMINATION POLICY AND GRIEVANCE PROCESS Policy No. 1-011.1**

#### **PURPOSE**

To prevent organization personnel from discriminating against other personnel, patients, or other organizations on the basis of race, color, religion, age, sex (an individual's sex, gender identity, sex stereotyping, pregnancy, childbirth and related conditions), sexual orientation, disability (mental or physical), communicable disease, or national origin.

#### **POLICY**

In accordance with Title VI of the Civil Rights Act of 1964, Section 1557 of the Affordable Care Act (ACA) of 2010 and its implementing regulation, Healthy Living at Home - Seattle, LLC will, directly or through contractual or other arrangement, admit and treat all persons without regard to race, color, or place of national origin in its provision of services and benefits, including assignments or transfers within facilities.

In accordance with Section 504 of the Rehabilitation Act of 1973, Section 1557 of the Affordable Care Act (ACA) of 2010 and its implementing regulations, Healthy Living at Home - Seattle, LLC will not, directly or through contractual or other arrangements, discriminate on the basis of disability (mental or physical) in admissions, access, treatment or employment.

In accordance with the Age Discrimination Act of 1975, Section 1557 of the Affordable Care Act (ACA) of 2010 and its implementing regulation, Healthy Living at Home - Seattle, LLC will not, directly or through contractual or other arrangements, discriminate on the basis of age in the provision of services unless age is a factor necessary to the normal operation or the achievement of any statutory objective.

In accordance with Title II of the Americans with Disabilities Act of 1990, Healthy Living at Home - Seattle, LLC will not, on the basis of disability, exclude or deny a qualified individual with a disability from participation in, or benefits of, the services, programs or activities of the organization.

In accordance with other regulations the organization will not discriminate in admissions, access, treatment, or employment on the basis of gender, sexual orientation, religion, or communicable disease.

#### **PROCEDURE**

1. The Section 504/ADA Compliance Coordinator and Section 1557 Civil Rights Coordinator (can be same person) designated to coordinate the efforts of Healthy Living at Home - Seattle, LLC to comply with the regulations will be the Executive Director/Administrator. Contact the Executive Director/Administrator at 360-859-4886.



## Policy No. 1-011.2

2. Healthy Living at Home - Seattle, LLC will identify an organization or person in their service area who can interpret or translate for persons with limited English proficiency and who can disseminate information to and communicate with sensory impaired persons. These contacts will be listed and kept in the policy manual. (See "[Facilitating Communication](#)" Policy No. 1-012.)
3. A copy of this policy will be posted in the reception area of Healthy Living at Home - Seattle, LLC, given to each organization staff member, and sent to each referral source.
4. A nondiscrimination statement (See #5) will be posted in a conspicuous place, such as the reception area of the organization and will be printed on brochures, other printed public materials and in a conspicuous location on the organization's web site accessible from the home page, in English and at least the top 15 non-English languages spoken in the state.
5. The nondiscrimination statement will read: *"Healthy Living at Home - Seattle, LLC complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, or sex. Healthy Living at Home - Seattle, LLC does not exclude people or treat them differently because of race, color, national origin, age, disability, or sex. Healthy Living at Home - Seattle, LLC provides free aids and services to people with disabilities to communicate effectively with us, such as qualified sign language interpreters and written materials in other formats (e.g. large print, audio, accessible electronic formats). Healthy Living at Home - Seattle, LLC provides free language services to people whose primary language is not English such as qualified interpreters and information written in other languages. If you need these services, contact the Section 504/ADA Coordinator/Section 1557 Civil Rights Coordinator at 360-859-4886. If you believe that Healthy Living at Home - Seattle, LLC has failed to provide these services or discriminated in another way on the basis of race, color, national origin, age, disability, or sex you can file a grievance with Deann Baker (Compliance/Integrity Officer) by phone: 916-260-5308; mail: 2365 Iron Point, Ste 270, Folsom, CA 95630; or email: [dbaker@healthylivingnet.com](mailto:dbaker@healthylivingnet.com). You can also file a civil rights complaint with the U.S. Department of Health and Human Services, Office for Civil Rights, electronically through the Office of Civil Rights Compliant Portal, available at <https://ocrportal.hhs.gov/ocr/portal/lobby.jsf>, or by mail or phone at: U.S. Department of Health and Human Services, 200 Independence Avenue SW, Room 509F, HHH Building, Washington, DC 2020; 1-800-368-1019, 800-537-7697(TDD)"*
6. Any person who believes she or he has been subjected to discrimination or who believes he or she has witnessed discrimination, in contradiction of the policy stated above, may file a grievance under this procedure. It is against the law for Healthy Living at Home - Seattle, LLC to retaliate against anyone who files a grievance or cooperates in the investigation of a grievance.
7. Grievances must be submitted to the Section 504/ADA Compliance Coordinator/ Section 1557 Civil Rights Coordinator within 60 days of the date the person filing the grievance becomes aware of the alleged discriminatory action.
8. A complaint may be filed in writing, or verbally, containing the name and address of the person filing it ("the grievant"). The complaint must state the problem or action alleged to be discriminatory and the remedy or relief sought by the grievant.

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**Policy No. 1-011.3**

9. The Section 504 Coordinator/Section 1557 Civil Rights Coordinator (or her/his representative) will conduct an investigation of the complaint to determine its validity. This investigation may be informal, but it must be thorough, affording all interested persons an opportunity to submit evidence relevant to the complaint.
10. The Section 504/ADA Compliance Coordinator/Section 1557 Civil Rights Coordinator will issue a written decision on the grievance no later than 30 days after its filing.
11. The grievant may appeal the decision of the Section 504/ADA Compliance Coordinator/Section 1557 Civil Rights Coordinator by filing an appeal in writing to Healthy Living at Home - Seattle, LLC within 15 days of receiving the Section 504/ADA Compliance Coordinator/Section 1557 Civil Rights Coordinator's decision.
12. Healthy Living at Home - Seattle, LLC will issue a written decision in response to the appeal no later than 30 days after its filing.
13. The Section 504/ADA Compliance Coordinator/Section 1557 Civil Rights Coordinator will maintain the files and records of Healthy Living at Home - Seattle, LLC relating to such grievances.
14. The availability and use of this grievance procedure does not preclude a person from filing a complaint of discrimination on the basis of handicap with the regional office for Civil Rights of the U.S. Department of Health and Human Services.
15. All organization personnel will be informed of this process during their orientation process.
16. Healthy Living at Home - Seattle, LLC will make appropriate arrangements to assure that persons with disabilities can participate in or make use of this grievance process on the same basis as the nondisabled. Such arrangements may include, but will not be limited to, the providing interpreters for the deaf, providing taped cassettes of material for the blind, or assuring a barrier-free location for the proceedings. The Section 504 Coordinator will be responsible for providing such arrangements.

## Discharge Policies

Healthy Living at Home - Seattle, LLC

Provision of Care, Treatment, and Service

### DISCHARGE CRITERIA AND PROCESS Policy No. 2-042.1

#### PURPOSE

To outline the process for discharging a patient from service.

#### POLICY

When the patient's plan of care changes and this change results in discharge from or reduction of services, the patient or his/her representative, as well as his/her primary physician, will be notified and involved in planning decisions.

A discharge summary will be completed and filed in the clinical record. (See "[Discharge Summary](#)" Policy No. 2-043.)

#### Definitions

1. Termination/Discharge: Discontinuance of all organization services by the organization.
2. Reduction of Services: A change in the patient's service plan in which one (1) or more existing services are discontinued.

#### Discharge/Reduction of Services Criteria

Services will be terminated when the patient meets one (1) or more of the following discharge criteria:

1. There is a change in the patient's medical or treatment program.
2. A change in the patient's condition requires care or services other than that provided by the organization. If the patient's acuity requires another level of care that the organization cannot provide, the organization shall arrange for a safe and appropriate transfer to another organization that can provide the needed level of care.
3. If appropriate, the physician and the organization agree that the goals of home health have been attained or are no longer attainable.
4. The patient or family/caregiver refuses, discontinues or elects to transfer to another organization for care.
5. The patient or family/caregiver refuses to cooperate in attaining the objectives of home health.
6. Conditions in the home are no longer safe for the patient or organization personnel.
7. The patient and/or family display disruptive, abusive, and uncooperative behavior.
8. Family/caregiver has been prepared and is capable of assuming responsibility for care.

9. The patient moves from the geographic area served by the organization
10. The patient's physician (or other authorized licensed independent practitioner) has failed to renew orders, or the patient has changed physicians and orders cannot be obtained from the new physician (or other authorized licensed independent practitioner) to support patient's needs.
11. The physician (or other authorized licensed independent practitioner) gives orders that are not consistent with the stated diagnoses, as required by law, and fails to give the needed orders when requested by the organization.
12. If the physician face-to-face encounter was not completed prior to the initial certification, the patient or family/caregiver refuses to obtain a physician face-to-face visit within 30 days of start of care.
13. The patient or payor will no longer pay for the services provided by the organization.
14. The organization is eliminating a particular service or all of its services.
15. The patient expires.

## PROCEDURE

1. The organization will verbally notify the patient of the decision to terminate or reduce services within one (1) visit prior to the time the change in service is to occur (i.e., prior to the last scheduled visit).
2. Prior notice will not be necessary when services are discontinued by the patient or physician; however, action taken must be documented in the clinical record and a discharge summary completed. A copy of the discharge instructions will be mailed to the patient.
3. An update to the comprehensive assessment, including required OASIS data elements, will be completed, as required by regulation.
4. For a patient requiring continuing care, assistance will be given to the patient and family/caregiver in order to manage continuing care needs after the organization's services are discontinued. Discharge instructions will be provided.
  - A. Discharge planning will identify ongoing needs the patient may have.
  - B. Arrangements for such services will be coordinated by the organization, when applicable.



5. The decision to terminate or reduce services must be documented in the clinical record, citing the circumstances and notification to the patient, the responsible family/caregiver or representative, and the patient's physician. Efforts to resolve problems prior to discharge will also be documented in the patient's record. The patient shall be provided contact information for other home health agencies and providers if continued care is needed. The Clinical Supervisor or designee is accountable for the decision and the required documentation.
6. Each clinician making the final visit for his/her discipline will complete the appropriate sections of the discharge notice for discontinuing a discipline.
7. If more than one (1) discipline is providing care, the discipline being discontinued will be specified on the interim order.
8. A discharge summary will be completed for all discharged patients. A copy will be mailed to the primary physician.
9. All discharge paperwork will be due in the office within 72 hours of the discharge date. This will include the discharge order, discharge summary, plan of care, medication profile, and OASIS.
10. The discharge record will be organized according to the organization policy regarding clinical record contents. Documentation will be reviewed by the Clinical Supervisor or designee and completed within 30 days of the discharge, at which time it will be removed from the active files.

(See "[Discharge Planning](#)" Policy No. 2-024 and "[Discharge Summary](#)" Policy No. 2-043.)

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

Financial feasibility of a home health project is based on the criteria in [WAC 246-310-220](#).

1. Provide documentation that demonstrates the immediate and long-range capital and operating costs of the project can be met. This should include but is not limited to:
  - Utilization projections. These should be consistent with the projections provided under Appendix J. Include all assumptions.
  - HLN Audited Financials (Appendix H)
  - Board Letter (Appendix L)
  - Pro Forma revenue and expense projections for at least the first three full calendar years of operation. Include all assumptions. (Appendix I)

PRO FORMA PROFIT & LOSS					Notes
	2021	2022	2023	2024	
<b>Total Revenue</b>	<b>\$0</b>	<b>\$1,086,985</b>	<b>\$2,927,614</b>	<b>\$5,490,001</b>	
Total Direct Cost of Revenue	\$0	\$560,931	\$1,510,774	\$2,743,983	
Gross Margin	(\$32,297)	\$526,055	\$1,416,841	\$2,746,018	
Gross Margin/Revenue	0%	48%	48%	50%	Margin Increase in year 3 due to efficiencies gained with direct labor staff optimization
<b>Expenses</b>					
Audit / Accounting Fees	\$1,000	\$3,000	\$5,778	\$5,778	Fee increase in 2023
Bad Debt	\$0	\$32,610	\$87,828	\$164,700	Anticipate 3% bad debt to revenue (based on experience)
Bus. Dev. - Entertainment	\$0	\$1,200	\$1,600	\$1,600	Business Development Budget Increase in 2023
Consulting Fees (Medical Director)	\$0	\$7,200	\$9,000	\$10,800	YR 1 = 4 hrs per month, YR 2 = 5 hrs per month, YR 3 = 6 hrs per month
Education (Quarterly Staff Meetings)	\$0	\$600	\$900	\$1,080	Annual Education Budget increase with new staff
Facilities - Insurance (Commercial)	\$0	\$800	\$800	\$800	Consistent YoY fee estimate
Facilities - Phone (Cell Phones)	\$0	\$1,600	\$1,600	\$1,600	Consistent YoY fee estimate
Facilities - Rent / Prop. Mgmt. Fee)	\$0	\$6,708	\$36,000	\$37,800	Move to bigger office in 2023 with rent estimated at \$3000 per month; 5% increase in 2024
Insurance (Worker's Comp)	\$250	\$8,103	\$15,000	\$27,915	Consistent YoY fee estimate
Health Insurance	\$0	\$24,000	\$42,500	\$68,000	Growth based on additional FTEs
Liability Insurance	\$0	\$3,200	\$3,200	\$3,200	Liability Insurance consistent over a 3 year period
Office Supplies		\$600	\$600	\$600	Office Supplies Budget consistent over a 3 year period
Payroll - ADP	\$400	\$2,400	\$2,400	\$2,400	Payroll Fees consistent over 3 year period
PR / Advertising (Job Postings)	\$0	\$1,600	\$1,600	\$1,600	Consistent YoY fee estimate
Taxes & Licenses	\$800	\$8,000	\$8,000	\$8,000	Consistent YoY fee estimate
Vehicle - Mileage	\$200	\$5,501	\$14,815	\$26,891	est @ 1% of Total Direct Cost of Labor
Vehicle - Stipend	\$0	\$5,400	\$5,400	\$5,400	Stipend for DPCS at \$450 per month
Depreciation	\$0	\$655	\$655	\$655	Consistent YoY fee estimate
Administrative/Office Payroll Taxes	\$0	\$19,828	\$48,032	\$62,580	
Total Administrative/Office Payroll	\$10,500	\$283,250	\$686,167	\$894,000	
<b>Total Op. Expenses</b>	<b>\$13,150</b>	<b>\$416,254</b>	<b>\$971,875</b>	<b>\$1,325,399</b>	
EBITDA	(\$45,447)	\$121,325	\$474,897	\$1,476,175	Note: 2021 expenses related to seeing necessary 10 - 15 pro bono patients for credentialing
HLNR (PEO) 6.5% of Revenue	\$0	\$70,654	\$190,235	\$356,850	
Taxes Incurred	\$0	\$7,135	\$59,629	\$234,921	
<b>Net Profit</b>	<b>(\$45,447)</b>	<b>\$42,881</b>	<b>\$224,318</b>	<b>\$883,749</b>	
<b>Net Profit %</b>	<b>0.0%</b>	<b>3.9%</b>	<b>7.7%</b>	<b>16.1%</b>	

- Pro Forma balance sheet for the current year and at least the first three full calendar years of operation. Include all assumptions. Example provided in Appendix A.

### **BALANCE SHEET**

	2021	2022	2023	2024
<b>Assets</b>				
Current Assets				
Cash	\$90,000	\$51,095	\$276,068	\$1,160,472
Total Current Assets	\$90,000	\$51,095	\$276,068	\$1,160,472
Fixed Assets				
Long-term Assets	\$0	\$9,828	\$9,828	\$9,828
Accum. Depreciation	\$0	\$655	\$1,310	\$1,966
Total Fixed Assets	\$0	\$9,173	\$8,518	\$7,862
Total Assets	\$90,000	\$60,268	\$284,586	\$1,168,335
<b>Liabilities and Capital</b>				
Current Liabilities				
Accounts Payable	\$0	\$0	\$0	\$0
Subtotal Current Liabilities	\$0	\$0	\$0	\$0
Total Liabilities	\$0	\$0	\$0	\$0
Paid-in Capital	\$90,000	\$90,000	\$90,000	\$90,000
Retained Earnings	\$0	(\$27,166)	\$15,715	\$240,033
Earnings	(\$45,447)	\$42,881	\$224,318	\$883,749
Total Capital	\$44,553	\$105,715	\$330,033	\$1,213,782
Total Liabilities and Capital	\$44,553	\$105,715	\$330,033	\$1,213,782



- For existing agencies proposing addition of another county, provide historical revenue and expense statements, including the current year. Ensure these are in the same format as the pro forma projections. For incomplete years, identify whether the data is annualized.
  - N/A - the applicant is not an existing agency

2. Provide the following agreements/contracts:

- Management agreement. (Appendix C)
- Operating agreement (Appendix D)
- Medical director agreement (Appendix E)
- Joint Venture agreement (N/A)

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

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

If this is an existing home health agency and the proposed services would be provided from an existing main or branch office, provide a copy of the deed or lease agreement for the site. If a lease agreement is provided, the agreement must extend through at least the first three years of operation. Provide any amendments, addenda, or substitute agreements to be created as a result of this project to demonstrate site control.

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

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

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

Item	Cost
a. Land Purchase	\$
b. Utilities to Lot Line	\$
c. Land Improvements	\$
d. Building Purchase	\$
e. Residual Value of Replaced Facility	\$
f. Building Construction	\$
g. Fixed Equipment (not already included in the construction contract)	\$
h. Movable Equipment	\$
i. Architect and Engineering Fees	\$
j. Consulting Fees	\$
k. Site Preparation	\$
l. Supervision and Inspection of Site	\$
m. Any Costs Associated with Securing the Sources of Financing (include interim interest during construction)	
1. Land	\$
2. Building	\$
3. Equipment	\$
4. Other	\$
n. Washington Sales Tax	\$
<b>Total Estimated Capital Expenditure</b>	<b>\$</b>

N/A as this project does not require any capital expenditures as defined under WAC 246-310-010(10)

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

N/A as this project does not require any capital expenditures as defined under WAC 246-310-010(10)

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

<b>SOURCES &amp; USES</b>	
<b><i>SOURCES OF FUNDS</i></b>	
Owner Investment	\$90,000
<b>Total Sources</b>	<b>\$90,000</b>
<b><i>USES OF FUNDS</i></b>	
<u>Start-up Expenses</u>	
CON Application Fee	\$24,666
Start Up Phase Operation Expense	\$2,500
<b>Total Start-up Expenses</b>	<b>\$27,166</b>
<u>Start-up Assets</u>	
Working Capital	\$53,006
Furniture	\$6,500
Computers	\$2,000
Printer	\$500
Telephone	\$828
<b>Total Start-up Assets</b>	<b>\$62,834</b>
<b>Total Uses</b>	<b>\$90,000</b>

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

Healthy Living Network is responsible for all start-up costs.

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

Medicare and Medicaid Home Health rates are established independent of King County's Home Health supply and demand. As such the project would not impact the costs and charges for these healthcare services.

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

This project does not include any construction costs and will not materially affect any costs and charges for healthcare services in the planning area.

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

Payer Mix	Percentage of Gross Revenue	Percentage by Patient
Medicare	78%	70%
Medicaid	5%	10%
HMO	11%	12%
Private Pay	1%	1%
Commercial/Health Care Contractor	3%	5%
Other: Government / L&I	1%	2%
Total	100%	100%

## REVENUE FORECAST

	2021	2022	% of rev	2023	% of rev	2024	% of rev
Revenue							
Medicare Patient Visits	\$0	\$852,863	78%	\$2,297,043	78%	\$4,307,524	78%
HMO Patient Visits	\$0	\$116,964	11%	\$315,023	11%	\$590,746	11%
Private Pay Patient Visits	\$0	\$12,184	1%	\$32,815	1%	\$61,536	1%
Medicaid	\$0	\$57,020	5%	\$153,574	5%	\$287,989	5%
Commercial / Health Care Contract	\$0	\$36,551	3%	\$98,445	3%	\$184,608	3%
Other Government / L&I	\$0	\$11,404	1%	\$30,715	1%	\$57,538	1%
<b>Total Revenue</b>	<b>\$0</b>	<b>\$1,086,985</b>	<b>100%</b>	<b>\$2,927,614</b>	<b>100%</b>	<b>\$5,490,001</b>	<b>100%</b>
Deduction From Revenue							
Charity Care (1% of Rev)	\$0	\$10,870	1%	\$29,276	1%	\$54,900	1%
Direct Cost of Revenue							
Total Field Staff Payroll	\$27,848	\$490,208		\$1,320,294		\$2,392,646	
Field Staff Payroll Taxes	\$1,949	\$34,511		\$92,949		\$168,442	
Medical Supplies	\$2,500	\$25,342		\$68,255		\$127,995	
Subtotal Cost of Revenue	\$32,297	\$560,931		\$1,510,774		\$2,743,983	
<b>Total Direct Costs</b>	<b>\$32,297</b>	<b>\$560,931</b>		<b>\$1,510,774</b>		<b>\$2,743,983</b>	
Gross Margin	(\$32,297)	\$526,055		\$1,416,841		\$2,746,018	
Gross Margin/Revenue	0.0%	48.4%		48.4%		50.0%	

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

N/A - This project does not propose the addition of a county for an existing agency.

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

<b>Start-up Assets</b>	
Working Capital	\$53,006
Inventory	\$0
Other Current Assets	\$0
Land	\$0
Equipment	\$0
Structures	\$0
Furniture	\$6,500
Computers	\$2,000
Printer	\$500
Telephone	\$828
	\$0
	\$0
	\$0
Other Long-term Assets	\$0
<b>Total Start-up Assets</b>	<b>\$62,834</b>



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

Healthy Living Network is the financial source who will fund the project as needed.

Below is the letter from the Board committing to pay for the project.



Certificate of Need Program  
2019  
Department of Health  
PO Box 47852  
Olympia, WA 98504-7852

September 10th,

Re: Letter of Financial Commitment on behalf of Healthy Living at Home - Seattle, LLC

Dear Ms. Sigman,

The Certificate of Need Program's application for Medicare certified and Medicaid eligible hospice agency requests a letter of support and financial commitment on startup healthcare ventures.

We, the governing board of Healthy Living Network, will commit the necessary personnel, capital investment, and financial resources to finance the startup and initial operations of Healthy Living at Home - Seattle, LLC.

Thank You,

DocuSigned by:  
*Caroline Breeding, President*  
2D3B9E3D540C4E9...

Caroline Breeding, President

DocuSigned by:  
*Jonathan Bliss, Vice President Home Health*  
2D3B9E3D540C4E9...

Jonathan Bliss, VP – Home Health

DocuSigned by:  
*Geoff Schackmann*  
2D3B9E3D540C4E9...  
Geoff Schackmann, Program Manager

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

This project will be financed by the Healthy Living Network via no interest capital contributions. As such no external financing will be necessary

Provide the most recent audited financial statements for:

- The applicant, and
- Any parent entity responsible for financing the project.

**Please see appendix H for the most recent audited financials from Healthy Living Network.**

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

Projects are evaluated based on the criteria in WAC 246-310-230 for staffing availability, relationships with other healthcare entities, relationships with ancillary and support services, and compliance with federal and state requirements. Some of the questions within this section have implications on financial feasibility under WAC 246-310-220.

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

### **ADMINISTRATIVE/OFFICE PERSONNEL**

	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Administrative Staff Count				
Administrator	0.0	0.0	0.0	0.0
Director of Patient Care Svcs	1.0	1.0	1.0	1.0
Assistant Director of Clinical Svcs	0.0	0.0	1.0	1.0
Business Office Manager	0.0	0.0	0.0	0.0
Clinical Supervisor	0.0	0.3	2.1	3.0
Intake/Scheduling	0.0	1.0	1.0	2.0
Administrative Asst/Reception	0.0	0.0	1.0	1.0
Non-Clinical Case Manager	0.0	0.0	1.0	1.0
Area Director	0.0	1.0	2.1	3.0
<b>Total Administrative Staff</b>	<b>0.0</b>	<b>3.3</b>	<b>9.2</b>	<b>12.0</b>
Salary Per Position				
Administrator	\$0	\$0	\$0	\$0
Director of Patient Care Svcs	\$10,500	\$125,000	\$125,000	\$125,000
Assistant Director of Clinical Svcs	\$0	\$100,000	\$100,000	\$100,000
Business Office Manager	\$0	\$45,000	\$45,000	\$45,000
Clinical Supervisor	\$0	\$85,000	\$85,000	\$85,000
Intake/Scheduling	\$0	\$52,000	\$52,000	\$52,000
Administrative Asst/Reception	\$0	\$27,500	\$27,500	\$27,500
Non-Clinical Case Manager	\$0	\$27,500	\$27,500	\$27,500
Area Director	\$0	\$85,000	\$85,000	\$85,000
Payroll Per Position (Count x Salary)				
Administrator	\$0	\$0	\$0	\$0
Director of Patient Care Svcs	\$10,500	\$125,000	\$125,000	\$125,000
Assistant Director of Clinical Svcs	\$0	\$0	\$100,000	\$100,000
Business Office Manager	\$0	\$0	\$0	\$0
Clinical Supervisor	\$0	\$21,250	\$177,083	\$255,000
Intake/Scheduling	\$0	\$52,000	\$52,000	\$104,000
Administrative Asst/Reception	\$0	\$0	\$27,500	\$27,500
Non-Clinical Case Manager	\$0	\$0	\$27,500	\$27,500
Area Director	\$0	\$85,000	\$177,083	\$255,000
<b>Total Administrative/Office Payr</b>	<b>\$10,500</b>	<b>\$283,250</b>	<b>\$686,167</b>	<b>\$894,000</b>

## FIELD STAFF PERSONNEL

	2021	2022	2023	2024
Field Staff Count				
Registered Nurse-FTE	0.5	1.8	4.9	8.7
Physical Therapist-FTE	0.5	2.2	6.0	11.0
Occupational Therapist-FTE	0.5	0.8	2.1	3.7
Speech Language Pathologist	0.1	0.1	0.4	0.7
Medical Social Worker	0.1	0.1	0.4	0.7
Home Health Aide	0.1	0.1	0.2	0.3
Total Field Staff	1.8	5.2	13.9	25.2
Salary Per Position				
Registered Nurse-FTE	\$83,232	\$83,232	\$83,232	\$83,232
Physical Therapist-FTE	\$104,040	\$104,040	\$104,040	\$104,040
Occupational Therapist-FTE	\$104,040	\$104,040	\$104,040	\$104,040
Speech Language Pathologist	\$104,040	\$104,040	\$104,040	\$104,040
Medical Social Worker	\$72,828	\$72,828	\$72,828	\$72,828
Home Health Aide	\$37,454	\$37,454	\$37,454	\$37,454
Payroll Per Position (Count x Salary)				
Registered Nurse-FTE	\$6,936	\$152,112	\$409,687	\$726,649
Physical Therapist-FTE	\$8,670	\$232,393	\$625,911	\$1,142,527
Occupational Therapist-FTE	\$8,670	\$79,225	\$213,379	\$389,734
Speech Language Pathologist	\$1,734	\$14,084	\$37,934	\$71,136
Medical Social Worker	\$1,214	\$9,859	\$26,554	\$49,795
Home Health Aide	\$624	\$2,535	\$6,828	\$12,804
<b>Total Field Staff Payroll</b>	<b>\$27,848</b>	<b>\$490,208</b>	<b>\$1,320,294</b>	<b>\$2,392,646</b>

## TOTAL PERSONNEL BREAKDOWN

	2021	2022	2023	2024
<b>Total Personnel</b>	<b>1.8</b>	<b>8.4</b>	<b>23.1</b>	<b>37.2</b>
<b>Total Payroll</b>	<b>\$38,348</b>	<b>\$773,458</b>	<b>\$2,006,460</b>	<b>\$3,286,646</b>
<b>Payroll/Revenue</b>	<b>0.00%</b>	<b>71.16%</b>	<b>68.54%</b>	<b>59.87%</b>



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

N/A as this application does not propose the expansion of an existing agency into another county.

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

Utilization forecast by discipline serving King County 2022 to 2024				
Year	2021	2022*	2023*	2024
Unduplicated Admissions (b)**	15	180	252	353
Visits by discipline**				
Skilled Nursing	77	1754	4725	8861
Physical Therapy	94	2144	5775	10830
Occupational Therapy	2	49	131	246
Speech Therapy	32	731	1969	3692
Medical Social Work	4	97	263	492
Home Health Aide	4	97	263	492
Total Visits (a)	214	4,874	13,126	24,614
*2022 & 2023 assumed a conservative 40% increase of new admissions from the previous years data, respectively, based on historical first hand data from Healthy Living at Home - Vancouver and Healthy Living at Home - Portland.				
**Source for patients' and visits by discipline, by year, is derived from Healthy Living at home - Vancouver and Portland historical data from agency inception not including any duplicated patients.				

** Healthy Living at Home - Vancouver & Portland Average Visits per episode (non-Lupa, non duplicated pts)					
Discipline	Healthy Living at Home - Portland		Healthy Living at Home - Vancouver		AVG*
Skilled Nursing	4.6	30%	5.7	42%	36%
Physical Therapy	7.7	51%	5	36%	44%
Occupational Therapy	2	13%	2.3	17%	15%
Speech Therapy	0.2	1%	0.3	3%	2%
Medical Social Work	0.3	2%	0.2	1%	2%
Home Health Aide	0.2	1%	0.1	1%	1%
Registered Dietician	0.1	1%	0	0%	0%
Total	15.1	100%	13.6	100%	14.4
*Combined averages from Healthy Living at Home - Portland and Vancouver Data (1/1/20 - 7/31/20)					

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

The projected staffing is adequate for the number of patients and visits projected based on the experience of the applicant. The applicant's projected staffing also aligns with the last five (5) Certificate of Need staffing ratios submitted for the area. Additionally, we have increased the number of FTEs needed to account for poor productivity, staff turnover, vacation, sick, etc..

Type of Staff	Staff / Visit Ratio per day
Skilled Nursing (RN & LPN)	4.5
Physical Therapist	4.5
Occupational Therapist	4.5
Medical Social Worker	4.0
Speech Therapist	4.0
Home Health Aide	6.0

The expectation from a productivity stand point is that a clinician is expected to complete 20-25 visits per week. The projected staff to patient ratio is consistent with the productivity established with the operating company and according to the last 5 CoN applications as in Eden's application review #18-02.

*Staffing ratios by discipline, recent applicants and Eden in WA (Reproduced)*

Discipline	Eden	Careage	Envision	Encore	Bellingham
Skilled Nursing (RN)	4.5	4.4	4.9	4.5	4.5
Physical Therapy	4.5	4.4	contracted	4.5	4.5
Occupational Therapy	4.5	4.4	contracted	3.85	4.5
MSW	3.2	1.5	contracted	3.85	4.5
Speech Therapy	4.0	4.4	3.2	5.06	4.0
Home Health Aides	6.0	6.0	5.1	3.47	6.0

5. If you intend to have a medical director, provide the name and professional license number of the current or proposed medical director. If not already disclosed under 210(1) identify if the medical director is an employee or under contract.

Kirsten Marie Winn Carr, MD, will serve as a contracted Medical Director for Healthy Living at Home – Seattle, LLC. Dr. Carr is a board certified internal medicine doctor. Her license number is MD60672461. Dr. Carr's resume, Washington DOH Provider Credential Search PDF and Medical Director Agreement is attached as Appendix E, F, and G.

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

The Medical Director will be a contractor.

7. Identify key staff by name and professional license number, if known. (nurse manager, clinical director, etc.)

The director of patient care services is Kathryn Cikler-Swett, BSN RN60698951 and the Clinical Director will be Ashley Nicole Davis, RN60925866

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

N/A - Applicant is not an existing agency.

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

Healthy Living Network has a dedicated recruitment department whose responsibility is to manage the entire recruitment process end to end. This includes advertising, marketing, interviewing, screening and hiring candidates. The recruitment department has many advanced resources to leverage in finding candidates for a given geographic area. Additionally, they collaborate with other healthcare professionals, facilities and providers to source candidates.

Healthy Living Network has clinical staff interested in relocating to King County once it is approved and operational.

Between the dedicated recruitment team and interested clinical staff, the applicant has confidence in providing enough staff to support the project through internal and external healthcare professionals.

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

Agency office hours are from 8:30 AM to 5:00 PM Monday through Friday. Healthy Living at Home - Seattle, LLC will have an RN and office representative on call 24 hours per day 7 days per week 365 days per year allowing patients to access services outside of normal office hours.

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

N/A as this applicant is not an existing agency.

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

N/A as this applicant is not an existing agency.

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

N/A as this applicant is not an existing agency.

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

Comcast - Internet

Fazzi - Coding

Stericycle - Medical Waste

Medline - Medical Supplies

WellSky Kinser - Electronic Medical Record

Telelanguage - Interpretive services

Strategic Healthcare Programs - Internal Qualitative Data and Reporting and Internal Scorecard / Scrubbing

DSS Research - 3rd party Qualitative Data reporting to CMS

Quest Diagnostic - Lab Services

Healthy Living Network - Payroll, AP, HR, Legal, Recruiting, Consultation Services

Medical Director - Kiersten Carr M.D.

Trust Alvin - OIG Search and State License Verification Check

Cortex - patient callback, patient satisfaction, employee satisfaction

Amazon - Office supplies

Relias - Learning Management System

15. For existing agencies, provide a listing of healthcare facilities with which the home health agency has working relationships. Clarify whether any of the existing working relationships would change as a result of this project.

N/A as this applicant is not an existing agency.

16. For a new agency, provide a listing of healthcare facilities with which the home health agency would establish working relationships.

There are a wide array of relationships that will be established once we are approved to serve the residents of King County. At a minimum, we will establish relationships with the following healthcare providers:



- Hospitals
- Skilled Nursing Facilities
- Assisted Living Facilities
- Independent Living Facilities
- Memory Care Facilities
- Adult Family Homes
- Health Clinics
- Independent M.D.s
- Outpatient and Inpatient Therapy
- Hospice Agencies
- Other Home Health Agencies
- Durable Medical Equipment Providers

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

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

N/A - none of these apply.

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

Healthy Living at Home - Seattle, LLC has the ability to promote continuity in the provision of health care by ensuring that referred patients receive the appropriate level of care. When a patient is evaluated for home health and is determined to need a different level of care, Healthy Living at Home - Seattle will work cooperatively with the discharging facility, patient, and the patient health care provider to identify the appropriate level and setting for the care needed (i.e. skilled nursing facility, home health, hospice, inpatient rehab, etc). By working with the community (health care providers, acute facilities and others), we can avoid unwarranted fragmentation of services and promote appropriate care for every referral.

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

Healthy Living at Home - Seattle, LLC will establish formal Business Associate Agreements with the various healthcare providers detailed in our response to question 16. Doing so will ensure that an appropriate relationship is established and followed to safeguard patient information and ensure appropriate care is being provided. Furthermore, the applicant will only provide care to individuals where we have sufficient ancillary support services available.

The Applicant will also participate in hospital and community healthcare based continuing education and coordination meetings. This will result in increased access, coordination, and availability of in home services to patients.

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

N/A - Per the Department of Health's evaluation for CoN 20-02, the applicant met this sub-criterion (see following page screenshots).

## **Department Evaluation**

### **Washington State Healthcare Facilities**

As stated in the project description section of this evaluation, HLH Seattle Holdings, LLC is the applicant. As of the writing of this evaluation, the applicant operates one home health agency in

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Washington State.<sup>8</sup> The agency, known as Healthy Living at Home-Vancouver, LLC, was recently approved and became operational in year 2019. The new facility was surveyed in 2019 that resulted in no non-compliance issues or deficiencies. [source: ILRS survey data and Department of Health Office of Health Systems Oversight]

### **CMS Survey Data**

Using the Center for Medicare and Medicaid Services Quality, Certification & Oversight Reports (QCOR) website, the department reviewed the historical survey information for all operational HLH Seattle Holdings, LLC-affiliated in-home services agencies.<sup>9</sup> The department's QCOR review shows that the applicant operates a total of 34 in home service agencies in seven separate states. The table below shows the number and type of agencies by state.

**Department's Table 16**  
**HLH Seattle Holdings, LLC and Affiliates' In-Home Service Agencies**

State	# of Agencies	Type of Agency
Arizona	2	Home Health & Hospice
California	23	Home Care, Home Health, & Hospice
Idaho	2	Home Health
Nevada	2	Home Health
Oregon	3	Home Health
Utah	1	Home Health & Hospice
Washington	1	Home Health
<b>Total Agencies</b>	<b>34</b>	

Since 2017, CMS has conducted a total of 36 surveys for the applicant's existing in home service agencies. Using the QCOR information, the table below summarizes the number of agencies surveyed from year 2017 through 2020 broken down by state.

**Department's Table 17**  
**HLH Seattle Holdings, LLC and Affiliates' In-Home Service Agencies**  
**Federal Survey Summary Record 2017 to Current**

State	# of Agencies	Number of Surveys	Deficiency Information
Arizona	2	4 Standard Surveys	One Follow Up Survey
California	23	25 Standard & Complaint Surveys	Two Follow up Surveys
Idaho	2	1 Standard Survey	No Deficiencies
Nevada	2	2 Standard Surveys	One Follow Up Survey
Oregon	3	2 Standard Surveys	No Follow Up Survey
Utah	1	1 Standard Survey	No Deficiencies
Washington	1	1 Standard Survey	No Deficiencies

Healthy Living at Home-Seattle provided the name and professional license number for its proposed medical director, Kirstin Carr, MD. Using data from the Washington State Medical Quality Assurance Commission the department confirmed that Dr. Carr has an active license with no enforcement action in Washington State. Since this is a new agency, additional staff have not yet been identified.

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<sup>8</sup> In year 2017, the applicant purchased a home health agency located in Wenatchee, within Chelan County. According to the Department of Health's internal database, the facility closed on June 5, 2018.

<sup>9</sup> 'In home service agencies' are home care agencies, home health agencies, and hospice agencies.

Given the compliance history of the facilities owned and operated by the applicant, as well as that of the agency's proposed medical director, there is reasonable assurance the new King County 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 Healthy Living at Home-Seattle project, with written agreement to the condition in the conclusion section of this evaluation, **meets this sub-criterion.**

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

N/A - the applicant does not have a history of condition-level findings.

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

Projects are evaluated based on the criteria in [WAC 246-310-240](#) in order to identify the best available project for the planning area.

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

The alternatives that were considered are as follows:

- 1) Acquire an existing CoN certified Home Health Agency

- a) Attempts were made via direct contact with existing home health agencies to determine their interest level in selling. None of the agencies contacted had any interest at this time.

Alternative attempts to assess availability of agencies for sale were made by contacting brokers as well as the State's needs analysts both of which were unable to identify any Home Health agencies for sale.

Based on the lack of available CoN certified Home Health agencies in King County the applicant eliminated the possibility of acquiring an agency.

- 2) Not pursue a CoN certified Home Health Agency

- a) Not pursuing the certificate of need to establish a Home Health agency in King County fails to resolve the unmet service needs of the patients in this area as identified in this application. As such, this option is ruled out as a viable alternative.

Based on the alternatives considered prior to submitting this project, the applicant determined that establishing a new Medicare and Medicaid home health agency in King County is the best path forward as it addresses the need for additional home health in the planning area. The applicant intends to increase home health access for all King County residents.



Additional discussion and evaluation of alternative financing options is made here:

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

- 1) Bank Loan (Financing)
- 2) Hard Money Loan (Financing)
- 3) Raising Money from outside sources (Equity / Financing)

Criteria used to determine if any of the alternative financing options should be considered are as follows:

- 1) Cost
- 2) Access
- 3) Availability
- 4) Amount

Table 1.0 comparing alternative financing options

Criteria	Inter-Company Contribution	Bank Loan	Hard Money	Fundraising
<b>Cost</b>	Zero interest rate	8%+ interest rate	15-30%+ Interest	6% - 9%+
<b>Access</b>	Immediate	Moderate	Moderately Accessible	Difficult due to the length of time needed to fund raise
<b>Availability</b>	Immediate	90-120 days	30-60 days	3-9 months
<b>Amount</b>	Sufficient to cover long range project costs	unable to make a determination as a new line of credit would need to be established with the bank	Sufficient to cover long range costs	Unable to estimate / assess based on institutional capital available for new start ups

The best financing option for the success of this long term project is the inter-company contribution from Healthy Living Network.

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

A comparison of the project with alternatives rejected by the applicant are outlined in our response above to question 1.0 and in table 1.0.

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

N/A - The project does not involve construction costs.

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

If approved, this project will improve delivery of necessary in-home services to King County residents. The need methodology demonstrates a net need of 22 additional Home Health agencies for King County in 2021, and 26 by 2023. This project, if approved, would increase the availability of Medicare home health services to the residents of King County. Home Health services are a critical component of cost savings strategies for King County's acute and post-acute hospital and skilled nursing providers. When in-home services are insufficiently available, inpatient providers have difficulty discharging patients on a timely basis.

Additional cost improvements are seen by reducing hospitalizations and ER visits. When a patient is recovering from an illness or injury at home, or is discharged to home from an acute setting, there is an increased risk of re-injury as the patient recovers. Sufficient home health services can prevent re-injury and reduce the risk of unnecessary acute care where there are significantly higher costs.

**Home Health Agency Tie Breakers** (1987 State Health Plan, Volume II, page B35-36)

If two or more applicants meet all applicable review criteria and there is not enough need projected for all applications to be approved, the department will approve the agency that better improves patient care, reduces costs, and improves population health through increased access to services in the planning area. Ensure that sufficient documentation and discussion of these items is included throughout the application under the relevant sections.

## **Certificate of Need Program Revised Code of Washington (RCW) and Washington Administrative Code (WAC)**

Certificate of Need Program laws [RCW 70.38](#)

Certificate of Need Program rules [WAC 246-310](#)

### **Commonly Referenced Rules for Home Health Projects:**

WAC Reference	Title/Topic
<a href="#">246-310-010</a>	Certificate of Need Definitions
<a href="#">246-310-200</a>	Bases for findings and action on applications
<a href="#">246-310-210</a>	Determination of Need
<a href="#">246-310-220</a>	Determination of Financial Feasibility
<a href="#">246-310-230</a>	Criteria for Structure and Process of Care
<a href="#">246-310-240</a>	Determination of Cost Containment

### **Certificate of Need Contact Information:**

[Certificate of Need Program Web Page](#)

Phone: (360) 236-2955

Email: [FSLCON@doh.wa.gov](mailto:FSLCON@doh.wa.gov)

### **Licensing Resources:**

[In-Home Services Agencies Laws, RCW 70.127](#)

[In-Home Services Agencies Rules, WAC 246-335](#)

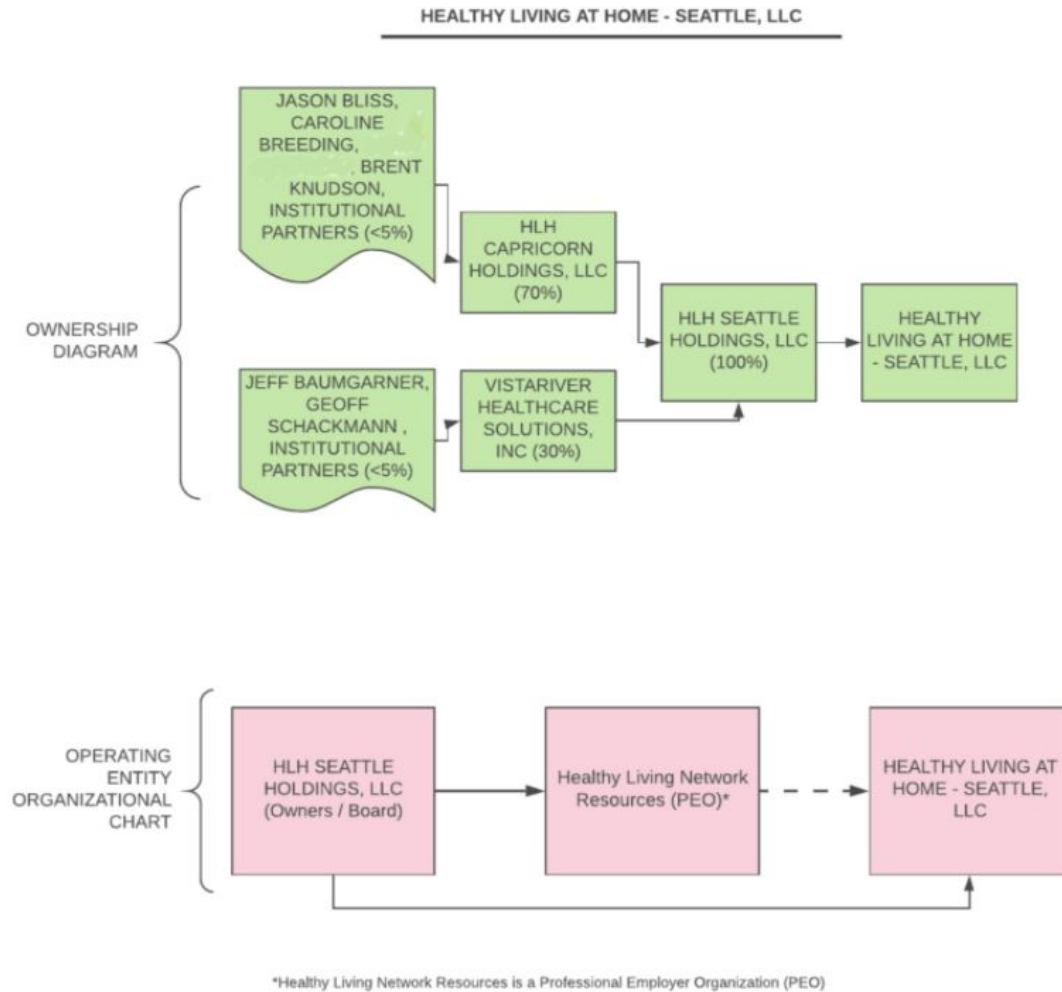
[Home Health Agencies Program Web Page](#)

## **Appendix A: Organizational Chart (Ownership & Operational)**

The applicant is Healthy Living at Home - Seattle, LLC

The Owner is HLH Seattle Holdings, LLC

Funding sponsor is HLH Capricorn Holdings, LLC



**Appendix B: Secretary of State UBI: 604 451 650**

<p>UNITED STATES OF AMERICA</p> <p><b>The State of Washington</b></p> <p><b>Secretary of State</b></p>	
<p>I, <b>KIM WYMAN</b>, Secretary of State of the State of Washington and custodian of its seal, hereby issue this</p> <p><b>CERTIFICATE OF EXISTENCE</b></p> <p><b>OF</b></p> <p><b>HEALTHY LIVING AT HOME - SEATTLE, LLC</b></p>	
<p>I <b>CERTIFY</b> that the records on file in this office show that the above named entity was formed under the laws of the State of Washington and that its public organic record was filed in Washington and became effective on 05/08/2019.</p> <p>I <b>FURTHER CERTIFY</b> that the entity's duration is Perpetual, and that as of the date of this certificate, the records of the Secretary of State do not reflect that this entity has been dissolved.</p> <p>I <b>FURTHER CERTIFY</b> that all fees, interest, and penalties owed and collected through the Secretary of State have been paid.</p> <p>I <b>FURTHER CERTIFY</b> that the most recent annual report has been delivered to the Secretary of State for filing and that proceedings for administrative dissolution are not pending.</p>	
<p>Issued Date: 01/13/2021 UBI Number: 604 451 650</p>	
	<p>Given under my hand and the Seal of the State of Washington at Olympia, the State Capital</p> <p></p> <p>Kim Wyman, Secretary of State</p> <p>Date Issued: 01/13/2021</p>



## BUSINESS INFORMATION

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Business Name:

**HEALTHY LIVING AT HOME - SEATTLE, LLC**

UBI Number:

**604 451 650**

Business Type:

**WA LIMITED LIABILITY COMPANY**

Business Status:

**ACTIVE**

Principal Office Street Address:

**801 2ND AVE STE 800, SEATTLE, WA, 98104-1573, UNITED STATES**

Principal Office Mailing Address:

**1499 SE TECH CENTER PL FL 4, VANCOUVER, WA, 98683-5528, UNITED STATES**

Expiration Date:

**05/31/2021**

Jurisdiction:

**UNITED STATES, WASHINGTON**

Formation/ Registration Date:

**05/08/2019**

Period of Duration:

**PERPETUAL**

Inactive Date:

Nature of Business:

**HEALTH CARE, SOCIAL ASSISTANCE & SERVICE ORGANIZATION**

## REGISTERED AGENT INFORMATION

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Registered Agent Name:

**NORTHWEST REGISTERED AGENT, LLC**

Street Address:

**522 W RIVERSIDE AVE STE N, SPOKANE, WA, 99201-0580, UNITED STATES**

Mailing Address:

**522 W RIVERSIDE AVE STE N, SPOKANE, WA, 99201-0580, UNITED STATES**

## GOVERNORS

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Title	Governors Type	Entity Name	First Name	Last Name
GOVERNOR	INDIVIDUAL		GEOFF	SCHACKMANN

## **Appendix C: Healthy Living Network Resources (PEO)**

DocuSign Envelope ID: 8A045545-2BCE-4DEA-9F03-69583023C9FE

### **SERVICE AGREEMENT**

#### **PARTIES**

This Agreement is effective this 1st day of August, 2020 by and between Healthy Living Network Resources, LLC (hereafter referred to as "HLNR"), and Healthy Living at Home – Seattle, LLC (hereafter referred to as "Client"), whose respective addresses are set forth on the signature page of this Agreement.

#### **I. UNDERSTANDING**

The purpose of this Agreement is to set forth the understanding of the parties with regard to the obligations and responsibilities of the parties in this professional employer organization contractual relationship. In this contractual relationship, it is the intention of the parties that they not be in a joint employment relationship. Additionally, nothing in this Service Agreement shall be construed to any way involve the "leasing" of individuals. The parties shall at all times act consistent with the intent that a professional employer organization relationship and not a joint employment relationship is to exist between the parties. In this professional employer organization relationship, the duties and responsibilities of the parties are set forth herein between Client and HLNR. It is the intent of the parties that any wording contained in this Agreement which is mandated by law to be included herein or which is included because of the nature of the professional employer organization relationship shall in no manner be indicative of liability or joint employer status. Also, this Agreement is not intended to in any way limit Client's ability to run its own business and to exercise direction and control over its own employees. The retention or reservation of any right or authority by HLNR does not require its exercise by HLNR and in no manner abridges Client's rights and responsibilities with regard to Client's ability to run its own business.

#### **II. TERM OF AGREEMENT**

This contractual relationship between HLNR and Client is intended to be long term and on-going rather than temporary in nature and not a series of limited-term assignments or a project-specific agreement. The initial term of this Agreement shall be for one (1) year (the "Initial Term"). This Agreement shall automatically renew and remain in full force and effect until either party gives written notice to the other party by delivering notice of termination as specified in Section XI, below, at least thirty (30) days prior to the expiration of the Initial Term or any extension of the Initial Term. In addition, HLNR may at any time immediately terminate this Agreement in the event of breach by Client of any of the terms of this Agreement or upon the occurrence of any of the events set forth in Section IX below. Termination or expiration of this Agreement shall not affect the continuation of any outstanding obligation or liability incurred by either party during the term of this Agreement.

### **III. UTILIZED INDIVIDUALS**

- A. HLNLR agrees to utilize in a non-joint employment relationship, to the extent required by applicable state law, certain of Client's employees (hereafter referred to as "utilized individuals") to perform job functions identified by workers' compensation code classifications. Client warrants that the list of workers' compensation classifications as set forth on Exhibit A is accurate and complete and that utilized individuals performing these job functions do so at the locations specified in this Agreement as Client's addresses or at such other locations as are set forth on Exhibit A. Because of possible application of professional employer organization statutory, regulatory, and contractual requirements, Client understands and agrees that prior written approval from the applicable workers' compensation carrier must be obtained prior to the addition of any workers' compensation classification or location.
- B. Client expressly agrees and understands that no individual shall be covered by HLNLR's workers' compensation insurance (if HLNLR is supplying such insurance), or any other benefit, or issued a payroll disbursement, unless the individual has properly completed Form I-9 as required by law, and prior to entering into a PEO relationship with HLNLR, completed HLNLR's utilized individual paper work and W-4 withholding form. The obligation to obtain a properly completed I-9 Form is assigned to Client for all current and future utilized individuals. Utilized individuals who have properly completed an I-9 form for Client or for another professional employer organization which had a contractual relationship with Client at that time, prior to Client's entering into this Agreement, shall not be obligated to complete a new I-9 form upon their entering into a professional employer organization relationship with HLNLR. The utilized individual paperwork and W-4 withholding form must be delivered to HLNLR before the individual commences a PEO relationship with HLNLR. HLNLR shall not be considered to be in a PEO relationship with regard to any individual until the utilized individual paper work and withholding forms (and Form I-9 as required by law) are received by HLNLR for that individual and Client is notified that the individual has been accepted by HLNLR as a utilized individual. Client represents and warrants that all of its current employees have properly completed I-9 forms.
- C. Utilized individuals are defined in this Agreement as "individuals performing services for Client for whom HLNLR processes payroll and Client submits timely, accurate and complete payment and information, while this Agreement is in effect."



- D. Client is solely responsible for all matters, including, without limitation, worker injuries and wages that occur while an individual is not acting in the capacity of a utilized individual.

#### **IV. HLNR'S RESPONSIBILITIES PURSUANT TO THIS AGREEMENT**

- A. HLNR shall provide Client guidance and advice with regard to labor and employment matters with the right to make all final decisions retained exclusively by Client. HLNR shall retain such rights and authority, if any, as may be required by applicable law, with regard to direction and control over utilized individuals as well as with regard to their assignment, hiring, disciplining and termination.
- B. The responsibility to obtain workers' compensation coverage for utilized individuals from a carrier properly licensed to do business in the State where the utilized individuals are located shall be the responsibility of HLNR; however, a multiple coordinated policy that recognizes Client's status as an employer shall be utilized. It is the intent of the Parties that no volunteer, independent contractor, or anyone else who is not a utilized individual of HLNR, be covered by any workers' compensation policy issued to HLNR. Should Client perform work in a state that allows or requires Client to maintain its own workers' compensation policy and should HLNR, in writing, agree to allow Client to maintain its own workers' compensation policy, HLNR shall, at HLNR's option, be named as an additional insured or a labor contractor (or listed on the alternate employer endorsement) and shall be a certificate holder on such policy or policies. HLNR shall have no responsibility to cover any utilized individual with a workers' compensation policy issued in the name of HLNR, and HLNR shall have no liability for any accident or injury which occurs to any utilized individual or non-utilized individual or to anyone else, in such situations where Client retains its own workers' compensation policy for utilized individuals. It is the intent of the Parties that no utilized individual be covered by any workers' compensation policy issued to HLNR in situations in which the parties have agreed that Client shall maintain its own workers' compensation policy for utilized individuals. In situations where Client maintains its own workers' compensation policy covering utilized individuals, Client shall periodically, at the reasonable request of HLNR, provide documentation to HLNR sufficient to establish that Client has paid all workers' compensation premiums.
- C. Client and HLNR shall adhere to such drug free workplace program, if any, as may be implemented pursuant to the applicable workers' compensation policy.

- D. HLNR shall notify, in writing, all utilized individuals of the relationship between HLNR and Client as well as the inception, termination, and/or expiration of this Agreement and explain the general nature of the professional employer organization relationship by and among Client, utilized individuals, and HLNR. Client and HLNR agree that should any utilized individual raise an issue of discrimination, harassment, retaliation, or any other employment related issue, while Client remains the ultimate decision maker, should Client desire HLNR to become involved in the investigation of such issue(s) and the provision of advice regarding the resolution of such issue(s), HLNR shall provide such assistance. HLNR's role shall be strictly limited. HLNR shall not be a decision-maker/joint employer, and HLNR's role shall be limited to conducting such investigation deemed appropriate by the parties and attempting to facilitate a resolution of the issue(s) which is mutually agreeable to the utilized individual and to Client. The ultimate responsibility to defend, resolve and/or end any such inappropriate conduct which may be occurring rests solely with Client.
- E. With respect to any group health plan maintained by HLNR and set forth on Exhibit B which provides coverage to eligible utilized individuals, HLNR assumes responsibility for proper COBRA administration, subject to timely and complete notification by Client of the occurrence of any "qualifying event." For these purposes any group health plan shall be maintained by HLNR only if the contract is between HLNR and the insurer. As of the Effective Date of this Agreement and only if utilized individuals and Client participate in HLNR's group health plan, HLNR shall be responsible for current COBRA participants on Client's group health plan who are listed in Exhibit C, attached and incorporated herein by reference. Client warrants that all COBRA participants, at all times, were and remain eligible for coverage in accordance with federal law. Client shall be fully responsible for any group health plan maintained by Client.
- F. HLNR shall provide and coordinate the benefit programs, if any, set forth on Exhibit B beginning on the Effective Date specified on Exhibit B. An individual's available coverage and eligibility to participate in a given plan shall be governed by and subject to the terms and conditions of the plans offered by HLNR. HLNR and its applicable carrier reserve the right to change or substitute benefit plans or to implement cost increases. HLNR shall provide reasonable prior notice of any such change, substitution, or cost increase. Client shall have TWENTY (20) days following its receipt of notice from HLNR regarding any such change, substitution, or cost increase to notify HLNR, in writing, of its termination of this Agreement. Such termination shall only occur after payment by Client of all sums owed HLNR. HLNR also reserves the right to cancel a plan due to lack of participation or a change in applicable law. No utilized individual shall be covered



by any benefit plan until the utilized individual has prepared the appropriate submission form, submitted it to the carrier, been notified by the carrier of the utilized individual's acceptance into the plan, and paid the premium for the first month.

- [G. As of the date of this Agreement, HLNR has secured Employment Practice Liability Insurance ("EPLI") that provides coverage for certain employment-related claims involving utilized individuals. Nothing in this Agreement is intended to create rights to insurance in addition to the terms of such insurance policy which is meant to solely be applicable to utilized individuals and to no other employees of Client who may be employed outside the terms of this Agreement. To the extent the provisions of this Agreement conflict with such policy, the provisions of the EPLI shall control. The current terms of the EPLI policy provides coverage which is subject to annual limits (including limits applicable to claims in the aggregate made by all HLNR utilized individuals against HLNR and all HLNR clients) and deductibles, among other terms and conditions contained in the EPLI policy. In the event that EPLI becomes unavailable on terms acceptable to HLNR (in HLNR's sole discretion), Client will be notified of the cancellation of such insurance in accordance with the terms of the insurance policy.

1. With regard to any matter covered by the terms of an EPLI policy maintained by HLNR, the following shall be applicable:
  - a. The EPLI shall not cover any claim or cause of action that arose or existed prior to the Effective Date of this Agreement unless otherwise agreed to by the EPLI carrier in writing and neither HLNR, nor any insurer, shall be obligated to pay for any defense of such claim or cause of action or otherwise participate financially in the resolution of such claim.
  - b. The EPLI has a deductible amount that Client must pay in full before the insurance carrier is obligated to make any payment. On claims covered by such EPLI, Client agrees to pay the total deductible amount due pursuant to the EPLI policy (whether the claim is against Client, HLNR, or Client and HLNR). In addition, Client agrees:
    - (i) To act in conformity with the terms of the EPLI and with the terms of this Agreement;



- (ii) To cooperate in the investigation or processing of such claim, including utilization of legal counsel chosen by the EPLI carrier; and
- (iii) To settle or compromise such claims upon terms and conditions satisfactory to the carrier.

**V. CLIENT RESPONSIBILITIES**

- A. To the extent allowed by law regarding Client: Client shall be entitled to exercise all rights and shall be obligated to perform all duties and responsibilities, otherwise applicable to an employer in an employment relationship; Client shall retain sufficient direction and control over the workplace and over the utilized individuals as is necessary to supervise all day-to-day work activities of the utilized individuals. Client shall retain such sufficient direction and control over the utilized individuals and over the workplace as is necessary to conduct Client's business and without which Client would be unable to conduct its business, discharge any fiduciary responsibility that it may have, or comply with any applicable licensure, regulatory, or statutory requirement of Client or any utilized individual.
- B. Also to the extent allowed by law: Client shall be responsible for directing, supervising, establishing and maintaining safety at its worksite(s), and controlling the work of the utilized individuals with respect to the business activities of Client, including, but not limited to, setting and controlling utilized individuals' wages, hours, and terms and conditions of employment; Client shall make any and all strategic, operational, and all other business-related decisions regarding Client's business; Such decisions and related outcomes shall exclusively be the responsibility of Client and HLNR shall bear no responsibility or liability for any actions or inactions by Client or by any utilized individual; HLNR shall, however, provide certain administrative guidance and training regarding licensure issues pertinent to Client. Additionally, Client shall have sole and exclusive control over the day-to-day job duties of all utilized individuals; Furthermore, HLNR shall have no control over the job site at which, or from which, utilized individuals perform their services; Control over the day-to-day job duties of utilized individuals and over the job site at which, or from which, utilized individuals perform their services is solely and exclusively assigned to Client; Client expressly absolves HLNR of control over the day-to-day job duties of the utilized individuals and over the job site at which, or from which, utilized individuals perform their services; Client shall be solely responsible for the quality,

adequacy, and safety of the goods or services produced or sold in Client's business and Client and not HLNR shall be liable for the acts, errors, or omissions of Client and those of any utilized individual. Responsibilities not assigned to HLNR in this Service Agreement, or by applicable law, shall remain with Client.

- C. At the end of each pay period, Client shall obtain and provide to HLNR all records of actual time worked by each utilized individual, the status of the utilized individual as either exempt or nonexempt, and verify that this information is accurate and in compliance with the requirements of the Fair Labor Standards Act, other laws administered by the U.S. Department of Labor's Wage and Hour Division, and any applicable local or state law. Client shall be solely responsible for establishing its own method of payroll verification, including but not limited to verifying that child labor laws have been complied with and that wages, minimum wage, overtime, prevailing wage rate, piece rate, meal and rest breaks, commissions, and bonuses have been correctly reported to HLNR. In addition, Client shall be solely responsible for any and all liability to any utilized individual with regard to all aspects of Client's payroll, whether or not such payroll has been paid through HLNR, including but not limited to wages, minimum wage, overtime, prevailing wage rate, piece rate, meal and rest breaks, commissions, and bonus obligations to utilized individuals. Client shall review all payroll information provided to Client by HLNR to ensure that all data, paychecks and payroll disbursements are accurate and that no incorrect or fraudulent information has been supplied to HLNR. Client acknowledges that any failure on its part to timely review the documentation and paychecks and/or payroll disbursements provided by HLNR prior to the time that paychecks and/or payroll disbursements are disseminated to utilized individuals shall be an absolute bar to any claim for damages against HLNR. Unless otherwise provided to Client by HLNR in writing, Client shall submit all-time records for a given pay period no later than the Monday after the pay period has ended. If Client fails to provide the necessary information as required or submits changes to the information previously reported on time, the delivery of payroll checks and/or payroll disbursements by HLNR will be delayed and Client, at HLNR's sole discretion, may be billed an out of cycle processing charge, plus any out-of-cycle shipping charges. Client shall be solely responsible for incorrect, improper or fraudulent records of hours worked, for improper classification of utilized individuals, and for any fraudulent, improper, or illegal activity engaged in by any utilized individual. Client shall be responsible for any checks and payroll disbursements that have been requested by Client and which have been issued by HLNR to any utilized individual, including any checks that have been cashed by a holder in due course, whether or not a stop payment request has been filed. Additionally, wherever state or federal law affixes payroll



check cashing fees or other disbursement fees as the responsibility of the "employer," that responsibility shall be assumed by Client.

- D. Client also represents and warrants that all payments that qualify as W-2 wages to be paid to any utilized individual are to be paid through HLNR and that any such utilized individuals will receive no additional wages in any form from Client. Client agrees it will be solely responsible for damages of any nature, including, but not limited to back wage claims, unpaid wage claims, wage theft claims, tax claims, as well as claims pursuant to the Fair Labor Standards Act, arising out of Client's failure to properly report hours worked, exempt status, and other required payroll and tax information to HLNR and for any direct payment by Client to a utilized individual of any remuneration. In addition, HLNR shall not be considered to have any obligations towards any employee of Client for whom required payroll information is not supplied during any payroll period (except as may be required by law). Client assumes full responsibility for workers' compensation claims, benefit claims (including but not limited to health insurance claims and pension claims), tax obligations, employment discrimination claims, general liability claims, third-party claims, and any and all other obligations or claims pertaining in any way to any individual for whom payroll information is not supplied during any payroll period (except as may be required by law), or who is paid or treated in whole or in part by Client, as a non-utilized individual, independent contractor, volunteer, or in any other capacity. HLNR shall have no obligation to provide workers' compensation insurance for independent contractors, subcontractors, and for employees of such entities engaged or hired by Client. Client shall not, directly or indirectly, engage or hire any independent contractor or subcontractor that does not have workers' compensation insurance coverage with respect to itself and its employees. Client shall obtain a certificate evidencing workers' compensation insurance coverage with respect to the employees of any independent contractor or subcontractor engaged or hired by Client or shall provide workers' compensation insurance coverage with respect to the employees of any such contractor. In no event will any independent contractor (including any subcontractor of the independent contractor), subcontractor, volunteer, non-utilized individual, or any of the aforementioned's employees, be covered by HLNR's workers' compensation policy or be considered a utilized individual of HLNR. Client shall at all times maintain a workers' compensation policy encompassing all of its employees who are not utilized individuals pursuant to this Agreement and Client is on notice that pursuant to applicable law, Client has a statutory obligation to secure workers' compensation coverage for employees who are not utilized individuals of HLNR. Client agrees to unconditionally indemnify, hold harmless, protect and defend and unconditionally release, acquit, remise, waive and forever discharge all

HLNR Indemnified Parties and any insurer of HLNR (including paying all of the aforementioned's attorneys' fees and costs) if any claim (including administrative, legal, or equitable claim) is brought against a HLNR Indemnified Party or against an insurer of HLNR alleging a workers' compensation based claim, where Client was responsible for obtaining workers' compensation insurance for utilized individuals.

- E. To the extent allowed by law Client and not HLNR shall be the employer of the utilized individuals for purposes of unemployment compensation and HLNR shall file unemployment reports regarding utilized individuals with the appropriate State agency.
- F. At its own expense, Client shall provide a suitable place of employment for all utilized individuals, which shall comply with all applicable local, state and/or federal laws, ordinances, and regulations related to occupational health and safety, and Client agrees to provide all facilities, supplies, equipment, safety training and all other necessary items that may be required by utilized individuals to perform their services. Client represents that its working environment, equipment, machinery, supplies and training for existing employees currently meet all state and federal OSHA standards and that they will be maintained in compliance with such standards during the duration of this Agreement. Client agrees that it is solely responsible for compliance with safe work practices and the use of protective equipment imposed by controlling federal, state and local government, as well as any required by the applicable workers' compensation carrier. Client is also solely responsible to comply with all applicable laws, ordinances, and regulations related to environmental, equipment, machinery and all other matters affecting utilized individual safety. Client further agrees to comply with any HLNR workers' compensation light-duty requirements, including reinstatement of utilized individuals in a light-duty capacity. Such Client light-duty obligations shall survive termination or expiration of this Agreement.
- G. Client shall comply with any and all safety requirements and recommendations, if any, made by the applicable workers' compensation carrier. Client also shall establish and maintain a safety program in accordance with state and/or federal laws and regulations, along with any committees, programs, policies, plans and training required under state and/or federal laws and regulations pertinent to professional employer organizations and their clients.
- H. If a utilized individual is injured, Client shall immediately report the accident and injury to HLNR and shall cooperate in conducting any investigation related to the accident and injury. If Client fails to accommodate any utilized individual released



for light-duty assignment, then Client shall pay to HLNR all workers' compensation wages disbursed to such utilized individuals that should have been paid in the form of earned wages for performing light-duty services. Workers' compensation work-related accidents or injuries must be reported to HLNR immediately after they occur. In the event Client or any utilized individual fails to notify HLNR within TWENTY-FOUR (24) hours following a work-related accident or injury, Client shall immediately reimburse HLNR for any fees, fines, or penalties imposed by HLNR's insurance carriers or any state or federal agency. This provision shall only be applicable in situations where HLNR provides workers' compensation coverage for utilized individuals.

- I. Client acknowledges that HLNR maintains for eligible utilized individuals only the benefit plans set forth in this Agreement. Any other benefit plans maintained by Client, regardless of whether they provide a benefit to the utilized individuals, shall be the sole responsibility of Client, and shall not duplicate or otherwise conflict with the benefits provided by HLNR. Client will provide to HLNR, written statements of its policies regarding all employee benefit programs related to utilized individuals. Such policies will comply with all local, state, and/or federal, governmental laws, ordinances, and regulations.
- J. Client retains all obligations for the continuation of coverage for any current COBRA participants as well as for any and all eligible utilized individuals at the time of termination or expiration of this Agreement if group health insurance is not provided to utilized individuals pursuant to this Agreement. If HLNR's group health insurance coverage, if any, has been accepted pursuant to this Agreement, upon termination or expiration of this Agreement, for any reason, Client shall obtain group health insurance coverage for all former utilized individuals, and shall assume from HLNR all responsibility and obligation for the continuation of coverage for any COBRA participants listed in Exhibit C, as well as for any and all eligible utilized individuals at the time of termination or expiration of the Agreement for the remainder of their COBRA eligibility period. In the event Client fails to provide said group health insurance, Client shall pay an administrative fee to HLNR in the amount of ONE HUNDRED and NO/100 (\$100.00) dollars per month (this sum is in addition to the premium payment payable by the applicable utilized individual and/or family member/dependent), per former utilized individual who is a COBRA participant (the fee shall also be applicable for a family member/dependent who is receiving COBRA benefits through HLNR where the former utilized individual is not receiving COBRA benefits) under HLNR's plans. Client acknowledges that this amount is reasonable to cover HLNR's expense in extending continued health care coverage to the utilized individuals and this amount is not a penalty. Nothing in

this provision shall be construed or interpreted as precluding or limiting HLNR's right to pursue damages in a court of law or equity, which arose as a result of Client's failure to obtain and provide insurance as set forth herein.

- K. Client shall provide, at its own expense, reasonable access and accommodations as required by the Americans with Disabilities Act, and any regulations related thereto. In addition, Client shall comply with the guidelines and provisions of the Americans with Disabilities Act in its determinations of individuals it desires to hire, promote, place at certain Client work location(s), or fire.
- L. Client shall be responsible for providing all utilized individuals, in a timely manner, all notice requirements pertaining to all applicable local, state, and federal laws, including those pertaining to mass layoffs and business closures.
- M. To the extent the Family and Medical Leave Act ("FMLA") and/or any and all other employee leave laws are applicable to Client, Client shall at all times be solely responsible for the ultimate compliance with such laws and it shall be Client's responsibility to reinstate eligible utilized individuals, and in all other manner to comply with such laws. This provision shall survive termination or expiration of this Agreement.
- N. Client acknowledges that during the term of this Agreement, Client will be the sponsoring employer for purposes of petitioning or applying for immigration visas for the employment of an alien selected for hire as a utilized individual and that Client shall have sole and exclusive responsibility for compliance with the requirements of law regarding the employment of individuals working pursuant to a visa. Client understands and agrees that it is Client's responsibility to obtain and maintain any necessary visas and to pay all associated costs. In addition, Client acknowledges that to the extent allowed by law it has all responsibility to properly obtain and to maintain I-9 forms in conformity with the Immigration Reform and Control Act of 1986. A copy of all such properly completed I-9 forms will be timely and immediately supplied to HLNR.
- O. Client shall abide by and comply with all applicable local, state, and federal employment-related laws, ordinances and regulations, including, but not limited to, those related to discrimination based on race, ancestry, sex (including pregnancy, childbirth, breastfeeding or related medical conditions), sexual orientation, gender identity, gender expression, harassment of any type (including sexual harassment), disability (mental and physical), medical condition, color, age, genetic information, national origin, marital status,



citizenship status, religion, creed, retaliation, veteran status, military status, and union status.

- P. Any obligation placed upon an employer by applicable law to verify the eligibility of an individual for employment through the Basic Employment Verification Pilot Program as jointly administered by the United States Department of Homeland Security and the Social Security Administration ("E-Verify") or any successor program or to in any manner utilize the E-Verify system, to the extent allowed by law, is retained solely and exclusively by Client.
1. Should either Client or HLNR obtain actual knowledge that a utilized individual is an unauthorized alien, such knowledge shall immediately be conveyed to the other Party via facsimile, e-mail, and overnight delivery and it shall be the responsibility of Client to immediately conform with the requirements of applicable state and federal law and to terminate the employment of such unauthorized alien upon receipt of such actual knowledge (after providing all appropriate procedural due process rights to the affected individual). Client or HLNR shall be solely responsible for any actual knowledge which it may possess regarding the employment of any unauthorized alien which is not timely conveyed to the other party, as set forth herein. Neither Client nor HLNR shall utilize such unauthorized alien in any capacity whether as an employee, utilized individual, independent contractor, subcontractor, volunteer, or any other capacity, after it obtains actual knowledge of the unauthorized status of any individual.
- Q. If any utilized individual is required to be licensed, registered or certified under any Federal, State, or municipal law or regulation, or to act under the supervision of such a licensed, registered or certified person or entity in performing their services, then any such utilized individual shall be deemed to be an employee of Client for such purposes but shall remain covered by HLNR's workers' compensation policy where HLNR is supplying workers' compensation coverage. Client shall also be solely responsible for verifying such licensure, registration, or certification and/or providing such required supervision.
- R. HLNR does not assume any responsibility for and makes no assurances, warranties, or guarantees as to the ability or competence of any utilized individual. This Agreement in no way alters any responsibilities of Client to perform any and all work history, reference checks and background checks on utilized individuals (including driving record and accident record background checks). Additionally, Client assumes full and complete responsibility for the consequences of performing or failing to perform, initially and on an on- going

basis, work history and reference checks on utilized individuals, including, but not limited to, driving record and accident record background checks on utilized individuals and HLNR shall have no responsibility with regard to these matters.

- S. Client shall notify, in writing, all utilized individuals, of the inception and termination or expiration of this Agreement. Client shall also immediately upon termination or expiration of this Agreement notify all utilized individuals of the termination or expiration of this Agreement and inform them that if they were covered by HLNR's workers' compensation policy, they are no longer covered by HLNR's workers' compensation policy. Additionally, Client shall maintain all employee information that HLNR is not by law required to maintain.
- T. Upon termination or expiration of this Agreement, Client shall continue sole responsibility for all accumulated, but unused, sick leave and vacation time for utilized individuals and for sole compliance with all employment agreements.
- U. If HLNR is providing workers' compensation coverage to utilized individuals, HLNR will only provide workers' compensation insurance for utilized individuals working in the state designated on Exhibit A as the "Home State" and for such other states or jurisdictions as are set forth on Exhibit A. No utilized individual may perform any work in a state other than the Home State and those other states and jurisdictions listed on Exhibit A without the prior written approval of HLNR and HLNR's workers' compensation carrier unless the performance of such temporary work outside the Home State (or such other state or jurisdiction as may be listed on Exhibit A where the utilized individual performs services) is permitted by HLNR's workers' compensation policy and is in compliance with the requirements of Home State law and the law of the state or jurisdiction where such utilized individual is temporarily performing services. The parties acknowledge that prior approval is necessary because of possible application of workers' compensation and professional employer organization statutory, regulatory, and contractual requirements. Should HLNR and its workers' compensation carrier agree to allow any utilized individual to perform services outside of the Home State and those other states listed on Exhibit A as a utilized individual who is covered by HLNR's workers' compensation policy, Client and HLNR will negotiate any fee adjustment which is deemed applicable by HLNR. Absent the agreement of HLNR and its workers' compensation carrier to allow work to be performed outside the Home State and those other states and jurisdictions listed on Exhibit A and be covered by HLNR's workers' compensation policy and absent agreement of the Parties on a fee adjustment, no utilized individual may perform such services outside the Home State and



those other states and jurisdictions listed on Exhibit A and be covered by HLNR's workers' compensation policy. HLNR's workers' compensation policy shall not be applicable to any utilized individual performing work outside the Home State and those other states and jurisdictions listed on Exhibit A without the written permission of HLNR and its workers' compensation carrier and the performance of such work, without written permission, shall be a material breach of this Agreement, at the sole option of HLNR.

- V. Any tax imposed by any local or state taxing authority based upon Client's relationship with HLNR, such as a sales or use tax, or gross receipts tax, shall be the sole responsibility of Client.
- W. Client shall at all times comply with and be responsible for all federal, state, and local laws requiring the posting or providing of notices to employees and utilized individuals at Client's workplace.

#### **VI. SERVICE FEES**

- A. For services to be rendered under this Agreement, HLNR shall be entitled to the fees specified in Exhibit A hereto. In determining the total charges billed to Client, the component parts of the total charges may be less than or may exceed HLNR's actual costs of doing business. It is the intent of the Parties that the total charges billed to Client be one composite charge where Client accepts, and is satisfied with, the total bill, which is billed to Client, irrespective of what HLNR's actual cost of any component part of the total bill may be or any refund, rebate, or credit which either Party may be entitled to receive. In addition, Client agrees that since FUTA and SUTA taxes may be adjusted at any time by any applicable state or federal government, FUTA and SUTA rates may be adjusted at any time by HLNR using reasonable business judgment following, or in anticipation of such increases. All funds due HLNR are payable by wire transfer or ACH, as specified on Exhibit C hereto, prior to HLNR's issuance of payroll checks and/or disbursements each pay period and shall be paid to HLNR on the day after each pay period ends. Checks or other disbursements from Client to HLNR returned unpaid from Client's bank will be, at HLNR's sole discretion, subject to the late payment charge plus any additional costs incurred by HLNR. An unpaid balance will also be subject to, at HLNR's sole discretion, periodic charge of up to one and one-half percent (1.5%) per calendar month (or such maximum lesser interest amount if set by applicable law at a lower amount) until paid in full. For any past due amounts or payments not paid for any reason, Client authorizes HLNR to convert the unpaid balance(s) to electronic check(s) for submission to Client's bank for payment via Automated Clearing House (ACH). HLNR reserves

the right to at any time terminate this Agreement if full payment is not made when due.

- B. Should Client require additional services not included in this Agreement, the fee for any such additional services shall be negotiated and paid separately. The fees set forth on Exhibit A are subject to increase by HLNR based upon changes in local, state and/or federal employment law, increases in HLNR's cost of doing business (including, but not limited to, increases in taxes, premiums, fees, and/or assessments whether or not retroactive in nature), changes in insurance requirements or costs, costs directly attributable to Client or to utilized individuals, or changes in Client's payroll. Upon written notification to Client from HLNR of a fee adjustment, Client shall have the right to terminate this Agreement by giving notice of termination to HLNR within FOURTEEN (14) days after receipt from HLNR of a notice of a fee adjustment, and after payment of all funds owed to HLNR by Client. Notwithstanding anything to the contrary contained herein, Client shall be liable for any retroactive increase imposed upon HLNR which is applicable to the period during which this Agreement has been in effect.
- C. Should Client and HLNR be agreeable to allowing Client to reimburse HLNR by means other than a wire transfer, Client may be required to maintain a prepayment with HLNR in an amount equal to the total payroll and any direct and indirect costs related to that payroll for one average payroll period. These monies shall be maintained by HLNR to help guarantee performance of all terms, covenants, and obligations of Client under this Agreement. Client agrees that should any interest be earned on such prepayment, such interest shall belong to HLNR. If Client should fail to pay HLNR any payment or any other funds when due, HLNR may apply the prepayment to the amount due. HLNR shall refund any remaining prepayment within TWENTY (20) days after the termination or expiration of this Agreement, provided Client has fulfilled all of its obligations under this Agreement.
- D. In addition, Client may also be required to provide to HLNR a financial assurance in the form of a Personal Guaranty (if a Personal Guaranty is required, it is attached hereto and incorporated herein by reference), an irrevocable letter of credit, a bond, or such other financial assurance acceptable to HLNR to guaranty the obligations of Client hereunder. HLNR may require additional financial assurance if, at any time, HLNR in its sole discretion determines that a change has occurred in the financial condition of Client or if Client's average payroll increases.



## **VII. INDEMNIFICATIONS**

- A. Client will provide proof of comprehensive general liability insurance coverage for its operations and all utilized individuals, with a minimum limit of liability not less than one million (\$1,000,000.00) dollars per occurrence. If any utilized individual will operate a vehicle owned or otherwise of any kind for Client, Client shall maintain automobile liability insurance (including Hired/Non-Owned automobile liability insurance) and furnish liability insurance encompassing liability for bodily injury and property damage and against uninsured motorists, each with a minimum limit of liability no less than one million (\$1,000,000.00) dollars per occurrence. Such policies shall also include blanket contractual liability and personal injury liability coverage. In addition, if professional employees of Client are utilized individuals pursuant to this Agreement, professional liability coverage will be secured and maintained by Client with a limit of liability of no less than one million (\$1,000,000.00) dollars per occurrence. Client agrees, at its own expense, to include HLNR as an additional named insured on all of Client's insurance policies, including without limitation professional liability policies and fidelity bonds. Client shall at the request of HLNR deliver to HLNR a certificate evidencing such insurance and the agreement(s) of the insurer(s) that such insurance may not be canceled without TWENTY (20) days prior notice to HLNR. Any coverage that issues against the dishonest or criminal conduct or misappropriation of any funds engaged in by any utilized individual maintained hereunder, such as fidelity bonding, shall be at Client's expense. All insurance policies maintained by Client shall provide coverage, which will be primary in the event of any claim. All insurance policies shall waive Client's subrogation rights in favor of HLNR. Client's obligation under this Section shall survive termination or expiration of this Agreement. Client has listed at Exhibit D the policies concerning which Client has added HLNR as an additional named insured.
- B. Without regard to the fault or negligence of any party, Client hereby unconditionally indemnifies, holds harmless, protects and defends and unconditionally releases, acquits, remises, waives and forever discharges, and to the extent allowed by law covenants not to sue HLNR, and all subsidiary, affiliate, related, and parent companies, their current and former respective shareholders, non-utilized individuals, attorneys, officers, directors, agents and representatives (all indemnified parties referred to as "HLNR Indemnified Parties") from and against any and all claims, demands, damages (including liquidated, punitive and compensatory), injuries, deaths, actions and causes of actions, costs and expenses (including attorney's fees and expenses at all levels of proceedings), losses and liabilities of whatever nature (including liability to third parties), and all other consequences of any sort, whether known or

unknown, without limit and without regard to the cause or causes thereof or the negligence (whether active or passive) of HLNR or any HLNR Indemnified Party that may be asserted by HLNR or asserted or brought against any HLNR Indemnified Party which is in any way related to this Agreement, the products or services provided by Client or by HLNR, the actions of any utilized individual, the actions of any non-utilized individual employed by Client, or of any other individual, any act by or against any individual who is acting outside the capacity of a utilized individual at the time the matter arises, including without limitation, all safety, risk, and hazard issues, all unsafe conditions and safety violations, any violation of any local, state and/or federal law, regulation, ordinance, directive or rule whatsoever, and all employment-related matters which shall include but not be limited to all matters arising under local, state and/or federal right-to-know laws, environmental laws, immigration laws (including I-9 obligations), all laws within the jurisdiction of the NLRB, OSHA, U.S. Department of Labor, and EEOC, including Title VII of the Civil Rights Act of 1964, as amended, the Americans with Disabilities Act (including without limitation those aspects relating to employment, public access and public accommodation), the WARN Act, ERISA, all laws governing wages and hours (including without limitation: prevailing wage rate; exempt and non-exempt status; child labor; family and medical leave; and minimum wage and overtime matters), all laws governing race, ancestry, sex (including pregnancy, childbirth, breastfeeding or related medical conditions), sexual orientation, gender identity, gender expression, harassment of any type (including sexual harassment), disability (mental and physical), medical condition, color, age, genetic information, national origin, marital status, citizenship status, religion, creed, retaliation, veteran status, military status, union status, and all other types of discrimination prohibited by applicable law, all laws governing disclosed and undisclosed benefit plans, all other labor laws, and all contract and all tort claims.

- C. HLNR hereby unconditionally indemnifies, holds harmless, protects and defends Client, and all subsidiary, affiliate and parent companies, their shareholders, employees, attorneys, officers, directors, agents and representatives from and against any and all claims, demands, damages, injuries, deaths, actions, costs and expenses (including attorney's fees and expenses at all levels of proceedings), losses and liabilities of whatever nature (including liability to third parties), and all other consequences of any sort, arising out of the negligent or willful failure of any non-utilized individual employed by HLNR at any of its corporate offices to comply with applicable workers' compensation coverage for utilized individuals (where correct information is timely supplied by Client to HLNR and HLNR is providing such insurance), withholding tax, or ERISA laws, ordinances, and regulations, or where any action is taken by Client in compliance



with a corporate HLNR policy, procedure, or direction, which is in writing and which is illegal under any applicable local, state or federal law.

- D. All indemnifications are and shall be deemed to be contractual in nature and shall survive the termination or expiration of this Agreement.

#### **VIII. BENEFIT PLANS**

- A. HLNR shall have such rights and authority so as to allow HLNR to provide benefits to utilized individuals and to have an insurable interest with regard to utilized individuals. Client acknowledges that HLNR has available benefit plans for the possible application to utilized individuals. Any other benefit plans maintained by Client, regardless of whether they provide benefits to the utilized individuals, shall be the sole responsibility of Client. All benefit plans shall be subject to the terms and conditions of eligibility and to such modifications as may occur to such plans. HLNR reserves the right to change any benefit plan which it offers to utilized individuals (including the right to change carriers) and to raise the rates charged for such benefit plans.
- B. To assure compliance with the Internal Revenue Code, the Employee Retirement Income Security Act and other federal regulations, Client agrees to properly disclose to HLNR all information reasonably required by HLNR for the proper administration of its benefit plans. This includes, without limitation, certification by Client that it has disclosed to HLNR all information requested by HLNR in any benefit plan questionnaires including the following information: (1) any retirement plans currently or previously maintained by the adopting company or any related entities (within the meaning of the Internal Revenue Code Section 414, including 414(b), 414(c), 414(m) or 414(o); (2) listed all of the owners, officers and shareholders (to identify those highly compensated and key employees for purpose of discrimination and top heavy testing); (3) listed/entered any family relationships for owners, officers and shareholders with utilized individuals. In the event that Client has failed to properly identify and/or properly complete any benefit plan questionnaire, Client agrees to indemnify HLNR Indemnified Parties for any and all liability associated therein.
  - 1. Prior to Client merging its plan into the qualified HLNR Retirement Plan, or prior to Client transferring assets from its qualified plan into the HLNR Retirement Plan, Client understands and agrees that HLNR shall have the right, but not the obligation, to inspect all plan documents, records, IRS determinations, etc. for compliance with the law.

2. If Client maintained a plan during the plan year (January 1 through December 31) prior to contracting with HLNR, Client agrees to provide HLNR with all required information (including but not limited to Box I wages and employee deferrals, employer matches, and contributions, etc.), prior to contracting with HLNR so that HLNR may conduct discrimination testing on a combined basis for the first plan year.
  3. Client agrees that in the event the HLNR Retirement Plan as adopted by the Client plan becomes top heavy as defined by the prevailing Internal Revenue Code and/or regulations, Client will be solely responsible for making a contribution to non- key employees who are utilized individuals to satisfy the top heavy test.
  4. Client acknowledges that it is solely responsible for any matching, nonelective, or qualified nonelective contributions to be made to the HLNR plan on behalf of the Client's employees (utilized individuals).
  5. If Client adopts the HLNR Plan, Client acknowledges that it has reviewed the adoption agreement for the HLNR Plan and agrees to comply with all of the obligations and responsibilities set forth in the terms of said adoption agreement.
- C. In addition, Client further warrants that no utilized individual will receive W-2 wages originating from Client that will not be paid directly by HLNR. Client understands that any payment made to any utilized individual outside this Agreement may result in the HLNR Retirement Plan being disqualified. Should the HLNR Retirement Plan be disqualified as a result of the Client failing to report any compensation to covered employees (utilized individuals), Client will be solely liable for any damages of any nature arising out of the failure to report such compensation to HLNR.
- D. Client represents and warrants that there are no unfunded accrued benefits due to any utilized individual or due pursuant to any existing or previously existing employee retirement plan, or collective bargaining agreement.

#### **IX. EFFECT OF TERMINATION**

- A. If for any reason payment is not made by Client when due, Client agrees that HLNR will have the right to immediately terminate this Agreement, terminate its performance hereunder and/or bring suit seeking damages. Upon termination or



expiration of this Agreement, for any reason, or should Client fail to timely pay HLNR for its services, all of the utilized individuals shall be deemed to have ceased their HLNR relationship with HLNR and immediate notification of this shall be provided by Client to the individuals who had been utilized individuals pursuant to this Agreement. Client shall immediately assume all federal, state and local obligations of an employer to the former utilized individuals, which are not in conflict with state or federal law, and shall immediately assume full responsibility for providing workers' compensation coverage. HLNR shall immediately be released from such obligations as are permitted by law. If for any reason (whether or not required by applicable law) HLNR makes any payment to or on behalf of any of the former utilized individuals, or to any governmental agency related to Client's utilized individuals, after this Agreement has been terminated or expires, HLNR shall be entitled to full reimbursement from Client for such expenditures.

- B. HLNR may also terminate this Agreement if, at any time, HLNR in its sole discretion determines that a material adverse change has occurred in the financial condition of Client, or that Client is unable to pay its debts as they become due in the ordinary course of business. This Agreement may also be terminated at any time by HLNR in the event of any federal, state, or local legislation, regulatory action, or judicial decision which, in the sole discretion of HLNR, adversely affects its interest under this Agreement or where HLNR in its sole discretion determines the workers' compensation risk is unacceptable. Where the workers' compensation risk becomes unacceptable to HLNR in HLNR's sole discretion, HLNR will provide Client at least fourteen (14) days written notice prior to termination. Additionally, notwithstanding anything to the contrary, HLNR may terminate this Agreement upon thirty (30) days written notice to Client. Except as otherwise expressly provided or required by law, all services provided by HLNR to Client shall cease immediately as of the effective date of the termination. Any termination or expiration shall not relieve Client of any obligation set forth herein, including but not limited to its payment obligations to HLNR. In addition, in the event of any bankruptcy of Client, Client agrees that any unpaid amounts to HLNR will be considered as owing employment wages and taxes to utilized individuals.
- C. HLNR may immediately terminate this Agreement if the Client fails to disclose key information regarding the nature of work duties, business operations and locations of utilized individuals.

**X. HEALTH CARE REFORM**

- A. Any and all penalties and liabilities assessed against or incurred by any HLNR Indemnified Party as a result of a violation of the provisions of the Patient Protection and Affordable Care Act of 2010, the Health Care and Education Reconciliation Act of 2010, as well as any guidance and regulation issued thereunder (such laws, guidance and regulations are collectively referred to as "Health Care Reform") with respect to the utilized individuals are the sole responsibility of Client, except as is set forth in Section X. B. Notwithstanding and in addition to any other indemnification provision contained in this Agreement, without regard to the fault or negligence of any party, Client hereby unconditionally indemnifies, holds harmless, protects and defends all HLNR Indemnified Parties and unconditionally releases, acquits, remises, waives and forever discharges (and to the extent allowed by law covenants not to sue) all HLNR Indemnified Parties from and against any and all penalties and liabilities assessed against any HLNR Indemnified Party, incurred by any HLNR Indemnified Party, or due as a result of an actual or alleged Health Care Reform violation, including, but not limited to, any penalty and/or liability resulting from a violation of the nondiscrimination requirements and/or the employer mandate requirements regarding the provision of affordable minimum essential coverage related to Client's employees and non-utilized individuals and their dependents. Furthermore, in the event that penalties are assessed or liabilities are incurred by any HLNR Indemnified Party in any situation where: (i) any HLNR Indemnified Party acts (or does not act) with respect to utilized individuals in the absence of any written directions from Client; (ii) as a result of incorrect information provided to HLNR by Client; or (iii) the failure of Client to provide required information, which in turn was included or not included on reports or returns provided and/or generated by HLNR, including, but not limited to Form W-2, Client agrees to indemnify, hold harmless, protect and defend all HLNR Indemnified Parties. The provisions of this paragraph shall not apply in the event that any penalty imposed by Health Care Reform is assessed against any HLNR Indemnified Party as a direct result of HLNR's actions (or inactions) that are contrary to the lawful and timely written directions received by HLNR from Client regarding Health Care Reform.
- B. HLNR hereby unconditionally indemnifies, holds harmless, protects and defends Client Indemnified Parties from and against any and all penalties and liabilities assessed against any Client Indemnified Party, incurred by any Client Indemnified Party, or due as a result of an actual or alleged Health Care Reform violation incurred as a direct result of HLNR's actions (or inactions) that are contrary to the lawful and timely written directions received by HLNR from Client regarding Health Care Reform.



- C. In the event Client offers its own health benefits to utilized individuals, Client shall, with or without the assistance of HLNR, be the sole plan sponsor and administrator of such plan(s). In any case, Client understands and agrees that Client is solely responsible for establishing and monitoring: (i) the plan under Client's own tax identification number; (ii) employee notices, Form 5500, plan updates, plan testing, HIPAA compliance, COBRA compliance, compliance with Health Care Reform and ERISA responsibilities; and (iii) the correct identification and representation of the plan in any correspondence, communication, or statement issued by Client or by any representative of Client. Client may, in HLNR's sole discretion, be allowed by HLNR to adopt HLNR's multiple employer Section 125 plan in order to allow the utilized individuals' contributions, if any, to be deducted on a pre-tax basis, as allowed by applicable law. If Client requests assistance from HLNR with the administration of such plan(s), then HLNR, with written direction from Client, shall assist with plan administration, including bill reconciliation and claims processing. Client shall execute those additional agreements necessary or required by HLNR to provide such assistance, including, but not limited to, the Indemnification Agreement, Administrative Assistance Agreement and the HIPAA Business Associate Agreement. In addition to the foregoing, Client is solely responsible for any premium payments due under its own health benefits plan and any COBRA continuation coverage plan.

#### **XI. GENERAL PROVISIONS**

- A. Client acknowledges that it has not been induced to enter into this Agreement by any representation or warranty not set forth in this Agreement, including but not limited to any statement made by any marketing agent of HLNR. Client acknowledges that HLNR has made no representation concerning whether HLNR's services will improve the performance of Client's business. Client acknowledges and agrees that any decisions made relative to cancellation or termination of any insurance policies in effect prior to the Effective Date of this Agreement are the sole responsibility of Client.
- B. Client acknowledges that HLNR shall not be liable for any Client loss of business, goodwill, profits, or other damages.
- C. Client specifically authorizes HLNR to conduct a credit and background reference check on Client and such officers of Client, as HLNR deems appropriate in compliance with the requirements of law.

- D. This Agreement is assignable by HLNR at its sole discretion.
- E. Client acknowledges and agrees that HLNR is not engaged in the practice of law or the provision of legal, financial, tax, or investment advice or services, and that Client alone is completely and independently responsible for its own legal rights and obligations, regardless of any human resource advice which may be supplied to Client. Client at all times retains the right to seek appropriate advice from professionals of its own choosing, including, but not limited to attorneys and accountants.
- F. This Agreement constitutes the entire agreement between the parties with regard to this subject matter and no other agreement, statement, promise or practice between the parties relating to the subject matter shall be binding on the parties. This Agreement may be changed only by a written amendment signed by both parties, with the exception that any change to this Agreement sent by HLNR to Client in writing, in a manner in which proof of delivery can be established shall be deemed to have amended this Agreement and have been accepted by Client where such change has not been objected to in writing by Client. Notice of such objection must be received by HLNR within FOURTEEN (14) days of Client's receipt of HLNR's notification of change (proof of HLNR's receipt of objection must be supplied by Client upon request of HLNR).
- G. The failure by either party at any time to require strict performance by the other party or to claim a breach of any provision of this Agreement will not be construed as a waiver of any subsequent breach nor affect the effectiveness of this Agreement, or any part thereof, or prejudice either party as regards to any subsequent action.
- H. In the event of any lawsuit or other proceeding between the Parties, including, but not limited to, any action by either Party to enforce the provisions of this Agreement, any party who shall substantially prevail in such lawsuit or other proceeding shall be entitled to an award of its costs and reasonable attorneys' fees incurred at all levels of proceedings.
- I. Any notice or demand given hereunder shall be accomplished by the personal delivery in writing (with written receipt) or by other delivery with proof of delivery or attempted delivery to the address set forth herein for the other party, and shall be deemed effective upon proof of attempted delivery (actual delivery to be made as soon as is practicable following attempted delivery).



- J. No rights of any third party are created by this Agreement and no person not a party to this Agreement may rely on any aspect of this Agreement notwithstanding any representation, written or oral, to the contrary.
- K. In the event that any provision contained in this Agreement is held to be unenforceable by a court of competent jurisdiction, the validity, legality, or enforceability of the remainder of this Agreement shall in no way be affected or impaired thereby.
- L. Any false statement, omission, or fraudulent act by or on behalf of Client with regard to any information supplied by Client to HLNR in anticipation of Client's contracting with HLNR or at any other time shall be deemed a material breach of this Agreement and HLNR, at its option, may terminate this Agreement and seek appropriate relief.
- M. Any and all inventions, discoveries, improvements, copyrightable works and creations (hereafter referred to as "Intellectual Property") which Client has previously, solely or jointly, conceived or made or may conceive or make during the period of this Agreement, whether or not accomplished through the use of utilized individuals, shall be the sole and exclusive property of Client. Client shall have sole and exclusive responsibility for protecting its rights to such Intellectual Property and to all of its other assets and HLNR shall have no responsibility with regard to same.
- N. Client may not assign this Agreement nor its rights and duties hereunder, nor any interest herein, without the prior written consent of HLNR. Client will provide at least FOURTEEN (14) days' prior written notice to HLNR of any sale of Client, whether a stock or asset sale. Where HLNR agrees in writing to a successor becoming obligated to comply with this Agreement, this Agreement may be terminated by HLNR at any time, in HLNR's sole discretion, during the first SIXTY (60) days following successor's assumption of this Agreement. Thereafter, this Agreement may only be terminated by HLNR in conformity with the terms of this Agreement.
- O. Client represents that there is no existing employee who is subject to collective bargaining or who is subject to any collective bargaining agreement at any Client worksite. Any responsibility and/or liability with regard to collective bargaining, any union contract, union representation petition, union drive, unfair labor practice charge, and with regard to any employment contract between Client and any utilized individual shall be the exclusive responsibility and/or liability of Client. It is the intent of the Parties that HLNR shall not be a party to any such contract

(unless otherwise mandated by law). HLNR will have no responsibility or liability in connection with or arising out of any such union or employment contract or collective bargaining agreement, except to prepare checks and/or make payroll disbursements and to pay any such utilized individual who is a party or is subject to such a contract, in conformity with information provided by Client. HLNR shall not make any payment to any union or to any union trust fund as all such required payments shall be made by Client. With respect to any employment contract between Client and any utilized individual, and with regard to any union contract, Client shall be acting solely on its own volition and responsibility with regard to all aspects of any such contract, including but not limited to its negotiation, compliance, implementation, renewal, enforcement, and termination. The Parties agree that HLNR is not and will not become a paying entity or contributing employer within the meaning of the Multi-Employer Pension Plan Amendment Act and does not and will not have any withdrawal liability under this Act or any comparable law.

- P. Client represents that it is not a local, state, or federal contractor and that prior to becoming a local, state, or federal contractor Client will immediately notify HLNR in writing as Client understands that there may be specific E-Verify (or its successor or replacement law) obligations and other obligations to which such contractors must adhere.
- Q. In recognition of the effort that is necessary to provide the services described in this Agreement, HLNR and Client agree to cooperate with each other. This duty to cooperate shall encompass the obligation of the other party to timely supply documents, witnesses and such other evidence as is necessary for a party to properly fulfill its obligations under this Agreement.
- R. Client represents that it has met any and all prior premium and fee obligations with regard to workers' compensation premiums and professional employer organization payments, to all prior professional employer organizations and workers' compensation carriers, with which Client has previously had a contractual relationship.
- S. Upon any request by HLNR or its assigns, Client shall allow an on-site physical examination of such books, records, documents and other information sources deemed appropriate by HLNR and/or its assigns to aid HLNR and its assigns in the determination of proper workers' compensation classifications of utilized individuals and to aid in the determination of payroll amounts paid to such utilized individuals. Such examination shall be strictly for the purposes of determining proper workers' compensation classifications of utilized individuals and to aid in



the determination of payroll amounts paid to such utilized individuals. Any such examination can only occur upon reasonable notice to and consent from Client. Such consent shall not be unreasonably withheld. Client shall remain obligated to HLNR for any misclassification, delinquency and/or unpaid premium amount found in the audit. This provision shall survive the expiration or other termination of this Agreement.

- T. This Agreement shall be valid and enforceable only upon signature by an authorized officer of HLNR. Any individual signing this Agreement on behalf of Client represents, warrants and guarantees that she or he has full authority to do so. Each party represents that it has the power and actual authority to enter into this Agreement and to be bound by the conditions and terms contained herein.
- U. With respect to any dispute concerning the meaning of this Agreement, this Agreement shall be interpreted as a whole with reference to its relevant provisions and in accordance with its fair meaning, and no part of this Agreement shall be construed against HLNR on the basis that HLNR drafted it. This Agreement shall be viewed as if prepared jointly by HLNR and Client.
- V. Excluding any payment obligations to HLNR as provided hereunder, either party hereto will be excused from performance under this Agreement for any period of time that the party is prevented from performing its obligations hereunder as a result of a Force Majeure event, which shall include an act of God, war, terrorism, civil riot, generalized labor strike, lockout, utility or communication failure, hurricane, tornado, flood, earthquake, tsunami, or other cause beyond the party's reasonable control. Both parties will use reasonable efforts to mitigate the effect of a Force Majeure event.
- W. This Agreement shall be governed by and construed in accordance with the laws of the State of California both as to interpretation and performance (excluding its choice of law provisions if such law would result in the application of the law of a jurisdiction other than California) and venue shall be in the applicable court in Sacramento, County, California. The Parties hereby irrevocably waive, to the extent they may do so, the defense of an inconvenient forum.
- X. The subject headings of the sections and subsections of this Agreement are included for purposes of convenience only and shall not affect the construction or interpretation of any of its provisions.

## ADDENDUM

### PREAMBLE

The following Addenda apply to utilized individuals and to Client to the extent Client has, at any time while this Service Agreement is in effect, utilized individuals working in any applicable state set forth below. Should any provision in any Addendum conflict with wording contained in this Service Agreement, the terms of the Addendum shall prevail with regard to utilized individuals working in that state, however, to the extent allowed by law, notwithstanding any provision set forth in any of the following Addenda, those sections of this Service Agreement, including, but not limited to Sections V.A. and V.B. of this Service Agreement that do not conflict with this Addendum shall continue in full force and effect and the Parties shall fully adhere to such sections. Any applicable state specific PEO requirements that conflict with either this Service Agreement or the Addendum will control to the extent of such conflict. Where a state law requires the sharing of any right, authority or responsibility, this shared reference shall only encompass the obligation of HLNR to comply with decisions made by Client to the extent allowed by applicable law. Additionally, since HLNR provides services in multiple states, and since Florida has longstanding legislation and rules regarding employee leasing/professional employer organizations, in order to help ensure uniformity with regard to the services provided by HLNR, to the extent allowed by applicable law, any requirement set forth in this Service Agreement, including any Addendum, or in any applicable law, pertaining to HLNR's direction and control over utilized individuals or over any Client worksite and any requirement regarding HLNR's hiring, firing, terminating, disciplining, assigning, reassigning, promoting or exercising any other control over utilized individuals at any worksite where utilized individuals perform their job duties, is the responsibility of Client, does not abridge Client's rights and responsibilities with regard to Client's ability to run its own business, and to the extent allowed by Florida Administrative Code Section 61G7-6.001, does not require the actual exercise of such authority, responsibilities or rights by HLNR, even if Florida law is not applicable to this Service Agreement. HLNR only reserves and retains such rights, responsibilities, and authority as is required by applicable law and employment responsibilities not those of HLNR pursuant to this Service Agreement or applicable law

shall remain with Client. This Preamble shall be applicable in all states where HLNR has utilized individuals, whether or not there is a state specific Addendum.

**AGREED TO:**

**HEALTHY LIVING NETWORK RESOURCES, LLC**

By: Julio Quinones                      08/01/2020  
(Date)

2365 Iron Point Rd., Suite 270, Folsom, CA 95630

\_\_\_\_\_  
(Address)

DocuSigned by:  
  
89244CE4B0C648D  
\_\_\_\_\_  
(Signature)

**CLIENT**

By: Caroline Breeding                      08/01/2020  
(Date)

801 2<sup>nd</sup> Avenue Suite 800, Seattle, WA 98104

\_\_\_\_\_  
(Address)

DocuSigned by:  
  
5C6F28CC39D048B  
\_\_\_\_\_  
(Signature)



**Exhibit A**

Rate: 6.5% of total revenue

## **Appendix D: Operating Agreement**

The purpose of the operating agreement is to outline the agreement between Healthy Living at Home - Seattle, LLC (the applicant) and HLH Seattle Holdings, LLC. There are no costs associated with this agreement.

**OPERATING AGREEMENT  
OF  
HEALTHY LIVING AT HOME – SEATTLE, LLC**

**THIS OPERATING AGREEMENT** (this “**Agreement**”) of Healthy Living at Home – Seattle, LLC, a Washington limited liability company (the “**Company**”), is made effective as of May 8, 2019 (the “**Effective Date**”), by and between the Company and HLH Seattle Holdings, LLC, a Delaware limited liability company (the “**Member**”).

**WHEREAS**, the Company was organized as a Washington limited liability company on May 8, 2019; and

**WHEREAS**, the Company and the Member now desire to enter into this Agreement to set forth the rights and obligations of the Member with respect to the ownership and operation of the Company.

**NOW THEREFORE**, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Member and the Company, intending to be legally bound, hereby agree as follows:

1. **Formation.** The Company was formed on May 8, 2019 as a limited liability company pursuant to and in accordance with the Washington Limited Liability Company Act (as amended from time to time, the “**Act**”).
2. **Principal Office and Place of Business.** The principal office and place of business (the “**Principal Office**”) of the Company shall be such place as the Member (as defined below) from time to time shall determine.
3. **Agent for Service of Process.** The agent for service of process for the Company shall be such person or entity as the Member shall appoint from time to time.
4. **Purpose.** The purpose of the Company is to transact any and all lawful business for which a limited liability company may be organized under Washington law.
5. **Term.** The term of the Company shall continue until dissolved.
6. **Capital Contributions.** No Member is required to make additional capital contributions, unless he, she or it consents to making such additional capital contributions.
7. **Distributions of Available Cash Flow.** Distributions of available cash flow shall be made in such amounts and at such times as the Member shall determine in the Member’s sole discretion.
8. **Officers.** The Member may appoint Officers, from time to time, with such other titles as the Member may select, including the titles of Chairman, Chief Executive Officer, President, Vice President, Treasurer and Secretary, to act on behalf of the Company. An Officer

shall have such power and authority as the Member may delegate to any such person and need not be a Member of the Company.

9. **Banking Resolution.** The Member shall open all banking accounts as the Member deems necessary and enter into any deposit agreements as are required by the financial institution at which such accounts are opened. The Member and such other persons or entities designated in writing by the Member shall have signing authority with respect to such bank accounts. Funds deposited into such accounts shall be used only for the business of the Company.

10. **Indemnification of the Member.**

(a) To the fullest extent permitted by applicable law, the Member and its officers, directors, shareholders, members, managers, employees, agents and Affiliates (each, an "Indemnatee"), shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Indemnatee by reason of any act or omission performed or omitted by such Indemnatee in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of the authority conferred on such Indemnatee by this Agreement, except that no Indemnatee shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Indemnatee by reason of such Indemnatee's gross negligence, fraud or willful misconduct with respect to such acts or omissions; provided, however, any indemnity under this Section 11(a) by the Company shall be provided out of and to the extent of Company assets only, and the Member shall not have personal liability on account thereof.

(b) To the fullest extent permitted by applicable law, expenses (including legal fees) incurred by an Indemnatee in defending any threatened or pending claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Indemnatee to repay such amount if it shall be determined that the Indemnatee is not entitled to be indemnified as authorized in this Section 11.

(c) For purposes of the definition of "Indemnatee" used above, "Affiliate" means a person or entity who, with respect to the Member: (i) directly or indirectly controls, is controlled by or is under common control with the Member; (ii) owns or controls ten percent (10%) or more of the outstanding voting securities of the Member; or (iii) is an officer, director, manager, shareholder, partner or member of the Member.

11. **Liability.** No Indemnatee shall be personally liable, responsible, or accountable in damages or otherwise to the Company for any act or omission performed or omitted by such Indemnatee in connection with the Company or its business. The Member's liability for the debts and obligations of the Company shall be limited as set forth in the Act and other applicable law.

12. **Reimbursable Expenses.** The Company will reimburse the Member for all actual out-of-pocket third-party expenses incurred in connection with carrying out of the duties set forth in this Agreement.

13. **Records.** The Member shall keep or cause to be kept at the Principal Office of the Company the following: (a) a written record of the full name and business, residence or

mailing address of the Member; (b) a copy of the initial Articles of Organization and all amendments thereto; (c) copies of all written Operating Agreements and all amendments to such agreements, including any prior written Operating Agreements no longer in effect; (d) copies of any written and signed promises by the Member to make capital contributions to the Company; (e) copies of the Company's federal, state and local income tax returns and reports, if any, for the three most recent years; (f) copies of any prepared financial statements of the Company for the three most recent years; and (g) minutes of every meeting as well as any written consents or actions taken without a meeting.

14. **Dissolution.** The Company shall be dissolved upon the election of the Member to dissolve. A withdrawal event with respect to the Member shall not dissolve the Company, unless any assignees of the Member's interest do not elect to continue the Company and admit a member within 90 days of such withdrawal event.

15. **Filing Upon Dissolution.** As soon as possible following the dissolution of the Company, the Member shall execute and file all notices and other documents required under the Act and any other applicable law.

16. **Liquidation.** Upon dissolution of the Company, it shall be wound up and liquidated as rapidly as business circumstances permit, the Member shall act as the liquidating trustee, and the assets of the Company shall be liquidated and the proceeds thereof shall be paid (to the extent permitted by applicable law) in the following order: (a) first, to creditors, including the Member if such Member is a creditor, in the order and priority required by applicable law; (b) second, to a reserve for contingent liabilities to be distributed at the time and in the manner as the liquidating trustee determines in its sole discretion; and (c) third, to the Member.

17. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Washington, without regard to its conflicts of laws principles.

18. **Severability.** If any provision of this Agreement shall be conclusively determined by a court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this Agreement shall not be affected thereby.

19. **Binding Effect.** Except as otherwise provided herein, this Agreement shall inure to benefit of and be binding upon the Member and its successors and assigns.

20. **Titles and Captions.** All article, section and paragraph titles and captions contained in this Agreement are for convenience only and are not a part of the context hereof.

21. **Pronouns and Plurals.** All pronouns and any variations thereof are deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the appropriate person may require.

22. **No Third Party Rights.** This Agreement is intended to create enforceable rights between the parties hereto only, and, except as expressly provided herein, creates no rights in, or obligations to, any other persons.



23. **Amendments.** This Agreement may not be amended except by a written document executed by the Member and the Company.

24. **Creditors.** None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditors of the Company.

25. **Electronic Signatures.** This Agreement may be executed by means of facsimile or portable document format (PDF).

*[Signature Page to Follow]*

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, have duly executed this Agreement effective as of the Effective Date.

**COMPANY:**

HEALTHY LIVING AT HOME – SEATTLE, LLC

By: HLH Seattle Holdings, LLC, *its Member*

By: HLH OpCo, LLC, *its Designated Member*

By: CHSO Partners II, LLC, *its Manager*

By: Barry Uphoff  
Name: Barry Uphoff  
Title: Managing Principal

**MEMBER:**

HLH SEATTLE HOLDINGS, LLC

By: HLH OpCo, LLC, *its Designated Member*

By: CHSO Partners II, LLC, *its Manager*

By: Barry Uphoff  
Name: Barry Uphoff  
Title: Managing Principal

MEMBERSHIP UNITS  
As of MAY 30th, 2019

Name	Capital Contribution	Class A Units	Class B Units
HLH Seattle Holdings, LLC	\$1,000.00	700	
Vista River Healthcare Solution, INC	\$0.00	300	
<b>Total</b>	<b>\$1,000.00</b>	<b>1,000</b>	

## **Appendix E: Medical Director D Contract**

### **MEDICAL CONSULTANT AGREEMENT (draft)**

THIS MEDICAL CONSULTANT AGREEMENT (“**Agreement**”) is made and entered into effective as of 1/12/2021 (the “**Execution Date**”) by and between Healthy Living at Home – Seattle, LLC (“**Agency**”), and Kiersten Marie Carr, MD. (“**Consultant**”) with reference to the following facts:

#### **RECITALS**

A. Agency is a Washington corporation which is the owner and operator of a licensed home health agency headquartered at 801 2nd Ave Suite 800 Seattle WA 98104.

B. Consultant is a physician duly licensed to practice medicine in the State of Washington and is experienced and qualified to provide Medical Consultanship services.

C. Agency desires to engage Consultant as an independent contractor to oversee and be the Medical Consultant of the Agency, and Consultant desires to be so engaged, to provide the services set forth herein in accordance with the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein, the parties hereby agree as follows:

#### **1. ENGAGEMENT AND CONSULTANT RESPONSIBILITIES**

1.1 Engagement and Authority. Agency hereby engages Consultant, and Consultant hereby accepts such engagement, to provide to Agency the services described herein, in accordance with the terms and conditions hereof. Subject to the ultimate authority of Agency to operate the Agency, Consultant shall have authority and responsibility to perform the duties specified hereunder. The Consultant’s duties hereunder are solely administrative and do not include any direct patient care.

1.2 Medical Consultant. During the term of this Agreement, Consultant shall serve as the Medical Consultant of the Agency. Consultant shall oversee the Agency and shall ensure that the Agency is operated in accordance with all applicable laws and regulations, requirements of accrediting bodies and the Agency’s policies and procedures. In addition, Consultant shall perform the duties and obligations set forth in Exhibit A, attached hereto and made a part hereof.

(a) Service Log. Agency will maintain the recording of time and services performed under this Agreement, with Consultant to review and sign recordings on the form attached hereto as Exhibit B (the “**Service Log**”). The Service Log for each month will be picked up by Agency not later than the fifth (5th) day of each month for time and services rendered during the immediately preceding month. Consultant shall devote such time as is necessary to perform the Consultant duties and responsibilities set forth in this Agreement.

1.3 Consultant Qualifications. Consultant shall at all times during the term of this Agreement: (a) be licensed by the State of Washington to practice medicine; and (b) maintain good interpersonal relations with Agency staff.

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1.3 Consultant Qualifications. Consultant shall at all times during the term of this Agreement: (a) be licensed by the State of Washington to practice medicine; and (b) maintain good interpersonal relations with Agency staff.

1.4 Compliance with Agency Requirements. When providing services in Agency's facilities or to Agency's patients, Consultant shall comply with the Agency's policies and procedures, applicable state and federal licensing and certification requirements and relevant professional standards.

1.5 Failure to Satisfy Qualifications. Failure of Consultant to satisfy the qualifications described in Section 1.3 or to comply with the requirements described in Section 1.4 above shall create in Agency an option to terminate this Agreement immediately.

1.6 Unavailability to Perform Services. Consultant shall inform the Agency CEO, or other Agency designee, of any extended periods (i.e., one week or more) during which Consultant will be unavailable due to vacation, professional meetings, or other personal or professional commitments. It is agreed that Consultant will be unavailable for no more than a total of four (4) weeks per year. To the extent necessary, Consultant, with Agency's prior written consent, shall engage a substitute physician ("**Substitute**") to perform the services required of Consultant under this Agreement, and Consultant shall be solely responsible for compensating the Substitute; *provided, however*, that the Substitute must satisfy all of the qualifications required of Consultant hereunder, act in accordance with all of the terms and conditions of this Agreement, and Agency must give prior written approval of the Substitute.

1.7 Use of Agency Facilities. Any facilities, equipment, supplies, or personnel provided by Agency hereunder shall be used by Consultant solely to provide services under this Agreement and shall not be used for any other purpose whatsoever. This Agreement shall not be construed as a lease to Consultant of any portion of Agency's facilities.

## 2. AGENCY RESPONSIBILITIES.

2.1 Facilities and Supplies. Agency shall furnish, at no expense to Consultant, for the use of Consultant such facilities, supplies and non-physician personnel as may be deemed reasonably necessary from time to time by Agency for the proper provision and performance of the services hereunder.

2.2 Responsibility for Agency. To extent required by applicable laws and regulations, Agency shall retain overall administrative responsibility for and control of the Agency.

3. ACCESS TO RECORDS. Consultant shall maintain and make available to Agency all necessary records, books, and documents, related to the provision of services hereunder. Consultant shall have access to any and all books, records, and other documents of Agency as necessary to perform Consultant's duties hereunder. Consultant and Agency hereby

agree to comply with the requirements of the Health Insurance Portability and Accountability Act of 1996 as set forth in Exhibit C attached hereto and incorporated herein.

4. LICENSING AND CERTIFICATION. Consultant hereby acknowledges that Agency desires to maintain all permits and licenses that may be necessary for the operation of the Department and to obtain and maintain certification for participation in the federal Medicare program and the Washington Medicaid program, and Consultant covenants to cooperate as necessary in said endeavors. Consultant further covenants to not willfully jeopardize the Agency's participation in or reimbursement from Medicare, Medicaid or other third-parties.

5. COMPENSATION.

5.1 Monthly Compensation. Subject to the completion of the monthly Service Log as required under Section 1.2.(a) Agency shall compensate Consultant for the provision of the Consultant services performed under this Agreement in an amount of \$150 per hour, up to a maximum of 10 hours per calendar month. The compensation paid to Consultant hereunder shall not exceed \$1,500 per month.

5.2 Fair Market Value: Arms' Length Agreement. Each party represents and warrants on behalf of itself, that the aggregate benefit given or received under this Agreement, whether in cash or in kind, has been determined in advance through a process of arms-length negotiations that were intended to achieve an exchange of goods and/or services consistent with fair market value in the circumstances, and that any benefit given or received under this Agreement is not intended to induce, does not require, and is not contingent upon, the admission, recommendation or referral of any patient, directly or indirectly to the Agency and further, is not determined in any manner that takes into account the volume or value of business generated between the parties

5.3 No Billing by Consultant. Consultant and Agency agree that the compensation provided under this Agreement shall be given as consideration for the Consultant's services hereunder and shall not constitute any payments for the professional practice of medicine, and Consultant shall not bill or assert any claim for payment against any patient or third party payer for services performed by Consultant under this Agreement.

6. TERM.

6.1 The term of this Agreement shall be for a period of one (1) year which shall commence on TBD (the "**Commencement Date**") and shall expire twelve (12) months thereafter, unless earlier terminated pursuant to this Agreement. Upon the expiration of this initial term, this Agreement shall automatically renew for successive periods of one (1) year each.

7. TERMINATION.

7.1 Termination With or Without Cause. Prior to the twelve (12) month anniversary of the Commencement Date, either party shall have the right to terminate this



Agreement, with or without cause, upon thirty (30) days' prior written notice to the other party; provided, however, that the parties shall not enter into another agreement for the same services provided hereunder until the end of the then-current one (1) year term. After the twelve (12) month anniversary of the Commencement Date, either party shall have the right to terminate this Agreement, with or without cause, upon thirty (30) days' prior written notice to the other party. Nothing herein shall prohibit Agency from hiring another physician to provide the same or similar services to the Facility.

7.2 Immediate Termination By Agency. Notwithstanding Section 7.1, Agency shall have the right to terminate this Agreement immediately upon notice to Consultant in the event of the occurrence of any of the following events:

(a) Any restriction, suspension or revocation of Consultant's license to practice medicine in the State of Washington, without regard to whether such adverse action has been finally adjudicated;

(b) Any restriction, suspension or revocation of Consultant's medical staff membership or privileges at any healthcare facility, without regard to whether such adverse action has been finally adjudicated

(c) Any restriction, suspension or revocation of Consultant's federal Drug Enforcement Agency ("DEA") number, without regard to whether such adverse action has been finally adjudicated;

(d) Consultant's suspension or exclusion from any federal and/or state healthcare payment program by action of the Office of Inspector General of the Department of Health and Human Services or the Bureau of Medicaid Fraud and Elder Abuse, or by any equivalent or coordinating governmental agencies;

(e) Consultant's being charged with a felony or misdemeanor involving moral turpitude;

(f) Failure of Consultant to comply with insurance requirements of Section 9.1 of this Agreement;

(g) Failure of Consultant to cure a breach of any term hereof which Agency, at its sole discretion, has given Consultant an opportunity to cure, within thirty (30) calendar days after written notice of said breach and opportunity to cure from Agency;

(h) A determination by any governmental entity that an independent contractor relationship does not exist between Agency and Consultant; or

(i) The closure of the Agency for any reason.

7.3 Disability. If Consultant becomes disabled or is rendered incapable by reason of illness or any other valid cause, as determined by Agency in its sole and absolute discretion, from complying with the terms of this Agreement for a period in excess of thirty

(30) days (whether or not consecutive) during any consecutive six (6) months of the term of this Agreement or any renewal term thereof, Agency, at its option, may terminate this Agreement upon ten (10) days' written notice to Consultant.

7.4 Death. In the event of the death of Consultant, this Agreement shall terminate automatically as of the date of death.

7.5 Effect of Termination. Termination of this Agreement, either without cause or for cause, shall terminate Consultant's right to be paid by Company for providing the services hereunder.

7.6 Vacate Premises. Upon the effective date of the expiration or earlier termination of this Agreement, Consultant shall immediately vacate any premises made available pursuant to this Agreement in the Agency, removing at such time any and all of Consultant's personal property. Agency may remove and store, at Consultant's expense, any personal property that Consultant has not so removed.

7.7 No Interference. Following the expiration or earlier termination of this Agreement, Consultant shall not do anything or cause any other person to do anything that might interfere with any Agency efforts to contract with any other individual or entity for the provision of services for the Department or to interfere in any way with any relationship between Agency and physicians who may replace Consultant.

## 8. REPRESENTATIONS

8.1 Representations by Consultant. Consultant represents and warrants as of the Execution Date and for the duration of the term of this Agreement and any renewal term, as follows:

(a) Consultant is a physician duly licensed to practice medicine in the State of Washington and in good standing with the Medical Board of Washington;

(b) The medical staff membership or clinical privileges of Physician at any hospital or health care facility have not been denied, suspended, restricted, revoked or voluntarily relinquished (in connection with a disciplinary investigation);

(c) Consultant has a Federal DEA license without restriction;

(d) Consultant has not been excluded from any federal and/or state health care payment program by action of the Office of Inspector General of the Department of Health and Human Services or the Bureau of Medicaid Fraud and Elder Abuse, or by any equivalent or coordinating governmental agencies;

(e) Consultant is not subject of any disciplinary action by the Medical Board of Washington, or the equivalent medical licensing authority of any other State in the United States of America;



(f) Any and all information provided to Agency by Consultant in connection with this Agreement is accurate, true and correct;

(g) Consultant carries the insurance required pursuant to Section 9.3;

(h) Consultant is not in any way breaching any other agreement, whether written or oral, by entering into this Agreement; and

(i) Consultant is currently Board Certified or Board Eligible in any applicable medical specialty(s) appropriate for Consultant to provide the services contemplated under this Agreement.

8.2 Notification. Should any event occur which causes any of the above representations and warranties set forth in Section 8.1 no longer to be true, Consultant shall provide immediate written notice of such event to Agency and Agency shall have the option to immediately terminate this Agreement.

## 9. MISCELLANEOUS

9.1 Independent Contractor. No relationship of partner or employer and employee is created by this Agreement, it being understood that Consultant shall act hereunder solely as an independent contractor. Consultant shall not have any claim under this Agreement or otherwise against Agency for vacation pay, sick leave, retirement benefits, social security, workers' compensation, disability or unemployment insurance benefits or employee benefits of any kind. Agency shall neither have nor exercise any control or direction over the methods by which Consultant performs the services provided hereunder. The parties agree that the sole interest of Agency is to ensure that Consultant's services are performed and rendered in a competent, efficient and satisfactory manner in accordance with the standards required by the Medical Staff of the Agency.

9.2 No Agency. Nothing in this Agreement is intended or shall be construed to authorize Consultant to act as an agent on behalf of the Agency. Consultant shall have no authority to enter into any contracts binding upon Agency, or to create any obligations on the part of Agency, except as shall be specifically authorized by the Agency.

9.3 Insurance. Consultant shall maintain professional liability insurance in the minimum amounts of One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) annual aggregate. If such insurance is on a "claims-made" basis, Consultant shall also acquire "prior acts" or "tail" coverage, in the above amounts, covering all periods that this Agreement is or has been in force.

9.4 Indemnification. Each party shall indemnify, defend and hold harmless the other party and its agents, employees, contractors, officers and Consultants against: (i) any and all liability arising out of such party's failure to comply with the terms of this Agreement, and any injury, loss, claims, or damages arising from the negligent operations, acts, or omissions of such party or its employees relating to or arising out of this Agreement; and (ii) any and all

States mail, postage prepaid, certified or registered mail, return receipt requested, addressed to the party to whom it is to be given as follows:

If to Consultant: Name: Kirsten Carr, MD  
Address:  
City/St/Zip: \_\_\_\_\_

If to Agency: Name: Geoff Schackmann  
Address: 801 2nd Ave Suite 800  
City/St/Zip: Vancouver, Washington 98104

Either party may change its address to which notices will be sent by a notice similarly sent.

1.1 Trade Secrets. During the term of this Agreement, Consultant will have access to and become acquainted with confidential information and trade secrets of the Agency including without limitation information and data relating to payer contracts and accounts, clients, patients, patient medical records, patient groups, patient lists, billing practices and procedures, business techniques and methods, strategic plans, operations and related data (collectively, "**Trade Secrets**"). All Trade Secrets are the property of the Agency and used in the course of the Agency's business and shall be proprietary information protected under the Uniform Trade Secrets Act. Consultant shall not disclose to any person or entity, directly or indirectly, either during the term of this Agreement or at any time thereafter, any Trade Secrets or use any Trade Secrets other than in the course of providing the services under this Agreement. All documents that Consultant prepares or Trade Secrets that might be given to Consultant in the course of providing the Consultant services under this Agreement, are the exclusive property of the Agency and, without the prior written consent of the Agency, shall not be removed from the Agency's premises.

1.2 Referrals. Consultant shall be entitled to refer patients to any Agency or other health care facility or provider deemed by Consultant best qualified to deliver services to any particular patient. No item of this Agreement shall be construed as requiring or inducing Consultant to refer patients to the Agency. Consultant's rights under this Agreement shall not be dependent in any way on the referral of patients or business to the Agency by Consultant.

1.3 Medicare Disclosure. For the purposes of implementing Section 1861(v)(i)(I) of the Social Security Act, as amended, Consultant agrees to comply with the following requirements governing the maintenance of documentation to verify the cost of services rendered under this Agreement:

(a) Until the expiration of ten (10) years after the furnishing of such services pursuant to this Agreement, upon request, Consultant shall make available to the Secretary of Health and Human Services, the Comptroller General, and their duly authorized representatives, this Agreement and books, documents, and records of Consultant that are necessary to certify the nature and extend of such costs furnished under this Agreement; and

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1.3 Medicare Disclosure. For the purposes of implementing Section 1861(v)(i)(I) of the Social Security Act, as amended, Consultant agrees to comply with the following requirements governing the maintenance of documentation to verify the cost of services rendered under this Agreement:

(a) Until the expiration of ten (10) years after the furnishing of such services pursuant to this Agreement, upon request, Consultant shall make available to the Secretary of Health and Human Services, the Comptroller General, and their duly authorized representatives, this Agreement and books, documents, and records of Consultant that are necessary to certify the nature and extend of such costs furnished under this Agreement; and

(b) If Consultant carries out any of the duties of the contract through a subcontract, with a value of cost of ten thousand dollars (\$10,000.00), or more, over a twelve (12) month period, with a related organization, such subcontract shall contain a clause to the effect that, until the expiration of ten (10) years after the furnishing of such services pursuant to such subcontract, the related organization shall make available, upon written request of the Secretary of Health and Human Services, or authorized representatives, the subcontract, and books, documents and records of such organization that are necessary to verify the nature and extent of such costs.

1.4 Assignment. This Agreement will be binding upon and will inure to the benefit of Consultant and Agency, and to Agency's successors and assigns. Nothing contained in this Agreement will be construed to permit the assignment by Consultant of any rights or obligations hereunder, and such assignment is expressly prohibited. Agency may assign this Agreement.

1.5 Access to Reports. All reports, analyses, care management protocols, instructional materials, evaluations, statistics, data bases, and all other work product arising out of this Agreement shall be and remain the sole property of Agency upon the expiration or termination of this Agreement. However, Consultant shall be granted reasonable access to such items and on reasonable conditions, if Consultant requires such access by virtue of being a party to litigation or for any government or payer inquiry, so long as such access complies with applicable law. This Section 10.9 shall survive the termination of this Agreement.

1.6 Confidentiality. The terms of this Agreement are confidential and shall not be disclosed, except as necessary to the performance of this Agreement or as required by law. Notwithstanding the foregoing, a party may disclose this Agreement to its lawyers, accountants and other professional advisors.

1.7 Waiver. The waiver of any provision, or of the breach of any provision, of this Agreement must be set forth specifically in writing and signed by the waiving party. Any such waiver shall not operate or be deemed to be a waiver of any prior or future breach of such provision or of any other provision.

1.8 Headings and Captions. The subject headings of the Sections of this Agreement are included for purposes of convenience only and shall not affect the construction or interpretation of any of its provisions.

1.9 No Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended or shall be construed to confer upon any person, firm or Consultant, other than the parties hereto and their respective successors or assigns, any remedy or claim under or by reason of this Agreement or any term, covenant or condition hereof, as third party beneficiaries or otherwise, and all of the terms, covenants and conditions hereof shall be for the sole and exclusive benefit of the parties hereto and their successors and assigns.

1.10 Entire Agreement. This Agreement states the entire contract between the parties with respect to the subject matter of this Agreement and supersedes any oral or written contracts, understandings, proposals, statements, discussions, negotiations, or other agreements relating to the subject matter hereof, before or contemporaneous to this Agreement. The parties acknowledge that they have not been induced to enter into this Agreement by any oral or written representations or statements not expressly contained in this Agreement.

1.11 Severability. In the event any provision of this Agreement is found to be legally invalid or unenforceable for any reason, all remaining provisions of this Agreement will remain in full force and effect. Any terms or provisions of this Agreement which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other term or provisions herein and such remaining terms and provisions shall remain in full force and effect.

1.12 Amendments. This Agreement may be modified only by mutual agreement of the parties provided that, before any modification shall be operative or valid, it be reduced to writing and signed by both parties.

1.13 Governing Law. The existence, validity, construction and enforcement of this Agreement shall be governed by laws of the State of Washington, except for the laws that would require the application of the laws of any other jurisdiction.

9.6 Effectiveness of Agreement. This Agreement shall not become effective or in force until all of the required signatories have executed this Agreement. The effective date, however, shall remain the Commencement Date.

1.14 Gender. Whenever appropriate from the context of this Agreement, the use of any gender shall include any and all other genders and the single number shall include the plural and the plural number shall include the singular.

1.15 Attorneys' Fees. If a party to this Agreement brings an action or proceeding against the other party based on the performance, breach or interpretation of this Agreement, the prevailing party in such action, as determined by the court or other body having jurisdiction, shall be entitled to recover from the losing party in such action, as



determined by the court or other body having jurisdiction, all costs and expenses incurred or sustained by such prevailing party in connection with such action, including, without limitation attorney's fees, court costs, costs of investigation and other costs related to such action. In the event of any appeal from such action or proceeding, the prevailing party shall likewise be entitled to recover all costs, including attorney's fees, incurred in connection with such appeal.

9.7 Force Majeure. Except as otherwise provided in this Agreement, the failure of either party to perform any obligation otherwise due hereunder as a result of governmental action, laws, orders, regulations, directions or requests, or as a result of events, such as war, acts of public enemies, acts of terrorism, strikes or other labor disturbances, fires, floods, acts of God, or as a result of disruption of public utilities or any causes of like or different kind that are beyond the reasonable control of that party, is excused for so long as said cause exists.

9.8 Non-Discrimination. Each of the parties hereto represents and warrants that it is and at all time during the term of this Agreement will be in compliance with Section 504 of the Rehabilitation Act of 1973 and Titles VI and VII of the 1964 Civil Rights Act, as amended, and all regulations issued pursuant thereto.

1.16 Mediation and Arbitration. Upon the request of either party, any controversy or claim (whether such claim sounds in contract, tort or otherwise) arising out of or relating to this Agreement, or the breach thereof, shall be settled by binding arbitration in accordance with Washington Code of Civil Procedure Sections 1280 et seq., and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The arbitrator shall be selected from JAMS and the arbitration shall be conducted in accordance with JAMS' current rules for streamlined arbitration. Notwithstanding any other provision of this Agreement, in the case of a dispute involving a claim for equitable relief, a court with equitable jurisdiction may grant temporary restraining orders and preliminary injunctions to preserve the status quo existing before the events which are the subject of the dispute. Any final equitable or other relief shall be ordered in the arbitration proceeding. Each party shall pay an equal share of the fees and expenses of any arbitrator and any administrative fee of JAMS. Subject to Section 9.21 of this Agreement (attorneys fees), each party shall pay the fees and expenses of its own attorney and witnesses.

9.9 Venue. The parties agree that the County of Santa Clara, Washington shall be the only proper venue for disputes related to this Agreement.

1.17 Any Legal Event: Consequences.

(a) Notice To Amend. Notwithstanding any other provision of this Agreement, if, subsequent to the effective date hereof, the governmental agencies that administer the Medicare, Medicaid, or other federal programs (or their representatives or agents), or any other federal, state or local governmental or nongovernmental agency, or any court or administrative tribunal passes, issues or promulgates any law, rule, regulation, standard, interpretation, order, decision or judgment, including but not limited to those relating to any Safe Harbor regulations pursuant to 42 U.S.C. §1320a-7b (anti-kickback

statute) or any self-referral regulations pursuant to 42 U.S.C. §1395nn (“**Stark II**”) (collectively or individually, “**Legal Event**”), which, in the good faith judgment of one party (the “**Noticing Party**”), materially and adversely affects either party’s licensure, accreditation, certification, or ability to refer, to accept any referral, to bill, to claim, to present a bill or claim, or to receive payment or reimbursement from any federal, state or local governmental or non-governmental payer, or which subjects the Noticing Party to a risk of prosecution or civil monetary penalty, or which, in the good faith judgment of the Noticing Party, indicates a Safe Harbor rule or regulation with which the Noticing Party desires further compliance, then the Noticing Party may give the other party notice of intent to amend or terminate this Agreement or take other action in accordance with the next subsection.

(b) Notice Requirements. The Noticing Party shall give notice to the other party together with an opinion of counsel setting forth the following information:

- (1) The Legal Event(s) giving rise to the notice;
- (2) The consequences of the Legal Event(s) as to the Noticing Party;
- (3) The Noticing Party’s intention to either: (A) Terminate this Agreement due to unacceptable risk of prosecution or civil monetary penalty; or (B) Amend this Agreement, together with a statement of the proposed amendments; or (C) Take other specified steps to address the Legal Event(s).

(c) Renegotiation Period; Termination. In the event of notice of intent to amend is given pursuant to the above, the parties shall have ten (10) days from the giving of such notice (“**Renegotiation Period**”) within which to attempt to amend this Agreement in accordance with the Noticing Party’s proposal (if any) or otherwise as the parties may agree. If this Agreement is not so amended within the Renegotiation Period, this Agreement shall terminate as of midnight on the tenth (10<sup>th</sup>) day after said notice was given. Except as otherwise required by applicable law, any amounts owing to either party hereunder shall be paid, on a pro rata basis, up to the date of such termination, and any obligation hereunder that is to continue beyond expiration or termination shall so continue pursuant to its terms. All opinions of counsel presented by the Noticing Party hereunder, and any corresponding opinions given by the other party in response, shall be deemed confidential and given solely for purposes of renegotiation and settlement of a potential dispute, and shall not be deemed disclosed so as to waive any privileges otherwise applicable to said opinions.

9.10 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

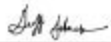
IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the Execution Date.


**"AGENCY"**

**"CONSULTANT"**

HEALTHY LIVING AT HOME- Seattle, LLC

Kirsten Carr, MD

By:   
\_\_\_\_\_  
SignNow e-signature ID: 01c3035eba-  
01/13/2021 20:52:43 UTC  
(Signature)

By:   
\_\_\_\_\_  
SignNow e-signature ID: 3036809-  
01/13/2021 20:52:43 UTC  
(Signature)

Name: Geoff Schackmann

Its: Managing Member

Date: 1/12/2021\_



## **EXHIBIT A**

### **CONSULTANT DUTIES AND RESPONSIBILITIES**

Consultant's duties shall include:

- (a) Reviewing training programs for Agency Staff and personnel;
- (b) Preparing such reports and records as may be required by this Agreement or the Agency;
- (c) Participating in continuing medical education, research and teaching activities upon request by the Agency;
- (d) Advising and assisting in the development of protocols and policies for the Agency;
- (e) Upon request by the Agency, be available at all times to respond/consult in the event of urgent or emergency situations;
- (f) Working with the Agency to monitor and review the clinical performance of professionals who provide services to the Agency's patients. Consultant shall assist in monitoring the performance of those professionals who are not meeting Agency quality and/or performance standards, and in disciplining any professionals who continue poor performance, recognizing that the Agency Board of Consultants is ultimately responsible for maintaining the standards of care provided to patients; and
- (g) Assisting Agency management with preparation for, and conduct of, any inspections and on-site surveys of the Agency conducted by governmental agencies, accrediting organizations, or payers contracting with Agency.
- (h) Interacting with the administration and Board of Consultants in all matters of mutual concern within the Agency.
- (i) Attending meetings of the Board of Consultants as provided by Agency by-laws.
- (j) Consulting with Agency Utilization Review Consultant, Quality Assurance Consultant, and Therapy Services Consultant as deemed necessary.
- (k) Assisting in reviewing documentation for completeness as per Medicare guidelines.
- (l) Assisting in developing reference materials to resolve inadequacies.
- (m) Communicating with management of notable situations requiring more extensive actions.
- (n) Helping to develop, approve, and implement specific clinical practices for the Agency to incorporate plan of care related policies and procedures, including areas required by laws and regulations.
- (o) Assisting in developing procedures and guidance for facility staff regarding communication with practitioners, including information gathering and presentation, change in patient conditions, and when to contact contracted Consultants.
- (p) Reviewing other Consultants' recommendations that affect the Agency's patient care policies and procedures or the care of an individual patient.



- (q) Attending team conference meetings as deemed necessary.
- (r) Providing medical input or interpretation of social, political, regulatory or economic factors that impact patient care.
- (s) Acting as a physician spokesperson and resource in representing the Agency's position in dealing with regulatory or accrediting organizations.
- (t) Serving as a spokesman for Agency professional and public matters as deemed necessary.
- (u) Participating in internal Agency surveys and inspections.
- (v) Assisting with federal, state, local and other external surveys and inspections.
- (w) Serving as liaison between professional services staff and patient's private physician on concerns related to medical management and patient progress.
- (x) Participating in the development of ethical policies and decisions and provide medical input on patient care issues of an ethical nature.

**EXHIBIT B  
SERVICE LOG**

Physician Time Report Detail																	
Date	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Case Conference																	
Care Plan Oversight																	
Consultation/Referral Communication																	
Inservice																	
Care Coordination																	
PAC Meeting																	
Staff Education																	
Chart Review																	
Document Preparation/Signing																	
Marketing																	
Daily Total Hours																	

\_\_\_\_\_  
MD Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Administrative

\_\_\_\_\_  
Print Name

## EXHIBIT C

### BUSINESS ASSOCIATE ADDENDUM

This Business Associate Addendum ("Addendum" or "BAA") supplements and is made a part of that certain Medical Consultant Agreement ("Agreement") by and between Healthy Living at Home – Seattle, LLC, a Washington corporation ("Covered Entity" or "CE") and Kirsten Carr, M.D. ("Business Associate" or "BA"), dated January 12, 2021. This BAA is effective as of the Commencement Date of the Agreement ("BAA Effective Date"). This BAA is attached to and made a part of the Agreement.

#### RECITALS

CE is a "covered entity" under the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA") and, as such, must enter into so-called "business associate" contracts with certain contractors that may have access to certain patient medical information.

CE wishes to disclose certain information to BA pursuant to the terms of the Agreement, some of which may constitute Protected Health Information ("PHI") (defined below).

CE and BA intend to protect the privacy and provide for the security of PHI disclosed to BA pursuant to the Agreement in compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA"), the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 ("HITECH Act"), and regulations promulgated thereunder by the U.S. Department of Health and Human Services ("HIPAA Regulations") and other applicable laws, including without limitation Washington patient privacy laws.

As part of the HIPAA Regulations, the Privacy Rule and the Security Rule (defined below) require CE to enter into a contract containing specific requirements with BA prior to the disclosure of PHI (defined below), as set forth in, but not limited to, Title 45, Sections 164.314(a), 164.502(c) and 164.504(e) of the Code of Federal Regulations ("C.F.R.") and contained in this BAA.

NOW, THEREFORE, in consideration of the mutual promises below and the exchange of information pursuant to this BAA, CE and BA agree as follows:

#### AGREEMENT

##### 1. Definitions

- 1.1 **Breach** shall have the meaning given under 42 U.S.C. § 17921(1) and 45 C.F.R. § 164.402.
- 1.2 **Business Associate** shall have the meaning given to such term under 42 U.S.C. § 17938 and 45 C.F.R. § 160.103.
- 1.3 **Covered Entity** shall have the meaning given to such term under 45 C.F.R. § 160.103.
- 1.4 **Data Aggregation** shall have the meaning given to such term under 45 C.F.R. § 164.501.
- 1.5 **Designated Record Set** shall have the meaning given to such term 45 C.F.R. § 164.501.

- 1.4 **Data Aggregation** shall have the meaning given to such term under 45 C.F.R. § 164.501.
- 1.5 **Designated Record Set** shall have the meaning given to such term 45 C.F.R. § 164.501.
- 1.6 **Electronic Protected Health Information** means Protected Health Information that is maintained in or transmitted by electronic media.
- 1.7 **Electronic Health Record** shall have the meaning given to such term under 42 U.S.C. § 17921(5).
- 1.8 **Health Care Operations** shall have the meaning given to such term under 45 C.F.R. § 164.501.
- 1.9 **Privacy Rule** shall mean the HIPAA Regulation that is codified at 45 C.F.R. Parts 160 and 164, Subparts A and E.
- 1.10 **Protected Health Information or PHI** means any information, whether oral or recorded in any form or medium: (i) that relates to the past, present or future physical or mental condition of an individual; the provision of health care to an individual; or the past, present or future payment for the provision of health care to an individual; and (ii) that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual, and shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. § 164.501. Protected Health Information includes Electronic Protected Health Information.
- 1.11 **Security Rule** shall mean the HIPAA Regulation that is codified at 45 C.F.R. Parts 160 and 164, Subparts A and C.
- 1.12 **Unsecured PHI** shall have the meaning given to such term under 42 U.S.C. § 17932(h), 45 C.F.R. § 164.402 and guidance issued pursuant to the HITECH Act including, but not limited to the guidance issued on April 17, 2009 and published in 74 Federal Register 19006 (April 27, 2009), by the Secretary of the U.S. Department of Health and Human Services (“Secretary”).

## **2. Obligations of Business Associate**

**2.1 Permitted Uses and Disclosures.** BA shall not use or disclose PHI other than as permitted or required by the Agreement, this BAA or as permitted or required by law. Further, BA shall not use PHI in any manner that would constitute a violation of the Privacy Rule or the HITECH Act if so used by CE. However, BA may use or disclose PHI (i) for the proper management and administration of BA's business, (ii) to carry out BA's legal responsibilities, or (iii) for Data Aggregation purposes for the Health Care Operations of BA. If BA discloses PHI to a third party, BA must obtain, prior to making any such disclosure, (i) reasonable written assurances from such third party that such PHI will be held confidential as provided pursuant to this BAA and only disclosed as required by law or for the purposes for which it was disclosed to such third party, and (ii) a written agreement from such third party to immediately notify BA of any breaches of confidentiality of the PHI, to the extent it has obtained knowledge of such breach.

**2.2 Prohibited Uses and Disclosures under HITECH.** Notwithstanding any other provision in this BAA, BA shall comply with the following requirements: (i) BA shall not use or disclose



PHI for fundraising or marketing purposes, except as provided under the Agreement and consistent with the requirements of 42 U.S.C. § 17936; (ii) BA shall not disclose PHI to a health plan for payment or health care operations purposes if CE has informed BA that the patient has requested this special restriction, and has paid out of pocket in full for the health care item or service to which the PHI solely relates, 42 U.S.C. § 17935(a); (iii) BA shall not directly or indirectly receive remuneration in exchange for PHI, except with the prior written consent of CE and as permitted by the HITECH Act, 42 U.S.C. § 17935(d)(2); however, this prohibition shall not affect payment by CE to BA for services provided pursuant to the Agreement.

**2.3 Appropriate Safeguards.** BA shall implement appropriate safeguards as are necessary to prevent the use or disclosure of PHI other than as permitted by the Agreement, this BAA, or other applicable laws. To the extent BA creates, maintains, receives or transmits Electronic PHI on behalf of CE, BA shall use administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of such Electronic PHI. BA shall comply with each of the requirements of 45 C.F.R. §§ 164.308, 164.310, and 164.312 and the policies and procedures and documentation requirements of the HIPAA Security Rule set forth in 45 C.F.R. § 164.316.

**2.4 Mitigation.** BA shall mitigate, to the extent practicable, any harmful effect that is known to BA of a use or disclosure of PHI in violation of this BAA.

**2.5 Reporting of Improper Access, Use or Disclosure.** BA shall promptly report to CE in writing of any access, use or disclosure of PHI not permitted by the Agreement, this BAA, or applicable laws; and any security incident, as defined in the Security Rule, of which it becomes aware. BA shall, following the discovery of any Breach of Unsecured PHI, notify CE in writing of such breach without unreasonable delay and in no case later than three (3) business days after discovery. The notice shall include the following information if known (or can be reasonably obtained) by BA: (i) contact information for the individuals who were or who may have been impacted by the Breach (e.g., first and last name, mailing address, street address, phone number, email address); (ii) a brief description of the circumstances of the Breach, including the date of the Breach and date of discovery (as defined in 42 U.S.C. § 17932(c)); (iii) a description of the types of Unsecured PHI involved in the Breach (e.g., names, social security numbers, date of birth, addresses, account numbers of any type, disability codes, diagnostic and/or billing codes and similar information); (iv) a brief description of what BA has done or is doing to investigate the Breach, mitigate harm to the individuals impacted by the Breach. BA shall pay the actual, reasonable costs of CE to provide required notifications.

**2.6 BA's Subcontractors and Agents.** BA shall ensure that any agents or subcontractors to whom it provides PHI agree in writing to the same restrictions and conditions that apply to BA with respect to such PHI, including without limitation, the duty to notify BA of the discovery of any Breach of Unsecured PHI without unreasonable delay and in no event later than sixty (60) days after discovery.

**2.7 Access to PHI.** To the extent BA maintains a Designated Record Set on behalf of CE, BA shall make PHI it maintains or maintained by its agents or subcontractors in Designated Record Sets available to CE for inspection and copying within ten (10) days of a request by CE to enable CE to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 C.F.R. § 164.524. If BA maintains an Electronic Health Record, BA shall provide such information in electronic format to enable CE to fulfill its obligations under the HITECH Act, including, but not limited to, 42 U.S.C. § 17935(e). BA may charge a reasonable fee based on its labor costs in responding to a request to access PHI and a

cost-based fee for the production of non-electronic media copies. BA shall notify CE within five (5) business days of receipt of any request for access to PHI.

**2.8 Amendment of PHI.** To the extent BA maintains a Designated Record Set on behalf of CE, within ten (10) days of receipt of a request from CE or an individual for an amendment of PHI or a record about an individual contained in a Designated Record Set, BA or its agents or subcontractors shall make any amendments that CE directs or agrees to in accordance with the Privacy Rule. BA may charge a reasonable fee based on its labor costs in responding to a request to amend PHI and a cost-based fee for the production of non-electronic media copies. BA shall notify CE within five (5) business days of receipt of any request for amendment to PHI.

**2.9 Accounting Rights.** Within ten (10) days of notice by CE of a request for an accounting of disclosures of PHI, BA and its agents or subcontractors shall make available to CE the information required to provide an accounting of disclosures to enable CE to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 C.F.R. § 164.528, and its obligations under the HITECH Act, including but not limited to 42 U.S.C. § 17935(c), as determined by CE. BA agrees to implement a process that allows for an accounting to be collected and maintained by BA and its agents or subcontractors for at least six (6) years prior to the request. However, accounting of disclosures from an Electronic Health Record for treatment, payment, or health care operations purposes are required to be collected and maintained for only three (3) years prior to the request, and only to the extent BA maintains an electronic health record and is subject to this requirement. At a minimum, the information collected and maintained shall include: (i) the date of the disclosure; (ii) the name of the entity or person who received PHI and, if known, the address of the entity or person; (iii) a brief description of the PHI disclosed; and (iv) a brief statement of the purpose of the disclosure that reasonably informs the individual of the basis for the disclosure, or a copy of the individual's authorization, or a copy of the written request for disclosure. The accounting must be provided without cost to the individual or the requesting party if it is the first accounting requested by such individual within any twelve (12) month period. For subsequent accountings within a twelve (12) month period, BA may charge the individual or party requesting the accounting a reasonable fee based upon BA's labor costs in responding to the request and a cost-based fee for the production of non-electronic media copies, so long as BA informs the individual or requesting party in advance of the fee and the individual or requesting party is afforded an opportunity to withdraw or modify the request. BA shall notify CE within five (5) business days of receipt of any request by an individual or other requesting party for an accounting of disclosures. The provisions of this subparagraph 2.9 shall survive the termination of this BAA.

**2.10 Governmental Access to Records.** BA shall make its internal practices, books and records relating to the use and disclosure of PHI available to CE and to the Secretary for purposes of determining BA's compliance with HIPAA. BA shall make such internal practices, books and records available within five (5) business days of a request by CE for inspection for the purposes of determining compliance with this BAA.

**2.11 Minimum Necessary.** BA (and its agents or subcontractors) shall request, use and disclose only the minimum amount of PHI necessary to accomplish the purpose of the request, use or disclosure. Because the definition of "minimum necessary" is in flux, BA shall keep itself informed of guidance issued by the Secretary with respect to what constitutes "minimum necessary."

### **3. Term and Termination**



**3.1 Term.** The term of this BAA shall be effective as of the BAA Effective Date and shall terminate when all of the PHI provided by CE to BA, or created or received by BA on behalf of CE, is destroyed or returned to CE.

**3.2 Termination.**

**3.2.1 Material Breach by BA.** Upon any material breach of this BAA by BA, CE shall provide BA with written notice of such breach and such breach shall be cured by BA within thirty (30) business days of such notice. If such breach is not cured within such time period, CE may immediately terminate this BAA and the Agreement.

**3.2.2 Effect of Termination.** Upon termination of the Agreement for any reason, BA shall, at the option of CE, return or destroy all PHI that BA or its agents or subcontractors still maintain in any form, and shall retain no copies of such PHI. If return or destruction is not feasible, as determined by CE, BA shall continue to extend the protections of this BAA to such information, and limit further use of such PHI to those purposes that make the return or destruction of such PHI infeasible. If CE elects destruction of the PHI, BA shall certify in writing to CE that such PHI has been destroyed.

**4. Indemnification; Limitation of Liability.** To the extent permitted by law, BA shall indemnify, defend and hold harmless CE from any and all liability, claim, lawsuit, injury, loss, expense or damage resulting from or relating to the acts or omissions of BA in connection with the representations, duties and obligations of BA under this BAA. Any limitation of liability contained in the Agreement shall not apply to the indemnification requirement of this provision. This provision shall survive the termination of the BAA.

**5. Assistance in Litigation.** BA shall make itself and any subcontractors, employees or agents assisting BA in the performance of its obligations under the Agreement or BAA available to CE, at no cost to CE, to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against CE, its Consultants, officers or employees based upon a claim of violation of HIPAA, the HITECH Act, or other laws related to security and privacy, except where BA or its subcontractor, employee or agent is named as an adverse party.

**6. Amendment to Comply with Law.** Because state and federal laws relating to data security and privacy are rapidly evolving, amendment of the Agreement or this BAA may be required to provide for procedures to ensure compliance with such developments. BA and CE shall take such action as is necessary to implement the standards and requirements of HIPAA, the HITECH Act, the Privacy Rule, the Security Rule and other applicable laws relating to the security or confidentiality of PHI. BA shall provide to CE satisfactory written assurance that BA will adequately safeguard all PHI. Upon the request of either party, the other party shall promptly enter into negotiations concerning the terms of an amendment to this BAA embodying written assurances consistent with the standards and requirements of HIPAA, the HITECH Act, the Privacy Rule, the Security Rule or other applicable laws. CE may terminate the Agreement upon thirty (30) days written notice in the event (i) BA does not promptly enter into negotiations to amend the Agreement or this BAA when requested by CE pursuant to this Section or (ii) BA does not enter into an amendment to the Agreement or BAA providing assurances regarding the safeguarding of PHI that CE, in its sole discretion, deems sufficient to satisfy the standards and requirements of applicable laws.

7. **No Third-Party Beneficiaries.** Nothing express or implied in the Agreement or BAA is intended to confer, nor shall anything herein confer upon any person other than CE, BA and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.
8. **Interpretation.** The provisions of this BAA shall prevail over any provisions in the Agreement that may conflict or appear inconsistent with any provision in this BAA. This BAA and the Agreement shall be interpreted as broadly as necessary to implement and comply with HIPAA, the HI TECH Act, the Privacy Rule and the Security Rule. Any ambiguity in this BAA shall be resolved in favor of a meaning that complies and is consistent with HIPAA, the HITECH Act, the Privacy Rule and the Security Rule. Except as specifically required to implement the purposes of this BAA, or to the extent inconsistent with this BAA, all other terms of the Agreement shall remain in force and effect.
9. **Entire Agreement of the Parties.** This BAA supersedes any and all prior and contemporaneous business associate agreements or addenda between the parties and constitutes the final and entire agreement between the parties hereto with respect to the subject matter hereof. Each party to this BAA acknowledges that no representations, inducements, promises, or agreements, oral or otherwise, with respect to the subject matter hereof, have been made by either party, or by anyone acting on behalf of either party, which are not embodied herein. No other agreement, statement or promise, with respect to the subject matter hereof, not contained in this BAA shall be valid or binding.
10. **Regulatory References.** A reference in this BAA to a section of regulations means the section as in effect or as amended, and for which compliance is required.
11. **Identity Theft Program Compliance.** To the extent that CE is required to comply with the final rule entitled "Identity Theft Red Flags and Address Discrepancies under the Fair and Accurate Credit Transactions Act of 2003," as promulgated and enforced by the Federal Trade Commission (16 C.F.R. Part 681) ("**Red Flags Rule**"), and to the extent that BA is performing an activity in connection with one or more "covered accounts," as that term is defined in the Red Flags Rule, pursuant to the Agreement, BA shall establish and comply with its own reasonable policies and procedures designed to detect, prevent, and mitigate the risk of identity theft, which shall be consistent with and no less stringent than those required under the Red Flags Rule or the policies and procedures of CE's Red Flags Program. BA shall provide its services pursuant to the Agreement in accordance with such policies and procedures. BA shall report any detected "red flags," as that term is defined in the Red Flags Rule, to CE and shall, in cooperation with CE, take appropriate steps to prevent or mitigate identity theft.



IN WITNESS WHEREOF, the parties hereto have duly executed this BAA as of the BAA Effective Date.

"CE"

\_\_\_\_\_  
Healthy Living at Home – Seattle, LLC, a  
Washington corporation

By: \_\_\_\_\_  
Print Name: Geoff Schackman  
Title: Managing Member  
Date: 1/12/21

\_\_\_\_\_  
Kirsten Carr, MD  
\_\_\_\_\_, M.D.,  
individual

By: \_\_\_\_\_  
Print Name: Kirsten Carr, MD  
Date: 1/12/2021

## **Appendix F: Dr. Carr WA License Verification**



6/18/2019

Subject: Credential Verification

To Whom It May Concern:

This verifies the status of the Physician And Surgeon License for Carr, Kirsten Marie Winn.

This site is a Primary Source for Verification of Credentials.

<b>Credential Number:</b>	MD60672461
<b>Credential Type:</b>	Physician And Surgeon License
<b>First Credential Date:</b>	11/23/2016
<b>Last Renewal Date:</b>	04/16/2019
<b>Credential Status:</b>	ACTIVE
<b>Current Expiration Date:</b>	06/12/2021
<b>Enforcement Action:</b>	No

The Washington Department of Health presents this information as a service to the public.

The absence or presence of information in this system does not imply any recommendation, endorsement, or guarantee of competence of any health care professional, the mere presence of such information does not imply a practitioner is not competent or qualified.

This site provides disciplinary actions taken and credentials denied for failure to meet qualifications. If the Enforcement Action is listed as a No, there has been no disciplinary action. It allows viewing and downloading of related legal documents since July 1998. Contact our Public Disclosure Office at [pdrc@doh.wa.gov](mailto:pdrc@doh.wa.gov) for information on actions before July 1998. This information comes directly from our database. It is updated daily.



## **Appendix G: Kirsten Carr, MD Resume**

# **Kirsten Carr, MD**

### **PERSONAL INFORMATION**

Address: 6787 SW 30th Ave, Portland, OR 9721 E  
Cell Phone: (503) 740-6693  
Email: kirsten.carr@theMFCC.com

### **OFFICE INFORMATION**

Multnomah Family Care Center, PC  
Address: 7689 SW Capitol Highway, Portland, OR 97219  
Work Phone: (503) 445-4454  
Work Fax: (503) 445 - 4464

### **EDUCATION**

9/2005 -6/2006	Fellow, Faculty Development, University of Arizona, Phoenix, AZ
7/2005-6/2006	Chief Resident, Scottsdale Healthcare Family Medicine Residency, Scottsdale, AZ
6/2003 – 6/2006	Resident Physician, Scottsdale Healthcare Family Practice Residency, Scottsdale, AZ
9/1999 - 6/2003	Doctorate of Medicine, Oregon Health and Science University, Portland, OR
8/1994 - 5/1998	Bachelor of Arts, Cum Laude, Biopsychology, Transylvania University, Lexington, KY
1994	Valedictorian, Honors Diploma, Grants Pass High School, Grants Pass, OR

### **WORK EXPERIENCES**

11/2010 – current	Owner, Multnomah Family Care Center, Portland, OR
11/2010 - current	Locums work and Worker's Compensation Corrdinator, McMinnville Immediate Health, McMinnville, OR
9/2007 – current	Affiliate Faculty, Oregon Health and Science Univeristy, Family Medicine, 2nd and 3rd year medical student clinical preceptor

9/2006-11/2010	Independent Contractor Physician, Tuality Healthcare, Family Doctor's Office, Hillsboro, OR
1/2007-5/2007	Employed Physician, Zoom Care, Tigard, OR
11/2004 – 5/2005	Staff Physician, John. C Lincoln Medical Center, Saguaro Family Practice and Deer Valley Family Practice Sites, Phoenix, AZ
10/2004 – 8/2006	Resident Coordinator, Concentra Medical Systems, Phoenix, AZ
10/2003 -8/2006	Resident coordinator of Reach Out and Read Program - Heuser Family Practice Office, Scottsdale, AZ
6/2000-4/2002	Research Assistant, Oregon Health and Science University, Portland, OR
2/2000-4/2000	Diener, Body Donation Program, Oregon Health and Science University, Portland, OR
9/1998-8/1999	Residential Treatment Counselor (QMHA equivalent), The Christie School, Marylhurst, OR

#### **CERTIFICATIONS**

Oregon Medical License – MD26408, unrestricted, exp 12/31/13

American Board of Family Medicine, Diplomate, recertification due 2016

DEA Certification – Current, expires 8/15

ACLS Provider, American Heart Association

#### **HONORS & AWARDS**

6/2006	Outstanding Third Year of the Year - Scottsdale Healthcare Family Practice Residency
5/2006	Nominee for Grobe Award honoring outstanding third year Family Medicine resident in state of Arizona
5/2005	First runner-up, resident poster competition, Arizona Academic Day of Excellence for "Literacy in the Family Practice Office: Implementation of a Family Reading Program"
4/2005	Presentation of poster at AZAFP conference on "Literacy in the Family Practice Office: Implementation of a Family Reading Program"
11/2004	Presentation of poster at STFM conference on patient education



6/2004	"Literacy in the Family Practice Office: Implementation of a Family Reading Program" Outstanding Intern of the Year - Scottsdale Healthcare Family Practice Residency
10/2002	Student Presenter at Oregon Rural Health Conference on topic: "Smoking Cessation Intervention in Lebanon, OR"
6/2002	First Time Attendee Scholarship, AAFP National Conference of Residents and Medical Students
1999-2003	School of Medicine Scholar
2000-2003	Southern Oregon Medical Society Scholar
11/1996	Ernest Meyer Award for undergraduate research - KY Psychological Association

#### **PROFESSIONAL AFFILIATIONS / COMMITTEES**

1999	American Academy of Family Physicians
2006	Oregon Academy of Family Physicians
1999 – 2003	American Medical Student Association- student member
1999 - 2003	Oregon Academy of Family Physicians - student member

#### **RESEARCH AND PUBLICATIONS**

6/2006	Literacy in the Primary Care Office: A Study of Health Literacy in Two Office Settings in Scottsdale, AZ
11/2004	Literacy in the Family Practice Office: Implementation of a Family Reading Program - Poster presentation for Society of Teachers of Family Medicine Patient Education Conference, San Francisco 11/04
3/2002	Smoking Cessation research as part of Rural Primary Care rotation with the eventual development of a smoking cessation handout and presentation which has been adapted for use throughout the local area of original work and Portland as well.
6/2000-5/2001	Research Assistant, OHSU Women's Health Center, Portland, OR:  Hansen, A, Carr, K, Jensen, JT. Characteristics and Initial

Diagnosis of Women Presenting to a Referral Center for Vulvovaginal Disorders 1996-2000. Journal of Reproductive Medicine 2002 Oct; 47(10): 854-60.

Jensen, JT, Wilder, K, Carr, K, Romm, J, and Hansen, A. Quality of Life and Sexual Function Following Evaluation and Treatment at a Referral Center for Vulvovaginal Disorders. American Journal of Obstetrics and Gynecology 2003 Jun; 188 (6): 1629-35.

6/1996-9/1996      Research Assistant, VA Hospital, Dr. J. Crabbe P.I., Portland OR  
genetics of ETOH in mice

#### **VOLUNTEER/COMMUNITY SERVICE**

9/2006-2012      Essential Health Clinic Volunteer Physician

10/2004 –      Reach out and Read Resident Liaison for Heuser Family Practice  
6/2006      Center

1999-2003      Mentor for Family Medicine Interest Group Undergraduate  
Outreach Program

1999-2003      Wallace Medical Concern - free medical clinic in Portland,

1999-2003      OR Volunteer for Hopewell House - in-patient hospice

#### **REFERENCES**

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## **Appendix H: HLN Audited Financials**

### **HLH Capricorn Holdings, LLC**

Independent Auditor's Report and  
Consolidated Financial Statements

December 31, 2019 and 2018



## Independent Auditor's Report

Board of Managers  
HLH Capricorn Holdings, LLC  
Folsom, California

We have audited the accompanying consolidated financial statements of HLH Capricorn Holdings, LLC and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2019 and 2018, and the related consolidated statements of operations, members' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Managers  
HLH Capricorn Holdings, LLC  
Page 2

***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of HLH Capricorn Holdings, LLC and its subsidiaries as of December 31, 2019 and 2018, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As described in *Note 1* to the consolidated financial statements, in 2019, the Company adopted ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Our opinion is not modified with respect to this matter.

*BKD, LLP*

Springfield, Missouri  
April 29, 2020

**HLH Capricorn Holdings, LLC**  
**Consolidated Balance Sheets**  
**December 31, 2019 and 2018**

**Assets**

	<b>2019</b>	<b>2018 (Adjusted - Note 1)</b>
<b>Current Assets</b>		
Cash	\$ 658,906	\$ 1,005,632
Patient accounts receivable, net of allowance		
2019 - \$637,446, 2018 - \$0	21,485,339	16,409,610
Other receivables	31,011	200,266
Prepaid expenses and other	<u>1,876,533</u>	<u>1,722,309</u>
Total current assets	<u>24,051,789</u>	<u>19,337,817</u>
<b>Assets Held for Sale</b>	<u>43,250</u>	<u>-</u>
<b>Property and Equipment, At Cost</b>		
Furniture and fixtures	361,107	281,325
Equipment and technology	1,844,560	232,339
Vehicles	<u>450,771</u>	<u>593,215</u>
	2,656,438	1,106,879
Less accumulated depreciation	<u>767,116</u>	<u>547,996</u>
	<u>1,889,322</u>	<u>558,883</u>
<b>Other Assets</b>		
Goodwill, net of accumulated amortization		
2019 - \$16,198,530, 2018 - \$11,443,557	31,319,802	36,074,775
Other intangible assets, net of accumulated amortization		
2019 - \$1,837,142, 2018 - \$1,299,442	11,394,858	11,932,558
Deposits	<u>253,704</u>	<u>222,128</u>
	<u>42,968,364</u>	<u>48,229,461</u>
Total assets	<u>\$ 68,952,725</u>	<u>\$ 68,126,161</u>

## Liabilities and Members' Equity

	2019	2018 (Adjusted - Note 1)
<b>Current Liabilities</b>		
Outstanding checks in excess of bank balance	\$ -	\$ 1,473,427
Current maturities of long-term debt	1,112,323	788,463
Note payable to insurance company	1,203,828	1,098,910
Accounts payable	8,158,536	5,548,922
Accrued payroll and related liabilities	5,184,517	5,124,213
Other accrued expenses	1,335,935	378,175
Estimated amounts due to Medicare	1,053,609	-
Due to related parties	50,000	52,950
Total current liabilities	18,098,748	14,465,060
<b>Long-Term Debt</b>	13,674,181	14,479,310
<b>Line of Credit</b>	6,050,000	-
Total liabilities	37,822,929	28,944,370
<b>Members' Equity</b>		
Members' equity	25,222,547	30,614,286
Noncontrolling interest	5,907,249	8,567,505
Total members' equity	31,129,796	39,181,791
Total liabilities and members' equity	\$ 68,952,725	\$ 68,126,161



**HLH Capricorn Holdings, LLC**  
**Consolidated Statements of Operations**  
**Years Ended December 31, 2019 and 2018**

	<b>2019</b>	<b>2018 (Adjusted - Note 1)</b>
<b>Patient Care Service Revenue</b>	<u>\$ 129,216,176</u>	<u>\$ 117,333,080</u>
<b>Cost of Patient Care Service Revenue</b>		
Compensation	61,182,458	55,461,025
Direct patient expenses	<u>10,728,030</u>	<u>8,855,416</u>
	<u>71,910,488</u>	<u>64,316,441</u>
<b>Gross Profit</b>	<u>57,305,688</u>	<u>53,016,639</u>
<b>Selling, General and Administrative Expenses</b>		
Compensation	31,170,447	30,904,677
Purchased services	82,050	82,252
Other general and administrative services	24,527,227	21,320,560
Provision for uncollectible accounts	2,673,547	1,610,564
Depreciation and amortization	5,475,004	5,526,312
Advertising and promotion	<u>1,031,299</u>	<u>1,291,745</u>
	<u>64,959,574</u>	<u>60,736,110</u>
<b>Operating Loss</b>	<u>(7,653,886)</u>	<u>(7,719,471)</u>
<b>Other Expense</b>		
Other expense	(67,335)	(743,064)
Interest expense	<u>(1,633,378)</u>	<u>(1,422,055)</u>
	<u>(1,700,713)</u>	<u>(2,165,119)</u>
<b>Net Loss</b>	<u>(9,354,599)</u>	<u>(9,884,590)</u>
<b>Net Income (Loss) Attributable to Noncontrolling Interest</b>	<u>276,124</u>	<u>(96,783)</u>
<b>Net Loss Attributable to Controlling Interest</b>	<u>\$ (9,630,723)</u>	<u>\$ (9,787,807)</u>

**HLH Capricorn Holdings, LLC**  
**Consolidated Statements of Members' Equity**  
**Years Ended December 31, 2019 and 2018**

	Members' Equity (Adjusted - Note 1)	Noncontrolling Interest (Adjusted - Note 1)	Total (Adjusted - Note 1)
<b>Balance, January 1, 2018, as previously reported</b>	\$ 38,454,918	\$ 11,059,442	\$ 49,514,360
Cumulative effect adjustment related to the adoption of ASU 2014-09	658,778	185,383	\$ 844,161
<b>Balance, January 1, 2018, as restated</b>	39,113,696	11,244,825	50,358,521
Contributions	1,000,000	-	1,000,000
Issuance of incentive units	288,397	-	288,397
Distributions	-	(2,995,918)	(2,995,918)
Purchases and sales of noncontrolling interest	-	415,381	415,381
Net income (loss)	(9,787,807)	(96,783)	(9,884,590)
<b>Balance, December 31, 2018</b>	30,614,286	8,567,505	39,181,791
Contributions	4,000,000	-	4,000,000
Issuance of incentive units	238,984	-	238,984
Distributions	-	(2,534,380)	(2,534,380)
Purchases and sales of noncontrolling interest	-	(402,000)	(402,000)
Net income (loss)	(9,630,723)	276,124	(9,354,599)
<b>Balance, December 31, 2019</b>	<u>\$ 25,222,547</u>	<u>\$ 5,907,249</u>	<u>\$ 31,129,796</u>

**HLH Capricorn Holdings, LLC**  
**Consolidated Statements of Cash Flows**  
**Years Ended December 31, 2019 and 2018**

	<b>2019</b>	<b>2018 (Adjusted - Note 1)</b>
<b>Operating Activities</b>		
Net loss	\$ (9,354,599)	\$ (9,884,590)
Items not requiring operating cash flow		
Depreciation and amortization	5,475,004	5,526,312
Amortization of debt issuance costs	155,383	145,082
Compensation expense for issuance of incentive units	238,984	288,397
Changes in		
Patient accounts receivable	(5,075,729)	(1,121,902)
Accounts payable and accrued expenses	1,963,595	3,943,294
Other assets and liabilities	128,050	(423,664)
Net cash used in operating activities	<u>(6,469,312)</u>	<u>(1,527,071)</u>
<b>Investing Activities</b>		
Purchase of property and equipment	(351,432)	(203,354)
Payment for business acquisitions	<u>-</u>	<u>(156,000)</u>
Net cash used in investing activities	<u>(351,432)</u>	<u>(359,354)</u>
<b>Financing Activities</b>		
Net borrowings from (repayments to) related parties	(2,950)	2,950
Principal payments under capital lease obligation	(280,402)	(124,508)
Principal payments on long-term debt	(356,250)	(3,475,000)
Increase in outstanding checks in excess of bank balance	-	1,473,427
Proceeds from short-term borrowings	6,050,000	-
Member contributions	4,000,000	1,000,000
Noncontrolling interest distributions	(2,534,380)	(2,995,918)
Proceeds from sale of membership units to noncontrolling interest	-	282,492
Purchase of subsidiary shares from noncontrolling interest	<u>(402,000)</u>	<u>-</u>
Net cash provided by (used in) financing activities	<u>6,474,018</u>	<u>(3,836,557)</u>
<b>Decrease in Cash</b>	<u>(346,726)</u>	<u>(5,722,982)</u>
<b>Cash, Beginning of Year</b>	<u>1,005,632</u>	<u>6,728,614</u>
<b>Cash, End of Year</b>	<u>\$ 658,906</u>	<u>\$ 1,005,632</u>

**HLH Capricorn Holdings, LLC**  
**Consolidated Statements of Cash Flows**  
**Years Ended December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>Supplemental Cash Flows Information</b>		
Interest paid	\$ 1,507,533	\$ 956,974
Capital lease obligations incurred for property and equipment	\$ -	\$ 25,184
Accounts payable incurred for property and equipment	\$ 1,349,183	\$ -
The Company purchased a portion of the membership units of Healthy Living at Home - Wenatchee, LLC, for \$156,000 in conjunction with the acquisition, assets and liabilities were assumed as follows:		
Fair value of assets acquired	\$ -	\$ 388,784
Noncontrolling interest	-	(132,889)
Cash paid	<u>-</u>	<u>(156,000)</u>
Liabilities assumed	<u>\$ -</u>	<u>\$ 99,895</u>



## Appendix I: Financials

<b>SOURCES &amp; USES</b>	
<i>SOURCES OF FUNDS</i>	
Owner Investment	\$90,000
<b>Total Sources</b>	<b>\$90,000</b>
<i>USES OF FUNDS</i>	
<i>Start-up Expenses</i>	
CON Application Fee	\$24,666
Start Up Phase Operation Expenses	\$2,500
<b>Total Start-up Expenses</b>	<b>\$27,166</b>
<i>Start-up Assets</i>	
Working Capital	\$53,006
Furniture	\$6,500
Computers	\$2,000
Printer	\$500
Telephone	\$828
<b>Total Start-up Assets</b>	<b>\$62,834</b>
<b>Total Uses</b>	<b>\$90,000</b>

## ADMINISTRATIVE/OFFICE PERSONNEL

	2021	2022	2023	2024
Administrative Staff Count				
Administrator	0.0	0.0	0.0	0.0
Director of Patient Care Svcs	1.0	1.0	1.0	1.0
Assistant Director of Clinical Svcs	0.0	0.0	1.0	1.0
Business Office Manager	0.0	0.0	0.0	0.0
Clinical Supervisor	0.0	0.3	2.1	3.0
Intake/Scheduling	0.0	1.0	1.0	2.0
Administrative Asst/Reception	0.0	0.0	1.0	1.0
Non-Clinical Case Manager	0.0	0.0	1.0	1.0
Area Director	0.0	1.0	2.1	3.0
Total Administrative Staff	0.0	3.3	9.2	12.0
Salary Per Position				
Administrator	\$0	\$0	\$0	\$0
Director of Patient Care Svcs	\$10,500	\$125,000	\$125,000	\$125,000
Assistant Director of Clinical Svcs	\$0	\$100,000	\$100,000	\$100,000
Business Office Manager	\$0	\$45,000	\$45,000	\$45,000
Clinical Supervisor	\$0	\$85,000	\$85,000	\$85,000
Intake/Scheduling	\$0	\$52,000	\$52,000	\$52,000
Administrative Asst/Reception	\$0	\$27,500	\$27,500	\$27,500
Non-Clinical Case Manager	\$0	\$27,500	\$27,500	\$27,500
Area Director	\$0	\$85,000	\$85,000	\$85,000
Payroll Per Position (Count x Salary)				
Administrator	\$0	\$0	\$0	\$0
Director of Patient Care Svcs	\$10,500	\$125,000	\$125,000	\$125,000
Assistant Director of Clinical Svcs	\$0	\$0	\$100,000	\$100,000
Business Office Manager	\$0	\$0	\$0	\$0
Clinical Supervisor	\$0	\$21,250	\$177,083	\$255,000
Intake/Scheduling	\$0	\$52,000	\$52,000	\$104,000
Administrative Asst/Reception	\$0	\$0	\$27,500	\$27,500
Non-Clinical Case Manager	\$0	\$0	\$27,500	\$27,500
Area Director	\$0	\$85,000	\$177,083	\$255,000
<b>Total Administrative/Office Payr</b>	<b>\$10,500</b>	<b>\$283,250</b>	<b>\$686,167</b>	<b>\$894,000</b>

## FIELD STAFF PERSONNEL

	2021	2022	2023	2024
Field Staff Count				
Registered Nurse-FTE	0.5	1.8	4.9	8.7
Physical Therapist-FTE	0.5	2.2	6.0	11.0
Occupational Therapist-FTE	0.5	0.8	2.1	3.7
Speech Language Pathologist	0.1	0.1	0.4	0.7
Medical Social Worker	0.1	0.1	0.4	0.7
Home Health Aide	0.1	0.1	0.2	0.3
Total Field Staff	1.8	5.2	13.9	25.2
Salary Per Position				
Registered Nurse-FTE	\$83,232	\$83,232	\$83,232	\$83,232
Physical Therapist-FTE	\$104,040	\$104,040	\$104,040	\$104,040
Occupational Therapist-FTE	\$104,040	\$104,040	\$104,040	\$104,040
Speech Language Pathologist	\$104,040	\$104,040	\$104,040	\$104,040
Medical Social Worker	\$72,828	\$72,828	\$72,828	\$72,828
Home Health Aide	\$37,454	\$37,454	\$37,454	\$37,454
Payroll Per Position (Count x Salary)				
Registered Nurse-FTE	\$6,936	\$152,112	\$409,687	\$726,649
Physical Therapist-FTE	\$8,670	\$232,393	\$625,911	\$1,142,527
Occupational Therapist-FTE	\$8,670	\$79,225	\$213,379	\$389,734
Speech Language Pathologist	\$1,734	\$14,084	\$37,934	\$71,136
Medical Social Worker	\$1,214	\$9,859	\$26,554	\$49,795
Home Health Aide	\$624	\$2,535	\$6,828	\$12,804
<b>Total Field Staff Payroll</b>	<b>\$27,848</b>	<b>\$490,208</b>	<b>\$1,320,294</b>	<b>\$2,392,646</b>

## TOTAL PERSONNEL BREAKDOWN

	2021	2022	2023	2024
<b>Total Personnel</b>	<b>1.8</b>	<b>8.4</b>	<b>23.1</b>	<b>37.2</b>
<b>Total Payroll</b>	<b>\$38,348</b>	<b>\$773,458</b>	<b>\$2,006,460</b>	<b>\$3,286,646</b>
<b>Payroll/Revenue</b>	<b>0.00%</b>	<b>71.16%</b>	<b>68.54%</b>	<b>59.87%</b>

## REVENUE FORECAST

	2021	2022	% of rev	2023	% of rev	2024	% of rev
Revenue							
Medicare Patient Visits	\$0	\$852,863	78%	\$2,297,043	78%	\$4,307,524	78%
HMO Patient Visits	\$0	\$116,964	11%	\$315,023	11%	\$590,746	11%
Private Pay Patient Visits	\$0	\$12,184	1%	\$32,815	1%	\$61,536	1%
Medicaid	\$0	\$57,020	5%	\$153,574	5%	\$287,989	5%
Commercial / Health Care Contract	\$0	\$36,551	3%	\$98,445	3%	\$184,608	3%
Other Government / L&I	\$0	\$11,404	1%	\$30,715	1%	\$57,598	1%
<b>Total Revenue</b>	<b>\$0</b>	<b>\$1,086,985</b>	<b>100%</b>	<b>\$2,927,614</b>	<b>100%</b>	<b>\$5,490,001</b>	<b>100%</b>
Deduction From Revenue							
Charity Care (1% of Rev)	\$0	\$10,870	1%	\$29,276	1%	\$54,900	1%
Direct Cost of Revenue							
Total Field Staff Payroll	\$27,848	\$490,208		\$1,320,294		\$2,392,646	
Field Staff Payroll Taxes	\$1,949	\$34,511		\$92,949		\$168,442	
Medical Supplies	\$2,500	\$25,342		\$68,255		\$127,995	
Subtotal Cost of Revenue	\$32,297	\$560,931		\$1,510,774		\$2,743,983	
<b>Total Direct Costs</b>	<b>\$32,297</b>	<b>\$560,931</b>		<b>\$1,510,774</b>		<b>\$2,743,983</b>	
Gross Margin	(\$32,297)	\$526,055		\$1,416,841		\$2,746,018	
Gross Margin/Revenue	0.0%	48.4%		48.4%		50.0%	



## PRO FORMA PROFIT & LOSS

	2021	2022	2023	2024	Notes
<b>Total Revenue</b>	<b>\$0</b>	<b>\$1,086,985</b>	<b>\$2,927,614</b>	<b>\$5,490,001</b>	
Total Direct Cost of Revenue	\$0	\$560,931	\$1,510,774	\$2,743,983	
Gross Margin	(\$32,297)	\$526,055	\$1,416,841	\$2,746,018	
Gross Margin/Revenue	0%	48%	48%	50%	Margin Increase in year 3 due to efficiencies gained with direct labor staff optimization
<b>Expenses</b>					
Audit / Accounting Fees	\$1,000	\$3,000	\$5,778	\$5,778	Fee increase in 2023
Bad Debt	\$0	\$32,610	\$87,828	\$164,700	Anticipate 3% bad debt to revenue (based on experience)
Bus. Dev. - Entertainment	\$0	\$1,200	\$1,600	\$1,600	Business Development Budget Increase in 2023
Consulting Fees (Medical Director)	\$0	\$7,200	\$3,000	\$10,800	YR 1 = 4 hrs per month, YR 2 = 5 hrs per month, YR 3 = 6 hrs per month
Education (Quarterly Staff Meetings)	\$0	\$600	\$900	\$1,080	Annual Education Budget increase with new staff
Facilities - Insurance (Commercial)	\$0	\$800	\$800	\$800	Consistent YoY fee estimate
Facilities - Phone (Cell Phones)	\$0	\$1,600	\$1,600	\$1,600	Consistent YoY fee estimate
Facilities - Rent / Prop. Mgmt. Fee)	\$0	\$6,708	\$36,000	\$37,800	Move to bigger office in 2023 with rent estimated at \$3000 per month; 5% increase in 2024
Insurance (Worker's Comp)	\$250	\$8,103	\$15,000	\$27,915	Consistent YoY fee estimate
Health Insurance	\$0	\$24,000	\$42,500	\$68,000	Growth based on additional FTEs
Liability Insurance	\$0	\$3,200	\$3,200	\$3,200	Liability Insurance consistent over a 3 year period
Office Supplies	\$0	\$600	\$600	\$600	Office Supplies Budget consistent over a 3 year period
Payroll - ADP	\$400	\$2,400	\$2,400	\$2,400	Payroll Fees consistent over 3 year period
PR / Advertising (Job Postings)	\$0	\$1,600	\$1,600	\$1,600	Consistent YoY fee estimate
Taxes & Licenses	\$800	\$8,000	\$8,000	\$8,000	Consistent YoY fee estimate
Vehicle - Mileage	\$200	\$5,501	\$14,815	\$26,891	est @ 1% of Total Direct Cost of Labor
Vehicle - Stipend	\$0	\$5,400	\$5,400	\$5,400	Stipend for DPCS at \$450 per month
Depreciation	\$0	\$655	\$655	\$655	Consistent YoY fee estimate
Administrative/Office Payroll Taxes	\$0	\$19,828	\$48,032	\$62,580	
Total Administrative/Office Payroll	\$10,500	\$283,250	\$686,167	\$894,000	
<b>Total Op. Expenses</b>	<b>\$13,150</b>	<b>\$416,254</b>	<b>\$971,875</b>	<b>\$1,325,399</b>	
EBITDA	(\$45,447)	\$121,325	\$474,897	\$1,476,175	Note: 2021 expenses related to seeing necessary 10 - 15 probono patients for credentialing
HLNR (PEO) 6.5% of Revenue	\$0	\$70,654	\$190,295	\$356,850	
Taxes Incurred	\$0	\$7,135	\$53,629	\$234,921	
<b>Net Profit</b>	<b>(\$45,447)</b>	<b>\$42,881</b>	<b>\$224,318</b>	<b>\$883,749</b>	
<b>Net Profit %</b>	<b>0.0%</b>	<b>3.9%</b>	<b>7.7%</b>	<b>16.1%</b>	

## BALANCE SHEET

	2021	2022	2023	2024
<b>Assets</b>				
<b>Current Assets</b>				
Cash	\$90,000	\$51,095	\$276,068	\$1,160,472
<b>Total Current Assets</b>	<b>\$90,000</b>	<b>\$51,095</b>	<b>\$276,068</b>	<b>\$1,160,472</b>
<b>Fixed Assets</b>				
Long-term Assets	\$0	\$9,828	\$9,828	\$9,828
Accum. Depreciation	\$0	\$655	\$1,310	\$1,966
<b>Total Fixed Assets</b>	<b>\$0</b>	<b>\$9,173</b>	<b>\$8,518</b>	<b>\$7,862</b>
<b>Total Assets</b>	<b>\$90,000</b>	<b>\$60,268</b>	<b>\$284,586</b>	<b>\$1,168,335</b>
<b>Liabilities and Capital</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$0	\$0	\$0	\$0
<b>Subtotal Current Liabilities</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Liabilities</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Paid-in Capital</b>	<b>\$90,000</b>	<b>\$90,000</b>	<b>\$90,000</b>	<b>\$90,000</b>
Retained Earnings	\$0	(\$27,166)	\$15,715	\$240,033
Earnings	(\$45,447)	\$42,881	\$224,318	\$883,749
<b>Total Capital</b>	<b>\$44,553</b>	<b>\$105,715</b>	<b>\$330,033</b>	<b>\$1,213,782</b>
<b>Total Liabilities and Capital</b>	<b>\$44,553</b>	<b>\$105,715</b>	<b>\$330,033</b>	<b>\$1,213,782</b>

## Appendix J: Need Methodology

### Department Evaluation

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 King County. [source: SHP, pB-35]

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

**Department's Table 2**  
**Numeric Need Methodology for King County**  
**Step One – Project Planning Area Population by Age Cohort**

Age Cohort	2021	2022	2023
0-64	1,918,470	1,930,192	1,941,913
65-79	263,725	273,267	282,808
80+	74,045	77,614	81,184

[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 their corresponding use rate.

**Department's Table 3**  
**Numeric Need Methodology for King County**  
**Step Two – Projected Number of Home Health Patients**

Age Cohort	Use Rate	2021	2022	2023
0-64	0.005	9,592	9,651	9,710
65-79	0.044	11,064	12,024	12,444
80+	0.183	13,550	14,203	14,857

Step three: Project number of patient visits

This is done by multiplying each age cohorts' number of patients by their corresponding number of visits.

**Department's Table 4**  
**Numeric Need Methodology for King County**  
**Step Three – Projected Number of Home Health Visits**

Age Cohort	Use Rate	Visits	2021	2022	2023
0-64	0.005	10	95,924	96,510	97,096
65-79	0.044	14	162,455	168,332	174,210
80+	0.183	21	284,556	298,272	311,989
<b>Totals</b>			<b>542,934</b>	<b>563,114</b>	<b>583,294</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 considered the “target minimum operating volume for a home health agency.” The resulting number represents the maximum projected number of agencies needed in a planning area. The SHP states fractions are rounded down to the nearest whole number.

**Department’s Table 5**  
**Numeric Need Methodology for King County**  
**Step Four – Projected Number of Home Health Agencies Needed**

	2021	2022	2023
Total Number of Visits from Step 3 Table	542,934	563,114	583,294
Target Minimum Operating Volume	10,000	10,000	10,000
Number of Agencies	54.29	56.31	58.33
<b>Number of Agencies Needed</b>	<b>54</b>	<b>56</b>	<b>58</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 in a planning area from the projected number of agencies needed. This results in the net number of agencies needed for the planning area. The following analysis of which agencies are sufficiently available and accessible will be used in order to determine which will be counted in the supply.

The department started with a listing of licensed home health agencies that serve King County with a status of ‘active’ and listed home health as a category. This resulted in 109 licenses.

The definition in the 1987 Washington State Health Plan for a home health agency 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] This filter resulted in elimination of 25 licenses based on the service categories listed on each agency’s license, leaving 84 home health agencies.

Of the remaining 84 agencies, 18 are Medicare and Medicaid certified home health agencies and 66 are considered ‘licensed only’ home health agencies. The 18 Medicare and Medicaid certified agencies will be counted in the supply.

For the remaining 66 ‘licensed only’ agencies, the department reviewed its internal database<sup>5</sup>, the agency’s most recent two annual CN utilization surveys (if available), and/or the home health agency’s public website to determine whether the agency fits the 1987 SHP definition of a home health agency. Of the 66 agencies, 52 are excluded in the count of available home health agencies for King County. The table beginning on the following page lists the 53 excluded agencies with notes identifying the rationale behind exclusion.

<sup>5</sup> Integrated Licensing and Regulatory System (ILRS).



The next table includes a row with the number of existing agencies (32) that are counted in the supply.

**Department's Table 8**  
**Numeric Need Methodology for King County**  
**Step Five – Projected Number of Home Health Agencies Needed**

	2021	2022	2023
Total Number of Visits from Step 3 Table	542,934	563,114	583,294
Target Minimum Operating Volume	10,000	10,000	10,000
Number of Agencies	54.29	56.31	58.33
Number of Agencies Needed	54	56	58
Subtract Number of Existing Agencies	32	32	32
<b>Net Agencies Needed</b>	<b>22</b>	<b>24</b>	<b>26</b>

The applicant submitted its application in December 2019 and based its application on experience in Clark County in Washington State. Healthy Living at Home-Seattle anticipates providing Medicare and Medicaid-certified home health services in King County by January 2021. Taking this operational timeline into consideration, time spent for this review, and the completed utilization data, for the department methodology base year is 2019; projected year is 2022.

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

[source: 20-02 Evaluation Decision]



## Appendix K: Letter of Intent



Healthy Living at Home - Seattle, LLC

December 8th, 2020  
Certificate of Need Program  
Washington State Department of Health  
PO Box 47852  
Olympia, WA 98504-7852

**RECEIVED**

By CERTIFICATE OF NEED PROGRAM at 4:07 pm, Dec 08, 2020

**LOI20-12HLHHK**

ex: JUN 09, 2021

**Re: Letter of Intent**

Dear Ms. Sigman,

This letter is to notify the Department of Health that Healthy Living at Home - Seattle, LLC ("HLH - Seattle") intends to seek Certificate of Need approval to establish a Medicare and Medicaid certified Home Health agency in King County.

In accordance with WAC 246-310-080 the following information is provided:

1. Description of the Proposed Services:

HLH - Seattle will offer in-home skilled nursing, physical therapy, occupational therapy, speech language pathology, medical social work, home health aide, and registered dietician services to homebound patients under the direction of a physician.

2. Estimated Cost of the Project:

HLH - Seattle capital expenditure is estimated to be \$90,000.

3. Identification of the Service Area:

HLH - Seattle will serve the residents of King County.

Please do not hesitate Geoff Schackmann, Program Manager, if you have any questions or require additional information

Sincerely,

Geoff Schackmann, Program Manager  
480-495-5474

Healthy Living at Home - Seattle, LLC | Letter of Intent King County Hospice

## **Appendix L: Board Letter of Financial Support**

DocuSign Envelope ID: A3AC7F55-EDC3-48CA-8767-1D80177B23B6



Certificate of Need Program  
2019  
Department of Health  
PO Box 47852  
Olympia, WA 98504-7852

September 10th,

Re: Letter of Financial Commitment on behalf of Healthy Living at Home - Seattle, LLC

Dear Ms. Sigman,

The Certificate of Need Program's application for Medicare certified and Medicaid eligible hospice agency requests a letter of support and financial commitment on startup healthcare ventures.

We, the governing board of Healthy Living Network, will commit the necessary personnel, capital investment, and financial resources to finance the startup and initial operations of Healthy Living at Home - Seattle, LLC.


Thank You,

DocuSigned by:  
*Caroline Breeding, President*  
2D3B96D0642C4E9...  
Caroline Breeding, President

DocuSigned by:  
*Jonathan Bliss, Vice President Home Health*  
2D3B96D0642C4E9...  
Jonathan Bliss, VP – Home Health

DocuSigned by:  
*Geoff Schackmann*  
2D3B96D0642C4E9...  
Geoff Schackmann, Program Manager

## Appendix M: Lease Agreement

		Office Service Agreement																									
Agreement Date (mm/dd/yy):		01 / 12 / 2021	Reference No.: 32768-756479																								
<b>Business Center Address:</b> Wa, Seattle - Norton Building 801 Second Avenue Suite 800 Seattle, Washington 98104 United States of America		<b>Client Address (Not a Business Center Address):</b> Company Name: Healthy Living at Home-King County Contact Name: Geoff Schackmann Address: 1499 SE Tech Center Place, #140 Address: Vancouver, WA 98683 Phone & Email: 408-681-0111; geoff.schackmann@healthyliving-oregon.com																									
<b>Office Payment Details (excluding tax and excluding services)</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Office Number</th> <th>No. of People</th> <th>Monthly Office Fee</th> <th>Currency</th> </tr> </thead> <tbody> <tr> <td>866</td> <td>1</td> <td>559</td> <td>usd</td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td><b>Total per Month</b></td> <td>1</td> <td>559</td> <td>-</td> </tr> </tbody> </table>				Office Number	No. of People	Monthly Office Fee	Currency	866	1	559	usd													<b>Total per Month</b>	1	559	-
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	Amount																										
<b>Total Monthly Payment Thereafter</b>	559																										
<b>Service Provision</b>		<b>Start Date</b>	<b>End Date*</b>																								
		January 12th, 2021	December 31st, 2022																								
<i>* All agreements end on the last calendar day of the month.</i>																											
<b>Comments:</b> Invoice Fees are charged on a monthly basis which is calculated on a 30-day month A lease for at least one year with options to renew for not less than a total of three years All Agreements end on the last calendar day of the month A refundable service retainer equivalent to 2 x monthly office fee will be payable																											
We are, Regus Management Group, LLC. This Agreement incorporates our terms of business set out on attached Terms and Conditions, attached House Rules and Service Price Guide (where available) which you confirm you have read and understood. We both agree to comply with those terms and our obligations as set out in them. This agreement is binding from the agreement date and may not be terminated once it is made, except in accordance with its terms. Note that the Agreement does not come to an end automatically. See "Automatic Renewal" section of your terms and conditions for the notice terms if you wish to end your agreement.																											
<b>AGREEMENT TO ARBITRATE; CLASS ACTION WAIVER:</b> Any dispute or claim relating in any way to this agreement shall be resolved by binding arbitration administered by the American Arbitration Association in accord with its Commercial Arbitration Rules (available at <a href="http://www.adr.org">www.adr.org</a> ), except that you or the Provider may assert claims in small claims court and the Client and the Provider may pursue court actions to remove you, or prevent your removal, from the Center if you do not leave when this agreement terminates. The arbitrator shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, enforceability, or formation of this agreement. The arbitrator shall not conduct arbitration as a class or representative action. The Client and the Provider acknowledge that this agreement is a transaction in interstate commerce governed by the Federal Arbitration Act. The Client and the Provider agree to waive any right to pursue any dispute relating to this agreement in any class, private attorney general, or other representative action.																											
Name (printed): <u>                    </u> Title (printed): <u>                    </u> Date: <u>1/12/21</u> <b>SIGNED on your behalf</b>																											

These General Terms and Conditions apply to Office/Co-Working, Virtual Office and Membership agreements for services We supply to You.

# I. General Agreement

- 1.1. Nature of an agreement: At all times, each Center remains in Our possession and control. YOU ACCEPT THAT AN AGREEMENT CREATES NO TENANCY INTEREST, LEASEHOLD ESTATE OR OTHER REAL PROPERTY INTEREST IN YOUR FAVOR WITH RESPECT TO THE ACCOMMODATION. Occupation by You is the commercial equivalent of an agreement for accommodation in a hotel. We are giving You the right to share the use of the Center with Us and other clients.
- 1.2. House Rules: The House Rules, which are incorporated into these terms and conditions, are primarily in place and enforced to ensure that all clients have a professional environment to work in.
- 1.3. Availability at the start of an agreement: If for any unfortunate reason We cannot provide the services or accommodation in the Center stated in an agreement by the start date, We will have no liability to You for any loss or damage but You may either move to one of Our other Centers (subject to availability), delay the start of the agreement or cancel it.
- 1.4. **AUTOMATIC RENEWAL:** SO THAT WE CAN MANAGE YOUR SERVICES EFFECTIVELY AND TO ENSURE SEAMLESS CONTINUITY OF THOSE SERVICES, ALL AGREEMENTS WILL RENEW AUTOMATICALLY FOR SUCCESSIVE PERIODS EQUAL TO THE CURRENT TERM UNTIL BROUGHT TO AN END BY YOU OR US. ALL PERIODS SHALL RUN TO THE LAST DAY OF THE MONTH IN WHICH THEY WOULD OTHERWISE EXPIRE. THE FEES ON ANY RENEWAL WILL BE AT THE THEN PREVAILING MARKET RATE. IF YOU DO NOT WISH TO RENEW AN AGREEMENT, THEN YOU CAN CANCEL IT EASILY WITH EFFECT FROM THE END DATE STATED IN THE AGREEMENT, OR AT THE END OF ANY EXTENSION OR RENEWAL PERIOD, BY GIVING US PRIOR NOTICE. NOTICE MUST GIVEN THROUGH YOUR ONLINE ACCOUNT OR THROUGH THE APP. THE NOTICE PERIODS REQUIRED ARE AS FOLLOWS:

Term	Notice Period
Month-to-Month	no less than 1 month's notice from the 1 <sup>st</sup> day of any calendar month
3 months	no less than 2 months' notice prior to the end of the term
More than 3 months	no less than 3 months' notice prior to the end of the term

- 1.5. We may elect not to renew an agreement. If so, We will inform You by email, through the App or Your online account, according to the same notice periods specified above.
- 1.6. If the Center is no longer available: In the event that We are permanently unable to provide the services and accommodation at the Center stated in an agreement, We will offer You accommodation in one of Our other centers. In the unlikely event We are unable able to find an alternative accommodation that is acceptable to You, Your agreement will end and You will only have to pay monthly fees up to that date and for any additional services You have used.
- 1.7. Ending an agreement immediately: We may put an end to an agreement immediately by giving You notice if (a) You become insolvent or bankrupt; or (b) You breach one of your obligations which cannot be remedied, or which We have given You notice to remedy and which You have failed to remedy within 14 days of that notice; or (c) Your conduct, or that of someone at the Center with Your permission or invitation, is incompatible with ordinary office use and, (i) that conduct continues despite You having been given notice, or (ii) that conduct is material enough (in Our reasonable opinion) to warrant immediate termination; or (d) You are in breach of the "Compliance With Law" clause below. If We put an end to an agreement for any of the reasons referred to in this clause, it does not put an end to any of Your financial obligations, including, without limitation, for the remainder of the period for which Your agreement would have lasted if We had not terminated it.
- 1.8. When an Office agreement ends: When an agreement ends, You must vacate Your accommodation immediately, leaving it in the same state and condition in which You found it. Upon Your departure or if You choose to relocate to a different room within a Center, We will charge a fixed office restoration service fee to cover normal cleaning and any costs incurred to return the accommodation to its original condition and state. This fee will differ by country and is listed in the House Rules. We reserve the right to charge additional reasonable fees for any repairs needed above and beyond normal wear and tear. If You leave any property in the Center, We may dispose of it at Your cost in any way We choose without owing You any responsibility for it or any proceeds of sale. If You continue to use the accommodation when an agreement has ended, You are



2. Use of the Centers:

2.1. Business Operations: You may not carry on a business that competes with Our business of providing serviced offices and flexible working. You may not use Our name (or that of Our affiliates) in any way in connection with Your business. You are only permitted to use the address of a Center as Your registered office address if it is permitted by both law and if We have given You prior written consent (given the additional administration, there is an additional fee for this service). You must only use the accommodation for business purposes. If We decide that a request for any particular service is excessive, We reserve the right to charge an additional fee. To ensure that the Center provides a great working environment for all, We kindly ask you to limit any excessive visits by members of the public.

2.2. Accommodation

2.2.1. Alterations or Damage: You are liable for any damage caused by You or those in the Center with Your permission, whether express or implied, including but not limited to all employees, contractors and/or agents.

2.2.2. IT Installations: We take great pride in Our IT infrastructure and its upkeep and, therefore, You must not install any cabling, IT or telecom connections without Our consent, which We may refuse at our absolute discretion. As a condition to Our consent, You must permit Us to oversee any installations (for example, IT or electrical systems) and to verify that such installations do not interfere with the use of the accommodation by other clients or Us or any landlord of the building. Fees for installation and de-installation will be at Your cost.

2.2.3. Use of the Accommodation: An agreement will list the accommodation We initially allocate for Your use. You will have a non-exclusive right to the rooms allocated to You. Occasionally, to ensure the efficient running of the Center, We may need to allocate a different accommodation to You, but it will be of a reasonably equivalent size and We will notify You with respect to the different accommodation in advance.

2.2.4. Access to the Accommodation: To maintain a high level of service, We may need to enter Your accommodation and may do so at any time, including and without limitation, in an emergency, for cleaning and inspection or in order to resell the space if You have given notice to terminate. We will always endeavor to respect any of Your reasonable security procedures to protect the confidentiality of Your business.

2.3. Membership:

2.3.1. If You have subscribed to a Membership Agreement, You will have access to all participating centers worldwide during standard business working hours and subject to availability.

2.3.2. Membership Usage: Usage is measured in whole days and unused days cannot be carried over to the following month. A membership is not intended to be a replacement for a full-time workspace and all workspaces must be cleared at the end of each day. You are solely responsible for Your belongings at the center at all times. We are not responsible for any property that is left unattended. Should You use more than Your membership entitlement, We will charge You an additional usage fee. You may bring in 1 guest free of charge (subject to fair usage). Any additional guests will be required to purchase a day pass.

2.3.3. As a Member, You may not use any Center as Your business address without an accompanying office or virtual office agreement in place. Any use of the Center address in such a way will result in an automatic enrollment in the Virtual Office product for the same term as Your membership and You will be invoiced accordingly.

2.4. Compliance with Law: You must comply with all relevant laws and regulations in the conduct of Your business. You must not do anything that may interfere with the use of the Center by Us or by others (including but not limited to political campaigning or immoral activity), cause any nuisance or annoyance, or cause loss or damage to Us (including damage to reputation) or to the owner of any interest in the building. If We have been advised by any government authority or other legislative body that it has reasonable suspicion that You are conducting criminal activities from the Center, or You are or will become subject to any government sanctions, then We shall be entitled to terminate any and all of Your agreements with immediate effect. You acknowledge that any breach by You of this clause shall constitute a material default, entitling Us to terminate

- 2.5. Ethical Trading: Both We and You shall comply at all times with all relevant anti-slavery, anti-bribery and anti-corruption laws.
  - 2.6. Data protection: You acknowledge that We may collect and process personal data from You and Your employees as strictly necessary to ensure compliance with applicable laws and regulations and to enable Us to effectively provide services to You. You acknowledge and accept that such personal data may be transferred or made accessible to other entities in our group, wherever located, for the purposes of providing the services, in each case in accordance with all applicable data protection legislation.
  - 2.7. Employees: We will both have invested a great deal in training Our staff, therefore, neither of us may knowingly solicit or offer employment to the other's staff employed in the Center (or for 3 months after they have left their employment). To recompense the other for staff training and investment costs, if either of us breaches this clause the breaching party will pay upon demand to the other the equivalent of 6 months' salary of any employee concerned.
  - 2.8. Confidentiality: The terms of an agreement are confidential. Neither of us may disclose them without the other's consent unless required to do so by law or an official authority. This obligation continues for a period of 3 years after an agreement ends.
  - 2.9. Assignment: An agreement is personal to You and cannot be transferred to anyone else without prior consent from Us unless such transfer is required by law. However, We will not unreasonably withhold our consent to assignment to an affiliate provided that You execute our standard form of assignment. We may transfer any agreement and any and all amounts payable by You under an agreement to any other member of Our group.
  - 2.10. Applicable law: An agreement is interpreted and enforced in accordance with the law of the place where the Center is located other than in a few specific jurisdictions which are detailed in the House Rules. We and You both accept the exclusive jurisdiction of the courts of that jurisdiction. If any provision of these terms and conditions is held void or unenforceable under the applicable law, the other provisions shall remain in force.
3. Our liability to You and Insurance
- 3.1. The extent of Our liability: To the maximum extent permitted by applicable law, We are not liable to You in respect of any loss or damage You suffer in connection with an agreement, including without limitation any loss or damage arising as a result of our failure to provide a service as a result of mechanical breakdown, strike or other event outside of Our reasonable control otherwise unless We have acted deliberately or have been negligent. In no event shall We be liable for any loss or damage until You provide written notice and give Us a reasonable time to remedy it. If We are liable for failing to provide You with any service under an agreement then, subject to the exclusions and limits set out immediately below, We will pay any actual and the reasonable additional expense You have incurred in obtaining the same or similar service from elsewhere.
  - 3.2. Your Insurance: It is Your responsibility to arrange insurance for property which You bring in to the Center, for any mail You send or receive and for Your own liability to your employees and to third parties. We strongly recommend that You put such insurance in place.
  - 3.3. IT Services and Obligations: While We have security internet protocols in place and strive to provide seamless internet connectivity, WE DO NOT MAKE ANY REPRESENTATION AND CANNOT GUARANTEE ANY MAINTAINED LEVEL OF CONNECTIVITY TO OUR NETWORK OR TO THE INTERNET, NOR THE LEVEL OF SECURITY OF IT INFORMATION AND DATA THAT YOU PLACE ON IT. You should adopt whatever security measures (such as encryption) You believe are appropriate to Your business. Your sole and exclusive remedy in relation to issues of reduced connectivity which are within Our reasonable control shall be for Us to rectify the issue within a reasonable time following notice from You to Us.
  - 3.4. EXCLUSION OF CONSEQUENTIAL LOSSES: WE WILL NOT IN ANY CIRCUMSTANCES BE HELD LIABLE FOR A LOSS OF BUSINESS, LOSS OF PROFITS, LOSS OF ANTICIPATED SAVINGS, LOSS OF OR DAMAGE TO DATA, THIRD-PARTY CLAIMS OR ANY CONSEQUENTIAL LOSS. WE STRONGLY RECOMMEND THAT YOU INSURE AGAINST ALL SUCH POTENTIAL LOSS, DAMAGE, EXPENSE OR LIABILITY.
  - 3.5. Financial limits to our liability: In all cases, our liability to You is subject to the following limits:
    - 3.5.1. without limit for personal injury or death;
    - 3.5.2. up to a maximum of GBP 1 million (or USD 1.5 million or EUR 1 million or other local equivalent) for any one event or series of connected events for damage to Your personal property; and
    - 3.5.3. in respect of any other loss or damage, up to a maximum equal to 125% of the total fees paid.

question arises; or if higher, for office agreements only, GBP 50,000 / USD 100,000 / EUR 66,000 (or local equivalent).

#### 4. Fees

- 4.1. Service Retainer/Deposit: Your service retainer / deposit will be held by Us without generating interest as security for performance of all Your obligations under an agreement. All requests for the return must be made through Your online account or App after which the service retainer/deposit or any balance will be returned within 30 days to You once your agreement has ended and when You have settled Your account. We will deduct any outstanding fees and other costs due to Us before returning the balance to You. We may require You to pay an increased retainer if the monthly office or virtual office fee increases upon renewal, outstanding fees exceed the service retainer/deposit held and/or You frequently fail to pay invoices when due.
- 4.2. Taxes and duty charges: You agree to pay promptly (i) all sales, use, excise, consumption and any other taxes and license fees which You are required to pay to any governmental authority (and, at Our request, You will provide to Us evidence of such payment) and (ii) any taxes paid by Us to any governmental authority that are attributable to Your accommodation, where applicable, including, without limitation, any gross receipts, rent and occupancy taxes, tangible personal property taxes, duties or other documentary taxes and fees.
- 4.3. Payment: We are continually striving to reduce our environmental impact and support You in doing the same. Therefore, We will send all invoices electronically and You will make payments via an automated method such as Direct Debit or Credit Card, wherever local banking systems permit.
- 4.4. Late payment: If You do not pay fees when due, a fee will be charged on all overdue balances. This fee will differ by country and is listed in the House Rules. If You dispute any part of an invoice, You must pay the amount not in dispute by the due date or be subject to late fees. We also reserve the right to withhold services (including for the avoidance of doubt, denying You access to the Center where applicable) while there are any outstanding fees and/or interest, or You are in breach of an agreement.
- 4.5. Insufficient Funds: Due to the additional administration We incur, You will pay a fee for any returned or declined payments due to insufficient funds. This fee will differ by country and is listed in the House Rules.
- 4.6. Indexation: If an agreement is for a term of more than 12 months, We will increase the monthly fee on each anniversary of the start date in line with the relevant inflation index detailed in the House Rules.
- 4.7. Standard services: Monthly fees, plus applicable taxes, and any recurring services requested by You are payable monthly in advance. Where a daily rate applies, the charge for any such month will be 30 times the daily fee. For a period of less than one month, the fee will be applied on a daily basis.
- 4.8. Pay-as-you-use and Additional Variable Services: Fees for pay-as-you-use services, plus applicable taxes, are payable monthly in areas at our standard rates which may change from time to time and are available on request.
- 4.9. Discounts, Promotions and Offers: If You benefited from a special discount, promotion or offer, We will discontinue that discount, promotion or offer without notice if You materially breach Your agreement.

## Appendix O: Certified Mail of Application Face Sheet + Check

7019 2970 0000 3341 5919

**U.S. Postal Service<sup>TM</sup>**  
**CERTIFIED MAIL<sup>®</sup> RECEIPT**  
*Domestic Mail Only*

For delivery information, visit our website at [www.usps.com](http://www.usps.com)<sup>®</sup>.

**OFFICIAL USE**

Certified Mail Fee \$	Postmark Here
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy) \$	
<input type="checkbox"/> Return Receipt (electronic) \$	
<input type="checkbox"/> Certified Mail Restricted Delivery \$	
<input type="checkbox"/> Adult Signature Required \$	
<input type="checkbox"/> Adult Signature Restricted Delivery \$	
Postage \$	
Total Postage and Fees \$	

Sent To: Dept. of Health  
 Street and Apt. No., or PO Box No. PO 47852  
 City, State, ZIP+4<sup>®</sup> Olympia WA 9854-7852

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

PostalAnnex + #196  
 16420 SE McGillivray  
 Vancouver, WA 98683  
 (360) 891-2484

Office Supply	0.20 TX
Metered Mail	7.35
SUBTOTAL 7.55	
TAX	
Standard Sta on 0.20	0.02
TOTAL	7.57
TEND MasterCard	7.57

Total shipments: 0  
 Customer: None selected

#431824 01/19/2021 11:35 AM  
 Workstation: 9 - Auxiliary Workstation 9  
 CCTran# 24be83bc-6289-416a-90a1-bab8b3def149

\*\*\*\*\*  
 Thank you for your business  
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