



WRITTEN COMMENTS ON NEW HANOVER COUNTY

2023 MEDICARE-CERTIFIED HOME HEALTH AGENCY NEED DETERMINATION

SUBMITTED BY WELL CARE HOME HEALTH OF NEW HANOVER, INC. / PROJECT I.D. O-12405-23

Well Care Home Health of New Hanover, Inc. (Well Care) proposes to develop a home health agency in New Hanover County (Project I. D.O-12405-23). Four additional applications were submitted in response to the need determination in the 2023 State Medical Facilities Plan (“SMFP”) for one new Medicare-certified home health agency in New Hanover County:

Applicant / Project ID	Well Care Written Comments Begin on Page #
Interim HealthCare (Interim) Project I.D. O-12389-23	14
Healthview Home Health - New Hanover (Healthview) Project I.D. O-12394-23	20
Aveanna Home Health - New Hanover (Aveanna) Project I.D. O-12401-23	23
BAYADA Home Health Care, Inc. (BAYADA) Project I.D. O-12404-23	26

These comments are submitted by Well Care in accordance with N.C. Gen. Stat. § 131E-185(a1)(1) to address the representations in the applications, including a comparative analysis and a discussion of the most significant issues regarding the applicants’ conformity with the statutory and regulatory review criteria (“the Criteria”) in N.C. Gen. Stat. §131E-183(a) and (b). Other non-conformities in the competing applications may exist. Nothing in these Comments is intended to amend the Well Care Application and nothing contained here should be considered an amendment to the Well Care Application as submitted.

COMMENTS REGARDING COMPARATIVE REVIEW

The following factors are suggested for all reviews regardless of the type of services or equipment proposed:

- Conformity with Statutory and Regulatory Review Criteria
- Scope of Services
- Historical Utilization
- Geographic Accessibility (Location within the Service Area)
- Access by Service Area Residents
- Access by Underserved Groups: Charity Care
- Access by Underserved Groups: Medicaid
- Access by Underserved Groups: Medicare
- Competition (Access to a New or Alternate Provider)
- Projected Average Net Revenue per Patient, Procedure, Case, or Visit
- Projected Average Total Operating Cost per Patient, Procedure, Case, or Visit

The following additional factor is suggested for home health proposals:

- Average Number of Visits per Patient

Project Analysts have the discretion to apply additional factors based on the type of proposal.

Conformity to CON Review Criteria

Four CON applications have been submitted seeking one home health agency in New Hanover County. Based on the 2023 SMFP’s need determination for one additional home health agency, only one application can be approved. Only applicants demonstrating conformity with all applicable Criteria can be approved, and only the application submitted by Well Care demonstrates conformity to all Criteria:

Conformity of Competing Applications

Applicant	Project I.D.	Conforming/ Non-Conforming
Well Care	O-012405-23	Yes
Healthview	O-012394-23	No
Aveanna	O-012401-23	No
BAYADA	O-012404-23	No
Interim	O-012389-23	No

The Well Care application for a new home health agency is based on reasonable and supported volume projections and adequate projections of cost and revenues. As discussed separately in this document, the competing applications contain errors and flaws which result in one or more non-conformities with statutory and regulatory review Criteria. Therefore, **Well Care** is the most effective alternative regarding conformity with the review criteria.

Geographic Accessibility (Location within the Service Area)

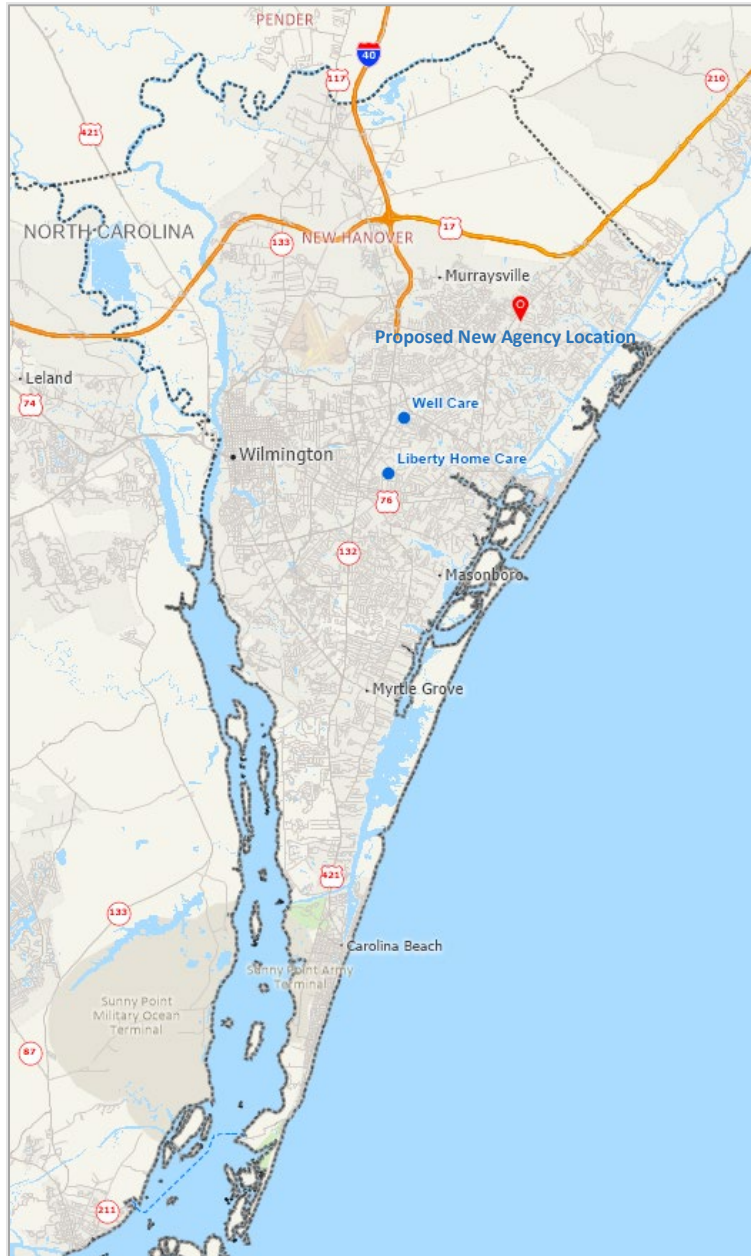
Since a home health agency serves patients in their place of residence, the Agency has historically determined the geographic location of the home health office is not a deciding factor.

For information purposes, there are currently two Medicare-certified home health agencies located throughout New Hanover County. The following table and map summarize the locations of the two Medicare-certified home health agencies located in New Hanover County.

Locations of Existing New Hanover County Home Health Agencies

Name	Address	City	Zip	Geography Within County
Well Care	131 Racine Drive	Wilmington	NC	Central
Liberty Home Care	420 East Wood Road	Wilmington	NC	Central

Locations of Existing New Hanover County Home Health Agencies



Considering the existing home health agencies are currently located in the central portion of the county, Well Care’s proposed location will allow enhanced access for other cities/towns/communities in northern New Hanover County, e.g., Castle Hayne, Ogden, Porters Neck, and Scotts Hill, which are located in a portion of the county which has experienced significant population growth and development of medical infrastructure in recent years.

Access By Service Area Residents

Chapter 12 of the 2023 SMFP states, “A Medicare-certified home health agency or office’s service area is the county in which the agency or office is located. Each of the 100 counties in the state is a separate service area.” Therefore, for the purpose of this review, New Hanover County is the service area. Facilities may also serve residents of counties not included in the service area.

The following table illustrates access by service area residents during the third full fiscal year following project completion.

Access By Service Area Residents

	Well Care	Healthview	Interim	Aveanna	BAYADA
Projected New Hanover County Residents Served in Project Year 3	1,558	856	673	483	348
New Hanover County Residents Served as a % of Total Patients Served	78.0%	92.0%	100.0%	86.9%	68.6%
Rank	1	2	3	4	5

As shown in the table above, Well Care projects to serve the highest number of New Hanover County residents (1,558). Interim projects to serve the highest percentage of New Hanover County residents during the third project year but a lower number of service area residents in the third full fiscal year, as compared to Well Care. As discussed separately in these comments, Interim does not conform to all applicable statutory and regulatory criteria, and therefore Interim is not approvable. Therefore, **Well Care** is the most effective alternative, and the remaining applications are less effective with respect to access by service area residents.

Access By Underserved Groups

Underserved groups are defined in G.S. 131E-183(a)(13) as follows:

“Medically underserved groups, such as medically indigent or low-income persons, Medicaid and Medicare recipients, racial and ethnic minorities, women, and handicapped persons, which have traditionally experienced difficulties in obtaining equal access to the proposed services, particularly those needs identified in the State Health Plan as deserving of priority.”

For access by underserved groups, applications are compared with respect to three underserved groups: charity care patients (i.e., medically indigent or low-income persons), Medicare patients, and Medicaid patients. Access by each group is treated as a separate factor.

The Agency may use one or more of the following metrics to compare the applications:

- Total charity care, Medicare, or Medicaid admissions
- Charity care, Medicare, or Medicaid admissions as a percentage of total admissions
- Total charity care, Medicare, or Medicaid dollars
- Charity care, Medicare, or Medicaid dollars as a percentage of total gross or net revenues

The metrics used by the Agency are determined by whether the applications included in the review provide data that can be compared as presented above and whether such a comparison would be of value in evaluating the alternative factors.

Projected Charity Care Access

The following table compares projected charity care in the third full fiscal year following project completion for all applicants as a percentage of gross revenue and per admission.

Rank	Applicant	Charity Care	# of Unduplicated Admissions	Charity Care Per Unduplicated Admission	Gross Revenue	Charity Care As A % of Gross Revenue
1	Well Care	\$144,161	1,998	\$72	\$8,237,791	1.75%
2	Interim	\$19,731	673	\$29	\$1,973,134	1.00%
3	BAYADA	\$9,656	507	\$19	\$2,074,071	0.47%
4	Aveanna	\$5,541	556	\$10	\$2,117,789	0.26%
5	Healthview	\$0	930	\$0	\$2,239,042	0.00%

Well Care projects the highest charity care deduction, the highest charity care per unduplicated admission, and the highest Charity Care as a percent of Gross Revenue. Therefore, regarding overall access to Charity Care, **Well Care** is the most effective alternative, and the remaining applications are less effective with respect to this comparative factor.

Projected Medicare Access

The following tables compare projected access by Medicare patients in the third full fiscal year following project completion for all applicants in the review.

Rank	Applicant	Medicare Revenue (Form F.2b)	Gross Revenue (Form F.2b)	Medicare Revenue As A % of Gross Revenue
1	Healthview	\$2,157,396	\$2,239,042	96.4%
2	Well Care	\$7,356,992	\$8,237,791	89.3%
3	BAYADA	\$1,588,780	\$2,074,071	76.6%
4	Aveanna	\$1,554,884	\$2,117,789	73.4%
5	Interim	\$670,866	\$1,973,134	34.0%

As shown in the previous table, Healthview proposes the highest Medicare revenue as a percent of gross revenue. However, the Healthview application does not conform to the statutory review criteria. Well Care proposes the second highest Medicare revenue as a percent of gross revenue.

Rank	Applicant	Total Number of Duplicated Patients	Total Number of Duplicated Medicare Patients	Duplicated Medicare Patients as a % of Total Duplicated Patients
1	Well Care	6,189	2,978	48.1%
2	Healthview	2,945	1,025	34.8%
3	Aveanna	844	562	66.6%
4	BAYADA	1,318	514	39.0%
5	Interim	1,513	357	*

*Interim did not project duplicated Medicare patients in Form C.5; therefore, Medicare projections are not available for this analysis.

As shown in the previous table, Well Care projects to serve the highest number of duplicated Medicare patients in the third full fiscal year of operation. Aveanna projects to serve the highest percentage, but the lowest total number, of Medicare recipients during the third full fiscal year following project completion. Additionally, Aveanna does not conform to the statutory review criteria. Therefore, Well Care is the most effective alternative.

Rank	Applicant	Total Visits	Total Medicare Visits	Medicare Visits as a percentage of Total Visits
1	Well Care	42,394	35,558	83.9%
2	Aveanna	12,117	9,829	81.1%
3	Healthview	10,213	9,499	93.0%
4	Interim	10,589	8,058	76.1%
5	BAYADA	8,178	1,012	12.4%

As shown in the previous table, Well Care projects the highest number of total Medicare visits and the second highest percentage of Medicare visits as a percentage of total visits. Healthview projects the highest Medicare visits as a percentage of total visits but a comparatively lower number of total Medicare visits. Additionally, Healthview does not conform to the statutory review criteria. Thus, Well Care is the most effective alternative with regard to service to Medicare recipients.

As demonstrated by the previous tables, regarding access by Medicare patients, **Well Care** is the most effective alternative.

Projected Medicaid Access

The following table compares projected access by Medicaid patients in the third full fiscal year following project completion for all the applicants in the review.

Rank	Applicant	Total Number of Unduplicated Clients	Total Number of Unduplicated Medicaid Clients	Unduplicated Medicaid Patients as a % of Total Unduplicated Patients
1	Well Care	1,998	200	10.0%
2	Healthview	930	88	9.5%
3	Interim	673	81	12.0%
4	Aveanna	556	54	9.8%
5	BAYADA	507	45	8.8%

Source: The total number of unduplicated patients is from Form C.5 of the applications, and the Medicaid percentage is from Section L.3 of the applications. The number of unduplicated Medicaid patients was calculated by applying the Medicaid percentage from the table in Section L.3 to the applicant’s projections of total unduplicated patients in third full fiscal year of operation from Form C.5.

Interim projects the highest percentage of Medicaid clients. However, Interim does not conform with all applicable statutory and regulatory criteria and, therefore, Interim cannot be approved. Well Care projects the highest number and second-highest number and percentage of Medicaid clients. Therefore, **Well Care** is the most effective alternative with respect to access for Medicaid home health patients.

Projected Charges Per Visit by Staff Discipline

Form F.5 provides the appropriate information for the Agency to evaluate potential costs to patients and third-party payors. Generally speaking, commercial insurance and private pay patients reimburse home health providers on a per visit basis. Thus, lower charges per visit may indicate comparatively lower cost to patients and third-party payors. Medicare and Medicaid have set payments for home health reimbursement that do not vary depending on the provider of the service; therefore, Medicare and Medicaid will not incur higher costs for the services proposed.

The following table compares charges per visit by staff discipline in the third full fiscal year following project completion for all applicants in the review. Projected charges were obtained from Form F.5 of the respective applications.

Charges per Visit by Staff Discipline, Project Year 3

	Nursing	Physical Therapy	Speech Therapy	Occupational Therapy	Social Worker	Home Health Aide
Well Care	\$135	\$135	\$135	\$135	\$350	\$70
Interim	\$120	\$135	\$135	\$135	\$120	\$56
Aveanna	\$164	\$187	\$184	\$190	\$196	\$85
Healthview	\$275	\$225	\$225	\$225	\$150	\$100
BAYADA	\$255	\$255	\$255	\$255	\$347	\$106

Source: Form F.5 from each application

Interim projects the lowest charges per visit for nursing, social worker, and home health aide. Well Care and Interim project similarly low charges per visit for physical therapy, speech therapy, and occupational therapy. However, Interim does not conform with all applicable statutory and regulatory criteria and, therefore, Interim cannot be approved. Therefore, **Well Care** is the most effective alternative regarding costs to patients and third-party payors.

Projected Average Net Revenue Per Visit

The following table compares the projected average net revenue per visit for the third year of operation following project completion for all the applicants, based on the information provided in the applicants' pro forma financial statements (Section Q).

Rank	Applicant	Net Revenue	# of Visits	Net Revenue per Visit
1	Well Care	\$5,434,676	42,394	\$128
3	Interim	\$1,933,672	10,589	\$183
2	Aveanna	\$1,804,295	12,117	\$149
4	Healthview	\$2,239,042	10,213	\$219
5	BAYADA	\$1,900,007	8,178	\$232

Source: Form C.5 and Form F.2 from each application

Well Care projects the lowest net revenue per unduplicated patient in the third full fiscal year following project completion. Therefore, regarding this comparative factor, the application submitted by **Well Care** is the most effective alternative.

Projected Average Net Revenue Per Unduplicated Patient

The following table compares the projected average net revenue per patient for the third year of operation following project completion for all applicants, based on the information provided in the applicants' pro forma financial statements (Section Q).

Rank	Applicant	# of Unduplicated Patients	Net Revenue	Net Revenue per Unduplicated Patient
1	Healthview	930	\$2,239,042	\$2,408
2	Well Care	1,998	\$5,434,676	\$2,720
3	Interim	673	\$1,933,672	\$2,873
4	Aveanna	556	\$1,804,295	\$3,245
5	BAYADA	507	\$1,900,007	\$3,748

Source: Form C.5 and Form F.2 from each application

Regarding this factor, historically the Agency has generally considered the application proposing the lowest average net revenue as the more effective alternative citing the rationale that “a lower average may indicate a lower cost to the patient or third-party payor.” In previous home health reviews, Well Care has advocated for the Agency to consider “average charges per visit per staff discipline” instead of “average net revenue per patient.” However, if the Agency determines it can conclusively compare the applicants regarding average net revenue per patient and if the Agency applies a similar rationale to this comparative factor as it has in prior home health reviews, **Well Care** would be deemed an effective alternative because it projects the second lowest average net revenue per unduplicated patient during the third project year. Healthview projects the lowest net revenue per unduplicated patient; however, the Healthview application does not conform to the statutory review criteria and cannot be approved.

Average Operating Expense Per Visit & Per Patient

The following table compares the projected average operating expense per visit for the third year of operation following project completion for all applicants, based on the information provided in the applicants’ pro forma financial statements (Section Q).

Average Total Operating Cost Per Visit And Per Unduplicated Patient

Rank	Applicant	Total Visits	Total Unduplicated Patients	Total Operating Costs	Average Total Operating Cost per Visit	Average Total Operating Cost per Patient
1	Well Care	42,394	1,998	\$4,394,509	\$104	\$2,199
2	Interim	10,589	673	\$1,384,758	\$131	\$2,058
3	Aveanna	12,117	556	\$1,688,723	\$139	\$3,037
4	Healthview	10,213	930	\$1,925,124	\$188	\$2,070
5	BAYADA	8,178	507	\$1,818,215	\$222	\$3,586

Source: Form C.5 and Form F.2 from each application

Regarding this factor, historically the Agency has considered the application proposing the lowest average operating expense as the more effective alternative citing the rationale that “a lower average cost may indicate a lower cost to the patient or third-party payor or a more cost-effective service.”

Well Care proposes the lowest total operating cost per visit and second lowest operating cost per patient. Therefore, the application submitted by **Well Care** is the most effective alternative regarding this comparative factor.

Average Number of Visits per Unduplicated Patient

The following table shows the average number of visits per unduplicated patient projected by each applicant in Project Year 3.

Average Visits per Unduplicated Patient – 3rd Full FY

Rank	Applicant	Unduplicated Patients	Total Visits	Average Visits per Unduplicated Patient
1	Aveanna	556	12,117	21.8
2	Well Care	1,998	42,394	21.2
3	BAYADA	507	8,178	16.1
4	Interim	673	10,589	15.7
5	Healthview	930	10,213	11.0

Source: Form C.5

As shown in the table above, there is only a small difference between Well Care and Aveanna. Aveanna is the most effective alternative with Well Care being the next most effective alternative with regard to the average number of visits per unduplicated patient.

However, as discussed separately in this document, the application submitted by Aveanna does not conform to Criterion 3; thus, Aveanna’s patient utilization projections for these applicants are not supported. The Well Care application for a new home health agency is based on reasonable and supported volume projections and adequate projections of cost and revenues. Therefore, **Well Care** is the most effective alternative regarding the average number of visits per unduplicated patient.

Salaries for Key Direct Care Staff

In recruitment and retention of personnel, salaries are a significant factor. The applicants provide the following information in Section Q, Form H.2. The following table compares the proposed salaries for direct-care staff. Generally, the application proposing the highest annual salary for direct care staff is the more effective alternative with regard to this comparative factor.

Direct Care Staff	Well Care	Interim	Aveanna	Healthview	BAYADA
Registered Nurse	\$108,726	\$97,203	\$101,546	\$79,040	\$106,512
LPN	\$71,843	\$60,825	\$67,531	\$66,560	\$66,143
Home Health Aide	\$46,987	\$38,411	\$50,648	\$37,440	\$45,764

Source: Form H

As shown in the table above, Well Care projects the highest annual salaries in Project Year 3 for registered nurses, licensed practical nurses, and home health aides. Therefore, regarding the salaries of key direct care staff, the application submitted by **Well Care** is the most effective alternative.

Healthview projects the lowest salary for registered nurses, which may inhibit the applicant’s ability to recruit and retain high quality nursing staff.

Summary

The following table lists the comparative factors and indicates the relative effectiveness of each applicant for each metric. The following table makes no assumptions on the factor “Conformity with Review Criteria.”

Comparative Factor	Well Care	Interim	Aveanna	Healthview	BAYADA
Competition (Access to a New or Alternate Provider)	Less Effective	More Effective	More Effective	More Effective	More Effective
Access by Service Area Residents	Most Effective	Less Effective	Less Effective	More Effective	Less Effective
Access by Medicare Patients	Most Effective	Less Effective	Less Effective	More Effective	Less Effective
Access by Medicaid Patients	Most Effective	Less Effective	More Effective	Less Effective	Less Effective
Average Number of Visits per Unduplicated Patient	More Effective	Less Effective	Most Effective	Less Effective	Less Effective
Average Net Revenue per Visit	Most Effective	Less Effective	Less Effective	More Effective	Less Effective
Average Net Revenue per Unduplicated Patient	More Effective	Less Effective	Less Effective	Most Effective	Less Effective
Average Operating Expense per Visit	Most Effective	Less Effective	Less Effective	Less Effective	Less Effective
Average Operating Expense per Patient	More Effective	Less Effective	Less Effective	Most Effective	Less Effective
Direct Care Salaries	Most Effective	Less Effective	Less Effective	Less Effective	Less Effective

Well Care is determined to be the most effective alternative for the following six factors:

- Access by Service Area Residents
- Access by Medicare Patients
- Access by Medicaid Patients
- Average Net Revenue per Visit
- Average Operating Expense per Visit
- Direct Care Salaries

Well Care is determined to be the more effective alternative for these three additional factors:

- Average Number of Visits per Unduplicated Patient
- Average Net Revenue per Unduplicated Patient
- Average Operating Expense per Patient

Well Care is a most effective alternative for six factors. Well Care is the most or more effective alternative for nine factors which is the most of any applicant in this Review.

**COMMENTS SPECIFIC TO HEALTHVIEW HOME HEALTH - NEW HANOVER (HEALTHVIEW)
 PROJECT ID # O-012394-23**

Comments regarding Healthview’s Assumptions of CMS Certification

Healthview erroneously assumes that it will secure Medicare certification on the same day in which it obtains its licensure from DHSR.

	Licensure Obtained	Services Offered	CMS Certification Obtained
Healthview	01/01/2025	01/01/2025	01/01/2025

Source: Healthview application, Section P

This is not a reasonable assumption, and it impacts Healthview’s conformity with multiple criteria.

Medicare has a well-established, time-consuming, six-step approval process for home health agencies who seek CMS certification.

1. An agency must apply for and receive a license from DHSR in NC by submitting policies for review and paying the licensing fee for a new agency.
2. An agency will need to recruit, hire, and onboard staff and build a patient census that satisfies both the current patient census and total patients served threshold requirements to qualify for a Medicare Certification Survey.
3. Licensed home health agencies must apply to enroll in the Medicare program using a Medicare Enrollment Application commonly known as the CMS-855A form. These forms are submitted in the system referred to as PECOS (Provider Enrollment, Chain, and Ownership System).
4. After a licensed HHA submits its application through PECOS, the Application will go to Palmetto GBA (the Palmetto Government Benefits Administration). It is important to note that Palmetto GBA may take up to six months to review, approve, or deny a Medicare Enrollment Application. Only after Palmetto GBA completes its work at this stage of the process will it begin the enrollment process.
5. CMS requires an accredited organization or state agency to survey the HHA to determine its conformity with the Medicare Conditions of Participation which operate as the federal certification standards. The certification will not be considered eligible until a plan of correction is completed on any deficiencies found during the survey.
6. CMS will send what is commonly referred to as a tie-in notice letter with the home health agency’s Medicare provider number. Reimbursement is allowable from the date that the certification recommendation is made by the surveying body (either state agency or accredited organization), but funds will not be transferred until the tie in notice has been completed.

It is important to recognize that completion of any one of these required steps could not be accomplished in the timeframe represented by Healthview, nonetheless the full six-step process. Moreover, the above steps must be completed sequentially, making it impossible for these steps to be successfully completed in the timeframe presented by HealthView.

Not only will CMS not reimburse a provider before it is Medicare-certified, during this period, reimbursements from other payor sources can be expected to be impacted.

Healthview erroneously assumes certification immediately upon licensure, suggesting Healthview projected utilization in Year One on the premise that its patient load and visits would not be impacted by the typical pre-certification period. Healthview then built from Year One to project patients and visits in Years Two and Three. Because Year One is based on the erroneous assumption of immediate full utilization, Year One patients and visits are overstated and so too are those projections in Years Two and Three.

In its Application as filed, Well Care properly accounted for the timeframe associated with the Medicare certification process.¹ Healthview did not, which impacts its conformity with review criteria 1, 3, and 5.

Comments Regarding Criterion 3

Healthview provides a very limited discussion of its experience and its proposal in Sections B and C of its Application as filed. Healthview indicates that it has “almost 50 years of history providing home health services” but the only reported Healthview home health utilization in the 2023 SMFP is service to a total of 1,135 patients from the Healthview home health agency based in Nash County.

Despite its long history of operation in the County, Healthview appears to be the less-chosen alternative in Nash County. Table 12A of the 2023 SMFP identifies two agencies based in Nash County, Healthview (HC0520) and CenterWell (HC0497). HealthView provides approximately one-half of the total visits provided by the competing agency in the County (1,135 ÷ 2,268). Although both Healthview and Center Well have an office location in Nash County, residents of Nash County and surrounding communities choose Center Well far more often than Healthview; per the 2023 SMFP, 535 Nash residents chose Healthview but 744 chose Center Well instead.

In the 2023 SMFP, a Healthview agency is listed in Caswell County, but the agency shows zero utilization. The entry includes “****” with the explanation that the “Agency underwent a change of ownership and utilization data was not reported.” In Sections B and C -- which are intended to explain the Applicant’s proposal and its relevant experience -- the Applicant offers no explanation of whether it recently bought the agency in Caswell. There is no explanation offered as to why Healthview reported no utilization data for FY2021. Although the Analyst may opt to perform research to decipher the facts surrounding the Healthview agency in Caswell County, considering this is one of only two agencies operated by the Applicant, the Applicant should have provided these basic facts.

¹ As described in Well Care’s assumptions for Form F.2b, “Year One revenues reflect the time associated with initial certification for the new agency. Well Care conservatively projects no Medicare or Medicaid reimbursement during the first six months of Project Year 1 until the agency is certified.”

- The CON Section should conclude that the Healthview's Application as filed fails to adequately explain why it would be reasonable to assume future patients will choose Healthview in New Hanover County to meet their home health needs.
- The overall lack of information provided by Healthview in its Application as filed is an indication that its projections for a new agency are not reasonably and adequately supported by evidence that the Applicant is experienced and capable of meeting the need of the population for the service proposed.

Comments Regarding Criterion 4

Healthview failed to identify or discuss any alternative methods to meeting the needs for the proposal available to the applicant. Healthview failed to adequately explain why there is no alternative method available to the applicant of meeting the need for the project as proposed. Simply referring to the 2023 SMFP need determination is inadequate.

Impact on Other Review Criteria

Based on the previously described facts which render the Healthview application non-conforming to criterion 3, the application is also **non-conforming to criteria 1, 4, 5, 6, and 18a and 10A NCAC 14C .2003.**

Comments Regarding Criterion 20

In this competitive CON Review, and especially considering the limited information furnished by the Applicant, the CON Section should consider publicly available data on Healthview's quality of care history. The North Carolina Court of Appeals has held that the General Assembly did not intend for the CON Section's evaluation of an Applicant's past quality of care to be limited to the service area of the proposed project. According to our Court of Appeals, "the clear intent of the General Assembly was to ensure that the quality of care history of an existing health care provider be subject to meaningful evaluation before that provider is allowed to offer additional services within North Carolina that are subject to the CON laws." AH N. Carolina Owner LLC v. N.C. Dep't of Health & Hum. Servs., 240 N.C. App. 92, 112, 771 S.E.2d 537, 549 (2015).

A search of Medicare.gov reveals that Healthview in Caswell County has a quality rating of 2.5 stars and there is no Patient Survey rating available. Medicare.gov shows that Healthview in Caswell County does not offer Occupational Therapy, Speech Therapy, or Medical Social Work services.

Medicare.gov reveals that the Healthview home health team began patient care in a timely manner only 77.3 percent of the time, which is a much lower percentage of timely starts-of-care as compared with the National average of 95.9 percent and the North Carolina average of 97.1 percent. Clearly, other agencies across the State can start care in a timely manner in most cases but Healthview misses this mark more than 20 percent of the time. Medicare.gov explains that "*It's important for patients to get the care they need, when they need it. If home health care is delayed, the patient's condition could worsen.*"

Comments Regarding Comparative Analysis

Service to New Hanover County Residents

Applications in this batch were filed in response to the 2023 SMFP Need Determination for one additional home health home care agency/office in New Hanover County. Healthview projects to serve a comparatively lower number of New Hanover County residents than Well Care.

	Total # of New (Unserved) New Hanover County Residents Served
Well Care	1,558
Healthview	856

Well Care is more effective than Healthview with respect to access by service area residents.

Average Visits per Unduplicated Patient

Applicant	Unduplicated Patients	Total Visits	Average Visits per Unduplicated Patient
Well Care	1,998	42,394	21.2
Healthview	930	10,213	11.0

Well Care is more effective than Healthview with respect to average visits per unduplicated patient.

Costs & Revenues

Healthview projects comparatively higher average total operating costs per visit than Well Care during the third project year.

Applicant	Total Visits	Total Unduplicated Patients	Total Operating Costs	Average Total Operating Cost per Visit
Well Care	42,394	1,998	\$4,394,509	\$104
Healthview	10,213	930	\$1,925,124	\$188

	# of Unduplicated Admissions	Net Revenue PY3	Operating Costs PY3	# of Visits	Net Revenue per Visit	OpEx per Visit
Well Care	1,998	\$5,434,676	\$4,394,509	35,558	\$128	\$104
Healthview	930	\$2,239,042	\$1,925,124	9,829	\$219	\$188

Well Care is more effective than Healthview with respect to costs and charges.

Medically Underserved Access

As compared to Well Care’s application, Healthview’s proposal is inferior with respect to medically underserved access. Healthview projects comparatively lower charity care and Medicare access than Well Care.

	Charity Care	# of Unduplicated Admissions	Charity Care per Unduplicated Admission	Gross Revenue	Charity Care as a % of Gross Revenue
Well Care	\$144,161	1,998	\$72	\$8,237,791	1.75%
Healthview	\$0	930	\$0	\$2,239,042	0.00%

	Duplicated Medicare Patients (Form C.5)	Medicaid Patients as a % of Total Unduplicated Patients
Well Care	1,588	10.0%
Healthview	842	9.5%

Salaries

As compared to Well Care’s application, Healthview’s proposal is inferior with respect to salaries for direct care staff. Healthview projects comparatively lower project year three salaries for RNs, LPNs, home health aides, social workers, physical therapists, speech therapists, and occupational therapists than Well Care.

Position	Well Care	Healthview
Registered Nurse	\$108,726	\$79,040
Licensed Practical Nurse	\$71,843	\$66,560
Home Health Aide	\$46,987	\$37,440
Social Worker	\$85,233	\$47,840
Physical Therapist	\$130,915	\$97,760
Occupational Therapist	\$125,345	\$97,760
Speech Therapist	\$108,879	\$91,520

Healthview projects the lowest salary for registered nurses, which may inhibit the applicants ability to recruit and retain high quality nursing staff. Healthview’s staffing projections also exclude licensed practical nurses (LPNs). Although LPNs are not mandatory in the staffing structure, they play a crucial role

in the home health care team by enhancing efficiency and providing a high level of nursing care and expertise.

In summary, the Well Care application is comparatively superior to the Healthview application in the New Hanover home health competitive review.

**COMMENTS SPECIFIC TO AVEANNA HOME HEALTH - NEW HANOVER (AVEANNA)
PROJECT I.D. O-012401-23**

Comments Regarding Criterion 3

Aveanna provided assumptions and methodology to project unduplicated home health patients in Section Q of its application; however, the application lacks any assumptions used to project:

- Form C.5 Unduplicated Clients by Admitting Discipline
- Form C.5 Duplicated Clients and Visits by Discipline
- Form C.5 Duplicated Medicare Clients and Visits

Section C.5 requires applicants to *“Describe the assumptions and the methodology used to complete the forms in 5.a...The applicant has the burden to demonstrate in the application as submitted that projected utilization is based on reasonable and adequately supported assumptions.”*

Absent this critical and required information, the Aveanna application does not conform to Criterion (3).

Aveanna utilizes its Cumberland County FY2021 market share as a proxy for projecting market share for the proposed project; however, Aveanna also operates a home health agency in Wake County. Aveanna’s Wake County home health agency demonstrated a market share of only .23% during FY2021 (45 ÷ 19,219). Aveanna did not provide any information to explain the reason for the vast difference in market share for the counties it currently serves. Therefore, Aveanna’s projected market share assumptions are provide with questionable support.

Impact on Other Review Criteria

Based on the previously described facts which render the Aveanna application non-conforming to Criterion (3), the application is also **non-conforming to criteria 1, 4, 5, 6, and 18a and 10A NCAC 14C .2003.**

Comments Regarding Comparative Analysis

Service to New Hanover County Residents

Applications in this batch were filed in response to the 2023 SMFP Need Determination for one additional home health home care agency/office in New Hanover County. Aveanna projects to serve less than a third of the number of New Hanover County residents than Well Care.

	Total # of New (Unserved) New Hanover County Residents Served
Well Care	1,558
Aveanna	483

Well Care is more effective with respect to access by service area residents.

Costs & Revenues

Well Care is more effective than Aveanna with respect to costs and revenues.

	# of Unduplicated Patients	Net Revenue PY3	Operating Costs PY3	# of Visits	Net Revenue per Visit	OpEx per Visit
Well Care	1,998	\$5,434,676	\$4,394,509	35,558	\$128	\$104
Aveanna	556	\$2,239,042	\$1,688,723	12,117	\$149	\$139

Applicant	Total Visits	Total Unduplicated Patients	Total Operating Costs	Average Total Operating Cost per Visit	Average Total Operating Cost per Patient
Well Care	42,394	1,998	\$4,394,509	\$104	\$2,199
Aveanna	12,117	556	\$1,688,723	\$139	\$3,037

	Net Revenue, PY3	# of Visits	Net Revenue per Visit
Well Care	\$5,434,676	35,558	\$128
Aveanna	\$2,239,042	12,117	\$149

Medically Underserved Access

As compared to Well Care’s application, Aveanna’s proposal is inferior with respect to medically underserved access. Healthview projects comparatively lower charity care and Medicare access than Well Care.

	Charity Care	# of Unduplicated Admissions	Charity Care per Unduplicated Admission	Gross Revenue	Charity Care as a % of Gross Revenue
Well Care	\$144,161	1,998	\$72	\$8,237,791	1.75%
Aveanna	\$5,541	556	\$10	\$2,117,789	0.26%

	Medicaid Patients as a % of Total Unduplicated Patients	Medicare Patients as a % of Total Unduplicated Patients
Well Care	10.0%	89.3%
Aveanna	9.8%	73.4%

Salaries

As compared to Well Care’s application, Aveanna’s proposal is inferior with respect to salaries for direct care staff. Aveanna projects comparatively lower project year three salaries for RNs, LPNs, social workers, physical therapists, speech therapists, and occupational therapists than Well Care.

Position	Well Care	Aveanna
Registered Nurse	\$108,726	\$101,546
Licensed Practical Nurse	\$71,843	\$67,531
Social Worker	\$85,233	\$61,903
Physical Therapist	\$130,915	\$122,680
Occupational Therapist	\$125,345	\$106,923
Speech Therapist	\$108,879	\$84,413

In summary, the Well Care application is comparatively superior to the Aveanna application in the New Hanover County competitive home health review.

**COMMENTS SPECIFIC TO BAYADA HOME HEALTH CARE INC. (BAYADA)
 PROJECT I.D. #O-012324-23**

Comments Regarding Comparative Analysis

Service to New Hanover County Residents

Applications in this batch were filed in response to the 2023 State Medical Facilities Plan Need Determination for one additional home health home care agency/office in New Hanover County.

	Total # of New (Unduplicated) Patients Served	New Hanover County Residents Served as a % of Total New Patients Served
Well Care	1,558	78.0%
BAYADA	348	68.6%

As shown in the table above, Well Care projects to serve a comparatively higher number and percentage of New Hanover County residents than BAYADA. In fact, BAYADA projects to serve the lowest number of residents from New Hanover County in this review. Therefore, Well Care is more effective than BAYADA with respect to access by service area residents.

Average Visits per Unduplicated Patient

Applicant	Unduplicated Patients	Total Visits	Average Visits per Unduplicated Patient
Well Care	1,998	42,394	21.2
BAYADA	507	8,178	16.1

Well Care is more effective with respect to average visits per unduplicated patient.

Costs & Revenues

BAYADA projects comparatively higher average total costs and revenues than Well Care during the third project year.

Applicant	Total Visits	Total Unduplicated Patients	Total Operating Costs	Average Total Operating Cost per Visit	Average Total Operating Cost per Patient
Well Care	42,394	1,998	\$4,394,509	\$104	\$2,199
BAYADA	8,178	507	\$1,818,215	\$222	\$3,586

	# of Unduplicated Admissions	Net Revenue PY3	# of Visits	Net Revenue per Visit	Net Revenue per Patient
Well Care	1,998	\$5,434,676	35,558	\$128	\$2,720
BAYADA	507	\$1,900,007	8,178	\$232	\$3,748

Well Care is more effective than BAYADA with respect to costs and charges.

Medically Underserved Access

BAYADA projects comparatively lower medically underserved access than Well Care.

Applicant	Charity Care	# of Unduplicated Admissions	Charity Care per Unduplicated Admission	Gross Revenue	Charity Care as a % of Gross Revenue
Well Care	\$179,297	2,539	\$71	\$10,245,525	1.75%
BAYADA	\$9,656	507	\$19	\$2,074,071	0.47%

Applicant	Medicare Revenue (Form F.2b)	Duplicated Medicare Clients (Form C.5)	Gross Revenue (Form F.2b)	Medicare Revenue as a % of Gross Revenue
Well Care	\$9,311,986	2,191	\$10,245,525	90.9%
BAYADA	\$1,588,780	385	\$2,074,071	76.6%

Applicant	# of Unduplicated Admissions	Number of Unduplicated Medicaid Clients	Medicaid Clients as a % of Total Admissions
Well Care	1,998	200	10.0%
BAYADA	507	45	8.8%

Salaries

As compared to Well Care’s application, BAYADA’s proposal is inferior with respect to PY3 salaries for direct care staff. BAYADA projects comparatively lower salaries for RNs, LPNs, home health aides, physical therapists, and occupational therapists than Well Care.

Salary Position	Well Care	BAYADA
Registered Nurse	\$108,726	\$106,512
Licensed Practical Nurse	\$71,843	\$66,143
Home Health Aide	\$46,987	\$45,764
Physical Therapist	\$130,915	\$120,529
Occupational Therapist	\$125,345	\$108,771

**COMMENTS SPECIFIC TO INTERIM HEALTHCARE (INTERIM)
 PROJECT I.D. O-012389-23**

Comments regarding Interim’s Assumptions of CMS Certification

Interim assumes that it will secure Medicare certification in two months.

	Licensure Obtained	Services Offered	CMS Certification Obtained
Interim	04/15/2024	08/01/2024	10/01/2024

Source: Interim application, Section P, page 145

Medicare has a well-established, time-consuming, six-step approval process for home health agencies who seek CMS certification.

1. An agency must apply for and receive a license from DHSR in NC by submitting policies for review and paying the licensing fee for a new agency.
2. An agency will need to recruit, hire, and onboard staff and build a patient census that satisfies both the current patient census and total patients served threshold requirements to qualify for a Medicare Certification Survey.
3. Licensed home health agencies must apply to enroll in the Medicare program using a Medicare Enrollment Application commonly known as the CMS-855A form. These forms are submitted in the system referred to as PECOS (Provider Enrollment, Chain, and Ownership System).
4. After a licensed HHA submits its application through PECOS, the Application will go to Palmetto GBA (the Palmetto Government Benefits Administration). It is important to note that Palmetto GBA may take up to six months to review, approve, or deny a Medicare Enrollment Application. Only after Palmetto GBA completes its work at this stage of the process will it begin the enrollment process.
5. CMS requires an accredited organization or state agency to survey the HHA to determine its conformity with the Medicare Conditions of Participation which operate as the federal certification standards. The certification will not be considered eligible until a plan of correction is completed on any deficiencies found during the survey.
6. CMS will send what is commonly referred to as a tie-in notice letter with the home health agency’s Medicare provider number. Reimbursement is allowable from the date that the certification recommendation is made by the surveying body (either state agency or accredited organization), but funds will not be transferred until the tie in notice has been completed.

It is important to recognize that completion of any one of these required steps could not be accomplished in the timeframe represented by Interim, nonetheless the full six-step process. Moreover, the above steps must be completed sequentially, making it near impossible for these steps to be successfully completed in the timeframe presented by Interim.

Not only will CMS not reimburse a provider before it is Medicare-certified, during this period, reimbursements from other payor sources can be expected to be impacted.

In its application as filed, Well Care properly took into consideration the timeframe associated with the Medicare certification process.² Interim did not.

Comments Regarding Criterion 3

Interim failed to provide the specific assumptions and methodology used to project unduplicated home health patients. Interim failed to include Section Q which contains Form C.5 and the required assumptions and methodology to project patient utilization. The information is not otherwise contained elsewhere in the application. Absent this critical and required information, the Interim application does not conform to Criterion (3).

Additionally, Interim failed to project the number of duplicated Medicare clients in Form C.5. Without this required information, the Agency cannot properly analyze the Interim application against the statutory review criteria, nor can it properly perform a comparative analysis of Medicare access against the competing applications. For these reasons, the Interim application does not conform to criterion 3.

Impact on Other Review Criteria

Based on the previously described facts which render the Aveanna application non-conforming to Criterion (3), the application is also **non-conforming to criteria 1, 4, 5, 6, and 18a and 10A NCAC 14C .2003.**

Comments Regarding Comparative Analysis

Service to New Hanover County Residents

Applications in this batch were filed in response to the 2023 State Medical Facilities Plan Need Determination for one additional home health home care agency/office in New Hanover County.

	Total # of New (Unduplicated) Patients Served
Well Care	1,558
Interim	673

² As described in Well Care’s assumptions for Form F.2b, “Year One revenues reflect the time associated with initial certification for the new agency. Well Care conservatively projects no Medicare or Medicaid reimbursement during the first six months of Project Year 1 until the agency is certified.”

As shown in the table above, Well Care projects to serve a comparatively higher number of New Hanover County residents than Interim. Therefore, Well Care is more effective than Interim with respect to access by service area residents.

Average Visits per Unduplicated Patient

Applicant	Unduplicated Patients	Total Visits	Average Visits per Unduplicated Patient
Well Care	1,998	42,394	21.2
Interim	673	10,589	15.7

Well Care is more effective with respect to average visits per unduplicated patient.

Costs & Revenues

Interim projects comparatively higher average total costs and revenues than Well Care during the third project year.

Applicant	Total Visits	Total Operating Costs	Average Total Operating Cost per Visit
Well Care	42,394	\$4,394,509	\$104
Interim	10,589	\$1,384,758	\$131

	# of Unduplicated Admissions	Net Revenue PY3	# of Visits	Net Revenue per Visit	Net Revenue per Patient
Well Care	1,998	\$5,434,676	35,558	\$128	\$2,720
Interim	673	\$1,933,672	10,589	\$183	\$2,873

Well Care is more effective than Interim with respect to costs and charges.

Medically Underserved Access

Interim projects comparatively lower medically underserved access than Well Care.

Applicant	Charity Care	# of Unduplicated Admissions	Charity Care per Unduplicated Admission	Gross Revenue	Charity Care as a % of Gross Revenue
Well Care	\$179,297	2,539	\$71	\$10,245,525	1.75%
Interim	\$19,731	673	\$29	\$1,973,134	1.00%

Applicant	Medicare Revenue (Form F.2b)	Duplicated Medicare Clients (Form C.5)	Gross Revenue (Form F.2b)	Medicare Revenue as a % of Gross Revenue
Well Care	\$9,311,986	2,191	\$10,245,525	90.9%
Interim	\$670,866	357	\$1,973,134	34.0%

Applicant	# of Unduplicated Admissions	Number of Unduplicated Medicaid Clients
Well Care	1,998	200
Interim	673	81

Salaries

As compared to Well Care’s application, Interim’s proposal is inferior with respect to PY3 salaries for direct care staff. Interim projects comparatively lower salaries for RNs, LPNs, home health aides, physical therapists, and occupational therapists than Well Care.

Salary Position	Well Care	Interim
Registered Nurse	\$108,726	\$97,203
Licensed Practical Nurse	\$71,843	\$60,825
Home Health Aide	\$46,987	\$38,411
Physical Therapist	\$130,915	\$78,390
Occupational Therapist	\$125,345	\$109,925
Speech Therapist	\$108,879	\$103,742