

Comments in Opposition to

**Project ID # C-12487-24
PHC Home Health - Cleveland**

and

**Project ID # C-12490-24
Well Care Home Health of Cleveland**

Submitted by

CaroMont Partners, LLC

C-12472-24

March 29,2024

**Comments in Opposition to
Project ID # C-12487-24
PHC Home Health - Cleveland**

Pursuant to NCGS § 131E-185, CaroMont Partners submits the following comments in opposition to the PHC Home Health - Cleveland (PHC) CON application.

REVIEW CRITERIA FOR NEW INSTITUTIONAL HEALTH SERVICES

- (3) The applicant shall identify the population to be served by the proposed project, and shall demonstrate the need that this population has for the services proposed, and the extent to which all residents of the area, and, in particular, low income persons, racial and ethnic minorities, women, handicapped persons, the elderly, and other underserved groups are likely to have access to the services proposed.

PHC provides a methodology and assumptions that result in unreasonable patient projections and financial feasibility for the proposed home health agency. PHC already provides home health services in Cleveland County from its existing home health agency and will not result in any measurable benefit to residents of Cleveland County. CaroMont Partners will be a new provider of home health services in Cleveland County and also has an established referral network.

- (5) Financial and operational projections for the project shall demonstrate the availability of funds for capital and operating needs as well as the immediate and long-term financial feasibility of the proposal, based upon reasonable projections of the costs of and charges for providing health services by the person proposing the service.

PHC provides a methodology and assumptions that result in unreasonable patient projections and financial feasibility for the proposed home health agency. PHC already provides home health services in Cleveland County from its existing home health agency and will not result in any measurable benefit to residents of Cleveland County. CaroMont Partners will be a new provider of home health services in Cleveland County and also has an established referral network.

**Comments in Opposition to
Project ID # C-12490-24
Well Care Home Health of Cleveland**

Pursuant to NCGS § 131E-185, CaroMont Partners submits the following comments in opposition to the Well Care Home Health of Cleveland (Well Care) CON application.

REVIEW CRITERIA FOR NEW INSTITUTIONAL HEALTH SERVICES

- (3) The applicant shall identify the population to be served by the proposed project, and shall demonstrate the need that this population has for the services proposed, and the extent to which all residents of the area, and, in particular, low income persons, racial and ethnic minorities, women, handicapped persons, the elderly, and other underserved groups are likely to have access to the services proposed.

Well Care provides a methodology and assumptions that result in unreasonable patient projections and financial feasibility for the proposed home health agency. Well Care does not provide home health or any other health care service west of Mecklenburg and Iredell counties, so, Well Care has no referral network for home health patients. Well Care provides 19 letters of support but only three letters mention the willingness to referral home health patients to Well Care: a general surgeon, a family nurse practitioner, and a primary care physician. Well Care cannot support its projected home health volume. CaroMont Partners will be a new provider of home health services in Cleveland County and also has an established referral network.

- (5) Financial and operational projections for the project shall demonstrate the availability of funds for capital and operating needs as well as the immediate and long-term financial feasibility of the proposal, based upon reasonable projections of the costs of and charges for providing health services by the person proposing the service.

Well Care provides a methodology and assumptions that result in unreasonable patient projections and financial feasibility for the proposed home health agency. Well Care does not provide home health or any other health care service west of Mecklenburg and Iredell counties, so, Well Care has no referral

network for home health patients. Well Care provides 19 letters of support but only three letters mention the willingness to referral home health patients to Well Care: a general surgeon, a family nurse practitioner, and a primary care physician. Well Care cannot support its projected home health volume. CaroMont Partners will be a new provider of home health services in Cleveland County and also has an established referral network.

CON Component Highlights

Prior to highlighting the comparative factors, CaroMont Partners evaluated the following components of the CON applications:

- Income Statements (**Attachment A**)
- Volume and Utilization Estimates (**Attachment B**)
- Traditional CON Comparative Measures (**Attachment C**)
- Key Utilization and Financial Measures (**Attachment D**)
- Past Well Care CON Applications (**Attachment E**)
- Market Salary Data (**Attachment F**)

Key takeaways from each component are discussed in the following bullet points:

Attachment A

Attachment A contains the income statements for Years 1, 2 and 3 for the three applicants.

- Of significant note, Well Care projects approximately \$1.0 million more in patient revenue by Year 3 than both CaroMont Partners and PHC. It appears this is due to the following:
 - Projects the highest net patient revenue per unduplicated patient (\$3,039).
 - Projects the highest number of patient visits by a significant margin:
 - Well Care: 30,211
 - PHC: 19,585
 - CaroMont Partners: 19,294
 - It appears Well Care had to inflate its revenue and utilization projections in part due to projecting salaries above the 100th percentile of available market data.
- All three applicants project line-item expenses per their unique company methods. It appears each applicant has accounted for the needed expenses for their operations in Cleveland County.
- CaroMont Partners has the lowest operating margin at 3.0 percent. CaroMont Partners can pass along its lower operating margins in the form of lower charges to its patients.

Attachment B

Attachment B contains the summary volume and utilization statistics for the three applicants.

- Unduplicated patients for the three applicants are noted as follows:
 - Well Care: 1,131 (24.0 percent higher than CaroMont Partners; 42.4 percent higher than PHC)
 - CaroMont Partners: 912
 - PHC: 794
- Patient visits:
 - Well Care: 30,211 (54.3 percent higher than PHC; 56.7 percent higher than CaroMont Partners)
 - PHC: 19,585
 - CaroMont Partners: 19,294
- CaroMont Partner's volume and utilization projections are based on reasonable, credible and supported underlying assumptions.

Attachment C

Attachment C contains the traditional comparative factors utilized in past CON reviews by the CON Section in evaluating CON proposals.

- As Attachment C reflects, CaroMont Partners scores best on four of the nine factors. It should be noted that much of the comparative analysis is difficult when one considers the high-volume projections Well Care. These high projections lead to understating per volume stats, particularly on the expense side as fixed costs are spread over a greater number of patients.
- Well Care scores best in five comparative factors, but its results are disputed as follows:
 - Average number of visits per unduplicated patient of 26.7 (see Attachment E).
 - Average net revenue per visit of \$113.79 (see Attachment E).
 - Average total operating costs per visit of \$101.90 (see Attachment F).

Attachment D

Attachment D contains comparative performance measures meant to complement the traditional comparative factors utilized by the CON Section in evaluating home health CON applications.

- CaroMont Partners outperforms Well Care in the following measures:
 - Average total salaries and benefits per full-time equivalent employee (FTE).
 - Benefits expense as a percentage of salaries.
 - Total expense per unduplicated patient
- CaroMont outperforms PHC in the following measures:
 - Average total salaries and benefits per full-time equivalent employee (FTE).
 - Benefits expense as a percentage of salaries.

Attachment E

Attachment E contains key assumptions utilized by Well Care in its four past CON applications.

- It is noted that Well Care has deviated from key assumptions utilized in past CON applications as follows:
 - Visits per unduplicated patient: 32.2 percent higher than past applications.
 - Average net patient revenue per visit: 15.4 percent lower than past applications.
 - Average total operating costs per visit: 10.7 percent lower than past applications.

Attachment F

Attachment F contains available public salary data for the three positions considered critical by the CON Section for this review: RN, LPN, and HHA.

- Based on available public salary data, it appears that both PHC and Well Care have significantly overstated their proposed salaries. As shown in Attachment C, Well Care and PHC both propose salaries that are higher than CaroMont Partners, but two things are important to note:
 - Among the three applicants, CaroMont Partners has the most experience in hiring and retaining employees in this local health care market. CaroMont Partners' CON

application reflects reasonable and competitive salaries in the 75th and 90th percentile ranges.

- PHC and Well Care are projecting salaries well above the 90th percentile. As noted earlier, these salary assumptions have a ripple effect of requiring higher volumes to reach targeted financial performance levels for these two applicants.

COMPARATIVE ANALYSIS

Pursuant to G.S. 131E-183(a)(1) and the 2024 SMFP, no more than one new Medicare-certified home health agency may be approved for Cleveland County in this review. Because each application proposes to develop a new Medicare-certified home health agency in Cleveland County, all three applications cannot be approved. For the reasons set forth below and in the remainder of the findings, the application submitted by CaroMont Partners should be approved and the other two applications should be disapproved.

Projected Access by Service Area Residents

For each application in this review, the following table compares a) the number of Cleveland County patients in Project Year 3; and b) total patients as a percentage of total unduplicated patients. Generally, the application projecting the highest number or percentage is the most effective alternative with regard to these comparative factors.

Rank	Agency	Project Year 3		
		Cleveland Patients	Total Patients	% of Total Patients
1	CaroMont Partners	912	912	100.0%
2	PHC	601	794	75.7%
3	Well Care	643	1,131	56.9%

CaroMont Partners' projections of Cleveland County patients and total patients are based on reasonable, credible, and supported assumptions. Well Care and PHC fail to provide any utilization methodology or assumptions to determine if their projections are reasonable, credible, or supported.

Projected Access by Medicare Recipients

For each application in this review, the following table compares a) the number of duplicated Medicare patients in Project Year 3; and b) duplicated Medicare patients as a percentage of total unduplicated patients. Generally, the application projecting the highest number or percentage is the most effective alternative with regard to these comparative factors.

Rank	Agency	Project Year 3		
		Duplicated Patients	Duplicated Medicare Patients	% of Duplicated Medicare Patients
1	CaroMont Partners	2,472	2,012	81.4%
2	PHC	3,074	941	30.6%
3	Well Care	4,388	1,634	37.2%

CaroMont Partners' projections of duplicated patients and duplicated Medicare patients are based on reasonable, credible, and supported assumptions.

Projected Access by Medicaid Recipients

For each application in this review, the following table compares a) the number of unduplicated Medicaid patients in Project Year 3; and b) unduplicated Medicaid patients as a percentage of total patients. Generally, the application projecting the highest number or percentage is the most effective alternative with regard to these comparative factors.

Rank	Agency	Project Year 3		
		Unduplicated Patients	Unduplicated Medicaid Patients	% of Unduplicated Medicaid Patients
1	PHC	794	119	15.0%
2	Well Care	1,131	170	15.0%
3	CaroMont Partners	912	68	7.5%

CaroMont Partners' projections of unduplicated patients and unduplicated Medicaid patients are based on reasonable, credible, and supported assumptions. Well Care and PHC fail to provide any utilization methodology or assumptions to determine if their projections are reasonable, credible, or supported.

Average Number of Visits per Unduplicated Patient

The majority of home health care services are covered by Medicare, which does not reimburse on a per visit basis. Rather, Medicare reimburses on a per episode basis. Thus, there is a financial disincentive to providing more visits per Medicare episode. The following table shows the average number of visits per unduplicated patient projected by each applicant in Project Year 3. Generally, the application proposing the highest number of visits per unduplicated patient is the more effective alternative with regard to this comparative factor.

Rank	Agency	Project Year 3		
		Unduplicated Patients	# of Visits	Average # of Visits per Patient
1	Well Care	1,131	30,211	26.7
2	PHC	794	19,585	24.7
3	CaroMont Partners	912	19,293	21.2

CaroMont Partners' projections of unduplicated patients and visits are based on reasonable, credible, and supported assumptions. Well Care and PHC fail to provide any utilization methodology or assumptions to determine if their projections are reasonable, credible, or supported.

Additionally, Well Care has submitted four CON applications in the last year with the following Average Number of Visits per Unduplicated Patient; 17.1 – Brunswick County, 21.2 – New Hanover County, 21.2 – Onslow County, and 21.3 – Pitt County or an average of 20.2 visits per unduplicated patient. Well Care is now projecting to provide 32.2 percent $[(26.7 - 20.2) / 20.2]$ more visits on average without any explanation. Please see **Attachment E**.

Average Net Patient Revenue per Visit

Average net revenue per visit in Project Year 3 was calculated by dividing projected net revenue from Form B by the projected number of visits from Form C.5, as shown in the table below. Generally, the application proposing the lowest average net revenue per visit is the more effective alternative with regard to this comparative factor.

Rank	Agency	Project Year 3		
		# of Visits	Net Patient Revenue	Average Net Patient Revenue per Visits
1	Well Care	30,211	\$3,437,629	\$113.79
2	PHC	19,585	\$2,242,159	\$114.48
3	CaroMont Partners	19,293	\$2,489,398	\$129.03

CaroMont Partners' projections of visits and net patient revenue are based on reasonable, credible, and supported assumptions. Well Care and PHC fail to provide any utilization methodology or assumptions to determine if their projections are reasonable, credible, or supported.

Additionally, Well Care has submitted four CON applications in the last year with the following Average Net Patient Revenue per Visit: \$171.60 – Brunswick County, \$128.90 – New Hanover County, \$118.75 – Onslow County, and \$118.95 – Pitt County or an average of \$134.55 per visit. Well Care is now projecting 15.4 percent $[(\$134.55 - \$113.79) / \$113.79]$ less revenue per visit without any explanation. Please see **Attachment E**.

Average Net Revenue per Unduplicated Patient

Average net revenue per unduplicated patient in Project Year 3 was calculated by dividing projected net revenue from Form F.2b by the projected number of unduplicated patients from Form C.5, as shown in the table below. Generally, the application proposing the lowest average net revenue per unduplicated patient is the more effective alternative with regard to this comparative factor.

Rank	Agency	Project Year 3		
		Unduplicated Patients	Net Patient Revenue	Average Net Revenue per Unduplicated Patient
1	CaroMont Partners	912	\$2,489,398	\$2,729.60
2	PHC	794	\$2,242,159	\$2,823.88
3	Well Care	1,131	\$3,437,629	\$3,039.46

CaroMont Partners' projections of unduplicated patients and net patient revenue are based on reasonable, credible, and supported assumptions.

Average Total Operating Cost per Visit

The average total operating cost per visit in Project Year 3 was calculated by dividing projected operating costs from Form F.3b by the total number of visits from Form C.5, as shown in the table below. Generally, the application proposing the lowest average total operating cost per visit is the more effective alternative with regard to this comparative factor.

Rank	Agency	Project Year 3		
		# of Visits	Total Operating Cost	Average Total Operating Cost per Visit
1	Well Care	30,211	\$3,078,502	\$101.90
2	PHC	19,585	\$2,011,730	\$102.72
3	CaroMont Partners	19,293	\$2,415,836	\$125.22

CaroMont Partners' projections of visits and net patient revenue are based on reasonable, credible, and supported assumptions. Well Care and PHC fail to provide any utilization methodology or assumptions to determine if their projections are reasonable, credible, or supported.

Additionally, Well Care has submitted four CON applications in the last year with the following Average Total Operating Cost per Visit: \$135.95 – Brunswick County, \$103.66 – New Hanover County, \$109.38 – Onslow County, and \$107.42 – Pitt County or an average of \$114.10 per visit. Well Care is now projecting 11.0 percent $[(\$101.9 - \$114.10) / \$114.10]$ less revenue per visit without any explanation. Please see **Attachment E**.

Ratio of Average Net Revenue per Visit to Average Total Operating Cost per Visit

The ratios in the table below were calculated by dividing the average net revenue per visit in Project Year 3 by the average total operating cost per visit in Project Year 3. Generally, the application proposing the lowest ratio is the more effective alternative with regard to this comparative factor. However, the ratio must equal one or greater in order for the proposal to be financially feasible.

Rank	Agency	Project Year 2		
		Average Net Revenue per Visit	Average Total Operating Cost per Visit	Ratio
1	CaroMont Partners	\$129.03	\$125.22	1.03
2	PHC	\$114.48	\$102.72	1.11
3	Well Care	\$113.79	\$101.90	1.12

CaroMont Partners’ projections of total # of visits, average net revenue, and total operating cost are based on reasonable, credible, and supported assumptions.

Nursing and Home Health Aide Salaries in Project Year 3

All three applicants propose to provide nursing and home health aide services with staff that are employees of the proposed home health agency. The tables below compare the proposed annual salary for registered nurses, licensed practical nurses, and home health aides in Project Year 3. Generally, the application proposing the highest annual salary is the more effective alternative with regard to this comparative factor.

Rank	Applicant	Registered Nurse
1	Well Care	\$113,075
2	PHC	\$109,304
3	CaroMont Partners	\$93,058

Rank	Applicant	Licensed Practical Nurse
1	Well Care	\$73,999
2	PHC	\$72,162
3	CaroMont Partners	\$61,456

Rank	Applicant	Home Health Aide
1	PHC	\$50,938
2	Well Care	\$50,746
3	CaroMont Partners	\$43,392

CaroMont Partners' projections of total FTEs and salaries are based on reasonable, credible, and supported assumptions. Well Care and PHC fail to provide any utilization methodology or assumptions to determine if their projections are reasonable, credible, or supported.

It appears that both Well Care and PHC are proposing unreasonable salaries in an attempt to be the most effective applicant in regard to salaries. A search for home health salaries in Shelby, NC using the website, Salary.Com, results in all three salaries proposed by both Well Care and PHC as being beyond the 90 percentile and likely over the 100 percentile. Please see the data on the next page. It is highly unlikely that either of these applicants will actually pay these proposed salaries. Please see **Attachment F**.

Staff Nurse - RN - Home Care Salaries by Percentile

PERCENTILE	SALARY	LOCATION	LAST UPDATED
10th Percentile Staff Nurse - RN - Home Care Salary	\$66,786	Shelby,NC	February 26, 2024
25th Percentile Staff Nurse - RN - Home Care Salary	\$74,193	Shelby,NC	February 26, 2024
50th Percentile Staff Nurse - RN - Home Care Salary	\$82,329	Shelby,NC	February 26, 2024
75th Percentile Staff Nurse - RN - Home Care Salary	\$94,128	Shelby,NC	February 26, 2024
90th Percentile Staff Nurse - RN - Home Care Salary	\$104,871	Shelby,NC	February 26, 2024

Home Care Nurse (LPN) Salaries by Percentile

PERCENTILE	SALARY	LOCATION	LAST UPDATED
10th Percentile Home Care Nurse (LPN) Salary	\$45,803	Shelby,NC	February 26, 2024
25th Percentile Home Care Nurse (LPN) Salary	\$49,900	Shelby,NC	February 26, 2024
50th Percentile Home Care Nurse (LPN) Salary	\$54,400	Shelby,NC	February 26, 2024
75th Percentile Home Care Nurse (LPN) Salary	\$60,100	Shelby,NC	February 26, 2024
90th Percentile Home Care Nurse (LPN) Salary	\$65,290	Shelby,NC	February 26, 2024

PERCENTILE	SALARY	LOCATION	LAST UPDATED
10th Percentile Home Care Aide III Salary	\$32,709	Shelby,NC	February 26, 2024
25th Percentile Home Care Aide III Salary	\$35,414	Shelby,NC	February 26, 2024
50th Percentile Home Care Aide III Salary	\$38,385	Shelby,NC	February 26, 2024
75th Percentile Home Care Aide III Salary	\$41,858	Shelby,NC	February 26, 2024
90th Percentile Home Care Aide III Salary	\$45,019	Shelby,NC	February 26, 2024

In conclusion, in addition to the comparative factor review, CaroMont Partners believes its application should be approved based on the additional following reasons:

- CaroMont Partners is the only true local provider among the applicants and one with strong referral sources already available,
- As the only local applicant, all CaroMont Partners future earnings can be reinvested in the local community, and
- CaroMont Partners brings a new home health competitor to the market, one with a strong history of high performance and ability in health care delivery.

Attachment A
CaroMont Partners
Cleveland County Home Health CON Applications
Comparative Analysis - Income Statements
3/27/2024

Income Statement	PHC			WellCare			CaroMont		
	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
Patient revenue									
Medicare	\$ 1,103,135	\$ 1,604,394	\$ 1,927,361	\$ 573,909	\$ 2,424,871	\$ 3,558,358	\$ 494,093	\$ 1,403,373	\$ 2,271,132
Medicaid	195,047	287,931	351,080	70,934	305,563	462,710	-	173,561	280,651
Insurance	37,127	54,808	66,828	30,931	107,227	162,903	-	240,763	389,319
Indigent	33,945	50,110	61,100	-	-	-	51,734	51,929	83,971
Self Pay	-	-	-	1,818	3,637	5,455	-	11,802	19,084
Other	21,644	31,479	37,815	2,169	8,676	13,014	-	-	-
Patient revenue	1,390,898	2,028,722	2,444,184	679,761	2,849,974	4,202,440	545,827	1,881,428	3,044,157
Adjustments to revenue									
Charity care	33,945	50,110	61,100	13,595	56,999	84,049	51,734	51,929	83,971
Bad debt	42,325	61,732	74,371	16,994	71,249	105,061	5,458	18,814	30,441
Contractuals	51,021	79,270	101,403	87,683	354,765	575,701	-	272,314	440,338
Adjustments	127,291	191,112	236,874	118,272	483,013	764,811	57,192	343,057	554,750
Net patient revenue	1,263,607	1,837,610	2,207,310	561,489	2,366,961	3,437,629	488,635	1,538,371	2,489,407
Other revenue	19,946	29,009	34,849	-	-	-	-	-	-
Total net patient and other revenue	1,283,553	1,866,619	2,242,159	561,489	2,366,961	3,437,629	488,635	1,538,371	2,489,407
Operating expenses									
Salaries, taxes and benefits									
Salaries	826,226	1,203,613	1,430,190	874,561	1,559,786	2,252,554	597,385	1,147,046	1,656,648
Taxes and benefits	173,507	252,759	300,340	174,912	311,957	450,511	150,541	289,056	417,475
Salaries, taxes and benefits	999,733	1,456,372	1,730,530	1,049,473	1,871,743	2,703,065	747,926	1,436,102	2,074,123
Non-salary expenses									
Medical supplies	40,819	60,554	74,199	33,284	73,397	113,869	11,591	38,104	62,510
Office supplies	5,202	5,306	5,412	3,600	3,690	3,782	3,000	3,120	3,245
Travel	22,419	32,607	39,170	16,642	36,699	56,934	12,944	42,500	69,841
Rental	22,680	23,360	24,061	27,600	28,290	28,997	35,011	36,412	37,868
Utilities	23,612	24,084	24,566	3,600	3,690	3,782	9,000	9,360	9,734
Accreditation	2,666	2,666	2,666	20,000	20,000	20,000	9,000	-	-
Maintenance / housekeeping	-	-	-	-	-	-	6,000	6,240	6,490
Provider service fee	-	-	-	-	-	-	17,102	53,843	87,129
Data processing	-	-	-	-	-	-	18,000	18,720	19,469
Other Expenses	-	-	-	-	-	-	12,000	12,480	12,979
Telephone	-	-	-	8,484	14,280	19,824	30,000	31,200	32,448
Insurance	3,369	4,900	5,886	4,200	4,305	4,413	-	-	-
Training	2,350	3,354	3,971	4,800	4,920	5,043	-	-	-
Depreciation	3,929	3,929	3,929	5,000	5,000	5,000	-	-	-
Central office overhead	51,342	74,665	89,686	16,845	71,009	103,129	-	-	-
Maintenance	-	-	-	1,750	1,794	1,839	-	-	-
Contracted services	-	-	-	8,400	8,610	8,825	-	-	-
Interest	19,484	6,687	4,355	-	-	-	-	-	-
Contract	2,164	2,207	2,251	-	-	-	-	-	-
Amortization	1,048	1,048	1,048	-	-	-	-	-	-
Non-salary expenses	201,084	245,367	281,200	154,205	275,684	375,437	163,648	251,979	341,713
Total operating expenses	1,200,817	1,701,739	2,011,730	1,203,678	2,147,427	3,078,502	911,574	1,688,081	2,415,836
Net income	\$ 82,736	\$ 164,880	\$ 230,429	\$ (642,189)	\$ 219,534	\$ 359,127	\$ (422,939)	\$ (149,710)	\$ 73,571
Net income margin	6.4%	8.8%	10.3%	-114.4%	9.3%	10.4%	-86.6%	-9.7%	3.0%

Attachment B

CaroMont Partners

Cleveland County Home Health CON Applications

Comparative Analysis - Volume and Utilization Estimates

3/27/2024

Volume and Utilization Statistics	PHC			WellCare			CaroMont		
	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
Unduplicated patient % by payer									
Self pay	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.7%	0.7%
Insurance	2.5%	2.5%	2.5%	7.0%	7.0%	7.0%	0.0%	15.2%	15.2%
Medicare	79.0%	79.0%	79.0%	77.0%	77.0%	77.0%	91.0%	73.4%	73.4%
Medicaid	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	0.0%	7.4%	7.4%
Indigent	2.0%	2.0%	2.0%	0.5%	0.5%	0.5%	9.0%	3.3%	3.3%
Other	<u>1.5%</u>	<u>1.5%</u>	<u>1.5%</u>	<u>0.5%</u>	<u>0.5%</u>	<u>0.5%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>
Totals	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Unduplicated patients by payer									
Self Pay	-	-	-	-	-	-	-	4	7
Insurance	11	17	20	30	52	79	-	85	138
Medicare	359	538	627	334	576	871	186	414	669
Medicaid	68	102	119	65	112	170	-	42	68
Indigent	9	14	16	2	4	6	18	18	30
Other	7	10	12	2	4	6	-	-	-
Totals	454	681	794	434	748	1,131	204	563	912
Patient visits by payer									
Self pay	-	-	-	-	-	-	-	55	89
Insurance	247	359	431	450	780	1,185	-	1,117	1,806
Medicare	9,262	13,469	16,181	7,661	16,676	25,236	3,624	9,995	15,707
Medicaid	1,295	1,884	2,263	1,105	2,380	3,604	-	805	1,302
Indigent	225	328	394	24	48	72	240	241	390
Other	181	263	316	38	76	114	-	-	-
Totals	11,210	16,303	19,585	9,278	19,960	30,211	3,864	12,213	19,294
Duplicated patients by service									
Skilled nursing	610	887	1,066	451	970	1,468	172	544	859
Physical therapy	556	808	971	386	828	1,254	168	531	838
Speech therapy	92	134	161	51	109	165	16	50	79
Occupational therapy	405	590	708	249	538	815	85	270	426
Masters in social work	47	68	82	129	278	421	26	83	132
Home health aid	49	72	86	81	175	265	28	87	138
Totals	1,759	2,559	3,074	1,347	2,898	4,388	495	1,565	2,472
Patient visits by service									
Skilled nursing	4,820	7,010	8,422	4,416	9,504	14,386	1,738	5,495	8,679
Physical therapy	3,834	5,576	6,698	2,794	6,378	9,654	1,316	4,161	6,574
Occupational therapy	1,906	2,772	3,329	1,072	2,314	3,503	406	1,284	2,029
Home health aid	280	408	490	411	893	1,352	292	924	1,460
Speech therapy	314	456	548	149	536	811	73	231	365
Masters in social work	56	82	98	155	334	506	37	118	186
Totals	11,210	16,304	19,585	8,997	19,959	30,212	3,862	12,213	19,293
Percent of patient visits by service									
Skilled nursing	43.0%	43.0%	43.0%	49.1%	47.6%	47.6%	45.0%	45.0%	45.0%
Physical therapy	34.2%	34.2%	34.2%	31.1%	32.0%	32.0%	34.1%	34.1%	34.1%

Attachment C

CaroMont Partners

Cleveland County Home Health CON Applications

Comparative Analysis - Traditional CON Comparative Measures

3/27/2024

Traditional CON Comparative Measures	PHC	Well Care	CaroMont Partners	
1 Average net revenue per unduplicated patient	\$ 2,823.88	\$ 3,039.46	\$ 2,729.60	
2 Ratio of average net revenue per visit to average operating cost per visit	1.11	1.12	1.03	
3 Number of Cleveland County Medicare patients served	601	643	912	
4 Duplicated Medicare patients	941	1,634	2,012	
5 Unduplicated Medicaid patients	119	170	68	
6 Average number of visits per unduplicated patient	24.7	26.7	21.2	<i>See Attachment E</i>
7 Average net revenue per visit	\$ 114.48	\$ 113.79	\$ 129.03	<i>See Attachment E</i>
8 Average total operating costs per visit	\$ 102.72	\$ 101.90	\$ 125.22	<i>See Attachment E</i>
Average nurse salary	\$ 109,304	\$ 113,075	\$ 93,058	<i>See Attachment F</i>
9 Average LPN salary	\$ 72,162	\$ 73,999	\$ 61,456	<i>See Attachment F</i>
Average aide salary	\$ 50,938	\$ 50,746	\$ 43,392	<i>See Attachment F</i>

Attachment D

CaroMont Partners

Cleveland County Home Health CON Applications

Comparative Analysis - Key Utilization and Financial Measures

3/27/2024

Key Measures	PHC			WellCare			CaroMont		
	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
Utilization measures									
Unduplicated patients (unique patients)	454	681	794	434	748	1,131	204	563	912
Duplicated patients (unique patients receiving multiple services)	1,759	2,559	3,074	1,347	2,898	4,388	495	1,565	2,472
Patient visits	11,210	16,303	19,585	9,278	19,960	30,211	3,864	12,213	19,294
Visits per unduplicated patient	24.7	23.9	24.7	21.4	26.7	26.7	18.9	21.7	21.2
Financial measures									
Net patient revenue per unduplicated patient	\$ 2,783	\$ 2,698	\$ 2,780	\$ 1,294	\$ 3,164	\$ 3,039	\$ 2,395	\$ 2,732	\$ 2,730
FTEs	9.45	13.23	15.35	10.10	17.00	23.60	6.79	12.81	17.91
Average salary per FTE	\$ 87,431	\$ 90,976	\$ 93,172	\$ 86,590	\$ 91,752	\$ 95,447	\$ 87,980	\$ 89,543	\$ 92,498
Benefits as a % of salaries	21.0%	21.0%	21.0%	20.0%	20.0%	20.0%	25.2%	25.2%	25.2%
Average total salaries and benefits per FTE	\$ 105,792	\$ 110,081	\$ 112,738	\$ 103,908	\$ 110,103	\$ 114,537	\$ 110,151	\$ 112,108	\$ 115,808
Total non-salary expense per unduplicated patient	\$ 443	\$ 360	\$ 354	\$ 355	\$ 369	\$ 332	\$ 802	\$ 448	\$ 375
Total expense per unduplicated patient	\$ 2,645	\$ 2,499	\$ 2,534	\$ 2,773	\$ 2,871	\$ 2,722	\$ 4,469	\$ 2,998	\$ 2,649

Attachment E
CaroMont Partners
Cleveland County Home Health CON Applications
Comparative Analysis - Past Well Care CON Applications
3/27/2024

CON Application County	Visits per Unduplicated Patient	Average Net Patient Revenue per Visit	Average Total Operating Costs per Visit
Brunswick	17.1	\$ 171.60	\$ 135.95
New Hanover	21.2	\$ 128.90	\$ 103.66
Onslow	21.2	\$ 118.75	\$ 109.38
Pitt	21.3	\$ 118.95	\$ 107.42
Average	20.2	\$ 134.55	\$ 114.10
Cleveland application	26.7	\$ 113.79	\$ 101.90
% change	32.2%	-15.4%	-10.7%

Source: Past CON application filings.

Attachment F
CaroMont Partners
Cleveland County Home Health CON Applications
Comparative Analysis - Market Salary Data
3/27/2024

Salary Percentile Rankings (Shelby, North Carolina)	Registered Nurse	Licensed Practical Nurse	Home Care Aide III
10th percentile	\$ 66,786	\$ 45,803	\$ 32,709
25th percentile	\$ 74,193	\$ 49,900	\$ 35,414
50th percentile	\$ 82,329	\$ 54,400	\$ 38,385
75th percentile	\$ 94,128	\$ 60,100	\$ 41,858
90th percentile	\$ 104,871	\$ 65,290	\$ 45,019
Proposed CaroMont salary	\$ 93,058	\$ 61,456	\$ 43,392

Source: Salary.com; February 26, 2024; Shelby, North Carolina.