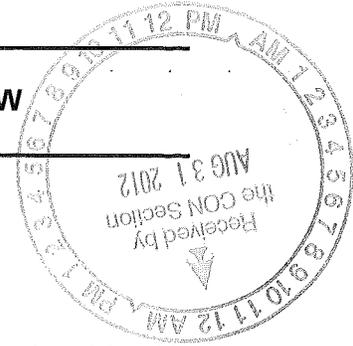


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**Introduction**

North Carolina General Statute 131E-185 permits applicants for CON-regulated health service allocations to submit comments about their competitors' proposals. The parameters for these comments are set forth to include:

- a. *Facts relating to the service area proposed in the application;*
- b. *Facts relating to the representations made by the applicant in its application, and its ability to perform or fulfill the representation made;*
- c. *Discussion and argument regarding whether, in light of the material contained in the application and other relevant factual material, the application complies with relevant review criteria (§131E-183), plans and standards.*

While these standards provide a fair amount of latitude for applicants to comment, introducing extraneous information outside the scope of these guidelines is unwarranted. Doing so merely shifts the focus of this process away from identifying the proposal that will best meet the home health needs of Mecklenburg County. The following comments consider, within the scope of the cited statute, the most pertinent issues affecting this CON review and whether or not the various applicants' proposals effectively address these issues.

**Overview**

Continuum has analyzed the proposals submitted by all of the applicants in this review and concludes that there are two primary issues that differentiate the projects (and their approvability). Principally, these include:

- 1) the accurate identification of ***need***, in relation to CON Review Criterion (3), and

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2) the realistic projection of the cost of care, particularly as it relates to CON Review Criterion (5) and financial feasibility.

These considerations are discussed in summary below and in detail, where relevant, with respect to each applicant. Although the comments presented here are comprehensive, they are not necessarily reflective of all potential shortcomings or non-conformities to applicable review criteria.

**PRIMARY ISSUE #1:            NEED FOR SERVICES PROPOSED**

While “need...for the services proposed...” is necessarily related to the need determination in the applicable State Medical Facilities Plan (i.e., if there was no “need” identified in the SMFP, there would not be a competitive review), “need” is not static and perfectly captured by the SMFP. In actuality, the health planning process always lags behind the current health service utilization landscape, primarily due to the requirements for Plan assembly and publication. This is a significant point, because an applicant that only accepts the need as identified in the then-current SMFP is at least tacitly devaluing data that is more up-to-date. The goal of an applicant proposing to develop a new health service should be to ensure that that health service actually is needed. Determining need should include consideration of factors that did not directly relate to an SMFP’s need determination. This assessment of the significance of comprehensive need assessment is not merely opinion; rather, it tracks with the clear language of CON Review Criterion (3), which reads:

***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.***

As Continuum documented in its CON proposal, substantive changes occurred following the publication of the 2012 SMFP that directly impacted the picture of home health need in

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Mecklenburg County. For example, population estimates and projections were revised by the State Demographer. As a result, the population data contained in the 2012 SMFP, upon which use-rates were calculated, changed. These changes were not trivial. Additionally, in the period between 2012 SMFP finalization and publication, the 2012 License Renewal Applications (LRAs) for existing home health agencies were completed and submitted to the Licensure and Certification Section. These forms contain operational data for FY2011, as opposed to the data in the 2012 SMFP, which is from FY2010. Meaningfully incorporating these 2012 LRA data into the CON applications for this review should be a matter of course, as it is the most current, widely accessible data on which to assess utilization. Similarly, to ignore, or even just underutilize, these 2012 LRA data makes a CON application less effective because properly understanding future need should include the most current picture of the healthcare landscape, which the 2012 LRAs provide. As presented in its CON application, Continuum based its projected unduplicated clients to-be-served on the following calculations:

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PROJECTION OF FUTURE <b>MECKLENBURG CO.</b> HHA NEED USING <b>CoG F</b> AARC							
	A	B	C	D	E	F	G
<b>POTENTIAL PATIENTS SERVED</b>							
		Meck. Co.	CoG F				
	Age Group	2011	AARC '08-'11	2012	2013	2014	2015
1	0-17	797	1.0%	804.85	812.70	820.55	828.41
2	18-64	5,499	5.5%	5,802.55	6,106.10	6,409.65	6,713.20
3	65-74	3,050	7.0%	3,264.67	3,479.35	3,694.02	3,908.70
4	75+	6,174	4.5%	6,454.31	6,734.62	7,014.94	7,295.25
5	<b>Totals</b>	<b>15,520</b>		<b>16,326.39</b>	<b>17,132.78</b>	<b>17,939.16</b>	<b>18,745.55</b>
6							
7	<b>PROJECTED USE-RATES</b>						
8		Meck. Co.	CoG F				
9	Age Group	2011	AARC '08-'11	2012	2013	2014	2015
10	0-17	3.39	0.2%	3.397	3.405	3.412	3.419
11	18-64	8.88	4.2%	9.250	9.619	9.988	10.357
12	65-74	62.57	2.5%	64.131	65.691	67.251	68.811
13	75+	167.54	2.2%	171.237	174.934	178.632	182.329
14	<b>Totals</b>						
15							
16	<b>PROJECTED POPULATION</b>						
17	Age Group			2012	2013	2014	2015
18	0-17			237,513	241,210	245,907	250,301
19	18-64			629,184	637,803	645,765	653,966
20	65-74			52,758	56,821	60,555	64,186
21	75+			37,675	38,535	39,382	40,397
22	<b>Totals</b>			<b>957,130</b>	<b>974,369</b>	<b>991,609</b>	<b>1,008,850</b>
23							
24	<b>PROJECTED PATIENTS IN NEED OF HHA SERVICES</b>						
25	Age Group			2012	2013	2014	2015
26	0-17			806.93	821.22	838.98	855.77
27	18-64			5,819.86	6,135.00	6,449.94	6,773.23
28	65-74			3,383.41	3,732.63	4,072.40	4,416.73
29	75+			6,451.35	6,741.09	7,034.87	7,365.55
30	<b>Totals</b>			<b>16,461.55</b>	<b>17,429.94</b>	<b>18,396.19</b>	<b>19,411.28</b>
31							
32				2012	2013	2014	2015
33	<b>NEED / SURPLUS</b>			<b>-135.16</b>	<b>-297.17</b>	<b>-457.03</b>	<b>-665.73</b>

Since Continuum's calculations are based on the most current data, including efforts to determine the most accurate historical use-rates, we believe that an applicant proposing to serve more than 297 Mecklenburg County clients in 2013 is non-conforming to CON Review Criterion (3). Furthermore, it is feasible that an applicant that did not rely on current data reached unjustifiable projections of need. Thus, those proposals should be scrutinized carefully for their conformity to applicable CON Review criteria.

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**Vizion One (F-01001-12)**

Vizion One projects serving 211 unduplicated clients in Year 1 and 325 unduplicated clients in Year 2 of its proposed agency. A review of the Vizion One application, however, provides *no clear indication* about how those volume projections were reached, other than a statement in Section IV representing that the source for these estimates was “the 2010 North Carolina Home Health Database for Mecklenburg County-based home health agencies (latest available data).” This concluding comment—“latest available data”—is inaccurate, as LRA data for FY 2011 (the 2012 License Renewal Applications) was also available. The importance of fully explaining this specific measurement of projected unduplicated clients, the standard by which need is evaluated by the SHCC, and by which allocations are made, cannot be overstated. Vizion One appears to cite the 2012 need determination, generally, as the basis for its unduplicated client projections, but it also offers an analysis on page 50 of its application, in which it appears to conclude that there could be as many as 2,664 unserved Mecklenburg County residents in 2013. The explanation for how this conclusion was reached is unclear. The reason for such a discrepancy between the 2012 SMFP projection and Vizion One’s alternate calculation is unexplained.

As described above, this issue is significant. The need determination in the 2012 SMFP is merely a “determinative limitation” on the number of “home health office” CONs that can be awarded. Review Criterion (3) explicitly requires the applicant to demonstrate the “need that [the] population has for the services proposed [...]” Vizion One has not demonstrated that there is a specific need for either of the projected numbers of unduplicated patients projected in Years 1 and 2. Therefore, this proposal is likely not conforming to, at a minimum, CON Review Criterion (3), and thus, not approvable.

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**Well Care (F-010007-12)**

Well Care projects to serve 378 unduplicated clients in Year 1 (325 Mecklenburg County residents) and 591 unduplicated clients in Year 2 (510 Mecklenburg County residents). While Well Care provides data from 2012 License Renewal Applications for Mecklenburg County home health agencies, it does not offer any meaningful assessment of these data in terms of how they relate to home health need in 2013. Merely offering the data without factoring it into the overall picture of need renders it of questionable significance to Well Care's projected unduplicated patients served. An explanation for why Well Care included these data, but did not factor them into the picture of future need, is not provided. The applicant apparently recognizes that the 2012 LRA data say something about the home health landscape, but Well Care does not assess the impact of these data on future need. When these data are considered in the context of the need determination methodology, the picture presented is one of considerably lesser need in Mecklenburg County than projected in the 2012 SMFP. To ignore this finding is to either misrepresent or misinterpret actual need for home health services. While the need projected in the 2012 SMFP is the "determinative limitation", that is not analogous with "absolute need". Rather, the 2012 SMFP puts a cap on the number of home health agency CONs that can be awarded; it does not, however, require the agency to issue a CON. An incomplete need analysis should raise questions about conformity to, at a minimum, CON Review Criterion (3).

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**Emerald Care (F-010008-12)**

Emerald Care projects that 100% of its unduplicated clients (330) will be Mecklenburg County residents in Year 1 of operation. This projection represents approximately one half of the total 651 need identified in the 2012 SMFP, based on 2008 to 2010 rates. Emerald Care offers a lengthy discussion about its "linear trend analysis" used to assess need; however, its ultimate determination that it will serve 129 new Mecklenburg County residents in 2013 and 275 "new" residents in 2014, along with 201 Mecklenburg County residents each year (to correspond with the number of Mecklenburg County residents served by its existing office/s), does not seem directly linked to its detailed need analysis.

Furthermore, Emerald Care fails to incorporate data that were available from the 2012 License Renewal applications in its projections. Instead, it conducts a trend analysis reaching back to 2002. Why more value is given to data from 10 years ago than to the most currently reported data is unclear. Regardless, Emerald Care's analysis fails to effectively examine need in its proposed service area, thus potentially making its total proposal non-conforming to, at a minimum, CON Review Criterion (3).

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**Assisted Care (F-010006-12)**

Assisted Care apparently accepts, definitively, the 2012 SMFP "conclusion" that 651 Mecklenburg County residents will lack adequate access to home health services in 2013. As already described, this determination is not based on the most up-to-date and available data. When more current data are considered, there is actually a much lower need for additional home health services in Mecklenburg County (297 in 2013 according to Continuum's analysis). Assisted Care's projection of serving 326 (exactly half of 651) Mecklenburg County residents in 2013 is, therefore, unreasonable. It appears that Assisted Care relied solely on the 2012 SMFP need determination and did not consider 2012 License Renewal applications, which contain more current data. Merely accepting the need determination of the 2012 SMFP does not constitute a substantive need analysis, thus potentially making Assisted Care's overall proposal non-conforming to, at a minimum, CON Review Criterion (3).

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**Healthy@Home-CMC (F-010004-12)**

H@H-CMC's application is likely non-conforming to CON review criterion (3). Although H@H-CMC claims that there is no need for a new agency ("H@H-CMC believes that there is actually a sufficient number of home health agencies already serving Mecklenburg County."); it also states that there is a 658 patient deficit in 2013 (based on use of its corrected 2009 operational data). These two statements are contradictory. Furthermore, H@H-CMC does not explain whether it proposes to serve all 658 clients it indicates may be undeserved. The manner in which H@H-CMC separates its projections between its existing office and proposed new office does not make clear how many truly "new" clients will be served. That is, it is uncertain how many of the additional clients served in the project years it would have served anyway (by its existing operation), and how many are new, discrete clients that the applicant will pick-up as a specific result of the new office. It is also not apparent how many new clients in the two offices are from the primary, secondary and tertiary service areas. In one table (Exhibit 20) the supposed "new" clients are reported in aggregate by office. In Exhibit 24, however, clients are listed by county, but it is unclear how these numbers relate to those in Exhibit 20. This lack of straightforward information makes it impossible to evaluate in what manner this proposal actually meets an identified need and likely renders it non-conforming to Review Criterion (3).

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**HealthKeeperz F-010005-12**

HealthKeeperz appears to accept as definitive the 2012 SMFP indication of a 651 patient DEFICIT in 2013 for home health services in Mecklenburg County. It does not appear that HealthKeeperz considered the impact of FY2011 home health agency operational data, which provides a more current picture of utilization and which was available since at least the beginning of 2012 (in existing provider 2012 LRAs). As discussed above, a CON applicant is expected to document the need a population has for a proposed service. In the case of home health care, the SHCC (and Medical Facilities Planning Section) assesses need based on likely *unduplicated* clients who will not be served by existing agencies. Therefore, the projection of unduplicated clients is extremely important. A comprehensive need analysis should consider all available data, and particularly data that directly relates to home health service utilization. Since no such consideration was given to 2012 LRA data, it is questionable whether HealthKeeperz actually demonstrated that there is a need for the services it proposes.

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**UHS-Pruitt (F-010011-12)**

While UHS-Pruitt conducts a lengthy need analysis, and incorporates updated utilization and demographic data, it is not clear that it calculated prior-year use-rates based on adjusted population data (for 2008, 2009 and 2010). Given the incomplete nature of UHS-Pruitt's need determination, it is unclear whether their proposal conforms to Criterion (3).

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**PRIMARY ISSUE #2:            COST-OF-CARE / FINANCIAL FEASIBILITY**

While many financial measures are provided within the CON applications, Continuum has identified as a potential concern the following tangible area of differentiation among the applicants. The cost of home health care is commonly, and logically, measured on a “per visit, per discipline” basis, thus linking direct and indirect costs together through a common element (i.e., a visit). This cost reflects how efficiently and effectively an applicant proposes to deliver its services. Cost effectiveness is a primary consideration of the CON Section, pursuant to, at a minimum, Review Criterion (5), which specifically reflects a basic tenet of the CON law. The following tables present applicants’ projections for unduplicated clients (as reported by each applicant in Section IV), duplicated clients (Section IV), visits by discipline (Section IV), cost-per-visit (Section X), and productivity (Section VII).

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**TABLE 1.**

SECTION IV. UTILIZATION <i>Analysis of Projected Unduplicated and Duplicated Clients</i>									
Applicant	Continuum	Vizion One	Maxim	H@H CMC	Health Keeperz	Assisted Care	Well Care	Emerald Care	UniHealth Pruitt
<b>CLIENTS</b>									
<i>Unduplicated</i>									
Year 1	74	211	426	2870	282	326	378	330	204
Year 2	492	325	503	2993	395	352	591	476	548
<i>Duplicated</i>									
Year 1	208	853	2131	12251	642	687	794	681	1036
Year 2	1206	1306	2737	12775	900	741	1241	982	2909

**TABLE 2.**

SECTION IV. UTILIZATION <i>Analysis of Visits by Discipline</i>									
Visits (Year 2)	Continuum	Vizion One	Maxim	H@H CMC	Health Keeperz	Assisted Care	Well Care	Emerald Care	UniHealth Pruitt
SN	3972	3707	4376	23171	4457	3529	6648	5138	5449
PT	3084	2958	3458	15997	2768	1687	2817	5217	3813
ST	228	173	235	659	151	172	676	279	122
OT	708	680	798	3192	546	277	225	718	1150
MSW	48	58	51	803	34	86	113	556	47
HHA	516	549	582	2967	622	406	789	662	946
<b>Total</b>	<b>8556</b>	<b>8125</b>	<b>9500</b>	<b>46789</b>	<b>8578</b>	<b>6157</b>	<b>11268</b>	<b>12570</b>	<b>11527</b>
<b>Visits per Undup. Client</b>	<b>17.39</b>	<b>25.00</b>	<b>18.89</b>	<b>15.63</b>	<b>21.72</b>	<b>17.49</b>	<b>19.07</b>	<b>26.41</b>	<b>21.03</b>

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**TABLE 3.**

SECTION X. COSTS										
<i>Cost per Visit by Discipline</i>										
Applicant	Continuum	Vizion One	Maxim	H@H CMC	Health Keeperz	Assisted Care	Well Care	Emerald Care	UniHealth Pruitt	
Nursing	165.26	115.02	82.35	158.38	88.96	137.95	135.77	93.38	169.20	
PT	147.73	139.86	85.98	139.15	88.81	147.80	140.27	84.03	134.43	
SLP	148.62	125.90	89.08	131.24	75.00	147.86	141.34	125.56	134.43	
OT	140.28	142.16	92.49	179.78	75.00	156.38	137.72	90.73	134.43	
MSW	499.63	135.17	122.65	87.15	75.00	171.99	168.05	91.70	408.80	
HHA	58.84	44.27	43.21	80.86	60.68	86.12	97.50	48.78	91.39	
Other		20.86								

**TABLE 4.**

Section VII. STAFFING										
<i>Visits/FTE/Day ("Productivity")</i>										
Applicant	Continuum	Vizion One	Maxim	H@H CMC	Health Keeperz	Assisted Care	Well Care	Emerald Care	UniHealth Pruitt	
RN	4.5	5	5	4	5	5	5.5	5	4.5	
LPN	5.8			5.5	5.9	5	5.5	5		
CNA	5.4	5	5.4	5.5	5.2	6	6.5	5	5	
MSW	3	3	3.5	4	3.5	3.5	4	5	3.4	
PT	5.4	5	5	4	5.4	5	5.5	5	5	
LPTA	5.4			5.5		5		5		
OT	5.15	5	5	5	5.3	5	5.5	5	5	
COTA	5.15	4		5.5	5.3					
SLP	4.4	5	5	4		5	5.5	5	0.33	

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These tables, when analyzed together, present a picture of the reasonableness of applicants staffing and financial-feasibility projections. For example, in Table 3, the applicants' costs in these proposals must be scrutinized carefully. Several applicants project a relatively lower cost than other applicants. These projections are likely incorrect and, therefore, misleading. For example, in Table 3 Maxim, HealthKeeperz, and Emerald Care propose extremely low per-visit costs. It is assumed that these applicants failed to include indirect costs in these data; however, Section X requested the total cost per visit. The failure of these applicants to appropriately include all costs makes their proposals difficult to evaluate comparatively and begs the question of whether the data provided is reliable. Similarly, even if an applicant properly reflected all of its proposed costs in these per-visit calculations, there is some indication that the cost is inadequate and, correspondingly, the staff-associated with the cost is inadequate (based, primarily, on unreasonable productivity assumptions). That is, applicants that propose relatively high visits per unduplicated client may either have understated their costs or overstated their visits.

The following detailed analysis was conducted to determine whether the staffing projections in Section VII were adequately reported on Form B in terms of allocated costs. This analysis also included an assessment of whether or not the FTEs reported in Section VII were sufficient to provide *all* of the visits that were reported in Section IV. This was accomplished by analyzing the visits-per-day "productivity" factor that the applicants reported (in Section VII, and Table4 above) and multiplying those visits-per-day times 240 work days in a year, times the reported number of FTEs. The calculations assume 240 work days per year instead of 260 (52\*5) to allow for *vacation, holiday, sick, bereavement, jury duty, training, etc.* Most applicants *did not specify* the number of work days they assumed for their employees. Furthermore, few applicants defined what the components are of their productivity assumptions (i.e., visits per day per discipline), which should include 1) direct visit time, 2) travel time, and 3) case management time (e.g. documentation). Even *conservatively* assuming 240 work days, it is noted that an applicant would have to have *100% productive time* to complete all the projected visits in 240 days. Based upon Continuum's knowledge of the industry, this is not a practical conclusion. Every employee has some amount of unanticipated non-productive time related to patients not being available or workflow simply not being consistent enough to have perfect schedules. Therefore, applicants should have some degree of "cushion" built in to their

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projected staffing. An applicant that projects that their employees will be able to provide ***exactly*** the maximum ***potential*** number of visits based on their productivity assumptions is unrealistic. Please consider the following detailed assessment of each applicant:

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**Continuum (F-010010-12)**

Salaries projected in Section VII are consistent with Form B in all categories. Assuming 240 work days per year, Continuum has **excess visit capacity** to do an additional 1,067 visits. This relates to an efficiency of 89% (8,556 visits divided by 9,623 capacity) and is sensible because it accounts for unanticipated occurrences that could limit productivity.

While Continuum's per visit costs appear high (TABLE 3, above), those of other applicants are **artificially low** because they all assumed they would get **better than 100% productivity** out of their projected staff.

CONTINUUM	FTEs Projected for Year 2 (Section VII)	Visits per Day (Section VII)	Applicant's proposed Year 2 Salary (Section VII)	Calculated Salary Cost	Form B Salaries	Difference	Calc. Max Visits (Assume 240 day work year)	Contract Visits	Maximum Calc. Visits	Total Projected visits	Excess Visit Capacity	CON Section Calculation of FTEs for Year 2	Difference in FTEs	Applicant's Salaries Projected in Proforma B Year 2	CON Section's Calculation of Salaries in Year 2 per VII.2	Difference in Salaries for Year 2 per Applicant's Section VII
Administrator	1		86,529.00	86,529.00	86,529.00	0.00								\$86,529.00	\$86,529.00	\$0.00
Secretary	1		25,838.00	25,838.00	25,835.00	(3.00)								\$25,835.00	\$25,838.00	(\$3.00)
Accounting	1		32,151.00	32,151.00	32,151.00	0.00								\$32,151.00	\$32,151.00	\$0.00
Other Admin. (Office Support)	0.5		73,526.00	36,763.00	36,763.00	0.00								\$36,763.00	\$36,763.00	\$0.00
Director of Professional Svcs.	0.5		73,526.00	36,763.00	36,763.00	0.00								\$36,763.00	\$36,763.00	\$0.00
Clinical Coordinator (RN)	2.75	4.5	65,938.00	181,329.50	181,330.00	0.50	2,970.00	2,970.00	2,970.00	2,912.80	57.20	2.70	0.05	\$181,330.00	\$177,837.23	\$3,492.77
RN (Care Provider)	1	5.8	43,627.00	43,627.00	43,627.00	0.00	1,392.00	1,392.00	1,392.00	1,059.20	332.80	0.76	0.24	\$43,627.00	\$33,196.64	\$10,430.36
LPN	0.48	5.4	21,532.00	10,335.36	10,406.00	70.64	622.08	622.08	622.08	516.00	106.08	0.40	0.08	\$10,406.00	\$8,572.93	\$1,833.07
HHA	0.03	3	57,909.00	1,737.27	1,810.00	72.73	21.60	21.60	21.60	21.60	0.00	0.00		\$1,810.00	\$1,737.27	\$72.73
Dietician				0.00		0.00									\$0.00	\$0.00
Medical Records	0.25	3.3	55,274.00	13,818.50	13,818.00	(0.50)	198.00	198.00	198.00	48.00	150.00	0.06	0.19	\$13,818.00	\$3,349.94	\$10,468.06
Medical Social Worker	0.5		84,144.00	42,072.00	42,072.00	0.00								\$42,072.00	\$42,072.00	\$0.00
Therapy Supervisor	2.1	5.4	84,144.00	174,758.67	174,761.00	2.33	2,691.66	2,691.66	2,691.66	2,485.61	206.06	1.92	0.16	\$174,761.00	\$161,380.31	\$13,380.69
PT	0.5	5.4	52,413.00	26,206.50	26,206.00	(0.50)	646.00	646.00	646.00	598.39	49.61	0.46	0.04	\$26,206.00	\$24,200.30	\$2,005.70
LPTA	0.66	5.15	78,663.00	51,917.58	51,991.00	73.42	815.76	815.76	815.76	708.00	107.76	0.57	0.09	\$51,991.00	\$45,095.39	\$6,895.61
OT	0	5.15	60,290.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		\$0.00	\$0.00	
COTA	0.25	4.4	74,551.00	18,637.75	18,638.00	0.25	264.00	264.00	264.00	228.00	36.00	0.22	0.03	\$18,638.00	\$16,095.24	\$2,542.76
Speech Therapist	1		65,938.00	65,938.00	65,938.00	0.00								\$65,938.00	\$65,938.00	\$0.00
OASIS/OA										0.89	9,623.10				\$0.00	\$0.00
Other																
<b>TOTAL</b>	<b>13.4969</b>											<b>7.09</b>	<b>0.88</b>			<b>\$51,153.76</b>

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**COMMENTS ON COMPETING CON APPLICATIONS**  
**2012 MECKLENBURG COUNTY HOME HEALTH AGENCY REVIEW**  
**Submitted by: CONTINUUM II HOME CARE & HOSPICE, INC.**

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**Vizion One**

Salaries projected in Section VII are largely consistent with Form B. There are minor differences in some categories that likely relate to rounding of FTEs.

A calculation of the visits per day multiplied times 240 days times FTEs reveals that there are ***insufficient FTEs even at 100% productivity*** to provide the projected visits. This analysis suggests that salary expense on Form B is ***understated by more than \$35,000***, which would only enable Vizion One to obtain 100% productivity. A ***more realistic productivity*** would result in a larger understatement of cost.

Vizion One	FTEs Projected for Year 2 (Section VII)	Visits per Day (Section VII)	Applicant's proposed Year 2 Salary (Section VII)	Calculated Salary Cost	Form B Salaries	Diff	Calc. Max Visits (Assume 240 day work year)	Contract Visits	Maximum Calc. Visits	Total Projected visits	Excess Visit Capacity	CON Section Calculation of FTEs for Year 2	Difference in FTEs	Applicant's Salaries Projected in Proforma B Year 2	CON Section's Calculation of Salaries in Year 2 per VIII.2	Difference in Salaries for Year 2 per Applicant's Section VII
Administrator	1.00		79,950.00	79,950.00	79,956.00	6.00							1.00	\$79,956.00	\$79,950.00	\$6.00
Scheduler/Secretary/Clerk	0.00		0.00	0.00		0.00							0.00		\$0.00	\$0.00
Accounting	0.00		0.00	0.00		0.00							0.00		\$0.00	\$0.00
Clinical Manager	0.00		0.00	0.00		0.00							0.00		\$0.00	\$0.00
Office Support	0.00		0.00	0.00		0.00							0.00		\$0.00	\$0.00
Marketing/Community Relations	0.00		0.00	0.00		0.00							0.00		\$0.00	\$0.00
Other Admin.	2.02		30,750.00	62,115.00	61,500.00	(615.00)							2.02	\$61,500.00	\$61,500.00	\$0.00
Dir. Of Professional Services	0.00		0.00	0.00		0.00							0.00		\$0.00	\$0.00
Nurse Supervisor/DON	1.00		71,750.00	71,750.00	71,748.00	(2.00)	0.00		0.00	3,707.00	0.00	3.09	1.00	\$71,748.00	\$71,750.00	(\$2.00)
RN	2.85	5.0	64,067.00	182,590.95	182,688.00	97.05	3,420.00		3,420.00		(287.00)	0.00	(0.24)	\$182,688.00	\$197,913.64	(\$15,225.64)
LPN	0.00		0.00	0.00		0.00			0.00				0.00		\$0.00	\$0.00
CNA	0.42	5.0	20,659.00	8,676.78	8,722.00	45.22	504.00		504.00	549.00	(45.00)	0.46	(0.04)	\$8,722.00	\$9,451.49	(\$729.49)
Dietician	0.00		0.00	0.00		0.00			0.00				0.00		\$0.00	\$0.00
Med Rec	0.00		0.00	0.00		0.00			0.00				0.00		\$0.00	\$0.00
MSW	0.07	3.0	45,917.00	3,214.19	3,410.00	195.81	50.40		50.40	58.00	(7.60)	0.08	(0.01)	\$3,410.00	\$3,698.87	(\$288.87)
Therapy Super	0.00		0.00	0.00		0.00			0.00				0.00		\$0.00	\$0.00
PT	2.28	5.0	79,310.00	180,826.80	180,462.00	(364.80)	2,736.00		2,736.00	2,958.00	(222.00)	2.47	(0.19)	\$180,462.00	\$195,499.15	(\$15,037.15)
LPTA	0.00		0.00	0.00		0.00			0.00				0.00		\$0.00	\$0.00
OT	0.52	5.0	80,718.00	41,973.36	42,224.00	250.64	624.00		624.00	680.00	(56.00)	0.57	(0.05)	\$42,224.00	\$45,740.20	(\$3,516.20)
COTA	0.00	4.0	0.00	0.00		0.00			0.00				0.00		\$0.00	\$0.00
SLP	0.13	5.0	70,740.00	9,196.20	9,414.00	217.80	156.00		156.00	173.00	(17.00)	0.14	(0.01)	\$9,414.00	\$10,198.35	(\$784.35)
OASIS/OA	0.00		0.00	0.00		0.00			0.00	8,125.00			0.00		\$0.00	\$0.00
Other	1.00		64,063.00	64,063.00	64,068.00	5.00			7,480.40				1.00	\$64,068.00	\$64,063.00	\$5.00
<b>TOTAL</b>	<b>11.29</b>									<b>16,250.00</b>		<b>6.80</b>	<b>4.49</b>			<b>(\$35,572.70)</b>

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**COMMENTS ON COMPETING CON APPLICATIONS**  
**2012 MECKLENBURG COUNTY HOME HEALTH AGENCY REVIEW**  
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**Maxim**

The salaries projected in Section VII are consistent with Form B in categories other than Medical Records. The salary of the Medical Records employee is missing from Form B. This is an ***understatement of more than \$7,500.***

A calculation of visits per day, multiplied times 240 days times FTEs, reveals that there is insufficient staffing in Physical and Speech Therapy. Salary expense is understated by more than \$12,500, which would only bring Maxim to 100% productivity in these two disciplines.

Maxim	FTEs Projected for Year 2 (Section VII)	Visits per Day (Section VII)	Applicant's proposed Year 2 Salary (Section VII)	Calculated Salary Cost	Form B Salaries	Diff	Calc. Max Visits (Assume 240 day work year)	Contract Visits	Maximum Calc. Visits	Total Projected visits	Excess Visit Capacity	CON Section Calculation of FTEs for Year 2	Difference in FTEs	Applicant's Salaries Projected in Proforma B Year 2	CON Section's Calculation of Salaries in Year 2 per VII.2	Difference in Salaries for Year 2 per Applicant's Section VII
Administrator	0.33		82,250.00	30,442.50	30,443.00	0.50							0.33	\$30,443.00	\$30,442.50	\$0.50
Scheduler/Secretary/Clerk	0.20		30,914.00	6,182.80	6,183.00	0.20							0.20	\$6,183.00	\$6,182.80	\$0.20
Accounting	0.00		0.00	0.00		0.00							0.00		\$0.00	\$0.00
Clinical Manager	0.00		0.00	0.00		0.00							0.00		\$0.00	\$0.00
Office Support	0.00		0.00	0.00		0.00							0.00		\$0.00	\$0.00
Marketing/Community Relations	0.00		0.00	0.00		0.00							0.00		\$0.00	\$0.00
Other Admin.	0.50		51,781.00	25,890.50	25,891.00	0.50							0.50	\$25,891.00	\$25,890.50	\$0.50
Dir. Of Professional Services	0.00		0.00	0.00		0.00							0.00		\$0.00	\$0.00
Nurse Supervisor/DON	0.00		0.00	0.00		0.00							0.00		\$0.00	\$0.00
RN	3.75	5	72,774.00	272,902.50	272,902.00	(0.50)	4,500.00		4,500.00	4,376.00	124.00	3.65	0.10	\$272,902.50	\$265,362.52	\$7,519.98
LPN	0.00	0	0.00	0.00		0.00	0.00		0.00	0.00	0.00	0.00	0.00		\$0.00	\$0.00
CNA	0.50	5.4	33,313.00	16,656.50	16,656.00	(0.50)	648.00		648.00	582.00	66.00	0.45	0.05	\$16,656.00	\$14,960.00	\$1,696.00
Dietician	0.10		53,300.00	5,330.00	5,330.00	0.00	0.00		0.00	0.00	0.00	0.00	0.10	\$5,330.00	\$5,330.00	\$0.00
Med Rec	0.25		30,151.00	7,537.75		(7,537.75)	0.00		0.00	0.00	0.00	0.00	0.25		\$7,537.75	(\$7,537.75)
MSW	0.10	3.5	49,395.00	4,939.50	4,939.00	(0.50)	84.00		84.00	51.00	33.00	0.06	0.04	\$4,939.00	\$2,998.98	\$1,940.02
Therapy Super	0.00		0.00	0.00		0.00	0.00		0.00	0.00	0.00	0.00	0.00		\$0.00	\$0.00
PT	2.75	5	82,362.00	226,495.50	226,495.00	(0.50)	3,300.00		3,300.00	3,458.00	(158.00)	2.88	(0.13)	\$226,495.00	\$237,339.83	(\$10,844.83)
LPTA	0.00	5.4	0.00	0.00		0.00	0.00		0.00	0.00	0.00	0.00	0.00		\$0.00	\$0.00
OT	0.75	5.15	75,702.00	56,776.50	56,777.00	0.50	927.00		927.00	798.00	129.00	0.65	0.10	\$56,777.00	\$48,875.56	\$7,901.44
COTA	0.00	5.15	0.00	0.00		0.00	0.00		0.00	0.00	0.00	0.00	0.00		\$0.00	\$0.00
SLP	0.20	4.4	79,964.00	15,992.80	15,993.00	0.20	211.20		211.20	235.00	(23.80)	0.22	(0.02)	\$15,993.00	\$17,795.02	(\$1,802.02)
OASIS/OA	1.00		58,219.00	58,219.00	58,219.00	0.00							0.00	\$58,219.00	\$58,219.00	\$0.00
Other	0.00		0.00			0.00							0.00		\$0.00	\$0.00
<b>TOTAL</b>	<b>10.43</b>				<b>9,500.00</b>				<b>7.91</b>				<b>2.52</b>			<b>(\$1,125.97)</b>

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**COMMENTS ON COMPETING CON APPLICATIONS**  
**2012 MECKLENBURG COUNTY HOME HEALTH AGENCY REVIEW**  
**Submitted by: CONTINUUM II HOME CARE & HOSPICE, INC.**

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**H@H-CMC**

As noted earlier, this application is difficult to review because H@H-CMC combined all of the projected data for the new agency with a portion of an existing agency. It appears that salaries in Section VII differ from Form B in two categories. LPTA salaries appear to be understated by \$60,502. Salaries in the "Other Category" (PRN RN) appear to be missing from Form B. If "as needed" nurses are required, but no cost is provided, it is impossible to determine whether enough expense has been included. Regardless, ***total salary expense is understated by more than \$200,000 in these categories.***

A calculation of visits per day multiplied times 240 days times FTEs indicates numerous staffing problems as projected. The proposed staffing would fall more than 4,500 visits short. The additional staffing necessary to bring H@H-CMC ***just*** up to 100% productivity (not sufficient in actual practice) would be more than \$310,000.

Healthy@Home CMC	FTEs Projected for Year 2 (Section VII)	Visits per Day (Section VII)	Applicant's proposed Year 2 Salary (Section VII)	Calculated Salary Cost	Form B Salaries	Diff	Calc. Max Visits (Assume 240 day work year)	Contract Visits	Maximum Calc. Visits	Total Projected visits	Excess Visit Capacity	CON Section Calculation of FTEs for Year 2	Difference in FTEs in Year 2	Applicant's Salaries Projected in Proforma B Year 2	CON Section's Calculation of Salaries in Year 2 per VII.2	Difference in Salaries for Year 2 per Applicant's Section VII
Administrator	1.00		87,511.00	87,511.00	87,511.00	0.00							1.00	\$87,511.00	\$87,511.00	\$0.00
Scheduler/Secretary/Clerk	1.00		16,121.00	16,121.00	16,121.00	0.00							1.00	\$16,121.00	\$16,121.00	\$0.00
Accounting	0.00		0.00	0.00	0.00	0.00							0.00	\$0.00	\$0.00	\$0.00
Clinical Manager	0.00		0.00	0.00	0.00	0.00							0.00	\$0.00	\$0.00	\$0.00
Office Support	0.00		0.00	0.00	0.00	0.00							0.00	\$0.00	\$0.00	\$0.00
Marketing/Community Relations	7.50		33,650.00	252,375.00	252,374.00	(1.00)							7.50	\$252,374.00	\$252,375.00	(\$1.00)
Other Admin.	2.00		76,884.00	153,768.00	153,768.00	0.00							2.00	\$153,768.00	\$153,768.00	\$0.00
Dir. Of Professional Services	8.00		64,591.00	516,728.00	516,728.00	0.00							8.00	\$516,728.00	\$516,728.00	\$0.00
Nurse Supervisor/DON	18.80	4	64,591.00	1,214,310.80	1,229,594.00	15,283.20	18,048.00		18,048.00	21,326.08	(3,278.08)	22.21	(3.41)	\$1,229,594.00	\$1,434,867.84	(\$205,273.84)
RN	2.50	5.5	36,838.00	92,095.00	139,984.00	47,889.00	3,300.00		3,300.00	2,895.92	464.08	2.15	0.35	\$139,984.00	\$79,143.53	\$60,840.47
LPN	2.50	5.5	30,363.00	75,907.50	75,908.00	0.50	3,300.00		3,300.00	2,967.00	333.00	2.25	0.25	\$75,908.00	\$68,247.74	\$7,660.26
CNA	0.50		45,675.00	22,837.50	22,838.00	0.50	0.00		0.00	0.00	0.00	0.00	0.50	\$22,838.00	\$22,837.50	\$0.50
Dietician	0.50		33,779.00	16,889.50	16,890.00	0.50	0.00		0.00	0.00	0.00	0.00	0.50	\$16,890.00	\$16,889.50	\$0.50
Med Rec	1.00	4	21,134.00	21,134.00	21,134.00	0.00	960.00		960.00	803.00	157.00	0.84	0.16	\$21,134.00	\$17,677.71	\$3,456.29
MSW	1.00		94,179.00	94,179.00	94,179.00	0.00	0.00		0.00	0.00	0.00	0.00	1.00	\$94,179.00	\$94,179.00	\$0.00
Therapy Super	8.90	4	84,445.00	751,560.50	751,563.00	2.50	8,544.00		8,544.00	9,685.26	(1,141.26)	10.09	(1.19)	\$751,563.00	\$851,949.64	(\$100,386.64)
PT	5.80	5.5	75,626.00	438,630.80	378,129.00	(60,501.80)	7,656.00		7,656.00	6,311.74	1,344.26	4.78	1.02	\$378,129.00	\$361,614.97	\$16,514.03
LPTA	1.50		72,196.00	108,294.00	108,294.00	0.00	1,800.00		1,800.00	1,915.20	(115.20)	1.60	(0.10)	\$108,294.00	\$115,224.82	(\$6,930.82)
OT	1.00	5.5	58,052.00	58,052.00	58,052.00	0.00	1,320.00		1,320.00	1,276.80	43.20	0.87	0.03	\$58,052.00	\$56,152.12	\$1,899.88
COTA	1.00	4	86,677.00	86,677.00	86,677.00	0.00	960.00		960.00	659.00	301.00	0.69	0.31	\$86,677.00	\$89,500.15	\$2,823.15
SLP	0.00		0.00	0.00	0.00	0.00							0.00	\$0.00	\$0.00	\$0.00
OASIS/QA	2.20		65,008.00	143,017.60		(143,017.60)							2.20	\$0.00	\$143,017.60	\$143,017.60
Other	66.7									47,780.00		45.57	21.13	\$0.00	\$4,347,805.11	(\$338,061.11)
TOTAL																

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COMMENTS ON COMPETING CON APPLICATIONS  
2012 MECKLENBURG COUNTY HOME HEALTH AGENCY REVIEW  
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**HealthKeeperz**

The salaries projected in Section VII appear to bwe consistent with Form B in all categories. There are, however, apparent ***problems*** in the ***contracted disciplines***. A computation of required hours (8 hours per day divided by visits per day) times projected visits computes the number of hours required to complete the visits. These hours multiplied times the hourly rate indicate ***substantial differences***. A comparison with the computed contract cost and Form B indicates that Expenses are ***understated by more than \$98,000***.

Health/keeper	FTEs Projected for Year 2 (Section VII)	Visits per Day (Section VII)	Applicant's proposed Year 2 Salary (Section VII)	Calculated Salary Cost	Form B Salaries	Diff	Contracted Hours	\$/Hour	Applicants Calc. Contract Cost	Form B Contract	Diff	Calc. Max Visits (Assume 240 day work year)	Contract Visits	Maximum Calc. Visits	Total Projected visits	Excess Visit Capacity	CON Section Calculation of FTEs for Year 2	Difference In FTEs	Applicant's Salaries Projected in Proforma B Year 2	CON Section's Calculation of Salaries in Year 2 per VII.2	Difference In Salaries for Year 2 per Applicant's Section VII	
Administrator	1.00		87,295.00	87,295.00	87,295.00	0.00												1.00	\$30,443.00	\$87,295.00	(\$56,852.00)	
Scheduler/Secretary/Clerk	1.00		32,042.00	32,042.00	32,042.00	0.00												1.00	\$6,163.00	\$32,042.00	(\$25,879.00)	
Accounting	0.00		0.00	0.00	0.00	0.00												0.00		\$0.00	\$0.00	
Clinical Manager	0.00		0.00	0.00	0.00	0.00												0.00		\$0.00	\$0.00	
Office Support	0.00		0.00	0.00	0.00	0.00												0.00		\$0.00	\$0.00	
Marketing/Community Relations	0.00		0.00	0.00	0.00	0.00												0.00		\$0.00	\$0.00	
Other Admin.	0.00		0.00	0.00	0.00	0.00												0.00	\$25,891.00	\$0.00	\$25,891.00	
Dir. Of Professional Services	0.00		0.00	0.00	0.00	0.00												0.00		\$0.00	\$0.00	
Nurse Supervisor/DON	2.00		0.00	0.00	0.00	0.00												0.00	\$272,902.50	\$262,320.45	\$10,582.05	
LPN	1.00	5	70,627.00	141,254.00	141,254.00	0.00	1,095.65	39.00	42,738.11	28,202	(14,536.11)	2,400.00	726.00	4,542.00	4,457.00	85.00	3.71	(1.71)	\$0.00	\$0.00	\$0.00	
CNA	0.50	5.9	48,265.00	48,265.00	48,265.00	0.00						1,416.00		624.00	622.00	2.00	0.50	0.00	\$16,656.00	\$15,355.63	\$1,300.38	
Dietician	0.00		0.00	0.00	0.00	0.00						624.00					0.00	0.00	\$5,330.00	\$0.00	\$5,330.00	
Med Rec	0.50		0.00	0.00	0.00	(0.50)	77.71	77.00	5,984.00	2,700	0.00	0.00	34.00	34.00	34.00	0.00	0.04	(0.04)	\$19,256.50	\$0.00	\$19,256.50	
NSW	0.00		0.00	0.00	0.00	0.00						0.00					0.00	0.00	\$4,938.00	\$0.00	\$4,938.00	
Therapy Super	0.00		0.00	0.00	0.00	0.00						0.00					0.00	0.00	\$106,800.00	\$168,220.74	(\$61,420.74)	
PT	1.00	5.4	102,700.00	102,700.00	102,700.00	0.00	2,054.81	77.00	158,226.74	106,800	(51,426.74)	1,288.00	1,387.00	2,683.00	2,768.00	(85.00)	2.14	(1.14)	\$0.00	\$0.00	\$0.00	
LPTA	0.00	0	0.00	0.00	0.00	0.00						0.00					0.00	0.00	\$40,800.00	\$63,458.62	(\$22,658.62)	
OT	0.00	5.3	0.00	0.00	0.00	0.00	824.15	77.00	63,458.62	40,800	(22,658.62)	0.00	546.00	546.00	546.00	0.00	0.43	(0.43)	\$0.00	\$17,550.19	(\$17,550.19)	
COTA	0.00	0	0.00	0.00	0.00	0.00						0.00					0.00	0.00	\$11,400.00	\$0.00	\$11,400.00	
SLP	0.00	0	0.00	0.00	0.00	0.00	227.92	77.00	17,550.19	11,400	(6,150.19)	0.00	151.00	151.00	151.00	0.00	0.00	0.00	\$58,219.00	\$0.00	\$58,219.00	
OASIS/OA	0.00		0.00	0.00	0.00	0.00						0.00					0.00	0.00	\$0.00	\$0.00	\$0.00	
Other	0.00		0.00	0.00	0.00	0.00						0.00					0.00	0.00	\$0.00	\$0.00	\$0.00	
<b>TOTAL</b>	<b>7</b>																					<b>(\$82,684.83)</b>

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**COMMENTS ON COMPETING CON APPLICATIONS**  
**2012 MECKLENBURG COUNTY HOME HEALTH AGENCY REVIEW**  
**Submitted by: CONTINUUM II HOME CARE & HOSPICE, INC.**

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**Assisted Care**

The salaries projected in Section VII are largely consistent with Form B; small differences are likely attributable to rounding of FTEs.

A calculation of the Visits per day multiplied times 240 days times FTEs reveals that there are **insufficient FTEs**, even at 100% productivity, to provide the projected visits. It appears that salary expense on Form B is **understated** by **more than \$46,000**. Even with adequate salary of an additional \$46,000 would only reach 100% productivity, which likely is unrealistic. A more realistic productivity would result in a **larger understatement of cost**. Disciplines impacted are RN, LPN, CNA, MSW, and Speech Therapy.

Assisted Care	FTEs Projected for Year 2 (Section VII)	Visits per Day (Section VII)	Applicant's proposed Year 2 Salary (Section VII)	Calculated Salary Cost	Form B Salaries	Diff	Calc. Max Visits (Assume 240 day work year)	Contract Visits	Maximum Calc. Visits	Total Projected visits	Excess Visit Capacity	CON Section Calculation of FTEs for Year 2	Difference in FTEs	Applicant's Salaries Projected in Proforma B Year 2	CON Section's Calculation of Salaries in Year 2 per VII.2	Difference in Salaries for Year 2 per Applicant's Section VII
Administrator	1.00		76,220.00	76,220.00	76,220.00	0.00								\$76,220.00	\$76,220.00	\$0.00
Scheduler/Secretary/Clerk	0.00		0.00	0.00	0.00	0.00								0.00	\$0.00	\$0.00
Accounting	0.00		0.00	0.00	0.00	0.00								0.00	\$0.00	\$0.00
Clinical Manager	0.00		0.00	0.00	0.00	0.00								0.00	\$0.00	\$0.00
Office Support	0.00		0.00	0.00	0.00	0.00								0.00	\$0.00	\$0.00
Marketing/Community Relations	0.00		0.00	0.00	0.00	0.00								0.00	\$0.00	\$0.00
Other Admin.	0.00		0.00	0.00	0.00	0.00								0.00	\$0.00	\$0.00
Dir. Of Professional Services	0.00		0.00	0.00	0.00	0.00								0.00	\$0.00	\$0.00
Nurse Supervisor/IDON	2.19		71,070.00	155,643.30	155,435.00	208.30	2,628.00		2,628.00	3,260.97	(632.97)	2.72	(0.53)	\$155,435.00	\$193,131.23	(\$37,696.23)
RN	0.18	5	45,423.00	8,176.14	8,279.00	(102.86)	216.00		216.00	268.03	(52.03)	0.22	(0.04)	\$8,279.00	\$10,145.43	(\$1,866.43)
LPN	0.23	6	29,870.00	6,870.10	6,821.00	49.10	331.20		331.20	406.00	(74.80)	0.28	(0.05)	\$6,821.00	\$8,421.68	(\$1,600.68)
CNA	0.00		0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	\$2,138.00	\$2,138.00	\$0.00
Dietician	1.00		36,625.00	36,625.00	36,625.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	\$1,707.00	\$4,648.30	(\$2,941.30)
Med Rec	0.03	4	51,888.00	1,596.64	1,707.00	(150.36)	28.80		28.80	86.00	(57.20)	0.09	(0.06)	\$1,707.00	\$1,707.00	\$0.00
MSW	0.00		0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	\$0.00	\$0.00	\$0.00
Therapy Super	1.22		83,945.00	102,412.90	102,353.00	59.90	1,610.40		1,610.40	1,286.34	324.06	0.87	0.25	\$102,353.00	\$91,804.24	\$20,448.76
PT	0.38	5.5	57,680.00	21,918.40	21,640.00	278.40	501.60		501.60	400.66	100.94	0.30	0.08	\$21,640.00	\$17,507.74	\$4,132.26
LPTA	0.38	5.5	79,001.00	30,020.38	30,148.00	(127.62)	501.60		501.60	277.00	224.60	0.21	0.17	\$30,148.00	\$16,576.24	\$13,569.76
OT	0.00	0	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	\$0.00	\$0.00	\$0.00
COTA	0.09	5.5	77,765.00	6,998.85	7,383.00	(384.15)	118.80		118.80	172.00	(53.20)	0.13	(0.04)	\$7,383.00	\$10,133.02	(\$2,750.02)
SLP	0.00		0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	\$0.00	\$0.00	\$0.00
OASIS/QA	0.00		0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	\$0.00	\$0.00	\$0.00
Other	0.00		0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	\$0.00	\$0.00	\$0.00
<b>TOTAL</b>	<b>6.7</b>				<b>6,157.00</b>				<b>4.93</b>				<b>1.77</b>			<b>(\$8,703.87)</b>

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**COMMENTS ON COMPETING CON APPLICATIONS**  
**2012 MECKLENBURG COUNTY HOME HEALTH AGENCY REVIEW**  
**Submitted by: CONTINUUM II HOME CARE & HOSPICE, INC.**

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**Well Care**

The salaries projected in Section VII appear to be consistent with Form B in all categories.

A calculation of the Visits per day multiplied times 240 days times FTEs reveals that there are insufficient FTEs even at 100% productivity to provide the projected visits. This analysis indicates that salary expense on Form B is ***understated by more than \$12,000.*** Correcting this understatement would still require Well Care's proposed staff to be 100% productivity, which is unrealistic. A more realistic productivity would result in an even greater understatement of cost. The disciplines impacted are Physical and Occupational Therapy.

Well Care	FTEs Projected for Year 2 (Section VII)	Visits per Day (Section VII)	Applicant's proposed Year 2 Salary (Section VII)	Calculated Salary Cost	Form B Salaries	Diff	Calc. Max Visits (Assume 240 day work year)	Contract Visits	Maximum Calc. Visits	Total Projected visits	Excess Visit Capacity	CON Section Calculation of FTEs for Year 2	Difference in FTEs	Applicant's Salaries Projected in Proforma B Year 2	CON Section's Calculation of Salaries in Year 2 per VII.2	Difference in Salaries for Year 2 per Applicant's Section VII
Administrator	1.00		79,310.00	79,310.00	79,310.00	0.00							1.00	\$79,310.00	\$79,310.00	\$0.00
Scheduler/Secretary/Clerk	0.00		0.00	0.00		0.00							0.00		\$0.00	\$0.00
Accounting	0.00		0.00	0.00		0.00							0.00		\$0.00	\$0.00
Clinical Manager	0.00		0.00	0.00		0.00							0.00		\$0.00	\$0.00
Office Support	0.00		0.00	0.00		0.00							0.00		\$0.00	\$0.00
Marketing/Community Relations	0.00		0.00	0.00		0.00							0.00		\$0.00	\$0.00
Other Admin.	0.00		0.00	0.00		0.00							0.00		\$0.00	\$0.00
Dir. Of Professional Services	0.00		0.00	0.00		0.00							0.00		\$0.00	\$0.00
Nurse Supervisor/DON	5.20	5.5	70,967.00	369,028.40	369,028.00	(0.40)	6,864.00		6,864.00	6,648.00	216.00	5.04	0.16	\$369,028.00	\$37,415.62	\$11,162.38
RN	0.00		43,775.00	0.00		0.00			0.00				0.00		\$0.00	\$0.00
LPN	0.60	6.5	32,188.00	19,312.80	19,313.00	0.20	936.00		936.00	789.00	147.00	0.51	0.09	\$19,313.00	\$16,279.70	\$3,033.30
CNA	0.00		0.00	0.00		0.00			0.00				0.00		\$0.00	\$0.00
Dietician	0.50		38,625.00	19,312.50	19,313.00	0.50	0.00		0.00	0.00	0.00	0.12	0.50	\$19,313.00	\$19,312.50	\$0.50
Med Rec	0.20	4	46,350.00	9,270.00	9,270.00	0.00	192.00		192.00	113.00	79.00	0.12	0.08	\$9,270.00	\$9,455.78	\$3,814.22
MSW	2.00		83,430.00	166,860.00	166,860.00	0.00	2,640.00		2,640.00	2,817.00	(177.00)	2.13	(0.13)	\$166,860.00	\$178,047.20	(\$11,187.20)
Therapy Super	0.00		0.00	0.00		0.00			0.00	0.00	0.00		0.00		\$0.00	\$0.00
PT	0.00		0.00	0.00		0.00			0.00	0.00	0.00		0.00		\$0.00	\$0.00
LPTA	0.50	5.5	77,250.00	38,625.00	38,625.00	0.00	660.00		660.00	675.00	(16.00)	0.51	(0.01)	\$38,625.00	\$39,561.36	(\$936.36)
OT	0.00		0.00	0.00		0.00			0.00				0.00		\$0.00	\$0.00
COTA	0.18	5.5	77,250.00	13,905.00	13,519.00	(386.00)	237.60		237.60	225.00	12.60	0.17	0.01	\$13,519.00	\$13,167.61	\$351.39
SLP	0.00		0.00	0.00		0.00			0.00				0.00		\$0.00	\$0.00
OASIS/QA	0.00		0.00	0.00		0.00			0.00				0.00		\$0.00	\$0.00
Other	2.00		39,140.00	78,280.00	78,280.00	0.00			237.60	225.00	12.60	0.17	0.01	\$13,519.00	\$13,167.61	\$351.39
<b>TOTAL</b>	<b>12.18</b>									<b>11,268.00</b>		<b>8.48</b>	<b>3.70</b>	<b>\$78,280.00</b>	<b>\$786,233.78</b>	<b>\$6,668.22</b>

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**COMMENTS ON COMPETING CON APPLICATIONS**  
**2012 MECKLENBURG COUNTY HOME HEALTH AGENCY REVIEW**  
*Submitted by: CONTINUUM II HOME CARE & HOSPICE, INC.*

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**Emerald Care**

The salaries presented in Section VII are inconsistent with Form B. Specifically, Physical Therapy salaries are ***understated by more than \$37,000***. Please see the following table:

Emerald Care	FTEs Projected for Year 2 (Section VII)	Visits per Day (Section VII)	Applicant's proposed Year 2 Salary (Section VII)	Calculated Salary Cost	Form B Salaries	Diff	Calc. Max Visits (Assume 240 day work year)	Contract Visits	Maximum Calc. Visits	Total Projected visits	Excess Visit Capacity	CON Section Calculation of FTEs for Year 2	Difference in FTEs	Applicant's Salaries Projected in Proforma B Year 2	CON Section's Calculation of Salaries in Year 2 per VIII.2	Difference in Salaries for Year 2 per Applicant's Section VII
Administrator	1.00		81,600.00	81,600.00	81,600.00	0.00							1.00	\$81,600.00	\$81,600.00	\$0.00
Scheduler/Secretary/Clerk	0.00		0.00	0.00	66,300.00	0.00							0.00	\$66,300.00	\$66,300.00	\$0.00
Accounting	1.00		66,300.00	66,300.00	71,400.00	0.00							1.00	\$71,400.00	\$71,400.00	\$0.00
Clinical Manager	1.00		71,400.00	71,400.00	33,150.00	0.00							1.00	\$33,150.00	\$33,150.00	\$0.00
Office Support	1.00		33,150.00	33,150.00	40,800.00	0.00							1.00	\$40,800.00	\$40,800.00	\$0.00
Marketing/Community Relations	0.00		0.00	0.00	0.00	0.00							0.00	\$0.00	\$0.00	\$0.00
Other Admin.	1.00		40,800.00	40,800.00	0.00	0.00							0.00	\$0.00	\$0.00	\$0.00
Dir. Of Professional Services	0.00		0.00	0.00	0.00	0.00							0.00	\$0.00	\$0.00	\$0.00
Nurse Supervisor/DON	3.35	5	73,987.00	247,856.45	247,856.00	(0.45)	4,020.00	4,020.00	4,020.00	3,956.85	63.15	3.30	0.05	\$247,856.00	\$243,962.92	\$3,893.08
RN	1.00	5	40,035.00	40,035.00	40,035.00	0.00	1,200.00	1,200.00	1,200.00	1,181.15	18.85	0.88	0.02	\$40,035.00	\$39,406.10	\$628.90
LPN	0.55	5	32,493.00	17,871.15	17,871.00	(0.15)	660.00	660.00	660.00	662.00	(2.00)	0.55	(0.00)	\$17,871.00	\$17,925.31	(\$54.31)
CNA	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$0.00	\$0.00	\$0.00
Dietician	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$0.00	\$0.00	\$0.00
Med Rec	0.45	5	86,872.00	38,092.40	38,092.00	(2.40)	540.00	540.00	540.00	556.00	(16.00)	0.46	(0.01)	\$38,092.00	\$39,092.40	(\$22.40)
MSW	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$0.00	\$0.00	\$0.00
Therapy Super	3.40	5	94,585.00	321,589.00	332,459.00	10,870.00	4,080.00	4,080.00	4,080.00	4,031.32	48.68	3.36	0.04	\$332,459.00	\$317,751.86	\$14,707.14
PT	1.00	5	48,705.00	48,705.00	50,271.00	(48,705.00)	1,200.00	1,200.00	1,200.00	1,185.68	14.32	0.99	0.01	\$50,271.00	\$48,123.86	\$19,147.14
LPTA	0.60	5	83,785.00	50,271.00	50,271.00	0.00	720.00	720.00	720.00	718.00	2.00	0.60	0.00	\$50,271.00	\$50,131.36	\$139.64
OT	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$0.00	\$0.00	\$0.00
COTA	0.25	5	112,828.00	28,207.00	28,207.00	0.00	300.00	300.00	300.00	279.00	21.00	0.23	0.02	\$28,207.00	\$26,232.51	\$1,974.49
SLP	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$0.00	\$0.00	\$0.00
OASIS/QA	1.00		66,300.00	66,300.00	66,300.00	0.00							1.00	\$66,300.00	\$66,300.00	\$0.00
Other	16.6									12,570.00		10.48	6.13		\$1,070,776.31	(\$26,857.31)
<b>TOTAL</b>																

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**COMMENTS ON COMPETING CON APPLICATIONS**  
**2012 MECKLENBURG COUNTY HOME HEALTH AGENCY REVIEW**  
**Submitted by: CONTINUUM II HOME CARE & HOSPICE, INC.**

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**UniHealth**

The salaries presented in Section VII are largely consistent with Form B. Differences likely relate to the rounding of FTEs.

UniHealth appears to have problems related to the contracted disciplines. A computation of required hours (8 hours per day divided by visits per day) times projected visits computes the required number of hours to complete the visits. These hours multiplied times the hourly rate indicate **substantial differences**. A comparison with the computed contract cost and Form B indicates that Expenses are **understated by more than \$400,000**.

Unit/Health Pruitt	FTEs Projected for Year 2 (Section VII)	Visits per Day (Section VII)	Applicant's proposed Year 2 Salary (Section VII)	Calculated Salary Cost	Form B Salaries	Diff	Contracted Hours	\$/Hour Calc. Contract Cost	Applicants Calc. Contract Cost	Form B Contract	Diff	Calc. Max Visits (Assume 240 day work year)	Contract Visits	Maximum Calc. Visits	Total Projected visits	Excess Visit Capacity	CON Section Calculation of FTEs for Year 2	Difference in FTEs in Year 2	Applicant's Salaries Projected in Performa B Year 2	CON Section's Calculation of Salaries in Year 2 per VII.2	Difference in Salaries for Year 2 per Applicant's Section VII
Administrator	1.00		81,600.00	81,600.00	81,600.00	0.00												1.00	\$81,600.00	\$81,600.00	\$0.00
Scheduler/Secretary/Clerk	1.00		28,560.00	28,560.00	28,560.00	0.00												1.00	\$28,560.00	\$28,560.00	\$0.00
Accounting	0.00		0.00	0.00	0.00	0.00												0.00		\$0.00	\$0.00
Clinical Manager	0.00		0.00	0.00	0.00	0.00												0.00		\$0.00	\$0.00
Office Support	0.00		0.00	0.00	0.00	0.00												0.00		\$0.00	\$0.00
Marketing/Community Relations	0.00		0.00	0.00	0.00	0.00												0.00		\$0.00	\$0.00
Other Admin.	1.00		28,560.00	28,560.00	28,560.00	0.00												1.00	\$28,560.00	\$28,560.00	\$0.00
Dir. Of Professional Services	0.00		0.00	0.00	0.00	0.00												0.00		\$0.00	\$0.00
Nurse Supervisor/DON	1.00	4.5	75,735.00	75,735.00	75,735.00	0.00				5,400.00	5,449.00	5,400.00	5,400.00	5,400.00	5,449.00	(49.00)	5.05	(0.05)	\$75,735.00	\$75,735.00	\$0.00
RN	5.00		72,420.00	362,100.00	365,070.00	(2,970.00)				960.00	946.00	960.00	960.00	960.00	946.00	14.00	0.79	0.01	\$365,070.00	\$365,385.72	(\$315.72)
LPN	0.00		0.00	0.00	0.00	0.00				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$0.00	\$0.00	\$0.00
CNA	0.80		32,695.00	26,316.00	25,718.00	598.00				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$0.00	\$0.00	\$0.00
Dietician	0.00		0.00	0.00	0.00	0.00				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$0.00	\$0.00	\$0.00
Med Rec	0.00		0.00	0.00	0.00	0.00				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$0.00	\$0.00	\$0.00
MSW	0.30		51,000.00	15,300.00	13,135.00	2,165.00				244.80	244.80	244.80	244.80	244.80	47.00	197.80	0.05	0.24	\$13,135.00	\$2,937.50	\$10,197.50
Therapy Super	0.00		0.00	0.00	0.00	0.00				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$0.00	\$0.00	\$0.00
PT	0.00		0.00	0.00	0.00	0.00				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$0.00	\$0.00	\$0.00
LPTA	0.00		291,694.50	0.00	0.00	0.00	6,100.80	76.50	466,711.20	291,695	(175,016.70)	3,813.00	3,813.00	3,813.00	3,813.00	0.00	2.93	(2.93)	\$291,694.50	\$466,711.20	(\$175,016.70)
OT	0.00		0.00	0.00	0.00	0.00	1,840.00	76.50	140,760.00	87,975	(52,785.00)	1,150.00	1,150.00	1,150.00	1,150.00	0.00	0.88	(0.88)	\$87,975.00	\$140,760.00	(\$52,785.00)
COTA	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$0.00	\$0.00	\$0.00
SLP	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$0.00	\$0.00	\$0.00
OASIS/OA	0.00	0.33	9,335.00	0.00	0.00	0.00	2,857.58	76.50	226,254.55	9,333	(216,921.55)	122.00	122.00	122.00	122.00	0.00	1.42	(1.42)	\$9,335.00	\$226,254.55	(\$216,921.55)
Other	1.00		75,735.00	75,735.00	75,735.00	0.00				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	\$75,735.00	\$75,735.00	\$0.00
TOTAL	12.1		57,630.00	57,630.00	57,630.00	0.00				11,627.00	11,627.00	11,627.00	11,627.00	11,627.00	11,627.00	0.00	11.13	0.97	\$57,630.00	\$157,630.19	(\$435,055.69)

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**CONCLUSION:      COST-OF-CARE / FINANCIAL FEASIBILITY ASSESSMENT**

The following conclusions can be drawn from the preceding analysis. First, several applicants misrepresent their cost-per-visit by discipline. This is a substantive error that may not be easily remediable. Secondly, many applicants likely have projected more visits than their stated costs can realistically cover. As described in depth, many applicants appear to assume that their staff will be 100% productive. That is, they only have exactly the number of staff FTEs needed to make the precise number of visits projected. The problem with this projection is that it allows no leeway in a healthcare service that involves travel to clients' homes, a process that is wrought with potential unexpected circumstances. There is no indication that the productivity standards most applicants rely upon take into account the reality of employee absences, unexpected occurrences, etc. that likely will occur over the course of a year. Stated simply, applicants that have projected 100% efficiency for their employees have most likely overstated the realistic number of visits these employees can perform. Therefore, if the applicants intend to provide the number of visits per unduplicated clients they project, they would have to increase their costs to ensure adequate staff. Conversely, if these applicants contend that their projected costs are accurate in their proposals (and thus their projects' financial feasibility), then they would have to ***reduce their number of visits*** the number of visits they can actually perform. In summary: the applicants identified with these staffing and cost issues have either ***considerably understated costs*** or ***considerably overstated their visits***.

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**Additional Observations**

**Vizion One (F-01001-12)**

The credibility of Vizion One's entire proposal should be questioned based on the applicant's projections of important milestones (CON decision, issuance; agency licensure and certification). Specifically, the applicant projects a CON Decision date of October 16, 2012. There is almost no chance that this review will be complete prior to the end of December 2012. Consequently, the CON could not be issued until the end of January 2013. Therefore, Vizion One's projected operational dates (i.e., Licensure and Certification), of 12/20/2012 and 12/28/2012, respectively, are unrealistic. Furthermore, it is highly questionable, if not entirely impossible, for a home health agency to receive certification by CMS only eight (8) days after licensure. The credibility of Vizion One's projections must be carefully scrutinized given these apparently impossible milestones.

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**Well Care (F-010007-12)**

**Projected service area.**

While it is not uncommon for home health agencies to serve clients in multiple counties, it is questionable whether Well Care's projected six-county service area in Year 1 of its project is reasonable. The total proposed service area comprising Mecklenburg, Cabarrus, Iredell, Lincoln, Gaston and Union Counties is expansive. For a new agency just initiating operations, one wonders whether this total service area could be served efficiently, particularly with regard to staff productivity (i.e., visits per day), as shown below.

Applicant	Continuum	Vizion One	Maxim	H@H CMC	Health Keeperz	Assisted Care	Well Care	Emerald Care	UniHealth Pruitt	J & D HC	Average
<b>Visits/FTE/Day (Staff Efficiency)</b>											
RN	4.5	5	5	4	5	5	5.5	5	4.5	3	4.83
LPN	5.8			5.5	5.9	5	5.5	5		3	5.45
CNA	5.4	5	5.4	5.5	5.2	6	6.5	5	5	3	5.44
MSW	3	3	3.5	4	3.5	3.5	4	5	3.4	1	3.66
PT	5.4	5	5	4	5.4	5	5.5	5	5	3	5.03
LPTA	5.4			5.5		5		5			5.23
OT	5.15	5	5	5	5.3	5	5.5	5	5	3	5.11
COTA	5.15	4		5.5	5.3						4.99
SLP	4.4	5	5	4		5	5.5	5	0.33	2	4.28

As illustrated, Well Care has projected productivity levels for all staff that are higher than the average of all applicants (note: J&D Healthcare projections are excluded). Even if Well Care's productivity estimates are reasonable in principle, it is questionable that they are feasible within the context of their widespread projected service area.

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**Emerald Care (F-010008-12)**

**Visits per Client**

Emerald Care projects providing 26.41 visits per unduplicated client in Y2, which is extremely high and likely not supported. Specifically, the average visits per unduplicated client for all Mecklenburg County clients served in FY2011 was

**Form B**

It is unclear from reviewing Emerald Care's Form B for the proposed component of its agency that will meet the need identified in this proposal (the "Charlotte office") whether the applicant has projected appropriate revenues. Specifically, the Form B provided in Appendix 31, (pp. 940-1), shows no Medicare contractual adjustment. Whether the Medicare revenue projected in Form B is net of the contractual is unclear, but the applicant does not appear to explain this issue, thus making it impossible to assess the feasibility of these financial projections.

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**Healthy@Home-CMC (F-010004-12)**

It is unclear whether H@H-CMC's project conforms to CON Review Criterion (4), which reads:

Criterion (4) *Where alternative methods of meeting the needs for the proposed project exist, the applicant shall demonstrate that the least costly or most effective alternative has been proposed.*

H@H-CMC's conformity to this criterion is questionable since the applicant already operates a Medicare-certified home health agency in Mecklenburg County and, by its own admission, is merely seeking "to add an additional office to its existing agency in Mecklenburg County, offering the same general services and specialty programs currently offered at H@H-CMC [...]". While H@H-CMC mentions that a second office would provide greater staffing efficiencies, reduced travel time, improved communication and coordination within the agency, etc., the applicant does not discuss specific rules and regulations that prevent it from more effectively or efficiently coordinating their existing "northern zone" staff without a CON. Therefore, it is not possible to determine whether H@H-CMC obtaining a second CON-authorized agency in Mecklenburg County is a viable or necessary alternative.

H@H-CMC's project may also be non-conforming to CON Review Criterion (6), because H@H-CMC does not "demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities." For the reasons just stated, and for the fact that it is unclear how many clients H@H-CMC's proposed new "northern office" will serve that they would not have served under their existing operating structure.

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**Assisted Care (F-010006-12)**

**Service Area**

The applicant is expected to “project the patient origin for the service and explain all assumptions and the specific methodology used to make these projections. Assisted Care states that it “will serve residents of any contiguous county who are referred by an appropriate referral source [...]”; however, no provision for staffing costs, etc. has been made to serve clients from any county other than Mecklenburg. It is, therefore, unclear whether Assisted Care is projecting to serve residents of other counties.