

**Comments in Opposition from
HKZ Group, LLC
Regarding a Certificate of Need Application
Submitted by Ogadinma Akagha
d/b/a J and D Healthcare Services
in Response to a Need Determination for
Two Home Health Agencies
in the Mecklenburg County Service Area
Submitted July 16, 2012 for August 1, 2012 Review Cycle**



I. Introduction

In accordance with N.C.G.S. Section 131E-185(a1)(1), HKZ Group, LLC submits the following comments regarding a Certificate of Need Application submitted by Ogadinma Akagha d/b/a J and D Healthcare Services in response to a need determination for two Home Health Agencies in the Mecklenburg County Service Area for the August 1, 2012 review cycle.

The following ten CON applications were submitted in response to a need determination for two home health agencies in the Mecklenburg County Service Area in the *2012 State Medical Facilities Plan (2012 SMFP)*:

- F-10005-12: HKZ Group, LLC
- F-10001-12: Vizion One, Inc.
- F-10003-12: Maxim Healthcare Services, Inc.
- F-10004-12: Carolinas Medical Center at Home, LLC d/b/a Healthy @ Home – Carolinas Medical Center
- F-10006-12: Roberson Herring Enterprises, LLC d/b/a AssistedCare of the Carolinas
- F-10007-12: Well Care Home Health, Inc. and Well Care DME, LLC
- F-10008-12: Emerald Care, Inc. d/b/a Emerald Care, an Amedisys Company
- F-10010-12: Continuum II Home Care and Hospice Inc. d/b/a Continuum Home Care of Charlotte
- F-10011-12: United Home Care, Inc. d/b/a UniHealth Home Health Health, Inc. d/b/a UniHealth Home Health
- F-10012-12: Ogadinma Akagha d/b/a J and D Healthcare Services.¹

II. Comparative Analysis

The Comparative Analysis included at the end of these comments shows that the CON Application submitted by **HKZ Group** is the most effective alternative for one of the two Medicare-certified home health agencies in Mecklenburg County.

¹ Legal applicant is Ogadinma Akagha. Parent company is J and D Healthcare Services. Name of proposed agency is J and D Healthcare Services. Employer Identification Number is issued to J and D Healthcare Services, LLC.

III. CON Application of Ogadinma Akagha d/b/a J and D Healthcare Services – Inconsistent, Incomplete, and Financially Infeasible

Ogadinma Akagha is listed as the legal applicant. J and D Healthcare Services is listed as the parent company of the legal applicant and the name of the proposed Medicare-certified home health agency (J and D Healthcare).

The J and D Healthcare CON Application is a jumble of paper. Disorganized pages are inconsistently numbered. The J and D Healthcare CON Application does not contain an Exhibit List. Exhibits appear to have been inserted within the pages of the CON Application. Staff of the CON Section did its best to cull together, scan, and email a copy of the original CON Application submitted by J and D Healthcare on July 16, 2012.

Also noteworthy is that the original CON Application submitted by J and D Healthcare differs from the copy of the original CON Application submitted by J and D Healthcare in at least one important respect:

- There is a single page of Form B in the original CON Application.
- There is a different single page of Form B in the copy of the original CON Application.
- There is no complete Form B in the original CON Application.
- There is no complete Form B in the copy of the original CON Application.

As discussed in the context of CON Review Criterion (3), the J and D Healthcare CON Application is internally inconsistent. Projections do not match, and contain addition errors.

As discussed in the context of CON Review Criterion (5), J and D Healthcare proposes to operate a Medicare-certified home health agency at a **loss in excess of \$1.4 million in each of the first two Project Years. The agency proposed by J and D Healthcare is not financially viable.**

The CON Section cannot approve the J and D Healthcare CON Application.

IV. J and D Healthcare CON Application Contains Patient Names and Telephone Numbers – a Violation of HIPAA

The J and D Healthcare CON Application was redacted by staff of the CON Section to conceal patient names, telephone numbers, and referral source information, is included in a 3- page “Referral/Intake log 2011” and a 2-page “Referral/Intake log 2012.” There are no page numbers on those 5 pages.

Inclusion of that information is a violation of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the HIPAA Privacy Rule, which protects the privacy of individually identifiable health information.

J and D Healthcare also violated its "Confidentiality of Record" procedures outlined on pages 8 and 9 of its CON Application -- unless a patient completed an Authorization to Release Information, which Authorization was not included with the CON Application.

Is the CON Section required to report such violation to the appropriate state and federal authorities?

The CON Section should not have to think long and hard about J and D Healthcare's fitness as an applicant for a Medicare-certified home health agency in Mecklenburg County.

V. J and D Healthcare Lacks Experience and Knowledge Critical to Operating a Medicare-certified Home Health Agency

J and D Healthcare's representations confirm its lack of experience and knowledge critical to operating a Medicare-certified home health agency. The following are examples of such representations:

- On page 35 of 42, J and D Healthcare proposes that its "nursing and home health aide/IHC charge and cost are the same" for the first two years of its proposed Medicare-certified agency, as it was for its licensed home care agency in 2011.
- On page 37 of 42, J and D Healthcare proposes to receive "the same revenue received last year for nursing and in home care services for the first 2 years of this project."
- On page 38 of 42, J and D Healthcare states that it did not utilize LUPA, PEP, and Outliers to project its Medicare reimbursement.
- The Development Schedule in Section XII., J and D Healthcare projects that its new agency will be Medicare-certified on December 21, 2012. Project Year 1 is defined to begin on January 1, 2013.
 - The date of decision by the CON Section will be on or about December 28, 2012, and a certificate of need will issue on January 27, 2013. It would be reasonable to assume that a new agency would be Medicare-certification on January 2014.
- On page 32 of 42, J and D Healthcare propose a 1 month initial operating period.
 - It would reasonable to assume that a new agency will need a 9 month start-up period.
- On page 36 of 42, J and D Healthcare proposes "the same revenue received last year from nursing and In home care services for the first 2 years of this project [Medicare-certified home health agency]."
- On page 37 of 42, J and D Healthcare projects "[o]ne episode per patient."
- On page 38 of 42, J and D Healthcare did not use any LUPA, PEP, and outliers to determine its Medicare payment adjustments.
 - The PPS has several categories of payment, including a regular 60-day episode, a case-mix adjustment, which is based upon the home health agency's assessment of the patient's functional status using OASIS (Outcome and Assessment Information Set). To determine the case-mix adjustment, patients are classified into a case-mix group called HHRG (Home Health Resource Group). Another category called LUPA (low-utilization payment adjustment) includes those patients who only require four or fewer visits. Outlier payment adjustments are made for those patients requiring costlier care. Finally, a PEP (partial episode payment) is made when a patient

transfers to a different home health agency or is discharged and readmitted within a 60-day episode.

Equally important, none of the information submitted (page 7 of 42) suggest any experience operating a Medicare-certified home health agency. That demonstrates evidence of a lack of availability of resources for the provision of the services proposed to be provided.

VI. CON Review Criteria

The following comments are submitted based upon the CON Review Criteria found at G.S.131E-183. While some issues impact multiple Criteria, they are discussed under the most relevant review Criteria and referenced in others to which they apply.

G.S. 131E-183 (1)

The proposed project shall be consistent with applicable policies and need determinations in the State Medical Facilities Plan, the need determination of which constitutes a determinative limitation on the provision of any health service, health service facility, health service facility beds, dialysis stations, operating rooms, or home health offices that may be approved.

There is one *State Medical Facilities Plan (SMFP)* Policy applicable to the review of Mecklenburg County Home Health Agencies:

- Policy GEN-3: Basic Principles.

As will be discussed in the context of CON Review Criteria (3), (4), (5), (6), (7), (8), (13c), and (18a), J and D Healthcare does not demonstrate:

- A need for the proposed project;
- That the proposed project will promote equitable access; and
- That the proposed project will maximize health care value for resources expended.

As a result, the J and D Healthcare CON Application does not conform to Policy GEN-3 and CON Review Criterion (1).

G.S. 131E-183 (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.

A. Two Different Projected Unduplicated Patients in Project Years 1 and 2

On page 12 of 42, in response to 10A NCAC 14C .2002(a)(3), J and D Healthcare projects that it will serve a total patient count of 200 patients in Project Years 1 and 2, respectively. The projected number of patients to be served per service discipline in Project Years 1 and 2, respectively, are shown in the following table.

**J and D Healthcare
Projected Number of Patients per Service Discipline**

Service Discipline	Project Year 1	Project Year 2
Intermittent Skilled Nursing	16	16
PT	74	74
ST	12	12
OT	40	40
MSW	4	4
Home Health Aide	54	54
TOTAL	200	200

Source: CON Application F-10012-12, page 12 of 42

On page 12, in response to Section IV.1, J and D Healthcare projects 50 unduplicated patients in Project Year 1, and 92 unduplicated patients in Project Year 2, as shown in the following table.

**J and D Healthcare
Projected Unduplicated Patients by Qualifying Discipline**

Service Discipline	Project Year 1	Project Year 2
Nurse	2	16
PT	26	48
ST	6	6
OT	16	24
TOTAL	50	92

Source: CON Application F-10012-12, page 12

In the text of Section IV., Question 1, each applicant is instructed to “[p]rovide the projected number of unduplicated patients for the initial two years after completion of the proposed project. Patients should be counted only under the qualifying service discipline (**Note: Only SN, PT, and ST can be qualifying disciplines for Medicare.**)” [Emphasis added.]

There is a large discrepancy between the projected patients per service discipline on page 12 of 42, in response to 10A NCAC 14C .2002(a)(3), and the projected number of unduplicated patients per service discipline on page 12 in Table IV.1. There is no explanation provided by J and D Healthcare for that discrepancy.

It is expected that the projected number of patients to be served per service discipline for each of the first two years of operation in response to 10A NCAC 14C .2002(a)(3) will be equal to the projected number of unduplicated patients per service discipline in Table IV.1.

There are no assumptions provided by J and D Healthcare for its patient projections in response to Section IV., Question 3.

B. Two Different Projected Patient Visits in Project Years 1 and 2

On page 12 of 42, in response to 10A NCAC 14C .2002(a)(4), J and D Healthcare projects the number of patient visits to be served per service discipline in Project Years 1 and 2, respectively, The projected number of patient visits per service discipline in Project Years 1 and 2, respectively, are shown in the following table.

**J and D Healthcare
Projected Number of Patient Visits per Service Discipline**

Service Discipline	Project Year 1	Project Year 2
Intermittent Skilled Nursing	208	208
PT	962	962
ST	156	156
OT	520	520
MSW	52	52
Home Health Aide	702	702
TOTAL	2,600	2,600

Source: CON Application F-10012-12, page 12 of 42

On page 13 in response to Section IV.2, J and D Healthcare projects a total of 949 duplicated patient visits in Project Year 1, and 1,482 duplicated patient visits in Project Year 2, as shown in the following table.

**J and D Healthcare
Projected Duplicated Patient Visits by Service Discipline**

Service Discipline	Project Year 1	Project Year 2
Nurse	26	182
PT	338	624
ST	78	78
OT	208	312
MSW	13	39
Home Health	286	364
TOTAL	949	1,482 correct total is 1,599

Source: CON Application F-10012-12, page 13

There is a large discrepancy between the projected patient visits per service discipline on page 12 of 42, in response to 10A NCAC 14C .2002(a)(4), and the projected number of duplicated patient visits per service discipline on page 12 in Table IV.2. There is no explanation provided by J and D Healthcare for that discrepancy.

There are no assumptions provided by J and D Healthcare for its patient visit projections in response to Section IV., Question 3.

C. Projected Payor Mix does not Include Medicaid Recipients

On page 25 of 42, J and D Healthcare provides its payor mix of its existing licensed home care agency in Mecklenburg County in response to Section VI., Question 11., and its projected payor mix of its proposed Medicare-certified home health agency in Mecklenburg County in response to Section VI., Question 12., as shown in the following table.

**J and D Healthcare
Payor Mix Comparison: Existing Licensed Home Care Agency 2011
& Proposed Medicare-certified Home Health Agency – PY 2**

Payor	2011 Full Operating Year		Project Year 2	
	Current Duplicated Patients as % of total Patients	Current Visits as % of total Visits	Current Duplicated Patients as % of total Patients	Projected Visits as % of total Projected Visits
Private Pay	1%	1%	1	1
Commercial Insurance	0	0	1	1
Medicare	0	0	89	89
Medicaid	89%	89%	0	0
VA	8%	8%	8	8
Charity	1%	1%	1	1
Other	-	-	-	-
TOTAL	100%	100%	100%	100%

Source: CON Application F-10012-12, page 25 of 42

Note: Text is as it appears on page 25 of 42. No percentage symbols were used.

As shown in the previous table, J and D Healthcare’s proposed Medicare-certified agency will not serve any Medicaid patients or provide visits to any Medicaid patient. J and D Healthcare demonstrates that low income persons will not have access to Medicare-certified home health services provided by its proposed agency in Mecklenburg County.

Each of the other nine applicants projected that low income persons will have access to the services of its proposed Medicare-certified home health agency.

D. Project Years 1 and 2 are Unreasonably Defined and are Unattainable

The Development Schedule in Section XII., J and D Healthcare projects that its new agency will be Medicare-certified on December 21, 2012. Project Year 1 is defined to begin on January 1, 2013.

The date of decision by the CON Section will be on or about December 28, 2012, and a certificate of need will issue on January 27, 2013. It would be reasonable to assume that a new agency would be Medicare-certification on January 2014.

The Development Schedule proposed by J and D Healthcare is unattainable.

E. No Patient Origin Projections

On page 11 of 42, in response to 10A NCAC 14 .2002(a)(2), J and D Healthcare propose to provide Medicare-certified home health services to patients in Mecklenburg, Gaston, Cabarrus, Union, and Lincoln counties. On page 16 of 42, in response to Section III., Question 4a., J and D Healthcare again identifies its proposed geographic service area to include Mecklenburg, Gaston, Cabarrus, Union, and Lincoln counties. On page 17 of 42, in response to Section III., Question 4.c., J and D Healthcare states that “[m]ost of the Patients are projected to come from Mecklenburg County.” J and D Healthcare does not project the patient origin (by number and/or percentage), and does not provide all assumptions and the specific methodology used.

For the reasons set forth above, the J and D Healthcare CON Application does not conform to CON Review Criterion (3) because it does not:

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

G.S. 131E-183 (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.

As discussed in the context of CON Review Criterion (3), J and D Healthcare fails to demonstrate the need for the services proposed. As discussed in the context of CON Review Criterion (5), J and D Healthcare proposes an agency that is not financially viable. As a result, J and D Healthcare does not demonstrate that it proposed the least costly or most effective alternative required by CON Review Criterion (4).

G.S. 131E-183 (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.

A. Incomplete Form B in the J and D Healthcare CON Application

The original CON Application submitted by J and D Healthcare differs from the copy of the original CON Application submitted by J and D Healthcare. There is a single page of Form B in the original CON Application. There is a different single page of Form B in the copy of the original CON Application. There is no complete Form B in the original CON Application. There is no complete Form B in the copy of the original CON Application.

HKZ Group evaluated the financial projections of J and D Healthcare by combining the pages of Form B in the original CON Application and the copy of the original CON Application submitted by J and D Healthcare.

B. Net Loss in Excess of \$1.4 Million in Project Years 1 and 2

A review of Form B demonstrates that J and D Healthcare project a net loss in excess of \$1.4 million in Project Years 1 and 2, as shown in the following table.

**J and D Healthcare
Projected Net Loss – PYs 1 and 2**

Project Year	Total Operating Costs	Total Revenue	Net Loss
1	\$3,041,924.67	\$1,574,634.30	(\$1,467,290.37)
2	\$3,116,396.93	\$1,664,137.66	(\$1,452,259.25)

Source: CON Application F-10012-12, Form B

As shown in the previous table, J and D Healthcare total operating costs are nearly twice the total revenue projected in each of the two operating years. **The agency proposed by J and D Healthcare is not financially viable.**

C. Highest Total Operating Cost and Highest Average Total Operating Cost per Patient Visit in Project Year 2

The following table shows a comparison of the ten applicants based on each applicant’s total operating cost and average total operating cost per visit in Project Year 2.

Average total operating cost per patient visit was calculated by dividing projected total operating cost from Form B by the projected number of patient visits from Section IV.2. of each Application, as shown in the following table.

**Mecklenburg County Home Health Applicants
Average Total Operating Cost per Patient Visit – PY 2**

CON Application	Applicant	Total Patient Visits	Total Operating Cost	Average Total Operating Cost per Visit
F-10012-12	J and D Healthcare	1,482	\$3,116,397	\$2,103
F-10010-12	Continuum	8,556	\$1,299,562	\$152
F-10011-12	UniHealth	11,527	\$1,711,184	\$148
F-10004-12	Healthy @ Home - CMC - North Zone Office	47,780	\$6,793,650	\$142
F-10005-12	HKZ Group	8,578	\$1,196,680	\$140
F-10006-12	AssistedCare	6,159	\$859,289	\$140
F-10007-12	Well Care	11,268	\$1,494,905	\$133
F-10008-12	Emerald Care - Branch Office	12,570	\$1,658,683	\$132
F-10001-12	Vizion One	8,125	\$1,068,007	\$131
F-10003-12	Maxim	9,499	\$1,175,706	\$124

As shown in the previous table, J and D Healthcare projects the highest average total operating cost per patient visit of the ten applicants. Its projected total operating cost is disproportionately high because its total visits are disproportionately low.

D. Highest Total Direct Cost and Highest Average Direct Cost per Patient Visit in Project Year 2

The following table shows a comparison of the ten applicants based on each applicant’s average total direct cost and average direct cost per visit in Project Year 2.

Average direct cost per patient visit was calculated by dividing projected direct cost from Form B by the projected number of patient visits from Section IV.2. of each Application, as shown in the following table.

**Mecklenburg County Home Health Applicants
Average Direct Cost per Patient Visit – PY 2**

CON Application	Applicant	Total Patient Visits	Total Direct Cost	Average Direct Cost per Visit
F-10012-12	J and D Healthcare	1,482	\$2,887,897	\$1,949
F-10010-12	Continuum	8,556	\$966,142	\$113
F-10004-12	Healthy @ Home - CMC - North Zone Office - Total	47,780	\$4,895,971	\$102
F-10011-12	UniHealth	11,527	\$1,043,442	\$91
F-10007-12	Well Care	11,268	\$971,064	\$86
F-10005-12	HKZ Group	8,578	\$734,997	\$86
F-10006-12	AssistedCare	6,159	\$529,668	\$86
F-10008-12	Emerald Care - Branch Office - Total	12,570	\$1,059,192	\$84
F-10003-12	Maxim	9,499	\$783,753	\$83
F-10001-12	Vizion One	8,125	\$564,614	\$69

As shown in the previous table, J and D Healthcare projects the highest average direct cost per patient visit of the ten applicants. Its projected total direct cost is disproportionately high because its total visits are disproportionately low.

E. Highest Average Administrative Cost per Patient Visit in Project Year 2

The following table shows a comparison of the ten applicants based on each applicant’s average administrative cost per visit in Project Year 2. Average administrative cost per duplicated patient visit was calculated by dividing projected administrative cost from Form B by the projected number of patient visits from Section IV.2. of each Application, as shown in the following table.

**Mecklenburg County Home Health Applicants
Average Administrative Cost per Patient Visit – PY 2**

CON Application	Applicant	Total Patient Visits	Total Administrative Cost	Average Administrative Cost per Visit
F-10012-12	J and D Healthcare	1,482	\$228,500	\$154
F-10001-12	Vizion One	8,125	\$503,392	\$62
F-10011-12	UniHealth	11,527	\$667,742	\$58
F-10005-12	HKZ Group	8,578	\$461,683	\$54
F-10006-12	AssistedCare	6,159	\$329,621	\$54
F-10008-12	Emerald Care - Branch Office - Total	12,570	\$599,491	\$48
F-10007-12	Well Care	11,268	\$523,840	\$46
F-10003-12	Maxim	9,499	\$391,953	\$41
F-10004-12	Healthy @ Home - CMC - North Zone Office - Total	47,780	\$1,897,679	\$40
F-10010-12	Continuum	8,556	\$333,420	\$39

As shown in the previous table, J and D Healthcare projects the highest average administrative cost per patient visit of the ten applicants. Its projected average administrative cost per patient visit is disproportionately high because its total visits are disproportionately low.

F. Highest Net Revenue per Visit in Project Year 2

The following table shows a comparison of the ten applicants based on each applicant's net revenue per visit in Project Year 2. Net revenue per visit was calculated by dividing projected net revenue from Form B by the projected number of visits from Section IV.2. of each Application, as shown in the following table.

**Mecklenburg County Home Health Applicants
Net Revenue per Visit – PY 2**

CON Application	Applicant	Total Patient Visits	Net Revenue	Net Revenue per Visit
F-10012-12	J and D Healthcare	1,482	\$1,664,138	\$1,123
F-10010-12	Continuum	8,556	\$1,610,678	\$188
F-10003-12	Maxim	9,499	\$1,528,574	\$161
F-10007-12	Well Care	11,268	\$1,740,941	\$155
F-10008-12	Emerald Care - Branch Office	12,570	\$1,937,552	\$154
F-10011-12	UniHealth	11,527	\$1,752,640	\$152
F-10006-12	AssistedCare	6,159	\$931,653	\$151
F-10004-12	Healthy @ Home - CMC - North Zone Office	47,780	\$7,008,529	\$147
F-10005-12	HKZ Group	8,578	\$1,224,203	\$143
F-10001-12	Vizion One	8,125	\$1,140,200	\$140

As shown in the previous table, J and D Healthcare projects the highest net revenue per visit of the ten applicants because it projects disproportionately low total visits of all ten applicants.

G. Highest Net Revenue per Unduplicated Patient in Project Year 2

The following table shows a comparison of the ten applicants based on each applicant’s net revenue per unduplicated patient in Project Year 2. Net revenue per unduplicated patient was calculated by dividing projected net revenue from Form B by the projected number of unduplicated patients from Section IV.1. of each Application, as shown in the following table.

**Mecklenburg County Home Health Applicants
Net Revenue per Unduplicated Patient – PY 2**

CON Application	Applicant	Total Unduplicated Patients	Net Revenue	Net Revenue per Unduplicated Patient
F-10012-12	J and D Healthcare*	92	\$1,664,138	18,088
F-10008-12	Emerald Care - Branch Office - Total	476	\$1,937,522	\$4,070
F-10001-12	Vizion One	325	\$1,140,200	\$3,508
F-10010-12	Continuum	492	\$1,610,678	\$3,274
F-10007-12	Well Care	542	\$1,740,941	\$3,212
F-10011-12	UniHealth	549	\$1,752,640	\$3,192
F-10005-12	HKZ Group	395	\$1,224,203	\$3,099
F-10003-12	Maxim	503	\$1,528,574	\$3,039
F-10006-12	AssistedCare	352	\$931,653	\$2,647
F-10004-12	Healthy @ Home - CMC - North Zone Office - Total	2,993	\$7,008,529	\$2,342

* If the correct number of unduplicated patients in PY 2 were 200, as stated on page 12 of 42 in response to 10A NCAC 14C .2002(a)(3), the net revenue per unduplicated patient would be \$8,321, which would be the highest of the 10 applicants.

As shown in the previous table, J and D Healthcare projects the highest net revenue per unduplicated patient of the ten applicants because total unduplicated patients are disproportionately low.

H. Lowest Ratio of Net Revenue per Visit to Average Total Operating Cost per Visit in Project Year 2

The following table shows a comparison of the ten applicants based on each applicant’s ratio of net revenue per visit to average total operating cost per visit in Project Year 2. The ratio in the following table is calculated by dividing the net revenue per visit by the average total operating cost per visit.

**Mecklenburg County Home Health Applicants
Ratio of Net Revenue per Visit to Average Total Operating Cost per Visit - PY 2**

CON Application	Applicant	Total Patient Visits	Net Revenue per Visit	Average Total Operating Cost per Visit	Ratio of Net Revenue to Average Total Operating Cost per Visit
F-10003-12	Maxim	9,499	\$161	\$124	1.30
F-10010-12	Continuum	8,556	\$188	\$152	1.24
F-10008-12	Emerald Care - Branch Office - Total	12,570	\$154	\$132	1.17
F-10007-12	Well Care	11,268	\$155	\$133	1.16
F-10006-12	AssistedCare	6,159	\$151	\$140	1.08
F-10001-12	Vizion One	8,125	\$140	\$131	1.07
F-10004-12	Healthy @ Home - CMC - North Zone Office - Total	47,780	\$147	\$142	1.04
F-10011-12	UniHealth	11,527	\$152	\$148	1.02
F-10005-12	HKZ Group	8,578	\$143	\$140	1.02
F-10012-12	J and D Healthcare*	1,482	\$1,123	\$2,103	0.53

* Correct sum is 1,599 visits in PY 2

As shown in the previous table, J and D Healthcare's ratio is 0.53, which is the lowest of all ten applicants. Its ratio is the inverse of the other nine applicants because it projects an average total operating cost per visit that is nearly twice its net revenue per visit in Project Year 2.

For the reasons set forth above, the financial and operational projections do not demonstrate the immediate and long term financial feasibility of the proposal. J and D Healthcare does not make reasonable projections of the costs of and charges for providing Medicare-certified home health services. The J and D Healthcare CON Application does not conform to CON Review Criterion (5).

G.S. 131E-183 (6)

The applicant shall demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities.

As discussed in the context of CON Review Criterion (3), J and D Healthcare fails to demonstrate the need for the services proposed.

Further, according to Mapquest.com², J and D Healthcare's proposed location at 464 Eastway Dr Charlotte 28205 is:

- 11 minutes/6.4 miles from Gentiva Health Services (HC0787)
- 10 minutes/6.4 miles from Innovative Senior Care Home Health (HC0369)
- 12 minutes/5.11 miles from Interim Healthcare of the Triad, Inc. (HC1901)

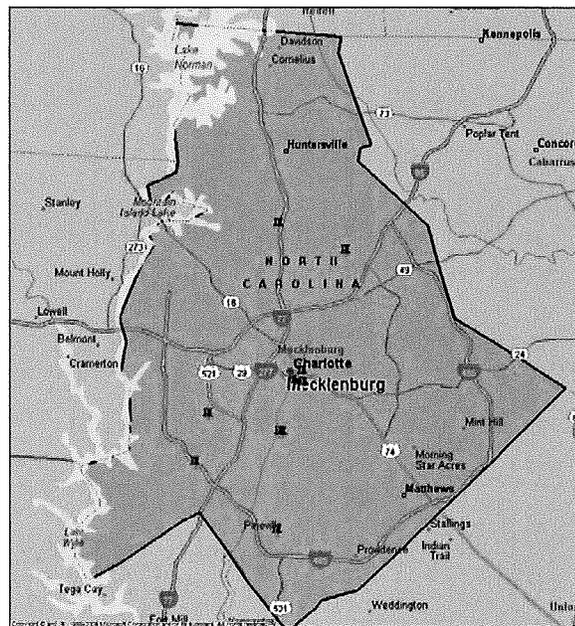
² <http://www.mapquest.com/>

- 12 minutes/4.9 miles from Liberty Home Care and Hospice (HC3694).

J and D Healthcare's proposed location is duplicative of existing Medicare-certified home health agency capabilities and facilities in Mecklenburg County.

HKZ Group undertook a location analysis in order to determine the most effective location for the proposed Mecklenburg County agency. The following map illustrates locations of existing Medicare-certified home health agency in Mecklenburg County.

Existing Medicare-certified Home Health Agency Location



As shown in the previous map, of the ten existing agencies, four are located in central Charlotte. Four agencies are located in southwestern Mecklenburg County. The other two agencies are located in the north-central part of Mecklenburg County. There is no agency in the eastern/southeastern area of Mecklenburg County near the Town of Matthews. **HKZ Group** proposes to locate its agency in the Town of Matthews.

J and D Healthcare has not carried its burden to demonstrate that the proposed project will not result in unnecessary duplication of existing and approved capabilities as required by CON Review Criterion (6).

G.S. 131E-183 (7)

The applicant shall show some evidence of the availability of resources, including health manpower and management personnel, for the provision of the services proposed to be provided.

Salary is a significant contributing factor in recruitment and retention of staff. Nursing services are integral to the delivery of patient care by a Medicare-certified home health agency. PT and OT services are critical to the profitability of a Medicare-certified home health agency.

Salaries projected by J and D Healthcare are lower than the nine other applicants in Project Year 2, except for a home health aide and a licensed practical nurse, respectively. In those two positions, J and D Healthcare's annual salary is second lowest of the ten applicants.

A. Lowest Registered Nurse Salary

The following table shows the annual salary projected by each of the applicants during Project Year 2 for a registered nurse.

**Mecklenburg County Home Health Applicants
RN Salary – PY 2**

CON Application	Applicant	RN Salary
F-10008-12	Emerald Care - Branch Office	\$73,987
F-10003-12	Maxim	\$72,774
F-10011-12	UniHealth	\$72,420
F-10006-12	AssistedCare	\$71,070
F-10007-12	Well Care	\$70,967
F-10005-12	HKZ Group	\$70,627
F-10010-12	Continuum	\$65,938
F-10004-12	Healthy @ Home - CMC - North Zone Office	\$64,951
F-10001-12	Vizion One	\$64,067
F-10012-12	J and D Healthcare	\$43,784

J and D Healthcare projects the lowest annual salary for an RN. It is \$20,283 lower than the second lowest salary, which was projected by Vizion One.

B. Second Lowest Home Health Aide Salary

The following table shows the annual salary projected by each of the applicants during Project Year 2 for a home health aide.

**Mecklenburg County Home Health Applicants
Home Health Aide Salary – PY 2**

CON Application	Applicant	Home Health Aide Salary
F-10003-12	Maxim	\$33,313
F-10011-12	UniHealth	\$32,895
F-10008-12	Emerald Care - Branch Office	\$32,493
F-10007-12	Well Care	\$32,188
F-10005-12	HKZ Group	\$30,810
F-10004-12	Healthy @ Home - CMC - North Zone Office	\$30,363
F-10006-12	AssistedCare	\$29,870
F-10010-12	Continuum	\$21,532
F-10012-12	J and D Healthcare	\$20,828
F-10001-12	Vizion One	\$20,659

J and D Healthcare projects the second lowest annual salary for a home health aide. It is \$169 higher than the lowest salary, which was projected by Vizion One.

C. Second Lowest Licensed Practical Salary

The following table shows the annual salary projected for a licensed practical nurse by each applicant that includes a licensed practical nurse in its staffing plan in Project Year 2.

**Mecklenburg County Home Health Applicants
LPN Salary – PY 2**

CON Application	Applicant	LPN Salary
F-10005-12	HKZ Group	\$48,269
F-10006-12	AssistedCare	\$45,423
F-10010-12	Continuum	\$43,627
F-10008-12	Emerald Care - Branch Office	\$40,035
F-10012-12	J and D Healthcare	\$39,574
F-10004-12	Healthy @ Home - CMC - North Zone Office	\$36,838

J and D Healthcare projects the second lowest annual salary for a home health aide. It is \$2,736 higher than the lowest salary, which was projected by Healthy @ Home – CMC.

D. Lowest Physical Therapist Salary

The following table shows the annual salary projected for a physical therapist by each applicant that proposes to employ a physical therapist in Project Year 2.

**Mecklenburg County Home Health Applicants
PT Salary – PY 2**

CON Application	Applicant	PT Salary
F-10005-12	HKZ Group	\$102,700
F-10008-12	Emerald Care - Branch Office	\$94,585
F-10004-12	Healthy @ Home - CMC - North Zone Office	\$84,445
F-10010-12	Continuum	\$84,144
F-10006-12	AssistedCare	\$83,945
F-10007-12	Well Care	\$83,430
F-10003-12	Maxim	\$80,353
F-10001-12	Vizion One	\$79,310
F-10012-12	J and D Healthcare	\$43,739

J and D Healthcare projects the lowest annual salary for a home health aide. It is \$35,571 lower than the second lowest salary, which was projected by Vizion One.

E. Lowest Occupational Therapist Salary

The following table shows the annual salary projected for an occupational therapist by each applicant that proposes to employ an occupational therapist in Project Year 2.

Mecklenburg County Home Health Applicants OT Salary – PY 2

CON Application	Applicant	OT Salary
F-10008-12	Emerald Care - Branch Office	\$83,785
F-10001-12	Vizion One	\$80,718
F-10007-12	AssistedCare	\$79,001
F-10010-12	Continuum	\$78,663
F-10007-12	Well Care	\$77,250
F-10003-12	Maxim	\$73,856
F-10004-12	Healthy @ Home - CMC - North Zone Office	\$72,196
F-10012-12	J and D Healthcare	\$43,722

J and D Healthcare projects the lowest annual salary for a home health aide. It is \$28,474 lower than the second lowest salary, which was projected by Healthy @ Home - CMC.

F. Lowest Speech Therapist Salary

The following table shows the annual salary projected for a speech therapist by each applicant that proposes to employ a speech therapist in Project Year 2.

Mecklenburg County Home Health Applicants ST Salary – PY 2

CON Application	Applicant	ST Salary
F-10008-12	Emerald Care - Branch Office	\$112,828
F-10004-12	Healthy @ Home - CMC - North Zone Office	\$86,677
F-10003-12	Maxim	\$78,014
F-10007-12	AssistedCare	\$77,765
F-10007-12	Well Care	\$77,250
F-10010-12	Continuum	\$74,551
F-10001-12	Vizion One	\$70,740
F-10012-12	J and D Healthcare	\$43,784

J and D Healthcare projects the lowest annual salary for a home health aide. It is \$26,956 lower than the second lowest salary, which was projected by Vizion One.

For those reasons, J and D Healthcare fails to demonstrate non-conformity to CON Review Criterion (7).

G.S. 131E-183 (8)

The applicant shall demonstrate that the provider of the proposed services will make available, or otherwise make arrangements for, the provision of the necessary ancillary and support services. The applicant shall also demonstrate that the proposed service will be coordinated with the existing health care system.

No Demonstration that the Proposed Service will be Coordinated with the Existing Health Care System

Generally, hospitals make 50% of all referrals to certified home health agencies. The CON Criteria and Standards for Home Health Agencies require documentation of attempts made to establish working relationships with the sources of referrals at 10A NCAC 14C .2002 (a)(10). J and D Healthcare does not provide the required documentation for Mecklenburg County hospitals.

There is no demonstrated coordination by J and D Healthcare with the existing health care system in Mecklenburg County. For that reason, J and D Healthcare fails to demonstrate conformity to CON Review Criterion (8).

G.S. 131E-183 (13)

The applicant shall demonstrate the contribution of the proposed service in meeting the health-related needs of the elderly and of members of medically underserved groups, such as medically indigent or low income persons, Medicaid and Medicare recipients, racial and ethnic minorities, women, and handicapped persons, which have traditionally experienced difficulties in obtaining equal access to the proposed services, particularly those needs identified in the State Health Plan as deserving of priority. For the purpose of determining the extent to which the proposed service will be accessible, the applicant shall show:

- c. That the elderly and the medically underserved groups identified in this subdivision will be served by the applicant's proposed services and the extent to which each of these groups is expected to utilize the proposed services; and*

As discussed in the context of CON Review Criterion (3), J and D Healthcare fails to document that it will provide adequate access to the Medicaid population, which demonstrates non-conformity to CON Review Criterion (13c).

G.S. 131E-183 (18a)

The applicant shall demonstrate the expected effects of the proposed services on competition in the proposed service area, including how any enhanced competition will have a positive impact upon the cost effectiveness, quality, and access to the services proposed; and in the case of applications for services where competition between providers will not have a favorable impact on cost effectiveness, quality, and access to the services proposed, the applicant shall demonstrate that its application is for a service on which competition will not have a favorable impact.

As discussed above, J and D Healthcare fails to demonstrate conformity with CON Review Criteria (1), (3), (4), (5), (6), (7), (8), and (13c). Consequently, J and D Healthcare fails to demonstrate that its CON Application is conforming to CON Review Criterion (18a).

VII. North Carolina Criteria and Standards for Home Health Services

10A NCAC 14C .2002(a)(3), (4), (5), (8), and (10)

Projections are based on flawed and undocumented assumptions. Please see discussion in the context of CON Review Criteria (3), (5), and (8).

10A NCAC 14C .2003

Projections are based on flawed and undocumented assumptions. Please see discussion in the context of CON Review Criteria (3), (5), and (7).

10A NCAC 14C .2005(a) and (b)

Projections are based on flawed and unreasonable assumptions. Please see discussion in the context of CON Review Criterion (7).

VIII. Conclusion

The J and D Healthcare CON Application does not demonstrate conformity with the CON Review Criteria and should be denied.

In addition, as reflected in the following Comparative Analysis, the CON Application submitted by **HKZ Group** is a more reasonable alternative and should be approved.

HKZ Group, LLC
Mecklenburg County Medicare-certified Home
Health Agency CON Review

COMPARATIVE ANALYSIS

Pursuant to N.C.G.S. 131E-183(a)(1) and the *2012 State Medical Facilities Plan (2012 SMFP)*, no more than two new home health agencies may be approved for Mecklenburg County in this review. Because each applicant proposes to develop a new home health agency in Mecklenburg County, all ten applicants cannot be approved.

The following comparative analysis of the proposals documents the reasons that **HKZ Group, LLC (HKZ Group)** should be approved for one of the two new home health agencies in Mecklenburg County.

Access by Underserved Groups

The following table compares the percentage of total visits provided to Medicaid recipients in the second year of operation as projected by each applicant in Section VI.12. of the Application.

Percentage of Total Visits to Medicaid Recipients – PY 2

CON Application	Applicant	% of Visits
F-10004-12	Healthy @ Home – CMC North Zone Office	16.2%
F-10005-12	HKZ Group	14.9%
F-10007-12	Well Care	14.48%
F-10001-12	Vizion One	12.92%
F-10011-12	UniHealth	9.2%
F-10003-12	Maxim	8.7%
F-10006-12	AssistedCare	8.2%
F-10010-12	Continuum	8.17%
F-10008-12	Emerald Care – Branch Office	7.4%
F-10012-12	J and D Health Care Services	0.0%

As discussed in **HKZ Group's** Comments in Opposition, Healthy @ Home – CMC projects a higher percentage of total visits to Medicaid recipients in FY 2011 than the 10.9% reported in its 2012 License Renewal Application. There is no explanation provided to justify the difference between actual and projected percentage of total visits to Medicaid recipients. The CON application submitted by Healthy @ Home - CMC is non-conforming with multiple CON Review Criteria. Please see **HKZ Group's** Comments in Opposition to the Healthy @ Home CON application.

As shown in the previous table, **HKZ Group** projects the second highest percentage of total visits provided to Medicaid recipients. The CON application submitted by **HKZ Group** provides assumptions related to the projected payer mix and is the most effective alternative with regard to percentage of total visits provided to Medicaid recipients in Project Year 2.

The following table compares the percentage of total visits provided to Medicare beneficiaries in the second year of operation as projected by each applicant in Section VI.12. of the Application.

Percentage of Total Visits to Medicare Beneficiaries – PY 2

CON Application	Applicant	% of Visits
F-10012-12	J and D Healthcare	89.0%
F-10003-12	Maxim	80.9%
F-10011-12	UniHealth	79.36%
F-10008-12	Emerald Care – Branch Office	77.9%
F-10007-12	Well Care	72.4%
F-10004-12	Healthy @ Home – CMC North Zone Office	72.0%
F-10010-12	Continuum	67.8%
F-10006-12	AssistedCare	67.7%
F-10005-12	HKZ Group	66.8%
F-10001-12	Vizion One	52.98%

J and D Healthcare proposes an agency that is not financially viable, and cannot be used for purposes of comparison with other applications. Please see **HKZ Group's** Comments in Opposition to the J and D Healthcare CON application.

Further, the CON applications submitted by Maxim, UniHealth, Emerald Care, Well Care, Healthy @ Home – CMC, Continuum, and AssistedCare are non-conforming with multiple CON Review Criteria. Please see **HKZ Group's** Comments in Opposition to those CON applications.

For comparison purposes, the ten existing Medicare-certified home health agencies in Mecklenburg County reported an average of **69.4%** total visits provided to Medicare beneficiaries in FY 2011.

The CON application submitted by **HKZ Group** is the most effective alternative with regard to percentage of total visits provided to Medicare beneficiaries in Project Year 2.

The following table compares the percentage of total visits provided to Medicaid recipients and Medicare beneficiaries in the second year of operation as projected by each applicant in Section VI.12 of the Application.

Percentage of Total Visits to Medicaid Recipients and Medicare Beneficiaries – PY 2

CON Application	Applicant	% of Visits
F-10003-12	Maxim	89.6%
F-10012-12	J and D Healthcare	89.0%
F-10011-12	UniHealth	88.56%
F-10004-12	Healthy @ Home – CMC – North Zone Office	88.2%
F-10007-12	Well Care	86.9%
F-10008-12	Emerald Care – Branch Office	85.3%
F-10005-12	HKZ Group	81.7%
F-10010-12	Continuum	76.0%
F-10006-12	AssistedCare	75.9%
F-10001-12	Vizion One	65.9%

The CON applications submitted by Maxim, UniHealth, Emerald Care, Well Care, and Healthy @ Home – CMC are non-conforming with multiple CON Review Criteria. Please see **HKZ Group’s** Comments in Opposition to those CON applications.

Further, J and D Healthcare proposes an agency that is not financially viable, and cannot be used for purposes of comparison with other applications. Please see **HKZ Group’s** Comments in Opposition to the J and D Healthcare CON application.

For comparison purposes, the ten existing Medicare-certified home health agencies in Mecklenburg County reported an average of **79.2%** total visits provided to Medicaid recipients and Medicare beneficiaries in FY 2011.

The CON application submitted by **HKZ Group** is the most effective alternative with regard to percentage of total visits provided to Medicaid recipients and Medicare beneficiaries in Project Year 2.

Average Number of Visits per Unduplicated Patient

The following table shows the average number of visits per unduplicated patient projected by each applicant in the second year of operation of the proposed home health agency.

Average Number of Visits per Unduplicated Patient – PY 2

CON Application	Applicant	Average Number of Visits per Unduplicated Patient
F-10008-12	Emerald Care – Branch Office	26.4
F-10001-12	Vizion One	25.0
F-10005-12	HKZ Group	21.7
F-10011-12	UniHealth	21.0
F-10007-12	Well Care	20.8
F-10003-12	Maxim	18.9
F-10006-12	AssistedCare	17.5
F-10010-12	Continuum	17.4
F-10012-12	J and D Healthcare	16.1
F-10004-12	Healthy @ Home – CMC – North Zone	16.0

The CON applications submitted by Emerald Care and Vizion One are non-conforming with multiple CON Review Criteria. Please see **HKZ Group's** Comments in Opposition to those CON applications.

The visits per unduplicated patient projected by Emerald Care and Vizion One both exceed the historical range of visits per unduplicated patient provided by Mecklenburg County certified agencies in FY 2011. In FY 2011, that range was from 11.9 visits per unduplicated patient to 23.8 visits per unduplicated patients, as reflected in the 2012 Annual Licensure Renewal Applications submitted by Mecklenburg County home health providers.

The application submitted by **HKZ Group** is the most effective alternative with regard to projected number of visits to be provided per unduplicated patient.

Net Revenue per Visit

Net revenue per visit in the second year of operation was calculated by dividing projected net revenue from Form B by the projected number of visits from Section IV. of the Application, as shown in the following table.

Net Revenue per Visit – PY 2

CON Application	Applicant	Total Visits Patients	Net Revenue	Net Revenue per Visit
F-10012-12	J and D Healthcare	1,482	\$1,664,138	\$1,123
F-10008-12	Emerald Care – Branch Office	12,570	\$9,509,999	\$757
F-10010-12	Continuum	8,556	\$1,610,678	\$188
F-10003-12	Maxim	9,499	\$1,528,574	\$161
F-10007-12	Well Care	11,268	\$1,740,941	\$155
F-10011-12	UniHealth	11,527	\$1,752,640	\$152
F-10006-12	AssistedCare	6,159	\$931,653	\$151
F-10004-12	Healthy @ Home – CMC – North Zone Office	47,780	\$7,008,528	\$147
F-10005-12	HKZ Group	8,578	\$1,224,203	\$143
F-10001-12	Vizion One	8,125	\$1,140,200	\$140

The CON application submitted by Vizion One is non-conforming with multiple CON Review Criteria. Please see **HKZ Group's** Comments in Opposition to that CON application.

HKZ Group projected the second lowest net revenue per visit. **HKZ Group** adequately demonstrated that the financial feasibility of its proposal is based on reasonable and supported projections of operating costs and revenues. Therefore, the CON application submitted by **HKZ Group** is the most effective alternative with regard to net revenue per visit.

Average Total Operating Cost per Visit

The average total operating cost per visit in the second operating year was calculated by dividing projected operating costs from Form B by the total number of home health visits from Section IV. of the Application, as shown in the following table.

Average Total Operating Cost per Visit – PY 2

CON Application	Applicant	Total Patient Visits	Total Operating Costs	Average Total Operating Cost per Visit
F-10012-12	J and D Healthcare	1,482	\$3,116,397	\$2,103
F-10010-12	Continuum	8,556	\$1,299,562	\$152
F-10011-12	UniHealth	11,527	\$1,711,184	\$148
F-10004-12	Healthy @ Home - CMC - North Zone Office -	47,780	\$6,793,650	\$142
F-10005-12	HKZ Group	8,578	\$1,196,680	\$140
F-10006-12	AssistedCare	6,159	\$859,289	\$140
F-10007-12	Well Care	11,268	\$1,494,904	\$133
F-10008-12	Emerald Care - Branch Office	12,570	\$1,658,683	\$132
F-10001-12	Vizion One	8,125	\$1,068,007	\$131
F-10003-12	Maxim	9,499	\$1,175,706	\$124

J and D Healthcare proposes an agency that is not financially viable, and cannot be used for purposes of comparison with other applications. Please see **HKZ Group's** Comments in Opposition to the J and D Healthcare CON application.

Further, the CON applications submitted by Continuum, UniHealth, and Healthy @ Home – CMC are non-conforming with multiple CON Review Criteria. Please see **HKZ Group's** Comments in Opposition to those CON applications.

HKZ Group adequately demonstrated that the financial feasibility of its proposal is based on reasonable and supported projections of operating costs and revenues. Therefore, the CON application submitted by **HKZ Group** is the most effective alternative with regard to average operating cost per visit.

Average Direct Care Cost per Visit

The average direct care cost per visit in the second operating year was calculated by dividing projected direct care expenses from Form B by the total number of home health visits from Section IV. of the Application, as shown in the following table.

Average Direct Care Cost per Visit – PY 2

CON Application	Applicant	Total Patient Visits	Total Direct Care Costs	Average Direct Care Cost per Visit
F-10012-12	J and D Healthcare	1,482	\$2,887,897	\$1,949
F-10010-12	Continuum	8,556	\$966,142	\$113
F-10004-12	Healthy @ Home - CMC – North Zone Office	47,780	\$4,895,971	\$102
F-10011-12	UniHealth	11,527	\$1,043,442	\$91
F-10007-12	Well Care	11,268	\$971,064	\$86
F-10005-12	HKZ Group	8,578	\$734,997	\$86
F-10006-12	AssistedCare	6,159	\$529,668	\$86
F-10008-12	Emerald Care - Branch Office	12,570	\$1,059,192	\$84
F-10003-12	Maxim	9,499	\$783,753	\$83
F-10001-12	Vizion One	8,125	\$564,614	\$69

The CON applications submitted by AssistedCare, Emerald Care, Maxim, and Vizion One are non-conforming with multiple CON Review Criteria. Please see **HKZ Group's** Comments in Opposition to those CON applications.

HKZ Group adequately demonstrated that the financial feasibility of its proposal is based on reasonable and supported projections of operating costs and revenues. Therefore, the CON application submitted by **HKZ Group** is the most effective alternative with regard to average direct care cost per visit.

Average Administrative Cost per Visit

The average administrative cost per visit in the second operating year was calculated by dividing projected administrative expenses from Form B by the total number of home health visits from Section IV.1. of the Application, as shown in the following table.

Average Administrative Cost per Visit – PY 2

CON Application	Applicant	Total Patient Visits	Total Administrative Costs	Average Administrative Cost per Visit
F-10012-12	J and D Healthcare	1,482	\$228,500	\$154
F-10001-12	Vizion One	8,125	\$503,392	\$62
F-10011-12	UniHealth	11,527	\$667,742	\$58
F-10005-12	HKZ Group	8,578	\$461,683	\$54
F-10006-12	AssistedCare	6,159	\$329,621	\$54
F-10008-12	Emerald Care - Branch Office	12,570	\$599,491	\$48
F-10007-12	Well Care	11,268	\$523,840	\$46
F-10003-12	Maxim	9,499	\$391,953	\$41
F-10004-12	Healthy @ Home - CMC - North Zone Office	47,780	\$1,897,679	\$40
F-10010-12	Continuum	8,556	\$333,420	\$39

The CON applications submitted by Emerald Care, Well Care, Maxim, Healthy @ Home – CMC, and Maxim are non-conforming with multiple CON Review Criteria. Please see **HKZ Group's** Comments in Opposition to those CON applications.

HKZ Group adequately demonstrated that the financial feasibility of its proposal is based on reasonable and supported projections of operating costs and revenues. Therefore, the CON application submitted by **HKZ Group** is the most effective alternative with regard to average administrative cost per visit.

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

The ratio in the following table is calculated by dividing the net revenue per visit by the average total operating cost per visit.

Ratio of Net Revenue per Visit: Average Total Operating Cost per Visit – PY 2

CON Application	Applicant	Total Patient Visits	Net Revenue per Visit	Average Total Operating Cost per Visit	Ratio of Net Revenue to Average Total Operating Cost per Visit
F-10003-12	Maxim	9,499	\$161	\$124	1.30
F-10010-12	Continuum	8,556	\$188	\$152	1.24
F-10008-12	Emerald Care - Branch Office	12,570	\$154	\$132	1.17
F-10007-12	Well Care	11,268	\$155	\$133	1.16
F-10006-12	AssistedCare	6,159	\$151	\$140	1.08
F-10001-12	Vizion One	8,125	\$140	\$131	1.07
F-10004-12	Healthy @ Home - CMC – North Zone Office	47,780	\$147	\$142	1.04
F-10011-12	UniHealth	11,527	\$152	\$148	1.02
F-10005-12	HKZ Group	8,578	\$143	\$140	1.02
F-10012-12	J and D Healthcare	1,482	\$1,123	\$2,103	0.53

J and D Healthcare proposes an agency that is not financially viable, and cannot be used for purposes of comparison with other applications. Please see **HKZ Group's** Comments in Opposition to the J and D Healthcare CON application.

Further, the CON applications submitted by UniHealth and Healthy @ Home – CMC are non-conforming with multiple CON Review Criteria. Please see **HKZ Group's** Comments in Opposition to those CON applications.

HKZ Group projects the lowest ratio of net revenue to the average total operating cost per visit in the second operating year. The CON application submitted by **HKZ Group** is the most effective alternative with regard to the lowest ratio of net revenue per visit to the average total operating cost per visit.

Number of Owned, Operated, and/or Managed Medicare-certified Home Health Agencies in North Carolina

Experience in the ownership, operation, and/or management of Medicare-certified home health agencies in North Carolina is a key factor in the success of a proposed new agency in Mecklenburg County.

The following table shows number of owned, operated, and/or managed Medicare-certified home health agencies in North Carolina of each applicant.

**Number of Owned, Operated, and/or Managed
Medicare-certified Home Health Agencies in North Carolina**

CON Application	Applicant	Owned	Operated	Managed	Total NC Medicare Home Health
F-10008-12	Emerald Care – Branch Office	12	0	0	12
F-10004-12	Healthy @ Home - CMC - North Zone Office	4	0	0	4
F-10005-12	HKZ Group	3	0	0	3
F-10011-12	UniHealth	2	0	0	2
F-10007-12	Well Care	2	0	0	2
F-10006-12	AssistedCare	1	0	0	1
F-10010-12	Continuum	1	0	0	1
F-10003-12	Maxim	0	0	0	0
F-10001-12	Vizion One	0	0	0	0
F-10012-12	J and D Healthcare	0	0	0	0

The CON applications submitted by Emerald Care and Healthy @ Home – CMC are non-conforming with multiple CON Review Criteria. Please see **HKZ Group’s** Comments in Opposition to those CON applications.

HKZ Group’s sister agency, HealthKeeperz, Inc., owns three Medicare-certified home health agencies in North Carolina, which is the third largest number of all ten applicants. In addition, HealthKeeperz, Inc. existing service area is contiguous to Mecklenburg County. Thus, the CON application submitted by **HKZ Group** is the most effective alternative with regard to experience.

Letters of Support for Application

Mecklenburg County Acute Care Hospitals

Generally, hospitals make 50% of all referrals to Medicare-certified home health agencies.

As shown in the following table, only **HKZ Group** has two letters of support from a Mecklenburg County acute care hospital and a Mecklenburg County health care system.

Letter of Support from Mecklenburg County Acute Care Hospital(s)

CON Application	Applicant	Carolinas Healthcare System	Presbyterian Healthcare	Presbyterian Hospital Matthews
F-10005-12	HKZ Group	N	Y	Y
F-10004-12	Healthy @ Home – CMC – North Zone Office	Y	N	N
F-10006-12	AssistedCare	N	N	N
F-10010-12	Continuum	N	N	N
F-10008-12	Emerald Care – Branch Office	N	N	N
F-10012-12	J and D Healthcare	N	N	N
F-10003-12	Maxim	N	N	N
F-10011-12	UniHealth	N	N	N
F-10001-12	Vizion One	N	N	N
F-10007-12	Well Care	N	N	N

As shown in the previous table, only Healthy @ Home - CMC, which is owned by Carolinas Healthcare System, has a letter from Carolinas Healthcare System.

There are nine non-hospital owned applicants. Only **HKZ Group** has a letter from a Mecklenburg County acute care hospital and a hospital system.

Acute Care Hospitals in Counties Served by Related Entity of Applicant

As shown in the following table, **HKZ Group** has letters of support from two acute care hospitals in counties served by its related entity, HealthKeeperz, Inc., which owns three Medicare-certified home health agencies in Cumberland, Robeson, and Scotland counties.

**Letter of Support from Acute Care Hospital(s) in Counties Served by
Related Entity of Applicant**

CON Application	Applicant	CFVMC	Southeastern Regional	Other Hospital
F-10005-12	HKZ Group	Y	Y	N
F-10006-12	AssistedCare	N	N	N
F-10010-12	Continuum	N	N	N
F-10008-12	Emerald Care – Branch Office	N	N	N
F-10004-12	Healthy @ Home – CMC - North Zone Office	N	N	Y
F-10012-12	J and D Healthcare	N	N	N
F-10003-12	Maxim	N	N	N
F-10011-12	UniHealth	N	N	N
F-10001-12	Vizion One	N	N	N
F-10007-12	Well Care	N	N	N

None of the nine applicants has a letter from an acute care hospital in a county served by a related entity of the applicant.

Unique Services Proposed by Applicants

Each applicant’s response to Section II., Question 2. is summarized in the following table.

Unique Services Proposed by Applicants

CON Application	Applicant	How will agency differ from existing services in service area?
F-10005-12	HKZ Group	HealthSync Pharmacy Program, North Carolina's only Native American-owned multi-disciplinary post acute community health system focusing on home health agency services; Veterans Administration
F-10006-12	AssistedCare	SHP to manage patient outcomes; CareAnywhere electronic medical record; ability to combine behavioral health care with home health patients; pilot site for research study conducted by Martha Bruce, PhD, to train home health staff to provide behavioral health services; CCNC
F-10010-12	Continuum	No specific programs discussed - generic response about being a new provider with "fresh approach"
F-10008-12	Emerald Care – Branch Office	Home health psychiatric program supported by disease management program
F-10004-12	Healthy @ Home – CMC - North Zone	Part of a vertically-integrated health care system, substantial portion of patients are pediatric, operates an award-winning neonatal program, telemonitoring program for cardiac patients, Better Balance Fall Prevention Program, upcoming Diabetes Management program
F-10012-12	J and D Healthcare	Agency will be Medicare-certified, while existing agency is not Medicare-certified (it is a home care agency)
F-10003-12	Maxim	No specific programs discussed - generic response about experience, quality, clinical services delivery, patient-centered care, quality improvement, technology, accreditation, employee engagement and corporate support, Maxim Charitable Foundation provides financial assistance to employees in personal crisis
F-10011-12	UniHealth	No specific programs discussed
F-10001-12	Vizion One	Will provide all 6 core services along with specialized clinical services (cardiac, diabetes, rehab, pain therapy, TPN, HIV/AIDs, Alzheimer's/Dementia, wound care, telehealth)
F-10007-12	Well Care	No specific programs discussed - generic response about a new provider

HealthSync Pharmacy Program

HealthSync Pharmacy Program was developed by HealthKeeperz, Inc. in 2009 based on its recognition of a growing problem among its home health patients known as Polypharmacy, the concurrent use of multiple prescription or over-the-counter medications by a single patient.

HealthSync Pharmacy Program is a coordination of care program under which patients transitioning from an acute care hospital are connected to pharmacists affiliated with HealthKeeperz, Inc. who will review and synchronize each patient's medication to be delivered on one day each month, eliminating multiple trips to a retail pharmacy. In addition to the free delivery, each patient receives:

- A HealthKeeperz PocketCard containing emergency and physician contacts, current prescription information, and known allergies. This card is compact to fit in each patient's wallet and carry with him/her in the event of an emergency.
- Healthy Choices Program allowing each patient to choose a FREE item with his/her monthly delivery. Free items, such as rubbing alcohol, band-aids, vitamins, and more are HealthKeeperz way of helping patients to stay a little healthier and saying thank you.
- HealthSync Medication Report, a summary of a patient's current medications and prescription history will be sent to each patient's doctor every three months or sooner upon request to assist him/her in his/her efforts to stay current and provide each patient with the best care possible.

HealthSync pharmacists and technicians have documented that patients who participate in the HealthSync Pharmacy Program are more compliant with their drug regimen, have greater communication with their physicians regarding medications prescribed, and are more likely to report adverse reactions and other issues encountered with drugs prescribed. In instances where a patient has experienced an adverse reaction or other issue, HealthSync pharmacists and technicians will follow up with that patient's physician. Physicians whose patients participate in the HealthSync Pharmacy Program have expressed their satisfaction with the Program, and often contact HealthSync pharmacists and technicians about patient compliance with prescriptions.

The HealthSync Pharmacy Program has been operational for three years, and focuses on the co-morbid patient in order to decrease hospital re-admission. During the last several months, HealthKeeperz, Inc. tracked hospital inpatient admissions for patients participating in the HealthSync Pharmacy Program. From February through May 2012, less than 3% of all HealthSync patients have been hospitalized as reflected in the following table.

HealthSync Patients Admitted to Hospital

	February	March	April	May	Total (4 mo)
#HealthSync Patients	260	262	265	265	1,052
# Patient Hospitalized	8	10	3	8	29
Percent Hospitalized	3.08%	3.82%	1.13%	3.02%	2.76%

Source: CON Application F-10005-12, page 16

While the previous table reflects all payors, patients in the HealthSync Pharmacy Program are predominantly Medicare beneficiaries. Hospital re-admissions for the Medicare population in North Carolina exceeds 18%; nationally, it exceeds 19%³.

HealthKeeperz, Inc. has a physician who serves in an advisory role for its three existing agencies. That physician will serve in an advisory role for **HKZ Group**. The Management Service Agreement between **HKZ Group** and HealthKeeperz, Inc. includes compensation for the services of that physician.

Veterans Administration

North Carolina has about 766,000 veterans.⁴ The Salisbury VA Medical Center in Rowan County provides inpatient services to veterans in Mecklenburg and surrounding counties. In addition, the Charlotte Community Based Outpatient Clinic provides care to the over 50,000 veterans in Mecklenburg County⁵. HealthKeeperz, Inc. works with the Veterans Administration Medical Center in Fayetteville to meet the home health care needs of veterans in southeastern North Carolina. **HKZ Group** intends to pursue a similar arrangement with the Veterans Administration services in Mecklenburg County and the Salisbury VA Medical Center to provide home health care services to veterans who are residents of the defined service area. **HKZ Group** will provide the services that each veteran needs, based on a service plan that each veteran, his/her family, and his/her VA health care provider develop.

In FY 2011, only one Medicare-certified home health agency in Mecklenburg County reported serving Veteran Administration patients, as shown in the following table.

**Mecklenburg Medicare-certified Home Health Agencies
Veteran Administration Clients as % of Total Clients
October 1, 2010 – September 30, 2011**

Agency	Payment Source	# Clients	% of Total Clients*
Home Health Professionals	VA	67	11.0%

CON Application F-10005-12, page 18

*Mecklenburg County Medicare-certified home health agencies reported serving a total of 16,165 clients in FY 2011 (page 4 of the Source: 2012 Home Health Agency Annual Data Supplement to License Application)

As shown in the previous table, **HKZ Group's** proposed service to Veteran Administration patients does not duplicate services in Mecklenburg County.

³ Kaiser Health Facts <http://www.statehealthfacts.org/profileind.jsp?cat=6&sub=80&rgn=35>

⁴ <http://www.newsobserver.com/2012/06/17/2143293/2-new-veterans-homes-to-open.html>

⁵ http://www.va.gov/vetdata/Veteran_Population.asp

Services to “Other Underserved Population” Proposed by Applicants

Basic Assumption 8. of the Medicare-certified Home Health Need Methodology reads as follows:

8. The North Carolina State Health Coordinating Council encourages home health applicants to:
 - [...]
 - d. address special needs populations.

Each applicant’s response to Section VI., Question 3(g). is summarized in the following table.

Availability of Proposed Home Health to “Other Underserved Populations”

CON Application	Applicant	Availability of Existing and Proposed Home Health to “Other Underserved Population”
F-10005-12	HKZ Group	Native American population
F-10004-12	Healthy @ Home – CMC -North Zone Office	Pediatric population to include neonatal/premature babies
F-10006-12	AssistedCare	No specific population identified
F-10010-12	Continuum	No specific population identified
F-10008-12	Emerald Care – Branch Office	No specific population identified
F-10012-12	J and D Healthcare	No specific population identified
F-10003-12	Maxim	No specific population identified
F-10011-12	UniHealth	No specific population identified
F-10001-12	Vizion One	No specific population identified
F-10007-12	Well Care	No specific population identified

As shown in the previous table, **HKZ Group** is one of two applicants to identify an “underserved population” to which it will provide Medicare-certified home health services. Healthy @ Home is an existing Mecklenburg County agency providing services to a pediatric population that includes neonatal and premature babies.

HealthKeeperz, Inc. is North Carolina’s only Native American-owned multi-disciplinary post acute community health system focusing on home health agency services. With three existing locations, HealthKeeperz, Inc. is experienced in dealing with the health disparities and cultural differences of minority populations. **HKZ Group** also will be a Native American-owned home health agency, and will utilize the experience of HealthKeeperz, Inc. to address Native American and other minority populations in Mecklenburg County.

According to the 2008 US Census, North Carolina has the largest American Indian population east of the Mississippi River and the sixth largest American Indian population in the nation.

According to a report published in July 2010 by the North Carolina Commission of Indian Affairs found that American Indians in North Carolina experience substantially worse health problems than whites. For many health measures, American Indians experience problems similar to those for African Americans in this state. The July 2010 Report made the following findings:

- American Indian death rates were at least twice that of whites for diabetes, HIV disease, motor vehicle injuries, and homicide.
- American Indians were more likely than whites or African Americans to report that they had no health insurance and that they could not see a doctor due to cost.
- American Indians were significantly more likely than whites to smoke, not engage in leisure-time physical exercise, and to be overweight or obese.

The North Carolina American Indian Health Task Force was created in 2004 by the North Carolina Commission of Indian Affairs and the Secretary of the North Carolina Department of Health and Human Services. The purpose of the Task Force was to identify and study American Indian health issues in North Carolina, and to evaluate and strengthen programs and services for American Indians in the state.

HKZ Group is committed to providing home health services to American Indians and other minority populations in Mecklenburg and surrounding counties. Thus, the CON application submitted by **HKZ Group** is the most effective alternative with regard to special needs populations.

Registered Nurse, Home Health Aide, and Licensed Practical Nurse Salaries in Project Year 2

Salaries are a significant contributing factor in recruitment and retention of staff. The following three tables compare the proposed annual salary for registered nurses, home health aides, and licensed practical nurses in the second operating year.

Emerald Care projects the highest annual salary for a registered nurse, as shown in the following table.

Annual Salary for Registered Nurse – PY 2

CON Application	Applicant	Annual Salary
F-10008-12	Emerald Care – Branch Office	\$73,987
F-10003-12	Maxim	\$72,774
F-10011-12	UniHealth	\$72,420
F-10006-12	AssistedCare	\$71,070
F-10007-12	Well Care	\$70,967
F-10005-12	HKZ Group	\$70,627
F-10010-12	Continuum	\$65,938
F-10004-12	Healthy @ Home – CMC -North Zone Office	\$64,951
F-10001-12	Vizion One	\$64,067
F-10012-12	J and D Healthcare	\$43,784

As shown in the previous table, **HKZ Group** projects an annual salary for a registered nurse that is less than 5% lower than Emerald Care.

Maxim projects the highest annual salary for a home health aide, as shown in the following table.

Annual Salary for Home Health Aide – PY 2

CON Application	Applicant	Annual Salary
F-10003-12	Maxim	\$33,313
F-10011-12	UniHealth	\$32,895
F-10008-12	Emerald Care – Branch Office	\$32,493
F-10007-12	Well Care	\$32,188
F-10005-12	HKZ Group	\$30,810
F-10004-12	Healthy @ Home – CMC -North Zone Office	\$30,363
F-10006-12	AssistedCare	\$29,870
F-10010-12	Continuum	\$21,532
F-10012-12	J and D Healthcare	\$20,828
F-10001-12	Vizion One	\$20,659

HKZ Group projects the highest annual salary for a licensed practical nurse, as shown in the following table.

Annual Salary for Licensed Practice Nurse – PY 2

CON Application	Applicant	Annual Salary
F-10005-12	HKZ Group	\$48,269
F-10006-12	AssistedCare	\$45,423
F-10010-12	Continuum	\$43,627
F-10008-12	Emerald Care – Branch Office	\$40,035
F-10012-12	J and D Healthcare	\$39,574
F-10004-12	Healthy @ Home – CMC – North Zone Office	\$36,838
F-10003-12	Maxim	LPN not included in staffing plan
F-10011-12	UniHealth	LPN not included in staffing plan
F-10001-12	Vizion One	LPN not included in staffing plan
F-10007-12	Well Care	LPN not included in staffing plan

Physical Therapist, Occupational Therapist, and Speech Therapist Salaries in Project Year 2

Salaries are a significant contributing factor in recruitment and retention of staff. The following three tables compare the proposed annual salary for physical therapists, occupational therapists, and speech therapists in the second operating year.

Physical therapy drives the profitability of a Medicare-certified home health agency. **HKZ Group** projects the highest annual salary for a physical therapist among the applicants that will employ a physical therapist, as shown in the following table.

Annual Salary for Physical Therapist – PY 2

CON Application	Applicant	Annual Salary
F-10005-12	HKZ Group	\$102,700
F-10008-12	Emerald Care – Branch Office	\$94,585
F-10004-12	Healthy @ Home – CMC -North Zone Office	\$84,445
F-10010-12	Continuum	\$84,144
F-10006-12	AssistedCare	\$83,945
F-10007-12	WellCare	\$83,430
F-10003-12	Maxim	\$80,353
F-10001-12	Vizion One	\$79,310
F-10012-12	J and D Healthcare	\$43,739

Emerald Care projects the highest annual salary for an occupational therapist among the eight applicants that will employ an occupational therapist, as shown in the following table.

Annual Salary for Occupational Therapist – PY 2

CON Application	Applicant	Annual Salary
F-10008-12	Emerald Care – Branch Office	\$83,785
F-10007-12	WellCare	\$83,430
F-10001-12	Vizion One	\$80,718
F-10006-12	AssistedCare	\$79,001
F-10010-12	Continuum	\$78,663
F-10003-12	Maxim	\$73,856
F-10004-12	Healthy @ Home – CMC -North Zone Office	\$72,196
F-10012-12	J and D Healthcare	\$43,722

Emerald Care projects the highest annual salary for a speech therapist among the eight applicants that will employ a speech therapist, as shown in the following table.

Annual Salary for Speech Therapist – PY 2

CON Application	Applicant	Annual Salary
F-10008-12	Emerald Care – Branch Office	\$112,828
F-10004-12	Healthy @ Home – CMC -North Zone Office	\$86,677
F-10003-12	Maxim	\$78,014
F-10006-12	AssistedCare	\$77,765
F-10007-12	WellCare	\$77,250
F-10010-12	Continuum	\$74,551
F-10001-12	Vizion One	\$70,740
F-10012-12	J and D Healthcare	\$43,722

Financial Proforma Comparison Project Year 2

The following tables compare the 10 applications on basic financial measures. Values highlighted in yellow represent the two projects at the high end of each comparative metric and values highlighted in blue represent the two projects at the low end of each comparative metric. As reflected in the following tables, **HKZ Group** is based upon reasonable assumptions in the middle of the range for each metric. They only metrics in which **HKZ Group** is highlighted are lowest revenue per patient visit, lowest net gain, and highest total cost as a percent of revenue.

Financial Proforma
Comparative Analysis

	Project Year 2									
	F-10001-12	F-10003-12	F-10004-12	F-10005-12	F-10006-12	F-10007-12	F-10008-12	F-10010-12	F-10011-12	F-10012-12
	Vizion	Maxim	CMC - North	HKZ	Assisted	Well Care	Emerald	Continuum	UniHealth	J and D
Unduplicated Patients	325	503	2,993	395	352	542	476	492	549	92
Total Patient Visits	8,125	9,499	47,780	8,578	6,159	11,268	12,570	8,556	11,527	1,482
Visit per Patient	25.0	18.9	16.0	21.7	17.5	20.8	26.4	17.4	21.0	16.1
Net Revenue	\$ 1,140,200	\$ 1,528,574	\$ 7,008,529	\$ 1,224,203	\$ 931,653	\$ 1,740,941	\$ 1,937,522	\$ 1,610,678	\$ 1,752,640	\$ 1,664,138
Net Revenue per Patient	\$ 3,508.31	\$ 3,038.91	\$ 2,341.64	\$ 3,099.25	\$ 2,646.74	\$ 3,212.07	\$ 4,070.42	\$ 3,273.74	\$ 3,192.42	\$ 18,088.46
Net Revenue per Visit	\$ 140.33	\$ 160.92	\$ 146.68	\$ 142.71	\$ 151.27	\$ 154.50	\$ 154.14	\$ 188.25	\$ 152.05	\$ 1,122.90
Direct Cost	\$ 564,614	\$ 783,753	\$ 4,895,971	\$ 734,997	\$ 529,668	\$ 971,065	\$ 1,059,192	\$ 966,142	\$ 1,043,442	\$ 2,887,897
Direct Cost Per Patient	\$ 1,737.27	\$ 1,558.16	\$ 1,635.81	\$ 1,860.75	\$ 1,504.74	\$ 1,791.63	\$ 2,225.19	\$ 1,963.70	\$ 1,900.62	\$ 31,390.18
Direct Cost Per Visit	\$ 69.49	\$ 82.51	\$ 102.47	\$ 85.68	\$ 85.00	\$ 86.18	\$ 84.26	\$ 112.92	\$ 90.52	\$ 1,948.65
Direct Cost % Total Cost	53%	67%	72%	61.4%	62%	65%	64%	74%	61.0%	93%
Administrative Cost	\$ 503,393	\$ 391,953	\$ 1,897,679	\$ 461,683	\$ 329,621	\$ 523,840	\$ 599,491	\$ 333,420	\$ 667,742	\$ 228,500
Adm Cost Per Patient	\$ 1,548.90	\$ 779.23	\$ 634.04	\$ 1,168.82	\$ 936.42	\$ 966.49	\$ 1,259.43	\$ 677.68	\$ 1,216.29	\$ 2,483.70
Adm Cost Per Visit	\$ 61.96	\$ 41.26	\$ 39.72	\$ 53.82	\$ 53.52	\$ 46.49	\$ 47.69	\$ 38.97	\$ 57.93	\$ 154.18
Admin Cost % Total Cost	47%	33%	28%	38.6%	38.4%	35%	36%	26%	39.0%	7%
Total Cost	\$ 1,068,007	\$ 1,175,706	\$ 6,793,650	\$ 1,196,680	\$ 859,289	\$ 1,494,905	\$ 1,658,683	\$ 1,299,562	\$ 1,711,184	\$ 3,116,397
Total Cost Per Patient	\$ 3,286.18	\$ 2,337.39	\$ 2,269.85	\$ 3,029.57	\$ 2,441.16	\$ 2,758.13	\$ 3,484.63	\$ 2,641.39	\$ 3,116.91	\$ 33,873.88
Total Cost Per Visit	\$ 131.45	\$ 123.77	\$ 142.19	\$ 139.51	\$ 139.52	\$ 132.67	\$ 131.96	\$ 151.89	\$ 148.45	\$ 2,102.83
Total Cost % Net Revenue	94%	77%	97%	97.8%	92%	86%	86%	81%	97.6%	187%
Gain (Loss)	\$ 72,193	\$ 352,868	\$ 214,879	\$ 27,523	\$ 72,364	\$ 246,036	\$ 278,839	\$ 311,116	\$ 41,456	\$ (1,452,259)
Gain (Loss) Per Patient	\$ 222.13	\$ 701.53	\$ 71.79	\$ 69.68	\$ 205.58	\$ 453.94	\$ 585.80	\$ 632.35	\$ 75.51	\$ (15,785.42)
Gain (Loss) Per Visit	\$ 8.89	\$ 37.15	\$ 4.50	\$ 3.21	\$ 11.75	\$ 21.83	\$ 22.18	\$ 36.36	\$ 3.60	\$ (979.93)
Gain (Loss) % Revenue	6.3%	23.1%	3.1%	2.2%	7.8%	14.1%	14.4%	19.3%	2.4%	-87.3%

Notes:

Blue shaded cells indicate two lowest of the applicants for a particular metric of comparison

Yellow shaded cells indicate the two highest of the applicants for a particular metric of comparison

J and D Healthcare was not included for purposes of comparison with the other applicants because the project is not financially feasible.

Visits and unduplicated patients are not adjusted for any of the discrepancies and other issues identified in the individual Comments in Opposition submitted by HKZ Group