DELIVERED VIA EMAIL

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NC Department of Health and Human Services
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RE: Comments on Competing Applications for a Certificate of Need for a new hospice home care office in Rowan County, Project ID Numbers:

F-011943-20	**Personal Home Care of North Carolina, LLC**
F-011945-20	**BAYADA Home Health Care Inc.**
F-011948-20	**Amedisys Hospice, LLC**
F-011949-20	**Hospice of Iredell County, Inc.**
F-011952-20	**Adoration Home Health & Hospice, Inc.**
F-011955-20	**PruittHealth Hospice, Inc.**
F-011956-20	**Continuum Care of North Carolina, LLC**
F-011957-20	**Carolina Caring, Inc.**

Dear Mr. Yakaboski and Ms. Frisone:

On behalf of Personal Home Care of North Carolina, LLC ("PHC"), Project ID F-011943-20, thank you for the opportunity to comment on the above referenced applications for one new hospice home care office in Rowan County. During your review of the projects, I trust that you will thoughtfully consider these comments.

The eight applications propose different approaches. When considered as a group, PHC is the best long-term choice for the new Rowan County hospice home care office. We recognize that the State's Certificate of Need (CON) award for the proposed home health office will be based upon North Carolina Statutory Review Criteria, as defined in G.S. 131E-183. The Agency also has the opportunity to review conforming applications against comparative criteria of its own.

To that end, we request that the CON Section give careful consideration to the extent to which each applicant:

- Addresses the needs of Rowan County and its substantial rural population;
- Addresses hospice needs of difficult to reach and serve groups;
- Would improve hospice access in counties with low hospice use rates;
- Provides a new competitive option in the Rowan County area;
- Documents its arrangements to provide all required hospice services;
- Documents its intent to serve people of all ages and payer groups;
- Documents intended referrals and volunteer hours; and
- Demonstrates knowledge of and coordination with patients and providers in the proposed service area.

RURAL NATURE OF ROWAN COUNTY AND NEARBY COMMUNITIES

According to Access NC, 38.8 percent of Rowan County residents and 67.7 percent of adjacent Stanly County residents are rural.[1][2] Both Counties are underserved with regard to percent of deaths served by hospice and both show hospice deficits in the 2020 State Medical Facilities Plan ("SMFP"). All but three applicants, Amedisys, Iredell and Pruitt, propose to serve both counties. Serving home-based residents in a rural area requires more staff time. Distances between patients and time for family interaction both take longer. Applicants should reflect this reality in average caseload per professional. Low caseloads provide more time. One applicant**, PHC** provides the lowest caseloads in key positions. Overall, **PHC** ranks the best on this metric as demonstrated in the summary in Table 1 below.

Table 1—Average Caseload per Key Position FTE, Year 3

Key Position	PHC	Bayada	Amedisys	Iredell	Adoration	Pruitt Health	Continuum	Carolina Caring
Registered Nurse	9	10	13	12.5	12	12	10	12
Social Worker	24	25	45	28.94	31	30	25	35
Hospice Aide	10	8	11	9.5	13	10	8	10
Volunteer	1	4	45	49	18	2	50	2

Notes:

1. *Amedisys, Iredell, nor Carolina Caring provided information to document how it calculated visits and caseload.*
2. *Green indicates the best metrics for each position.*

[1] Access NC, County Profile, Rowan County, September 2020 https://accessnc.nccommerce.com/DemoGraphicsReports/pdfs/countyProfile/NC/37159.pdf
[2] Access NC, County Profile, Stanly County, September 2020.

NUMBER OF ROWAN AND STANLY PATIENTS SERVED

A hospice in Rowan County should serve Rowan patients. Adjacent Stanly County has a small population. Thus, even with low hospice use rates, Stanly will be unlikely to show enough need to meet the 90-patient threshold set by the SMFP Methodology for a new hospice home care office (2020 SMFP p 308). Hence, an effective Rowan County hospice home care office should serve adjacent Stanly County, as well. Three fail to serve Stanly: Pruitt, Amedisys and Iredell. Two propose only 7 Stanly patients by the third year, Continuum and Carolina Caring. Carolina Caring's proposed office in China Grove is closer to Mecklenburg, Iredell and Cabarrus counties than to Stanly County. Adoration provides little justification for its high forecast. **PHC** and **Bayada** forecast service that aligns with Table 13C in the 2020 SMFP.

Table 2— Rowan and Stanly Unduplicated Patients Served Year 3

Applicant	Rowan	Stanly	Application (PDF) Page
PHC	191	36	*110*
Bayada	210	31	*103*
Adoration	149	114	*98*
Continuum	162	7	*110*
PruittHealth	170	0	*109*
Carolina Caring	217	7	*138*
Amedisys	225	0	*58*
Hospice of Iredell	238	0	*20*

Applicants differ substantially with regard to the number of Rowan residents served in Year 3. Most agree that the new agency will result in an increase in Rowan deaths served by hospice. One applicant, Adoration, proposes to serve fewer Rowan patients than the 2020 SMFP identifies as needed. At the other end, Hospice of Iredell assumes that it will serve more than the SMFP forecast, asserting it will increase deaths served by hospice from 33.5 in FY2018 to 44.5 percent by FY2024, implying that it alone will serve the entire increase (application page 16 and 32). Carolina Caring boosted its Rowan patients by counting Rowan patients that it is already serving from an existing office. **PHC** provides a realistic estimate of Rowan patients served.

SPECIAL NEED GROUP – BEHAVIORAL HEALTH

In its survey of Rowan County providers, PHC learned that the patients less likely to receive hospice services tend to lack strong ties to the established health care delivery system. Particularly underserved are patients who have behavioral health issues, primarily dementia. Dementia affects a variety of cognitive functions, including how a patient eats, drinks, and swallows, memory, comprehension, and self-expression. Thus, dementia patients benefit from more time spent with speech and occupational therapists. Accordingly, a successful dementia care program should provide adequate speech and occupational therapists to support the program.

Two applicants, Amedisys and PHC propose a Dementia program, but only **PHC** provides additional staffing to support the communication needs of this group of medically underserved patients.

COMPETITION

The NC CON statute encourages competition, (Criterion 18a). Three applicants would introduce a new hospice provider to the area: PHC, Adoration and Continuum.

However, only two of these three**, PHC** and **Continuum** demonstrated in ~~their~~ applications that they can obtain the necessary local ancillary and support agreements to launch a successful hospice home care office in Rowan County. For detail, see the summary in Attachment A.

DEMONSTRATION OF REFERRALS

Serving communities with a history of low hospice use requires capacity to connect with both the established health care delivery system and the community infrastructure. As illustrated in Attachment A, only one applicant, **PHC** provided documentation of a referral base.

DOCUMENTATION OF VOLUNTEERS

As a Condition of Participation for Certification, Medicare requires that 5 percent of paid staff hours be complemented by volunteer hours. Only one applicant, **PHC** documented its volunteer hours and provided letters demonstrating willingness to provide volunteers.

PAYER GROUPS

In many CON comparative reviews, the Agency looks at percent of patients who are Medicare and Medicaid beneficiaries. With regard to hospice home care, both of these payor groups provide good coverage. Medicaid, in fact, is among the best of the payers. The applicants with high Medicare and Medicaid percentages provide little room for serving other underserved groups, for example, Veterans, who represent a substantial group in need, or persons under 65.

Considered in this light **PHC** and **Carolina Caring** with 5.8 and 5.3 percent of patients in other payer groups, respectively, better allow for the diversity of underserved deaths in the service area.

DEMONSTRATED ANCILLARY AND SUPPORT SERVICES.

Home hospice requires a wide array of services. Only two applicants, provided evidence to demonstrate arrangements for the full array of ancillary services, **PHC** and **Carolina Caring**. For a full summary, see Attachment A.

Other metrics are important in evaluating the best choice among applicants in this batch. As demonstrated on the scorecard (Table 5) in which the highest score is best, PHC outranks the rest by a notable margin.

SERVICE AREA

Applicants differ substantially in their service areas. As illustrated in Attachment, C, three, Amedisys, Iredell and Pruitt avoid rural Stanly County, which is very underserved with regard to hospice and because of its small population may never show need in the NC State Medical Facilities Plan for another hospice office. IAmedisys and PruittHealth proposes to focus a substantial part of service on patients outside Rowan and Stanly Counties. They propose to serve counties in which the 2020 SMFP shows a surplus of hospice home care relative to the state standard. See Table 3 below.

Table 3—2023 County Surpluses and Deficits for Applicants' Proposed Service Areas

Location	SMFP Projected Number of Additional Patients in Need Surplus (Deficit)
Rowan	(159)
Cabarrus	226
Davie	51
Davidson	101
Guilford	240
Iredell	104
Forsyth	396
Mecklenburg	334
Stanly	(33)
Union	163

Source: 2020 State Medical Facilities Plan, Table 13C

It is difficult to determine what counties Iredell proposes to serve, because its patient origin says Rowan only, but assumptions indicate that only 27 percent of patients will come from Rowan.

CONFORMITY

We have provided additional comments on individual applicants showing why we believe that, with the exception of PHC, all other applicants should be found non-conforming on one or more statutory criteria (shown in Table 4).

Table 4– Comparison of Applicants' Conformance to Statutory Criteria

Statutory Criterion	PHC	Bayada	Amedisys	Iredell	Adoration	PruittHealth	Continuum	Carolina Caring
1	C	C	C	C	C	C	C	C
3	C	C	C	NC	NC	NC	C	NC
3a	NA	NA	NA	NA	NA	NA	NA	NA
4	C	C	C	C	C	C	C	C
5	C	C	NC	NC	NC	C	C	C
6	C	C	NC	NC	C	NC	C	C
7	C	C	NC	NC	NC	C	C	NC
8	C	NC	NC	C	NC	C	C	C
9	NA	NA	NA	NA	NA	NA	NA	NA
12	NA	NA	NA	NA	NA	NA	NA	NA
13	C	C	C	C	C	C	C	C
14	C	C	C	C	C	C	C	C
18(a)	C	C	C	C	C	C	C	C
20	C	C	C	C	C	C	C	C

Notes: "C" means conforming, "NC" means non-conforming

For explanations of non-conformity, see detailed comments attached to this letter.

COMPETITIVE METRICS

PHC understands that the Agency may consider any metric in its competitive review of the applications. We believe that the Agency should consider metrics that represent the spirit and intent of the SMFP regarding value, quality, and accessibility. Table 5 presents a strong and reasonable comparison of the eight applications with regard to these elements.

For ease of presentation, Table 5 ranks applications 1 to 8 on each metric with 1 being the least favorable with regard to the metric and 8 being the most favorable. All scores are based on eight possible ranks. The best possible score on any metric is 8. Thus, on the table, the best possible overall score is 112 (perfect score of 8 * 14 comparative metrics). In the case of a tie, the score equals the sum of the tied ranks divided by the number of ties; e.g., three tied for first place = (1+2+3)/3=2. **A more detailed scorecard, along with supporting data, is included in Attachment A.**

Table 5—Comparison of Competing Applications

Comparative Metric	PHC	Bayada	Amedisys	Iredell	Adoration	Pruitt Health	Continuum	Carolina Caring
Average Case Load per FTE in PY3	6.7	6.4	1.6	4.0	2.7	4.1	5.8	3.5
Patient Access to a New Hospice Provider	7	3	3	3	7	3	7	3
Total Rowan Patients Served PY3	4	5	7	8	1	3	2	6
Total Stanly Patients Served PY3	7	6	2	2	8	2	4.5	4.5
Total Days of Care per Px	6	7	5	8	1	3	2	4
Medicare Days as % of Total Days of Care PY3	2	4	5	7	6	8	1	3
Medicaid Days as % of Total Days of Care PY3	5	7	6	1.5	3	1.5	8	4
Number of Non-Medicare/Medicaid Px	7.5	2	4	6	7.5	2	2	5
Salaries per FTE for Key Direct Care Positions PY3	4.5	6.4	3.3	3.8	2.5	6.8	6.4	2.5
Number Ancillary and Support Services Documented	7.5	4	1	5	2.5	2.5	6	7.5
Miles btwn Proposed Location & Applicant's Main Office	7	4	1	8	2	5	3	6
Number of Referrals	8	4	4	4	4	4	4	4
Promised Volunteer Hours (Annual Hours)	8	4	4	4	4	4	4	4
Offered Behavioral Health	7	3	7	3	3	3	7	3
TOTAL	**87**	**66**	**54**	**67**	**54**	**52**	**63**	**60**
Rank (Best to Worst)	**1**	**3**	**7**	**2**	**6**	**8**	**4**	**5**

Metrics Considered and Rejected

Financial

To fairly compare eight different applications, metrics must be consistent across all applications. In the past, the Agency has compared data from its standard financial forms. However, in this application batch, the Agency did not established guidelines for financial assumptions. As a result, the metrics are not comparable. Some applicants used inflation, some did not and among those that did, the inflation factors differ. Some used 2019 Medicare rates, some used 2020 Medicare rates. Medicaid rates differ, as well. Some treated Inpatient hospice and respite as a pass-through expense. Others, Adoration, for example, did not. One applicant, Amedisys, is a national corporation, but included no Central Office cost.

In some hospice home care reviews, the Agency has compared Routine Home Care Cost per day. Even this metric is compromised by the differences in assumptions, for example, inflation. Some applicants recognize the increased pharmacy cost associated with Medicare's shift of pharmacy cost to hospice. Others do not. For more detail on financial differences, please see Attachment B to this letter.

Service Volume

The Agency often compares total visits in reviews of hospice home care applications. In the comparison, we included the metric: Visits per Patient Served. This is a better measure of the level of care each patient will receive. It should be noted that Medicare reimburses hospices better for services provided in the last seven days. Hospices with fewer days per patient will be paid more.

CONCLUSION

PHC is clearly the most cost-effective and highest value option among all applications in this batch. PHC fully conforms to the statutory review criteria; therefore, because the rules permit only one award, the Agency should approve PHC.

We understand that because of the number of applicants alone, this will be a difficult review and appreciate the Agency's time and thoughtful consideration.

Ivan Belov
Agency Director
Personal Home Care of NC, LLC

ATTACHMENTS

Detailed Scorecard and Supporting Information .... A

Comparison of Differences in Financial Assumptions .... B

Service Area Comparison C

F-011945-20 Bayada Comments .... D

F-011948-20 Amedisys Comments .... E

F-011949-20 Hospice of Iredell County Comments .... F

F-011952-20 Adoration Comments .... G

F-011955-20 PruittHealth Comments .... H

F-011957-20 Carolina Caring Comments I

Attachment A

Comparison of Competing Applications

Notes	Comparative Metric	Relevant Statutory Criterion	PHC	Bayada	Amedisys	Iredell	Adoration	PruittHealth	Continuum	Carolina Caring
1	Average Case Load per FTE in PY3 (Question H.2)	7 Availability of Resources; 18a Quality of Proposed Services	6.7	6.4	1.6	4.0	2.7	4.1	5.8	3.5
	Patient Access to a New Hospice Provider	18a Competition	7	3	3	3	7	3	7	3
	Total Rowan Patients Served PY3	3 Need; 18a access	4	5	7	8	1	3	2	6
	Total Stanly Patients Served PY3	3 Need; 18a access	7	6	2	2	8	2	4.5	4.5
2	Total Days of Care per Patient PY3	3 Need , 18a access	6	7	5	8	1	3	2	4
	Medicare Days as % of Total Days of Care PY3	13 Medically Underserved	2	4	5	7	6	8	1	3
	Medicaid Days as % of Total Days of Care PY3	13 Medically Underserved	5	7	6	1.5	3	1.5	8	4
	Number of Non-Medicare/Medicaid Patients	14 Medically Underserved	7.5	2	4	6	7.5	2	2	5
1	Salaries per FTE for Key Direct Care Positions PY3	7 Health Manpower and Management Personnel	4.5	6.4	3.3	3.8	2.5	6.8	6.4	2.5
1	Number Ancillary and Support Services Documented	8 Ancillary and Support Services	7.5	4	1	5	2.5	2.5	6	7.5
3	Miles between Proposed Hospice Office and Applicant's Main Office	3 Access; 18a Quality of Proposed Services	7	4	1	8	2	5	3	6
	Number of Referrals	3 Need; 8 Coordination with Existing Healthcare	8	4	4	4	4	4	4	4
	Promised Volunteer Hours	7 Health Manpower and Management Personnel	8	4	4	4	4	4	4	4
	Offered Behavioral Health	3 Need/Population	7	3	7	3	3	3	7	3
		Total	**87**	**66**	**54**	**67**	**54**	**52**	**63**	**60**
		Rank (Best to Worst)	**1**	**3**	**7**	**2**	**6**	**8**	**4**	**5**

Notes:

1. *See supporting documentation for scoring details. (Raw Score Calculations and Raw Data in following pages)*
2. *Total days of care/Total patients served (Form C)*
3. *Ranked by distance in miles.*

4. *Scoring based on rank order best to worst.*
5. *In case of a tie, score assigns the remaining ranks to the tie, sums the ranks and divides by the number tied, eg, two tied for first place = (1+2)/2= 1.5*
6. *Data are for PY3 where multiple years are possible*

RAW SCORE CALCULATIONS

Comparative Metric	Relevant Statutory Criteria	PHC	Bayada	Amedisys	Iredell	Adoration	PruittHealth	Continuum	Carolina Caring	Notes
Average Case Load per FTE in PY3 (Question H.2)	7 Availability of Resources; 18a Quality of Proposed Services	6.7	6.4	1.6	4.0	2.7	4.1	5.8	3.5	average of ranks below
Registered Nurse		8	6.5	1	2	4	4	6.5	4	lower = better
Social Worker		8	6.5	1	5	3	4	6.5	2	"
Hospice Aide		4	7.5	2	6	1	4	7.5	4	"
Volunteer		8	5	3	2	4	6.5	1	6.5	"
Patient Access to a New Hospice Provider	18a Competition	7	3	3	3	7	3	7	3	yes=best
Total Rowan Patients Served PY3	3 Need; 18a access	4	5	7	8	1	3	2	6	higher = better
Total Stanly Patients Served PY3	3 Need; 18a access	7	6	2	2	8	2	4.5	4.5	"
Total Days of Care per Patient PY3 (Form C)	3 Need , 18a access	6	7	5	8	1	3	2	4	"
Medicare Days as % of Total Days of Care PY3	13 Medically Underserved	2	4	5	7	6	8	1	3	"
Medicaid Days as % of Total Days of Care PY3	13 Medically Underserved	5	7	6	1.5	3	1.5	8	4	"
Number of Non-Medicare/Medicaid Patients	14 Medically Underserved	7.5	2	4	6	7.5	2	2	5	"
Salaries per FTE for Key Direct Care Positions PY3	7 Health Manpower and Management Personnel	4.5	6.4	3.3	3.8	2.5	6.8	6.4	2.5	average of ranks below
RN		7	8	3	2	1	6	5	4	higher = better
CNAs/Aides		3	7.5	1	5	4	6	7.5	2	"
Social Worker		3	8	5	2	4	7	6	1	"
Chaplain		5	2	4	6	1	8	7	3	"
Number Ancillary and Support Services Documented	8 Ancillary and Support Services	7.5	4	1	5	2.5	2.5	6	7.5	"
Miles between Proposed Hospice Office and Applicant's Main Office	3 Access; 18a Quality of Proposed Services	7	4	1	8	2	5	3	6	lower = better
Number of Referrals	3 Need; 8 Coordination with Existing	8	4	4	4	4	4	4	4	higher = better
Promised Volunteer Hours	7 Health Manpower and Management Personnel	8	4	4	4	4	4	4	4	"
Offered Behavioral Health	3 Need/Population	7	3	7	3	3	3	7	3	yes=best

RAW DATA

Comparative Metric	Relevant Statutory Criteria	PHC	Bayada	Amedisys	Iredell	Adoration	Pruitt Health	Continuum	Carolina Caring
Average Case Load per FTE in PY3 (Question H.2)	7 Availability of Resources; 18a Quality of Proposed Services								
Registered Nurse		9	10	13	12.5	12	12	10	12
Social Worker		24	25	45	28.94	31	30	25	35
Hospice Aide		10	8	11	9.5	13	10	8	10
Volunteer		1	4	45	49	18	2	50	2
Patient Access to a New Hospice Provider	18a Competition	yes	no	no	no	yes	no	yes	no
Total Rowan Patients Served PY3	3 Need; 18a access	191	210	225	238	149	170	162	217
Total Stanly Patients Served PY3	3 Need; 18a access	36	31	-	-	114	-	7	7
Total Days of Care per Patient PY3 (Form C)	3 Need , 18a access	68.1	68.5	65.2	69.0	53.0	63.1	61.8	65.1
Medicare Days as % of Total Days of Care PY3	13 Medically Underserved	89.40%	90.00%	91.30%	94.00%	93.10%	96.40%	88.00%	89.80%
Medicaid Days as % of Total Days of Care PY3	13 Medically Underserved	4.90%	6.15%	5.00%	1.00%	2.00%	1.00%	7.00%	4.70%
Number of Non-Medicare/Medicaid Patients	14 Medically Underserved	13	9	10	12	13	9	9	11
Salaries per FTE for Key Direct Care Positions PY3	7 Health Manpower and Management Personnel								
RN		$ 82,774	$ 84,727	$ 77,690	$ 69,201	$ 67,626	$ 81,481	$ 79,070	$ 78,797
CNAs/Aides		$ 31,836	$ 36,414	$ 29,331	$ 32,470	$ 32,460	$ 34,503	$ 36,414	$ 31,818
Social Worker		$ 60,489	$ 67,626	$ 62,249	$ 57,682	$ 60,593	$ 64,437	$ 62,757	$ 56,531
Chaplain		$ 56,308	$ 49,939	$ 56,131	$ 57,373	$ 41,117	$ 63,615	$ 58,429	$ 51,481

PAGE NUMBER (PDF)/Source

Comparative Metric	Relevant Statutory Criteria	PHC	Bayada	Amedisys	Iredell	Adoration	PruittHealth	Continuum	Carolina Caring
Average Case Load for Key Staff in PY3	7 Availability of Resources; 18a Quality of Proposed Services	71	69	72	43	62	68	77	83
Patient Access to a New Hospice Provider	18a Competition	10	9	8	10	10	10	12	13
Most Rowan Patients Served PY3	3 Need; 18a access	110	103	58	20	98	109	110	138
Most Stanly Patients Served PY3	3 Need; 18a access	110	103	58	20	98	109	110	138
Total Days of Care per Patient PY3	3 Need , 18a access	Form C	Form C	Form C	Form C	Form C	Form C	Form C	Form C
Medicare Patients as % of Total Days of Care PY3	13 Medically Underserved	88-89	86	95	62	73	83	91	106
Medicaid Patients as % of Total Days of Care PY3	13 Medically Underserved	88-89	86	95	62	73	83	91	106
Number of Non-Medicare/Medicaid Patients	14 Medically Underserved	88-89	86	95	62	73	83	91	106
Salaries per FTE for Key Direct Care Positions PY3	7 Health Manpower and Management Personnel	Form H	Form H	Form H	Form H	Form H	Form H	Form H	Form H

RAW DATA

Comparative Metric	Relevant Statutory Criteria	PHC	Bayada	Amedisys	Iredell	Adoration	Pruitt Health	Continuum	Carolina Caring
Number Ancillary and Support Services Documented	8 Ancillary and Support Services	11	8	4	9	7	7	10	11
Home Health Aide		yes	yes	no	no	no	no	yes	yes
Physical Therapy		yes	yes	no	yes	yes	yes	yes	yes
Occupational Therapy		yes	no	no	yes	yes	yes	yes	yes
Speech Therapy		yes	yes	no	yes	yes	yes	yes	yes
Inpatient		yes	no	no	yes	no	no	yes	yes
Respite		yes	no	no	yes	no	no	yes	yes
Residential		yes	yes	no	yes	no	no	no	yes
Dietary Counseling		yes	yes	yes	no	yes	yes	yes	yes
Pharmacy		yes	yes	yes	yes	yes	yes	yes	yes
DME		yes	yes	yes	yes	yes	yes	yes	yes
Medical Supplies		yes	yes	yes	yes	yes	yes	yes	yes
Miles between Proposed Hospice Office and Applicant's Main Office	3 Access; 18a Quality of Proposed Services	Charlotte, NC (51 mi)	Philidelphia, PA (483 mi)	Baton Rouge, LA (808 mi	Statesville, NC (25 mi)	St. Louis, MO (725 mi)	Norcross, GA (265 mi)	Brooklyn, NY (573 mi)	Newton, NC (52 mi)
Number of Referrals	3 Need; 8 Coordination with Existing Healthcare	308	0	0	0	0	0	0	0
Promised Volunteer Hours (Annual Hours)	7 Health Manpower and Management Personnel	4,200	0	0	0	0	0	0	0
Offered Behavioral Health	3 Need/Population	Dementia Program	na	Dementia Program	na	na	na	Music Therapy	na

PAGE NUMBER (PDF)/Source

Comparative Metric	Relevant Statutory Criteria	PHC	Bayada	Amedisys	Iredell	Adoration	PruittHealth	Continuum	Carolina Caring
Number Ancillary and Support Services Documented	8 Ancillary and Support Services	see below							
Home Health Aide		77	24	na	na	na	na	22	89
Physical Therapy		77	24	na	48	66	73	82, Exhibit I.1	89
Occupational Therapy		77	na	na	48	66	73	82, Exhibit I.1	89
Speech Therapy		77	24	na	48	66	73	82, Exhibit I.1	89
Inpatient		77	na	na	16, Exhibit B.3.3	na	na, see pg. 31	82, Exhibit I.1	32
Respite		77	na	na	16, Exhibit B.3.3	na	na, see pg. 31	124	32
Residential		77	24	na	16, Exhibit B.3.3	na	na, see pg. 31	na	32
Dietary Counseling		77	24	22	na	206	30	82, Exhibit I.1	89
Pharmacy		77	24	88	48	66	74	82, Exhibit I.1	89
DME		77	24	88	48	66	na	82, Exhibit I.1	89
Medical Supplies		77	24	88	48	66	74	82, Exhibit I.1	89
Miles between Proposed Hospice Office and Applicant's Main Office	3 Access; 18a Quality of Proposed Services	5	5	6	8	8	8	10	11
Number of Referrals	3 Need; 8 Coordination with Existing Healthcare	Exhibit H.5, (PDF p.172)	na	na	na	na	na	na	na
Promised Volunteer Hours	7 Health Manpower and Management Personnel	Exhibit C.1	na	na	na	na	na	na	na
Offered Behavioral Health	3 Need/Population	26	na	76	na	na	na	28	na

Attachment B

Differences in Financial Approaches Among Applicants

Metric	PHC	Bayada	Amedisys	Iredell	Adoration	PruittHealth	Continuum	Carolina Caring	Impact
Gross Revenue per Patient Day									
Adjusted Medicare payment rate down for Sequestration rather than show it as a contractual adjustment		x			x	x		x	Exclusion reduces Gross charge
Adjusted All reimbursement rates down for contractual adjustments			x					x	Presents Gross Revenue PPD as lower
Adjusted reimbursement rates on Form F.3 for bad debt			x					x	Form F.3 rates are artificially low
Medicare sequestration excluded			x					x	Exclusion reduces Gross charge PPD
No rate inflation		x		x		x			Reduces gross charge PPD, and applicant does not control this
Reduced Reimbursement Rates on Form F.3 by Revenue Adjustments			x						Reimbursement Rate on F.3 is presented wrong and is artifically low
Do not use current Medicaid rates		x	x	x		x			Understate Gross revenue PPD
Do not use current Medicare rates			x		x	x			Older rates produce lower Gross reimbursement PPD
Show no reimbursement rates for self pay patients		x				x		x	When charity care is treated this way Gross Revenue PPD is lower
Cost per Patient Day									
Did not treat GIP and Respite as pass through expenses				x	x				More GIP and Respite care provided to patients produces higher
No expense inflation			x		x		x		Reduces cost PPD
Pharmacy cost PPD									
YR 3 Medical supply cost PPD varies almost 2-fold	$ 19.25	$ 14.53	$ 12.72	$ 9.84	$ 18.46	$ 11.04	$ 18.64	$ 18.09	Varies by patient diagnosis, under reporting can reduce cost PPD

Method for Calculating Reimbursement Rates

	PHC	PHC	Bayada	Amedisys	Iredell	Adoration	PruittHealth	Continuum	Carolina Caring
Sequestration (Y/N)		Yes	No	Yes	Yes	No	No	Yes	No
Reimb Inflation		2.40%	0%	2%	0%	2%	0%	1%	1%
Most recent Medicare rates		Yes	Yes	No	Yes	??	No	Yes	Yes
Most recent Medicaid rates		Yes	No	No	No	Yes	No	Yes	Yes

Form F.3 Reimbursement Rates	PHC before Inflation	PHC	Bayada	Amedisys	Iredell	Adoration	PruittHealth	Continuum	Carolina Caring
	Interim Year 10/1/21-12/31/21	Third Full FY 1/1-12/31/2024	Third Full FY 1/1-12/31/2024	Third Full FY 7/1/23-6/31/24	Third Full FY 10/1/23-9/30/24	Third Full FY 9/1/23-8/31/24	Third Full FY 10/1/23-9/30/24	Third Full FY 10/1/23-9/30/24	Third Full FY 10/1/23-9/30/24
Routine Home Care									
Self Pay	$ 180	$ 193	$ -	$ 142	190.17 (1-60) 150.32(61+)	$ 199	$ -	$ 203	$ -
Hospice Medicare *	$ 180	$ 193	$ 178	$ 162	190.17 (1-60) 150.32(61+)	$ 173	$ 186	$ 184	$ 187
Hospice Medicaid *	$ 185	$ 199	$ 176	$ 136	190.17 (1-60) 150.32(61+)	$ 182	$ 178	$ 189	$ 193
Private Insurance *	$ 180	$ 193	$ 178	$ 142	190.17 (1-60) 150.32(61+)	$ 173	$ 186	$ 184	$ 123
Other (VA)	$ 180	$ 193	$ 178	$ -	190.17 (1-60) 150.32(61+)	$ 199	$ 186	$ -	$ 78
Inpatient Care									
Self Pay	$ 1,001	$ 1,075	$ -	$ 890	$ 1,001	$ 1,107	$ -	$ 1,121	$ -
Hospice Medicare *	$ 1,001	$ 1,075	$ 990	$ 1,015	$ 1,001	$ 1,019	$ 1,021	$ 1,019	$ 1,021
Hospice Medicaid *	$ 1,029	$ 1,104	$ 980	$ 848	$ 1,001	$ 1,070	$ -	$ 1,047	$ 1,049
Private Insurance *	$ 1,001	$ 1,075	$ 990	$ 890	$ 1,001	$ 1,019	$ -	$ 1,019	$ 526
Other (VA)	$ 1,001	$ 1,075	$ 990	$ -	$ 1,001	$ 1,107	$ -	$ 1,019	$ 332
Respite Care									
Self Pay	$ 445	$ 477	$ -	$ 395	$ 445	$ 481	$ -	$ 498	$ -
Hospice Medicare *	$ 445	$ 477	$ 440	$ 451	$ 445	$ 452	$ 450	$ 453	$ 453
Hospice Medicaid *	$ 480	$ 516	$ 457	$ 376	$ 445	$ 499	$ -	$ 489	$ 490
Private Insurance *	$ 445	$ 477	$ 440	$ 395	$ 445	$ 452	$ -	$ 453	$ 249
Other (VA)	$ 445	$ 477	$ 440	$ -	$ 445	$ 481	$ -	$ -	$ 158
Continuous Care									
Self Pay	$ 57	$ 61	$ -	$ 49	$ 57	$ 64	$ -	$ 64	$ -
Hospice Medicare *	$ 57	$ 61	$ 56	$ 56	$ 57	$ 58	$ 58	$ 58	$ 58
Hospice Medicaid *	$ 58	$ 63	$ 56	$ 47	$ 57	$ 61	$ -	$ 59	$ 60
Private Insurance *	$ 57	$ 61	$ 56	$ 49	$ 57	$ 58	$ -	$ 58	$ 10
Other (VA)	$ 57	$ 61	$ 56	$ -	$ 57	$ 64	$ -	$ -	$ 6

Form F.4 Revenues	PHC	Bayada	Amedisys	Iredell	Adoration	PruittHealth	Continuum	Carolina Caring
Patients served	271	266	312	269	311	366	244	247
Days	18,464	18,830	20,341	18,564	16,473	23,100	15,074	16,092
	Third Full FY	Third Full FY	Third Full FY	Third Full FY	Third Full FY	Third Full FY	Third Full FY	Third Full FY
	1/1-12/31/2024	1/1-12/31/2024	7/1/23-6/31/24	10/1/23-9/30/24	9/1/23-8/31/24	10/1/23-9/30/24	10/1/23-9/30/24	10/1/23-9/30/24
Routine Home Care								
Self Pay	$ 7,632	$ 42,436	$ 6,649	$ 57,719	$ -	$ 68,871	$ 89,577	$ 50,100
Hospice Medicare *	$ 3,260,039	$ 3,472,013	$ 3,065,059	$ 2,531,796	$ 3,026,388	$ 4,063,405	$ 2,628,934	$ 2,595,539
Hospice Medicaid *	$ 175,004	$ 237,254	$ 146,275	$ 50,966	$ 65,014	$ 41,210	$ 215,017	$ 140,652
Private Insurance *	$ 191,712	$ 92,587	$ 75,552	$ 186,272	$ 73,140	$ 21,522	$ 59,785	$ 144,362
Other (VA)	$ 8,779	$ 13,502	--	$ -	$ -	$ 21,522	$ -	$ 3,321
Total Routine Home Care	**$ 3,643,167**	**$ 3,857,792**	**$ 3,293,535**	**$ 2,826,753**	**$ 3,164,542**	**$ 4,216,530**	**$ 2,993,313**	**$ 2,933,974**
Inpatient Care								
Self Pay	$ 22,883	$ 2,275	$ 84	$ 17,440	$ -	$ -	$ 8,966	$ 7,605
Hospice Medicare *	$ 517,880	$ 186,176	$ 38,534	$ 764,976	$ 111,387	$ 235,909	$ 264,499	$ 503,870
Hospice Medicaid *	$ 50,723	$ 12,722	$ 1,839	$ 15,399	$ 2,393	$ -	$ 21,873	$ 27,281
Private Insurance *	$ 13,609	$ 4,965	$ 950	$ 56,282	$ 2,692	$ -	$ 5,604	$ 21,913
Other (VA)	$ 6,022	$ 724	--	$ -	$ -	$ -	$ -	$ 504
Total Inpatient Care	**$ 611,116**	**$ 206,862**	**$ 41,406**	**$ 854,097**	**$ 116,472**	**$ 235,909**	**$ 300,942**	**$ 561,173**
Respite Care								
Self Pay	$ -	$ 988	$ 74	$ 673	$ -	$ -	$ 996	$ 770
Hospice Medicare *	$ 21,495	$ 80,857	$ 34,213	$ 29,501	$ 16,104	$ 103,973	$ 28,374	$ 47,748
Hospice Medicaid *	$ 16,257	$ 5,525	$ 1,633	$ 594	$ 346	$ -	$ 2,689	$ 2,719
Private Insurance *	$ 8,129	$ 2,156	$ 843	$ 2,170	$ 389	$ -	$ 498	$ 2,219
Other (VA)	$ -	$ 314	--	$ -	$ -	$ -	$ -	$ 51
Total Respite Care	**$ 45,881**	**$ 89,840**	**$ 36,764**	**$ 32,938**	**$ 16,839**	**$ 103,973**	**$ 32,557**	**$ 53,507**
Continuous Care								
Self Pay	$ -	$ -	$ 2	$ 28	$ -	$ -	$ -	$ 64
Hospice Medicare *	$ 5,872	$ 3,348	$ 1,027	$ 1,225	$ 64	$ 1,861	$ 1,530	$ 12,524
Hospice Medicaid *	$ -	$ -	$ 49	$ 25	$ -	$ -	$ 523	$ 677
Private Insurance *	$ -	$ -	$ 25	$ 90	$ -	$ -	$ -	$ 186
Other (VA)	$ -	$ -	--	$ -	$ -	$ -	$ -	$ 4
Total Continuous Care	**$ 5,872**	**$ 3,348**	**$ 1,103**	**$ 1,368**	**$ 64**	**$ 1,861**	**$ 2,053**	**$ 13,455**
Total Gross Patient Revenue (1)	**$ 4,306,036**	**$ 4,157,842**	**$ 3,372,808**	**$ 3,715,156**	**$ 3,297,917**	**$ 4,558,273**	**$ 3,328,865**	**$ 3,562,109**
Other Revenue (2)	**$70,996**	**$0**	**$0**	**$53,279**	**$0**		**$101,775**	**$0**
Total Gross Revenue (3)	**$ 4,377,033**	**$ 4,157,842**	**$ 3,372,808**	**$ 3,768,435**	**$ 3,297,917**	**$ 4,558,273**	**$ 3,430,640**	**$ 3,562,109**
Adjustments to Revenue								
Charity Care (4)	$ 43,060	$ 45,699	**$ 3**	$ 69,791	$ 89,772	$ 68,871	$ 91,575	$ 58,539
Sequestration				$ 66,550		$ -		
Bad Debt	$ 43,060	$ 41,578	$ (43,449)	$ 8,317	$ 21,003	$ 72,932	$ 59,065	$ 12,824
Contractual Adjustments	$ 269,518	$ 602,816	$ (38,572)	$ 73,417	$ 399,050	$ -	$ 385,804	$ 82,580
Total Adjustments to Revenue	**$ 355,638**	**$ 690,093**	**$ (82,023)**	**$ 218,075**	**$ 509,825**	**$ 141,803**	**$ 536,444**	**$ 153,943**
Total Net Revenue (5)	**$ 4,021,394**	**$ 3,467,749**	**$ 3,290,790**	**$ 3,550,360**	**$ 2,788,092**	**$ 4,416,470**	**$ 2,894,196**	**$ 3,408,166**
Total Operating Costs (6)	**$3,705,979**	**$2,809,406**	**$2,891,962**	**$3,242,435**	**$ 2,116,099**	**$ 3,464,548**	**$ 2,645,094**	**$ 2,526,015**
Net Income (7)	**$ 315,415**	**$ 658,343**	**$ 398,828**	**$ 307,925**	**$ 671,993**	**$ 951,922**	**$ 249,102**	**$ 882,151**
Net income reported on Form F.4					$ 761,765.00			
				Diff	$ (89,772)			

Form F.5 Operating Costs	PHC	Bayada	Amedisys	Iredell	Adoration	PruittHealth	Continuum	Catawba Valley
	Third Full FY	Third Full FY	Third Full FY	Third Full FY	Third Full FY	Third Full FY	Third Full FY	Third Full FY
	1/1-12/31/2024	1/1-12/31/2024	7/1/23-6/31/24	10/1/23-9/30/24	9/1/23-8/31/24	10/1/23-9/30/24	10/1/23-9/30/24	10/1/23-9/30/24
Total Salaries (from Form H)	$ 1,627,179	$ 1,236,677	$1,713,817	$ 2,020,086	$ 1,047,332	$ 1,560,411	$ 1,418,679	$ 946,308
Taxes and Benefits	$ 341,707	$ 309,169	$297,502	$ 545,423	$ 209,466	$ 379,180	$ 296,709	$ 264,493
Travel Reimbursement	$ 68,375	$ 113,485	$87,460	$ 65,345	$ 88,632	$ 183,614	$ 68,398	$ 64,959
Training	$ 6,406	$ 6,181	$0	$ 35,291	$ 11,322	$ -	$ -	$ 4,728
Medical Supplies	$ 355,354	$ 273,528	$258,688	$ 38,799	$ 304,096	$ 87,721	$ 280,990	$ 291,075
Consultant Services (1)	$ -	$ 49,451	$ -	$ -	$ -	$ 57,222	$ 9,143	$ 10,291
Consultant Services (2)	$ -	$ 24,249	$ -	$ -	$ -		$ -	$ -
Office Supplies	$ 16,555	$ 6,181	$12,000	$ 12,011	$ 16,005	$ 26,677	$ 23,297	$ 9,708
Rent	$ 19,796	$ 41,706	$43,050	$ 11,400	$ 24,945	$ 53,747	$ 16,080	$ 24,000
Utilities	$ 3,649	$ 7,491	$7,200		$ 17,387	$ 7,678		$ 9,203
Phone and Internet				$ 3,780				
Maintenance	$ 1,273	$ 1,200	$2,400	$ 1,064	$ 21,334	$ -	$ -	$ 1,261
Insurance	$ 10,456	$ 3,600	$8,400	$ 21,720	$ 7,256	$ 16,126	$ 45,440	$ 2,522
Management Fees	$ -	$ -	$34,390	$ 8,844	$ -	$ 220,823	$ -	$ -
Contracted Services (1)	$ 729,235	$ 296,704	$0	$ -	$ 162,141	$ 295,128	$ 5,879	$ 6,519
Contracted Services (2)								$ 614,260
Central Office Overhead	$ 393,933	$ 415,729	$0	$ -	$ 128,834	$ 216,338	$ 136,032	$ 164,946
Interest	$ -	$ -	$0	$ -	$ -	$ -	$ 100	$ -
Equipment Depreciation	$ 5,793	$ 20,000	$11,600	$ 7,520	$ 5,802	$ 20,000	$ 11,128	$ 10,000
Building Depreciation	$ -		$0	$ 1,038	$ -	$ -	$ -	$ -
Taxes	$ 558		$113,804		$ 2,014		$ -	$ -
Other (see assumptions)	$ 125,710	$ 4,000			$ 69,533		$ 15,434	$ 101,743
Employee Bonuses			$97,357					
Telecommunication			$20,700					
Information Technology Equipment (laptops, tablets, devices, printer, etc)			$20,600				$ 27,403	
Administrative Travel/Training			$25,100					
Advertising / Marketing			$14,400				$ 11,745	
Personnel (Background check, recruiting, temp services, professional fees, etc)			$2,400					
Room & Board Exp (net of Rev)			$27,826				$ 36,449	
Hospice Services Other (GIP, Respite, Other)			$93,268			$ 339,882	$ 231,284	
Administrative Expenses				$ 145,152				
Patient Related Expenses				$ 69,522				
DME				$ 111,662				
Medications				$ 143,778				
Other Direct Costs							$ 5,303	
Other Licensure							$ 5,600	
Total Operating Costs	$ 3,705,979	$ 2,809,351	$ 2,891,962	$ 3,242,435	$ 2,116,099	$ 3,464,547	$ 2,645,093	$ 2,526,016

KEY

- Pass through (light blue)
- Not good (orange)
- Good (light green)

Attachment C

Comparison of Applicants' Proposed Service Areas

Applicant	Proposed Service Area									
	Rowan	Stanly	Cabarrus	Davie	Davidson	Guilford	Iredell	Forsyth	Mecklenburg	Union
PHC	x	x								
Bayada	x	x								
Amedisys	x		x	x	x		x			
Iredell	x									
Adoration	x	x								
PruittHealth	x		x			x		x	x	x
Continuum	x	x								
Carolina Caring	x	x								

Attachment D

Competitive Review of:
Bayada Home Health Care, Inc.; F-011945-20

OVERVIEW

Bayada Home Health Care, Inc. ("Bayada") submitted a CON application to develop one new hospice home care office in Salisbury, NC. Bayada's application is non-conforming with statutory review criterion 8.

CON REVIEW CRITERIA

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.

Failure to Demonstrate Support and Coordination with Existing Local Healthcare Providers

Because of its long history of providing hospice services in the Centralina area, PHC has established support and coordination with other healthcare providers in Rowan County, something that Bayada fails to adequately demonstrate. On page 75 of its application, Bayada lists "physicians [that] are most likely to refer patients to the proposed Bayada Hospice." However, Bayada received only six letters of support for its project in total, three of which are from Directors of Bayada's own Home Health Agencies. Accordingly, only three of these letters come from physicians or potential referral sources. In comparison, PHC received over 20 letters containing over 300 promised referrals from local sources.

Bayada includes in Exhibit I.2 of its application copies of letters that it sent to a lengthy list of local facilities in Rowan County and adjacent counties, requesting return letters of support for its project. However, Bayada received no support from any local facility. On page 48 of its application, Bayada states it "intends to establish agreements for both general inpatient and respite care at the following Genesis locations in North Carolina in proximity to the proposed BAYADA Hospice in Salisbury." Bayada neglected to list any of the proposed Genesis locations. Further, Bayada failed to demonstrate a firm commitment from Genesis HealthCare to establish an inpatient care agreement. Rather, Exhibit I.2 of Bayada's application includes a generic sample inpatient agreement not specific to Genesis nor any other provider. Additionally, on page 48, Bayada claims, "Genesis HealthCare has designated BAYADA as a preferred provider for care in the home through a nationally recognized relationship..." Genesis did not provide a letter of support for the proposed project nor address any future contractual agreement for the provision of inpatient or respite care.

Because Bayada has not adequately demonstrated that it will make arrangements for the provision of the necessary ancillary and support services, nor that the proposed service will be coordinated with the existing health care system, it's application should be found non-conforming to Criterion 8.

Attachment E

Competitive Review of:
Amedisys Hospice, LLC; F-011948-20

OVERVIEW

Amedisys Hospice, LLC. ("Amedisys") submitted a CON application to develop one new hospice home care office in Salisbury, NC. Amedisys' application is non-conforming with statutory review criteria 5, 6, 7, and 8.

CON REVIEW CRITERIA

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.

Understated Expenses

In Form F.5, Amedisys does not budget for costs associated with providing required therapies. CMS requires physical, occupational, and speech therapy be available to hospice patients, if needed[1]. However, Amedisys did not include costs associated with those services in its operating cost detail nor in its Form F.5 assumptions. Thus, expenses listed in Form F.5 are understated.

Additionally, in Form H, Amedisys states 18 percent of staff salaries are budgeted for taxes and benefits. The amount allocated for taxes and benefits in Form F.5, does not reflect this statement. As can be shown in the following table, Amedisys budgeted almost $11,000 less than needed for taxes and benefits. This is further evidence of understated expenses.

Amedisys Staffing Budget			
	In Application	**PHC Calculation**	**Difference**
Taxes & Benefits	$297,502	$308,487	$10,985

Because Amedisys failed to include all necessary expenses associated with the proposed services, its' application is not based upon reasonable projections of costs. Thus, Amedisys should be found non-conforming to Criterion 5.

[1] CMS Medicare Rule 42 CFR §418.72

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

Failure to Demonstrate Project Will Not Result in Unnecessary Duplication

The application identifies the population to be served in the patient origin on page 34; including a large geography outside Rowan County. The following is the projected patient origin table provided by the applicant.

County	Third FullFiscal Year (FY) 10/01/2023 to 9/30/2024	
	# of New (Unduplicated) Admissions	% of Total
Rowan	225	82.4%
Cabarrus	27	10.0%
Iredell	14	5.0%
Davie	4	1.3%
Davidson	4	1.3%
Total	**273**	**100.0%**

As shown in the table above, Amedisys projects approximately 17 percent of its patients will come from counties outside of Rowan. Table 1 below lists the hospice penetration rate and projected patients in need for the population Amedisys proposes to serve.

Table 1—Percentage of Deaths Served by Hospice in Target Counties Compared to the State, 2018

Location	County Deaths	Hospice Deaths	% of Deaths Served by Hospice	SMFP Projected Number of Additional Patients in Need Surplus (Deficit)
	a	b	c	d
Rowan	1,663	557	33.5%	(159)
Cabarrus	1,565	945	60.4%	226
Iredell	1,549	817	52.7%	104
Davie	452	255	56.4%	51
Davidson	1,855	867	46.7%	101
North Carolina	**94,005**	**41,685**	**44.3%**	**3,414**

Sources: a:NC Vital Statistics, Vol. 1, 2018
b: 2020 SMFP, Table 13A
*c: (b/a) *100*
d: 2020 SMFP, Table 13B, Col.K

Table 1 above lists the proposed Amedisys service counties and shows hospice penetration rate and projected patients in need for the population Amedisys proposes to serve. Rowan alone has a deficit. All remaining counties exceed the state average with regard to deaths served by hospice; and the 2020 SMFP shows a surplus of deaths served. The application failed to address this issue. We also note that the applicant excludes Stanly County from its' patient origin. Yet, Stanly is the only county adjacent to Rowan that has a projected hospice patient deficit

Additionally, Amedisys currently provides hospice and home health services to patients in Davidson County. On page 34 of its application, Amedisys states "[its'] proposed new home care office in Rowan County will provide a more geographically-accessible location from which to better serve Davidson County." Amedisys does not address why residents of Davidson need another hospice office, when according to the 2020 SMFP, Davidson County residents do not demonstrate need for additional hospice services.

Because Amedisys failed to demonstrate its proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities, it should be found non-conforming to Criterion 6.

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

Failure to show evidence of the availability of manpower for the provision of proposed services

The applicant does not show any FTEs or salary budgeted for Physical, Occupational, or Speech Therapists. Further, its Form H assumptions do not contain assumptions regarding these positions. CMS requires a licensed hospice home care office to provide Physical, Occupation, or Speech Therapy to their patients if needed. However, Amedisys did not provide evidence nor explain how therapies would be staffed, paid for, or generally provided.

Because Amedisys has shown evidence of adequate staffing for proposed services, it's application should be found non-conforming to Criterion 7.

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.

Failure to Demonstrate Coordination with Existing Local Healthcare Providers

Amedisys' application fails to demonstrate coordination with other healthcare providers in Rowan County. On page 88 of its application, Amedisys states it "*intends to establish working relationships with existing healthcare and nursing facilities in the service area to provide inpatient hospice services and hospice services within a nursing facility, if necessary."*

Amedisys provides no evidence of commitments or even expressed interest from any Rowan County facility for establishing contractual agreements for the provision of inpatient and respite care. Instead, it provides "General Inpatient Services Agreement and Nursing Facilities Agreement" in Exhibit I-1.3. As the name suggests, the agreements are not specific to any provider, nor do they show any effort on the Applicant's part to coordinate these required services.

Further, Amedisys does not provide a plan for the provision of physical, occupational, or speech therapies. As mentioned in the discussion for Criterion 5 and 7, the applicant did not budget funds, nor did this applicant provide appropriate staffing levels for these services in Form H. Exhibit A-9.12 contains Amedisys' policy on therapy services, along with State specific requirements. However, the application does not mention who will provide therapy services for Amedisys' hospice patient or how often those services will be provided.

Because Amedisys has not adequately demonstrated that it will make arrangements for the provision of the necessary ancillary and support services, nor that the proposed service will be coordinated with the existing health care system, it's application should be found non-conforming to Criterion 8.

Attachment F

Competitive Review of: Hospice of Iredell County, Inc.; F-011949-20

OVERVIEW

Hospice of Iredell County, Inc. ("Iredell") submitted a CON application to develop one new hospice home care office in Salisbury, NC. Iredell's application is non-conforming with statutory review criteria 3, 5, 6,and 7.

CON REVIEW CRITERIA

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.

<u>Unreasonable and unsupported utilization</u>

According to page 16 of its application, Iredell will serve 238 Rowan residents in its third project year. In the same table, the applicant states the 238 projected patients will make up 27 percent of its total unduplicated admissions. By the applicant's own logic, the proposed facility will have 881 unduplicated admissions in its third year of operation (see calculation below). Conversely, the applicant's Form C reports Iredell will serve a total of 269 patients by its third project year. The applicant did not explain how its arrived at these figures

1. $\frac{238}{x} = \frac{27}{100}$
2. $23{,}800 = 27\text{x}$
3. $\text{X} = 881$

Further, the utilization methodology provided in Exhibit C.3.1 of this application is insufficient. In Form C, the applicant projects patients for three <u>fiscal</u> project years. The methodology, on the other hand, vaguely describes how the applicant reached its projections for the <u>calendar</u> year 2024. Not only do the years used in the methodology not match those listed in Form C, the applicant neglected to provide sources for the information provided. Iredell simply states "1910 projected deaths in Rowan County in 2024." This information is of little use without further context explaining how that figure was derived. The remaining five bullets of the methodology are similarly problematic. Overall, the reader can not follow the applicant's logic, nor come to the same conclusion as the applicant without further instruction.

Failure to adequately identify the population to be served

The applicant failed to adequately identify the population to be served by its proposed facility. On page 16 of its' application, Iredell provides an incomplete projected patient origin table. The applicant states 27 percent of its projected patients to be served will originate from Rowan County. However, Iredell neglects to explain where the remaining 73 percent of its patients will originate. Moreover, it Is not clear which patients will be served by which of the applicant's licensed entities. For example, see discussion of schedule in Criterion 6.

Iredell fails to identify the population to be served. Further, the applicant failed to provide reasonable utilization projections. *Thus, Iredell does not demonstrate the need the population has for the services proposed, and should be found non-conforming to Criterion 3.*

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.

No Projections of Charges and Unreasonable Assumptions

The applicant neglected to include required Form F.2 in its proforma. This missing information makes it impossible to discern the applicant's projected charges. As such, the reader has no way of discerning if Iredell proposes reasonable charges for its services.

Further, the assumptions in the pro forma financial statements are not reasonable because the utilization projections are not based on reasonable and adequately supported assumptions. The discussion regarding projected utilization found in Criterion 3 is incorporated herein by reference. Based on the unreasonable utilization, the projection revenues and expenses are unreliable.

Because the Iredell failed to include Form F.2 in its application, the feasibility of its proposal is not based upon reasonable projections of the costs of and charges for providing health services by the person proposing the service. Thus, Iredell should be found non-conforming to Criterion 5.

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

In section P, Hospice of Iredell accelerates its schedule and indicates that it will begin offering services on the day the CON is issued with a note on page 58 that this is possible because "Hospice of Iredell County already provides ACHC accredited hospice services to this service area from our existing office in Iredell County."

The schedule in Section P also shows capital expended for the project in September 2020, which is before the date that the application was submitted. The statement and schedule indicate that, at best, the proposed new office is not necessary, and at worst, that the applicant intends to expend capital for a project that requires a Certificate of Need, without first obtaining that certificate.

As such, the application should be deemed non-conforming to Criterion 6.

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

Unsupported Volunteer Caseload

On page, 34 of its application, Iredell lists and average volunteer caseload of 49. However, the applicant does not provide evidence this is probable. Iredell did not describe any planned efforts to recruit volunteers, nor where it would obtain volunteers. CMS requires volunteer hours equal five percent of total paid staff hours. Again, the applicant provided no evidence to corroborate the provision of volunteer hours. In comparison, PHC provided volunteer support letters promising 4,200 annual hours.

Additionally, assumptions in Staffing Form H are not reasonable because the utilization projections are not based on reasonable and adequately supported assumptions. The discussion regarding projected utilization found in Criterion 3 is incorporated herein by reference. Based on the unreasonable utilization, the projection staffing is unreliable.

Iredell failed to demonstrate the availability of resources, specifically volunteer manpower. For this reason, it should be found non-conforming to Criterion 7.

Attachment G

Competitive Review of:
Adoration Home Health & Hospice, Inc..; F-011952-20

OVERVIEW

Adoration Home Health and Hospice, Inc. ("Adoration") submitted a CON application to develop one new hospice home care office in Salisbury, NC. Adoration's application is non-conforming with statutory review criteria 5, 7, and 8.

CON REVIEW CRITERIA

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.**

Understated Expenses

Adoration understates expenses in several places in its application. First, in Form F.4, Adoration's total adjustments to revenue do not include charity care. Consequently, its net income is overstated by the amount of projected charity care in all project years. In the third project year, this error results in a discrepancy of nearly $90,000.

Additionally, in Form F.5, Adoration does not budget for costs associated with providing required therapies. CMS requires physical, occupational, and speech therapy be available to hospice patients, if needed. However, Adoration did not include costs associated with those services in its operating cost detail nor in its Form F.5 assumptions. Similarly, Adoration did not budget for inpatient and respite care in its' operating costs, an expense shortfall of $133,311.

Not accounting for PT, OT, or ST expanses, Adoration's year three expenses are understated by more than $223,000. Adoration failed to include all necessary expenses associated with the proposed services. *Thus, its' application is not based upon reasonable projections of costs. For this reason, Amedisys should be found non-conforming to Criterion 5.*

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

Failure to show evidence of the availability of manpower for the provision of proposed services

The applicant does not show any FTEs or salaries budgeted for physical, occupational, or speech therapists in its operating costs or on Form H. Its Form H assumptions do not contain assumptions regarding these positions. CMS requires a licensed hospice home care office to provide physical, occupation, or speech therapy to its patients if needed. Adoration offered no explanation for how it would sraff or pay for these therapies.

Unsupported Volunteer Caseload

CMS requires volunteer hours equal five percent of total paid staff hours. Adoration provided no evidence to corroborate the provision of volunteer hours. Adoration did not describe planned efforts to recruit volunteers, nor where it would obtain volunteers. Thus, Adoration failed to demonstrate the availability of volunteer manpower.

Because Adoration has shown evidence of adequate staffing for proposed services, it's application should be found non-conforming to Criterion 7.

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.

Failure to Demonstrate Support and Coordination with Existing Local Healthcare Providers

Adoration failed to explain how it will make inpatient and respite care available. On page 64 of its application, Adoration states inpatient and respite care will "be provided through a contract with the patient's [hospital] or SNF." This statement first assumes, without support that every hospice patient will have a hospital or SNF. Second, it fails to demonstrate that inpatient or respite care will be coordinated with an existing health care system in Rowan County. Not all hospice home care patients come from a SNF or have a preferred hospital. The applicant fails to explain how patients without a primary care provider, hospital, or SNF will receive inpatient and respite care.

In Exhibit I.1, Adoration demonstrates coordination with pharmaceutical and durable medical equipment providers. However, Adoration did not include letters of interest for any other support services. Instead, Exhibit I.1 of Adoration's application includes a generic "professional services agreement" not specific to any provider or service. Adoration fails to include a letter indicating interest in providing inpatient or respite services from any qualified provider in Rowan County. Thus, Adoration does not demonstrate coordination with any health care system in Rowan County.

Because Adoration has not adequately demonstrated that it will make arrangements for the provision of the necessary ancillary and support services, nor that the proposed service will be coordinated with the existing health care system, it's application should be found non-conforming to Criterion 8.

Attachment H

Competitive Review of:
PruittHealth Hospice, Inc.; F-011955-20

OVERVIEW

PruittHealth Hospice, Inc. ("Pruitt") submitted a CON application to develop one new hospice home care office in Salisbury, NC. Pruitt's application is non-conforming with statutory review criteria 3 and 6.

CON REVIEW CRITERIA

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.**

Need of Population for Services

The application identifies the population to be served in the patient origin on page 37; clearly including a large geography outside Rowan County. The following is the projected patient origin table provided by the applicant.

County	Third Full Fiscal Year (FY) 10/01/2023 to 9/30/2024	
	# of New (Unduplicated) Admissions	% of Total
Rowan	170	55.3%
Cabarrus	35	11.3%
Guilford	35	11.3%
Forsyth	31	10.2%
Union	20	6.5%
Mecklenburg	17	5.4%
Total	**308**	**100.0%**

As shown in the table above, Pruitt projects almost half of its patients will come from counties other than Rowan. With the exception of population growth and aging, the application speaks only to needs of the Rowan County population. Discussions of underserved groups in Section C.6 speak only to Rowan County and not to other 44.7 percent of patients the application proposes to serve. This, coupled with the fact that Pruitt received zero letters of support, cast doubts on the reasonableness of this application's forecast of population need for the services proposed.

In fact, the methodology in Section Q, Need Methodology, Step 8, suggests that the project is intended for the convenience of the applicant and not the needs of population served.

We note that the applicant excludes Stanly County from its' patient origin. Yet, Stanly is the only county adjacent to Rowan that has a projected hospice patient deficit.

Table 1—Percentage of Deaths Served by Hospice in Target Counties Compared to the State, 2018

Location	County Deaths	Hospice Deaths	% of Deaths Served by Hospice	SMFP Projected Number of Additional Patients in Need Surplus (Deficit)
	a	b	c	d
Stanly	694	281	40.5%	(33)

Sources: a:NC Vital Statistics, Vol. 1, 2018
b: 2020 SMFP, Table 13A
*c: (b/a) *100*
d: 2020 SMFP, Table 13B, Col.K

Because Pruitt failed to demonstrate adequately the need for its proposed project by the population to be served, it should be found non-conforming to Criterion 3.

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

Failure to Demonstrate Project Will Not Result in Unnecessary Duplication

As previously mentioned, 44.7 percent of Pruitt's projected patients will come from counties that the 2020 State Medical Facilities Plan indicates are adequately served at the time of the application. Hence, the project clearly represents duplication of service for 44.7 percent of patients.

Table 1 below lists the proposed Pruitt service counties and shows hospice penetration rate and projected patients in need for the population Pruitt proposes to serve. Rowan alone has a deficit. All remaining counties exceed the state average with regard to deaths served by hospice; and the 2020 SMFP shows a surplus of deaths served. The application failed to address this issue. In fact, the application acknowledges the higher penetration rate in these counties (page 39), but provides no rationale for need of patients in these counties for additional hospice home care in these counties.

Table 2—Percentage of Deaths Served by Hospice in Target Counties Compared to the State, 2018

Location	County Deaths	Hospice Deaths	% of Deaths Served by Hospice	SMFP Projected Number of Additional Patients in Need Surplus (Deficit)
	a	**b**	**c**	**d**
Rowan	1,663	557	33.5%	(159)
Cabarrus	1,565	945	60.4%	226
Guilford	4,604	2,143	46.5%	240
Forsyth	3,477	1,838	52.9%	396
Union	1,490	799	53.6%	163
Mecklenburg	6,457	3,103	48.1%	334
North Carolina	**94,005**	**41,685**	**44.3%**	**3,414**

Sources: a:NC Vital Statistics, Vol. 1, 2018
b: 2020 SMFP, Table 13A
*c: (b/a) *100*
d: 2020 SMFP, Table 13B, Col.K

The discussion in Section G of the Pruitt application focuses only on existing hospice home care organizations located in Rowan County. Given the patient origin, this discussion is inadequate to support a claim that the project does not represent unnecessary duplication of service by others to 44.4 percent of the proposed new hospice home care office patients. Wording in this section suggests that the project may, in fact, represent duplication of existing Pruitt services.

Because Pruitt failed to demonstrate its proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities, it should be found non-conforming to Criterion 6.

Attachment I

Competitive Review of: Carolina Caring, Inc.; F-011957-20

OVERVIEW

Carolina Caring, LLC. ("Carolina Caring") submitted a CON application to develop one new hospice home care office in Salisbury, NC. Carolina Caring's application is non-conforming with statutory review criterion 3 and 7.

CON REVIEW CRITERIA

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.

Unreasonable Utilization Assumptions

To project utilization of its' proposed hospice home care office, Carolina Caring used 2020 SMFP data, along with its own historical experience. Carolina Caring claims it served 27 Rowan County resident deaths in FY2019. This is the first error. Carolina Caring served 16 deaths as illustrated in Table.1.

Table 1—2019 Rowan County Deaths Served by Carolina Caring, Inc.

	Admissions	Days of Care	Deaths
Carolina Caring, Inc.	27	1,700	16

Source: Ch. 13: Hospice Data by County of Patient Origin, proposed 2021 SMFP
https://info.ncdhhs.gov/dhsr/ncsmfp/index.html

To determine its' total projected utilization (deaths served) in PY3 (FY2024), Carolina Caring increased the Rowan deficit calculated in the 2020 SMFP for 2021 by a CAGR of 2.9% and establishes a market share (application page 112) and the resulting deaths served are summarized on page 114. To the forecasts on the first table on page 114, the applicant adds "its projected baseline of 27 deaths" to every year to the projected deaths served on the second table on page 114. As noted in Table 1, the number 27 represented admissions, not deaths. Deaths was 16.

The calculation is wrong. But, more importantly, by the applicant's own admission Carolina Caring already serves these patients from its existing office. The mathematical and logical errors more than double count the additional patients served.

In doing this, Carolina Caring <u>boosted its' projected Rowan admissions with faulty assumptions and the need methodology is overstated and wrong.</u>

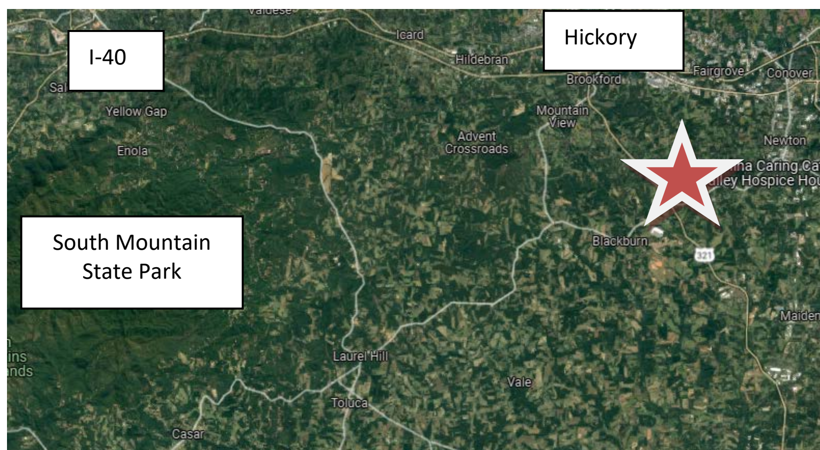
<u>*Carolina Caring's utilization is based upon unreasonable assumptions and they have failed to adequately demonstrate the need for the services proposed. Thus, it should be found non-conforming to Criterion 3*</u>

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

<u>Unsupported Staffing Assumptions</u>

Carolina Caring's "staffing positions are based on [its'] long experience of operating hospice agencies in North Carolina" (p.70). As listed on page 8 and 9 of its application, Carolina Caring's experience is limited to Catawba County. Further, Carolina Caring only operates <u>one</u>, not many, hospice home care offices. Thus, Carolina Caring's projected staffing is based on staffing levels from a county and region that differ from its' proposed service area and is based on experience from a single agency. As illustrated in Figure 1 below, Carolina Caring is in the mountains. Rowan is in Piedmont. Carolina Caring based its projected salaries upon data from a "regional healthcare database", which they do not provide or reference. Without a sufficient source, Carolina Caring's low projected salaries may not be sufficient to hire the "experiences nurses, aides, and other clinicians…" proposed on page 70 of its application.

Figure 1—Carolina Caring Location



<u>*Carolina Caring failed to demonstrate adequate staffing and reasonable assumptions. For these reasons, it should be found non-conforming to Criterion 7.*</u>