



STATE OF WASHINGTON
DEPARTMENT OF HEALTH
Olympia, Washington 98504

September 13, 2023

Dr. Russell Hilliard, PhD, LCSW, LCAT, MT-BC, CHRC, CHC
AccentCare, Inc.

Sent via email only: Russell@ApricityConsulting.net

RE: Certificate of Need Application #23-26 – Department’s Pierce County Evaluation

Dr. Russell Hilliard:

We have completed review of the Certificate of Need application submitted by AccentCare, Inc. proposing to provide Medicare and Medicaid-certified hospice services to the residents of Pierce County. Attached is a written evaluation of the application.

For the reasons stated in the attached decision, the department has concluded that the project is not consistent with the Certificate of Need review criteria identified below, and a Certificate of Need is denied.

Washington Administrative Code 246-310-210	Need
Washington Administrative Code 246-310-220	Financial Feasibility
Washington Administrative Code 246-310-230	Structure and Process of Care
Washington Administrative Code 246-310-240	Cost Containment

This decision may be appealed. The two appeal options are listed below.

Appeal Option 1:

You or any person with standing may request a public hearing to reconsider this decision. The request must state the specific reasons for reconsideration in accordance with Washington Administrative Code 246-310-560. A reconsideration request must be received within 28 calendar days from the date of the decision at one of the following addresses:

Mailing Address:
Department of Health
Certificate of Need Program
Mail Stop 47852
Olympia, WA 98504-7852

Physical Address
Department of Health
Certificate of Need Program
111 Israel Road SE
Tumwater, WA 98501

Appeal Option 2:

You or any person with standing may request an adjudicative proceeding to contest this decision within 28 calendar days from the date of this letter. The notice of appeal must be filed according to the provisions of Revised Code of Washington 34.05 and Washington Administrative Code 246-310-610. A request for an adjudicative proceeding must be received within the 28 days at one of the following addresses:

Mailing Address:
Department of Health
Adjudicative Service Unit
Mail Stop 47879
Olympia, WA 98504-7879

Physical Address
Department of Health
Adjudicative Service Unit
111 Israel Road SE
Tumwater, WA 98501

If you have any questions or would like to arrange for a meeting to discuss our decision, please contact the Certificate of Need Program at (360) 236-2955.

Sincerely,



Eric Hernandez, Program Manager
Certificate of Need
Office of Community Health Systems

Attachment

cc: Tracy Merritt, tmerritt@MSLCPA.com

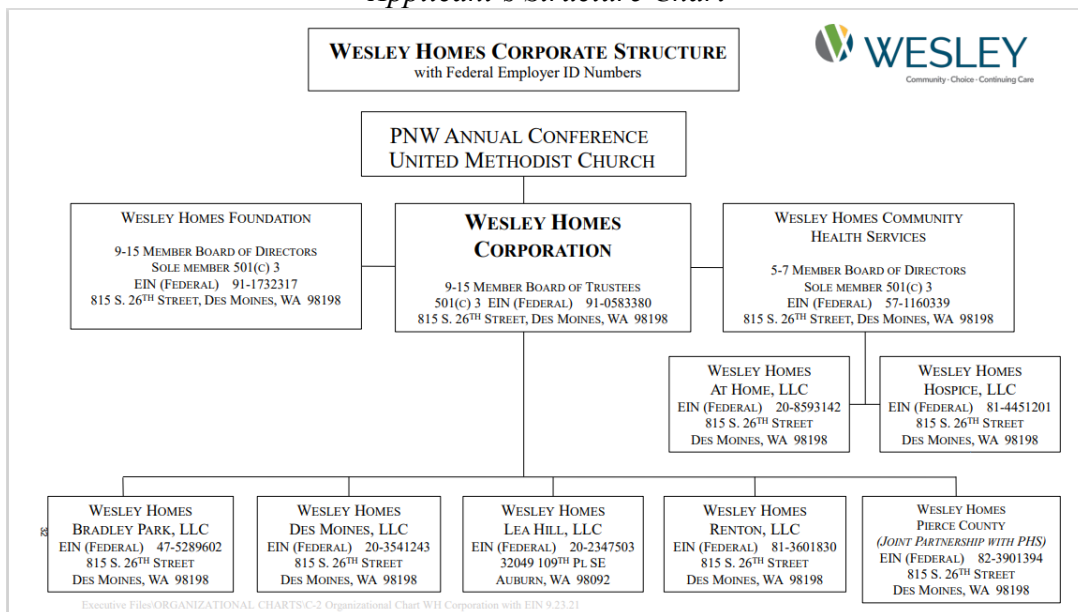
EVALUATION DATED SEPTEMBER 13, 2023, FOR THE THREE CERTIFICATE OF NEED APPLICATIONS EACH PROPOSING TO PROVIDE MEDICARE AND MEDICAID-CERTIFIED HOSPICE SERVICES TO RESIDENTS OF PIERCE COUNTY.

APPLICANT DESCRIPTIONS

Wesley Homes Corporation

Wesley Homes Corporation owns 100% of Wesley Homes Community Health Services which owns 100% of both Wesley Homes at Home LLC and Wesley Homes Hospice, LLC. Both Wesley Homes at Home LLC and Wesley Homes Hospice, LLC are Washington State corporations.¹ [source: Application, pdf 4, Exhibit 1, and Washington State Secretary of State website] For this project, Wesley Homes Corporation is the applicant. Below is the organizational chart depicting the ownership structure of Wesley Homes Corporation. [source: Application, Exhibit 1]

Applicant's Structure Chart



If a Certificate of Need is issued for this project, the department notes that Wesley Homes at Home already has an In-Home Service license and this project requests an expansion of the services area for the existing license to include provision of Medicare and Medicaid hospice services to residents of Pierce County.²

As shown in the organizational chart above, Wesley Homes Corporation owns and operates healthcare facilities in Washington State; it does not operate any out of state facilities. [source: Application, pdf 6 and Exhibit 1]

For this review, all references to the applicant will identify “Wesley Homes Corporation” or simply “Wesley.”

¹ Secretary of State UBI # 602 702 244 and # 604 058 745 respectively.

² In-Home Service License #60276500.

AccentCare, Inc. dba Seasons Hospice & Palliative Care of Pierce County Washington, LLC

Seasons Hospice and Palliative Care of Pierce County Washington, LLC is a Washington State limited liability company³ that is 100% owned by AccentCare, Inc. and headquartered at 17855 Dallas Parkway, Suite 200, Dallas, Texas 75287-6857. [source: Application, pdfs 1 and 5] For this project, AccentCare, Inc. is the applicant.

AccentCare, Inc. describes itself as “...a national leader in home health services, personal care services and hospice care, with innovative partnerships and care models that advance the industry forward. We connect the entire home care continuum — from personal care, medical and non-medical home health, hospice and palliative care, rehabilitation therapy and care management services.” AccentCare, Inc. states it has more than 29,000 employees nationally and more than 250 locations, throughout 29 states and the District of Columbia. All of its in-home service agencies are CHAP or Joint Commission-accredited. [sources: AccentCare, Inc. website and Application, Exhibit 3]

In Washington State AccentCare, Inc. holds three in-home services credentials, detailed below.

**Department’s Table 1
AccentCare, Inc.’s Washington State
Active In-Home Services Credentials**

WA Credential	Service Type	King	Pierce	Snohomish	Spokane
IHS.FS.00000111	Home Care	X	X	X	X
IHS.FS.61428561	Hospice	X			
IHS.FS.61446658	Hospice			X	

[source: Department of Health’s internal Integrated Licensing and Regulatory System]

Also in Washington State, AccentCare, Inc. holds three certificates of need and has four certificate of need applications pending a department decision, including this review. These certificates and applications are listed in the following table.

**Department’s Table 2
AccentCare, Inc.’s Washington State
Certificate of Need Approvals and Applications**

CN Application	CN Certificate	Service Type	King	Pierce	Snohomish
#21-54	#1913	Hospice			X
#21-38	#1916E	Hospice	X		
#22-31	#1947	Hospice		X	
#23-22	N/A	Home Health	X		
#23-26	N/A	Hospice		X	
#23-38	N/A	Home Health			X
#24-01	N/A	Home Health		X	

[source: Department of Health’s internal CN Facility and Application Files]

If a Certificate of Need is issued for this project, the department recognizes that the In-Home Service license could be issued to Seasons Hospice and Palliative Care of Pierce County Washington, LLC.

³ Unified business identifier 604-700-776

Eden Hospice at King County, LLC

EmpRes Healthcare Group, Inc. owns 100% of EmpRes Home Health and Hospice, LLC, which owns 100% of EmpRes Hospice, LLC. This application was submitted by Eden Hospice at King County, LLC which is 100% owned by EmpRes Hospice, LLC. [source: Application, Appendix B and April 13, 2023, screening response, Attachment 15] For this project, EmpRes Healthcare Group, Inc. is the applicant.

If a Certificate of Need is issued for this project, the department recognizes that an In-Home Service license has been issued to Eden Hospice at King County, LLC and this project requests an expansion of the services area for the existing license to include the provision of Medicare and Medicaid hospice services to the residents of Pierce County.⁴ For this review, references to the applicant will identify “*Eden Hospice at King County, LLC*” or simply “*EmpRes/Eden*”

Currently, the applicant owns and operates nine in home service agencies in Washington State.⁵

PROJECT DESCRIPTIONS

Under the Medicare payment system, hospice care benefits consist of the following services: physician and clinical services, nursing care, medical equipment and supplies, prescription drugs, hospice aide and homemaker services, physical and occupational therapy, speech-language pathology services, social worker services, dietary counseling, grief and loss counseling, short-term inpatient care (for pain and symptom management), and short-term respite care.⁶ Hospice staff must be available 24/7 for emergencies.

Wesley Homes Corporation

Wesley operates a Medicare-certified and Medicaid-eligible hospice agency located in King County that provides services to King County residents. This application proposes to expand the King County agency’s service area to include Pierce County. The agency is known as Wesley Homes Hospice, LLC,⁷ and is located at 18000 – 72nd Avenue South, #217 in Kent [98032]. [source: Application, pdf 7]

If this project is approved, Wesley anticipates it will begin serving residents of Pierce County on January 1, 2024. Wesley provided the following description of its proposed Pierce County project. [source: Application, pdf 7]

“WHH received CN approval in 2015 to provide hospice services in King County and began providing Medicare and Medicaid certified hospice services in late 2017. On April 8, 2020, within weeks of the Governor’s Proclamation 20-36, WHH, in support of existing hospice providers and persons and families in need of hospice in Pierce County, began serving Pierce County. WHH continued to admit patients and provide services in Pierce post end of the waiver, and specifically until our 2022 CN request to serve Pierce was denied. We are no longer serving Pierce County.”

⁴ IHS.FS.61293991.

⁵ Nine agencies are: EmpRes Home Health of Bellingham [IHS.FS.60491681], EmpRes Home Care of Bellingham, [IHS.FS.60651755], Eden Home Health of King County, LLC [IHS.FS.60871865], Eden Home Health of Spokane County [IHS.FS.61014910], Eden Home Health of Clark County, LLC [IHS.FS.61097918], Eden Hospice at Whatcom County, LLC [IHS.FS.61117985], Eden Hospice at Portland, LLC [IHS.FS.61290232], Eden Hospice at King County, LLC [IHS.FS.61293991], and Eden Hospice at Snohomish County, LLC [IHS.FS.61367726].

⁶ Medicare Hospice Benefits, page 8 Centers for Medicare & Medicaid Services. CMS Product No. 02154, Revised March 2023.

⁷ Washington State license #60276500.

The record should reflect that WHH met 100% of all general CN criteria in the 2022 concurrent review process; but under the interpretation of superiority that the Program elected to use, WHH ranked number four; and only three applicants were approved. WHH subsequently concluded that a number of assumption errors were made in that superiority analysis and appealed the 2022 CN decision. Because we continue to receive requests for service from Pierce County residents and providers on a nearly weekly basis, we have elected to submit again in this 2023 cycle.”

If this project is approved, Wesley confirmed it would be available and accessible to the entirety of Pierce County and provided the following table and statements showing the services that would be provided. [source: Application, pdfs 8-9]

Applicant’s Table

✓ Skilled Nursing	✓ Durable Medical Equipment
✓ Home Health Aide	IV Services
✓ Physical Therapy	✓ Nutritional Counseling
✓ Occupational Therapy	✓ Bereavement Counseling
✓ Speech Therapy	✓ Symptom and Pain Management
Respiratory Therapy	✓ Pharmacy Services
✓ Medical Social Services	✓ Respite Care
✓ Palliative Care	✓ Spiritual Counseling
Other (please describe): Patient and family education, assistance with personal care and daily living activities such as eating, walking and dressing, trained volunteer support, 24/7 on-call, and in-home respite services.	

“The services offered in Pierce will be identical to the services offered in King County.”

As stated above, Wesley anticipates it will begin serving residents of Pierce County on January 1, 2024, and provided the following clarification based on the assumption of CN approval of this project in late 2023. [source: Application, pdf 8 and March 31, 2023, screening response, pdf 3]

“As described earlier in this screening response and within the application proper, our Pierce County hospice operations will be operated out of our existing licensed and Medicare certified hospice agency currently serving King County. Accordingly, there will be no credentialing delays; and the agency can provide service in Pierce the same day the CN is issued.

Wesley previously demonstrated our ability to staff and serve Pierce County during the public health emergency; wherein, in response to requests from existing Pierce providers we extended into Pierce within the very first days of the Governor’s Proclamation. The facts confirm that Wesley not only continued to serve our existing service area (King County) during COVID, but expanded to address an unmet need during the public health emergency. Based on all of the above, we are highly confident that the operational data of January 1, 2024, is reasonable.”

Based on the assumptions and clarifications above, year 2024 is full year one and 2026 is full year three as a Medicare and Medicaid certified hospice agency serving Pierce County residents.

Wesley states that there is no capital expenditure or start-up costs for this project and provided the following clarification and rationale for the assertion. [source: Application, pdfs 18-19 and March 31, 2023, screening response, pdf 10]

AccentCare, Inc. dba Seasons Hospice & Palliative Care of Pierce County Washington, LLC

This project proposes to establish a Medicare and Medicaid-certified hospice agency to be known as Seasons Hospice & Palliative Care of Pierce County Washington, LLC. The new agency would have offices at 4301 South Pine Street in Tacoma [98409] within Pierce County. [source: Application, pdf 9]

AccentCare stated the hospice agency will include the following services:

Nursing care	24-hour continuous care at critical periods
Pastoral care	Bereavement services
Medical social work services	Palliative care
Respite services	End of life care
Home care services	Home health aide
Physical therapy	Durable medical equipment
Occupational therapy	IV services
Speech therapy	Nutritional counseling
Respiratory therapy	Symptom and pain management
Spiritual counseling	Designator Caregiver Program
Pharmacy services	Cardiac and AICD Programing
Specialize cultural services	Ventilator Removal and Education
Death with Dignity	Jewish hospice services
Holocaust survivor care	Kangaroo Kids Program
Leaving a Legacy Program	Music therapy
Namaste care	No One Dies Alone Program
Open Access Program	Palliative Care Program
Virtual reality	We honor veterans
Volunteer Vigil Program	Loyal friends pet team

[source: Application, pdfs 9 and 18-34]

AccentCare’s application detailed how it uses volunteers, interdisciplinary groups, electronic medical records, and its 24-hour call center to ensure all hospice staff, patients, and their families are in communication with each other. [source: Application, pdfs 10-16]

The estimated capital expenditure for this project is \$106,700 for office furnishings, supplies for staff, electronics and telecom equipment, and associated sales tax. There is no construction for this project. [source: Application, pdfs 76, 81, and 107]

If approved, the applicant expects the Medicare and Medicaid-certified hospice agency would be available to the residents of Pierce County in July 2024. It based this timeline on its recent experience with other hospice start-ups; and included detailed discussion on the factors that make this timeline reasonable for AccentCare. Given this timing, year 2025 is the first full calendar year of operation and year 2027 would be year three. [sources: Application, pdf 18 and March 31, 2023, screening response, pdfs 2-4]

Public Comment

The department received the following comment critical of AccentCare’s projected implementation timeline.

Wesley Homes Hospice, LLC [source: Comment Packet, distributed June 1, 2023, pdf 115]

“Seasons has been filing CN applications since 2019 and received its first approvals in the 2021 cycle, ultimately receiving approval in Snohomish, King, and in the 2022 cycle receiving approval in Spokane County, which was revoked in early 2023. Accounting for scheduled versus actual decision dates, the Snohomish and King CNs indicated that the projects would be operational in August and October of 2022, respectively. This is not the case, and they are not yet operating anywhere as of this report’s date. Seasons has failed to implement any agency in Washington State.”

AccentCare, Inc. Rebuttal [source: Rebuttal Packet, distributed July 3, 2023, pdf 4]

“AccentCare is taking all necessary and appropriate steps to begin operating under its CNs within their validity periods. The projected completion dates in the referenced applications assume that the projects are not delayed by litigation, which in all cases, it was. To avoid any possible disruption in continuity of care, should a CN under appeal be overturned, the prudent course of action is to allow time for the regulatory process to complete. This prevents establishing a new business that could potentially be forced to close, displacing both staff and patients. A CN is valid for two years, within which time the applicant must commence the project, if not extended as provided in WAC 246-310-580(4). None of AccentCare’s CNs have expired and are currently seeking licensing and certification.”

Department’s Evaluation of AccentCare’s Projected Implementation Timeline

Comment submitted by Wesley Homes details AccentCare’s recent Washington State certificate of need applications and outcomes. First, the representation of CN #1941 issued to AccentCare for Spokane hospice services on September 9, 2022, as *revoked* implies wrongdoing on the part of the applicant, which is not the case. CN #1941 was invalidated not due to any fault of this applicant, but rather a calculation error on the department’s part. Once realized, a remedy was immediately sought. The commentor continues with an analysis of AccentCare’s approvals and success rate in meeting its proposed projects’ timelines. AccentCare rebuts this comment by pointing to several factors that have caused it delay in commencing its CNs and that it has not missed the CN requirement to commence prior to the end of any issued certificate’s validity period.⁸ AccentCare’s rationale for delay for these projects in this circumstance is reasonable⁹ and is correct that the requirement in CN rules for timeliness of commencement is not yet exceeded for any of its issued certificates.

Eden Hospice at King County, LLC

EmpRes/Eden currently operates a Medicare and Medicaid certified hospice agency in King County. The agency, known as Eden Hospice at King County, is located at 733 7th Avenue, #110 in Kirkland [98033]. This project proposes to expand the existing agency’s Medicare and Medicaid hospice services into Pierce County. EmpRes/Eden provided the following rationale for proposing to serve Pierce County residents from its existing King County operations. [source: April 13, 2023, screening response, pdf 1]

“Upon receipt of a Certificate of Need approval, Eden Hospice at King County will extend its license to include Pierce County. Staff of the King County based agency will support hospice services within King County and the agency will recruit additional licensed staff residing in Pierce County to serve the entire county. The current administrative team as well as contract-supported staff will serve residents of Pierce County. The administrative office will be located in Kirkland, Washington.”

⁸ WAC 246-310-580(1) and (3)

⁹ This is not a predetermination that any project in similar circumstances shall be granted an extension of its validity period.

The focus of this evaluation is limited to the Pierce County expansion except where EmpRes/Eden’s King County operations overlap, then its King County operations are included in this evaluation.

EmpRes/Eden provided the table below identifying the services it intends to provide in Pierce County. [source: Application, pdfs 18-19]

Applicant’s Table

X Skilled Nursing	X Durable Medical Equipment
X Home Health Aide	X IV Services
X Physical Therapy	X Nutritional Counseling
X Occupational Therapy	X Bereavement Counseling
X Speech Therapy	X Symptom and Pain Management
X Respiratory Therapy	X Pharmacy Services

If approved, EmpRes/Eden intends to be Medicare certified to provide hospice services to the residents of Pierce County in October 2023. [source: Application, pdf 18] Based on the timeline identified by the applicant, year 2023 is a partial year, and full calendar year one of the project is 2024 and full calendar year three is 2026.

EmpRes/Eden states that there is no capital expenditure or start-up costs for this project. [source: Application pdfs 40-41]

EmpRes/Eden stated they will be the responsible entity for any start-up costs.

APPLICABILITY OF CERTIFICATE OF NEED LAW

Each of these three applications proposes to establish or expand Medicare and Medicaid-certified hospice services in Pierce County. This action is subject to review as the construction, development, or other establishment of new health care facility under Revised Code of Washington (RCW) 70.38.105(4)(a) and Washington Administrative Code (WAC) 246-310-020(1)(a).

EVALUATION CRITERIA

WAC 246-310-200(1)(a)-(d) identifies the four determinations that the department must make for each application. WAC 246-310-200(2) provides additional direction in how the department is to make its determinations. WAC 246-310-290 contains service or facility specific criteria for hospice projects and must be used to make the required determinations.

To obtain Certificate of Need approval, an applicant must demonstrate compliance with the applicable criteria found in WAC 246-310-210 (need); 246-310-220 (financial feasibility); 246-310-230 (structure and process of care); 246-310-240 (cost containment); and WAC 246-310-290 (hospice standards and forecasting method).

MULTIPLE APPLICATIONS FOR THE YEAR 2022 HOSPICE CONCURRENT REVIEW CYCLES

The department received five applications during the year 2022 hospice concurrent review cycles. One of the three Pierce County applicants (or their affiliates) submitted more than one application during the 2022 review cycles. Below is a summary of the applications submitted by each of the three Pierce County applicants:

- EmpRes Healthcare – Pierce, Skagit, and Spokane counties
- AccentCare, Inc/Seasons – Pierce County
- Wesley Homes Corporation – Pierce County

While this evaluation focuses on each applicant’s Pierce County project, some areas of the evaluation must take into consideration the possibility that an applicant could be approved for multiple counties.

TYPE OF REVIEW

As directed under WAC 246-310-290(3) the department accepted the Pierce County projects under the 2022 cycle 2 concurrent review timeline. A chronological summary of the three applications for 2022 annual review for Pierce County is shown on the following page.

APPLICATION CHRONOLOGY

Action	EmpRes	AccentCare	Wesley
Letter of Intent Submitted	12/30/2022	12/15/2022	12/29/2022
Application Submitted	01/30/2023	01/31/2023	01/31/2023
Department’s pre-review activities			
• DOH 1 st Screening Letter	02/28/2023	02/28/2023	02/28/2023
• Applicant Responses Received	03/31/2023 04/13/2023 ¹⁰	03/31/2023	03/31/2023 04/27/2023
Beginning of Review		04/17/2023	
Last Day to Request Public Hearing ¹¹		05/02/2023	
Public Comments accepted through the end of public comment		05/31/2023	
Rebuttal Comments Deadline		06/30/2023	
Department's Anticipated Decision		09/13/2023	
Department's Actual Decision		09/13/2023	

AFFECTED PERSONS

Affected persons are defined under WAC 246-310-010(2). In order to qualify as an affected person someone must first qualify as an *interested person* defined under WAC 246-310-010(34). For concurrently reviewed applications such as these, each applicant is an affected person for the other applications. During the review of these applications, three entities requested interested person status. Below is a review of each entity’s interested and affected person status.

Health Trends

Health Trends is a business located in Seattle that supports health organizations, specializing in a variety of health economic and analytic services. Health Trends submitted a request for interested person status on March 29, 2023. Although Health Trends represents many health organizations, on its own, it does not qualify for interested person status and, therefore, cannot qualify for affected person status.

Health Facilities Planning and Development

Health Facilities Planning and Development (HFPD) is a business located in Seattle that specializes in strategic planning, market intelligence, facility master plan development, business planning, feasibility studies, legislative/regulatory/policy support, community health needs assessments, and grant writing primarily for the health care sector throughout the Pacific Northwest. HFPD submitted a request for interested person status on February 20, 2023. Although HFPD represents many health organizations,

¹⁰ [WAC 246-310-090\(2\)\(d\)](#) allows the department to accept responses to the department’s screening letters up to ten days after the department has given notification of beginning of review.

¹¹ No public hearing was requested for this project.

on its own, it does not qualify for interested person status and, therefore, cannot qualify for affected person status.

Providence Health & Services – Washington dba Providence Hospice of Seattle

Providence Health & Services – Washington operates Providence Hospice of Seattle, an existing hospice agency located 2811 South 102nd Street, Suite 200, in Tukwila, within King County [98168]. The hospice agency is CN-approved to provide Medicare and Medicaid hospice services to residents of King and Pierce counties.¹² Providence Hospice of Seattle requested interested person status on March 22, 2023. Providence Hospice of Seattle qualifies for interested person status for this Pierce County concurrent review. Since Providence Hospice of Seattle did not submit any comments during the review of these three projects, Providence Health & Services – Washington does not qualify as an affected person for these projects.

SOURCE INFORMATION REVIEWED

- Three hospice applications received on or before January 31, 2023
- Each applicant’s screening responses received on or before March 31, 2023
- One applicant’s supplemental screening response received on April 13, 2023
- One applicant’s supplemental screening response received on April 27, 2023
- Public comments received on or before May 31, 2023
- Rebuttal comments received on or before June 30, 2023
- Licensing and/or survey data provided by the Department of Health’s Office of Health Systems Oversight
- Department of Health Integrated Licensing and Regulatory System database [ILRS]
- Washington State credential verification website at <https://www.doh.wa.gov/licensespermitsandcertificates/providercredentialsearch>
- EmpRes Healthcare Group, Inc. website at <https://www.empres.com>
- Wesley Homes website at <https://wesleychoice.org>
- AccentCare Inc. website at <http://accentcare.com>
- CMS QCOR Compliance website: https://qcor.cms.gov/index_new.jsp
- Washington State Secretary of State corporation data

PUBLIC COMMENTS AND REBUTTAL COMMENTS

During this Pierce County hospice concurrent review there was an abundance of public comment and rebuttal comment. The following are notes to assist the reader and to prevent unnecessary lengthy and/or repetitive conclusions.

- For reader ease, the department’s sourcing of public comment and rebuttal comment references the pdf pages of one combined document provided to applicants and interested persons after each period’s deadline.
- Any comments received by the department that are dated during a previous review cycle were not considered for this evaluation. This is due to the assumption that an applicant’s project and/or the circumstances of the commenter’s support or opposition may have changed.
- In rebuttal comment, the suggestion that *locally based providers’* comments were weighed differently than that of out-of-state commenters. Despite this representation the locality of the commenter is not, on its own a CN-reviewable standard.

¹² CN #1914, issued October 29, 2021

- Rebuttal comments that are not a direct response to public comments¹³ will not be considered as it is outside the acceptable period to submit new information or amend ones application. Further, it will only be considered for the purpose of refuting earlier comments, and not as a new criticism of another application.

CONCLUSIONS

Wesley Homes Corporation

For the reasons stated in this evaluation, the application submitted by Wesley Homes Corporation proposing to expand Medicare and Medicaid certified hospice services into Pierce County is consistent with applicable review criteria of the Certificate of Need Program, provided Wesley Homes Corporation agrees to the following in its entirety.

Project Description:

This certificate approves Wesley Homes Corporation to establish a Medicare and Medicaid-certified hospice agency in Pierce County to serve the residents of Pierce County, Washington. The hospice services will be provided from its office located at 18000 – 72nd Avenue South, #217, in Kent [98032] within Pierce County. Hospice services provided for Pierce County residents include skilled nursing, physical, occupational, and speech therapies, medical social services, patient and family education, personal care and daily living activity assistance, in-home respite services, 24/7 on-call services, palliative care, durable medical equipment, nutritional counseling, bereavement counseling, symptom and pain management, pharmacy, respite care, and spiritual counseling. Services may be provided directly or under contract.

Conditions:

1. Approval of the project description as stated above. Wesley Homes Corporation, further agrees that any change to the project as described in the project description is a new project that requires a new Certificate of Need.
2. Wesley Homes Corporation, will obtain and maintain Medicare and Medicaid certification.
3. Wesley Homes Corporation shall finance this project as described in the application.
4. The proposed service area for this Medicare and Medicaid-certified hospice agency is Pierce County. Consistent with Washington Administrative Code 246-310-290(13) Wesley Homes Corporation must provide hospice services to residents of the entire county for which this Certificate of Need is granted.

Approved Costs:

There is no capital expenditure associated with expanding Medicare and Medicaid hospice services to include Pierce County residents.

AccentCare, Inc. dba Seasons Hospice & Palliative Care of Pierce County Washington, LLC

For the reasons stated in this evaluation, the application submitted by AccentCare, Inc. dba Seasons Hospice & Palliative Care of Pierce County Washington, LLC proposing to establish a Medicare and Medicaid-certified hospice agency to serve the residents of Pierce County is not consistent with applicable review criteria of the Certificate of Need Program and a Certificate of Need is denied.

¹³ Specified in WAC 246-310-290(3) Table A and in the department's June 1, 2023, public comment distribution email.

EmpRes Healthcare Group, Inc. dba Eden Hospice at King County, LLC

For the reasons stated in this evaluation, the application submitted by EmpRes Healthcare Group, Inc. proposing to expand Medicare and Medicaid certified hospice services into Pierce County is not consistent with applicable review criteria of the Certificate of Need Program, and a Certificate of Need is denied.

CRITERIA DETERMINATIONS

A. Need (WAC 246-310-210) and Hospice Services Standards and Need Forecasting Methodology (WAC 246-310-290)

Based on the source information reviewed, the department determines the following applicants **met the applicable need criteria in WAC 246-310-210 and the availability and accessibility criteria in WAC 246-310-290(8).**

- Wesley Homes Corporation

Based on the source information reviewed, the department determines the following applicant **did not meet the applicable need criteria in WAC 246-310-210 and the availability and accessibility criteria in WAC 246-310-290(8).**

- AccentCare, Inc. dba Seasons Hospice & Palliative Care of Pierce County Washington, LLC
- EmpRes Healthcare Group, Inc.

(1) The population served or to be served has need for the project and other services and facilities of the type proposed are not or will not be sufficiently available or accessible to meet that need.

WAC 246-310-290(8)-Hospice Agency Numeric Methodology

The numeric need methodology outlined in WAC 246-310-290(8) uses hospice admission statistics, death statistics, and county-level population projections to predict where hospice services will be needed in Washington State. If a planning area shows an average daily census of 35 unserved hospice patients three years after the application submission year, there is numeric need and the planning area is “open” for applications. The department published the step-by-step methodology on November 1, 2022; and it is attached to this evaluation as Appendix A. Following is the discussion and evaluation of this applicant’s numeric need methodology outlined in WAC 246-310-290(8).

The numeric methodology follows the Washington Administrative Code standards as written. Any alternate methodologies that historically have been suggested or past public comments that suggest an alternative to the stated rules will not be included in this review.

Three Applicants’ Numeric Methodologies for Pierce County

To demonstrate numeric need for each of their respective projects, all three applicants referenced the department’s year 2022 numeric need methodology posted to the department’s website on November 1, 2022. The numeric methodology projected a numeric need for one hospice agency in Pierce County for projection year 2024. [sources: EmpRes Application, pdfs 25-28; AccentCare, Application, pdfs 46-53; and Wesley Application pdf 15]

Department’s Evaluation of Numeric Methodology and Need for Pierce County Hospice Projects

The 2022-2023 hospice numeric need methodology was released on November 1, 2022; and followed the steps required by WAC 246-310-290(8). The methodology relies on three years of averaged historical data. This includes: death data, population data, existing hospice services, as well as a statewide average length of stay; and projects to year 2024. Each applicant acknowledged that the numeric methodology posted to the department’s website identifies need for one Medicare and Medicaid-certified hospice agency in Pierce County in projection year 2024. The results of the numeric methodology for Pierce County are shown in the table below.

**Department's Table 3
Pierce County Hospice Methodology Summary**

Step in WAC 246-310-290(8)		Resulting Calculations		
(a) Step 1: Anticipated statewide hospice use rates	(i) Aged 65 +	58.07%		
	(ii) Aged under 65	23.16%		
(b) Step 2: Three-year average of county's resident deaths by age cohort	Aged 65 +	5,625		
	Aged under 65	2,283		
(c) Step 3: Projected patients by county & age cohort, using statewide use rate by age cohort	Aged 65 +	3,266		
	Aged under 65	529		
		2022	2023	2024
(d) Step 4: Potential hospice volume (using a county-specific use rate) by county & age cohort	Aged 65 +	3,561	3,712	3,863
	Aged under 65	536	540	543
(e) Step 5: Combine the age cohorts & subtract the three-year average supply (the averaged supply for Pierce 4,156.74)	All ages	4,097	4,252	4,406
		(59)	95	249
(f) Step 6: Unmet need patient days, using the statewide average length of stay (61.89)	All ages	(3,672)	5,880	15,432
(g) Step 7: Unmet need average daily census	All ages	(10)	16	42
(h) Step 8: Needed hospice agencies, using average daily census of 35*	All ages	0	0	1

*The numeric need methodology projects need for whole hospice agencies only – not partial hospice agencies. Therefore, the results are rounded down to the nearest whole number.

The numeric methodology is a population-based assessment used to determine the projected need for hospice services in a county (planning area) for a specific projection year. Based solely on the numeric methodology applied by the department, there is a demonstrated numeric need for one additional hospice agency for Pierce County residents. **The department concludes that all three applicants demonstrated numeric need for their respective projects.**

In addition to the numeric need, the department must determine whether existing services and facilities of the type proposed are not or will not be sufficiently available and accessible to meet the planning area resident's needs. Below is a review of each application as it relates to this criterion.

Wesley Homes Corporation

Wesley identified the following factors in Pierce County that could restrict patient access to hospice services and the availability and accessibility of the existing Pierce County providers. [source: Application, pdfs 13-14]

“WHH operated in Pierce County for nearly three years. This fact, along with our growing retirement community presence in the County, has given us great insight into patient access issues. We are also aware that a total of five new providers received CN approval to serve Pierce County by late 2023; but we are still aware of a number of communities that experience restricted access.

Pierce County's most recent Community Health Needs Assessment (CHNA) documents that life expectancy in Pierce County is about 1.3 years less than the State at large, and that Black and American Indian or Alaska Native all had life expectancies even lower. It also showed that cancer is the leading cause of death. Other top causes of death include heart disease, COPD and Alzheimer's disease.

As identified in Table 4 below, hospice utilization in Pierce County for specific ethnic and racial groups is lower than the general population. If the penetration rate for these ethnic and racial groups “matched” the general population’s penetration, 1,000 more patients would be admitted for hospice in the County.

Applicant’s Table

**Table 4
Pierce County Hospice Utilization Rates**

	Hospice Admissions 2021	Deaths of Beneficiaries	Utilization Rate
White	2,234	5,249	42.6%
Black	128	398	32.2%
Asian	98	268	36.6%
Hispanic or Latino	12	45	26.7%
North American Native	17	67	25.4%
Other	60	195	30.8%
Unknown	18	81	22.2%
Total	2,567	6,303	40.7%

The general Medicare population’s penetration rate in Pierce County for Medicare is also less than the State average. Medicare Fee-For-Service data for Pierce County indicates that hospice utilization for that cohort was below both the Washington State average and the National average. If Pierce County were to achieve the Washington State rate in 2021, an additional 510 Medicare Fee for Service patients would have been served.

Finally, Wesley operates two retirement communities in Pierce County, and has plans for several additional communities in the next few years. The two existing communities include:

- **Bradley Park, Puyallup** offers independent and assisted living to approximately 210 residents including independent living and memory care. Wesley is also undertaking a project of 32 additional independent living units and 36 skilled nursing beds.
- **Tehaleh, Bonney Lake** opened in 2021. It offers independent living services to residents, with an assisted living license pending.

These communities still report delays in access to hospice. These delays impact the quality of life for our residents and made it challenging to provide the support needed. We seek to make sure that access is improved at this very vulnerable time in life.”

Wesley provided the following information to demonstrate that its project should not be considered an unnecessary duplication of services. [source: Application, pdfs 14-15 and March 31, 2023, screening response, pdf 8]

“There are currently eight existing and CN approved providers in Pierce County. One of the existing providers, Kaiser, serves only their enrollees, and is not available to the general population.

The CN Program’s methodology estimates a need for one additional provider, after taking into account the CN approved providers in the 2023 cycle.

For all of the reasons detailed in response to Q3 above, we know, first-hand, that our new agency will address the access gap and will not be unnecessary duplication. We specifically have been

incredibly conservative in our start-up volumes, acknowledging that other providers will be in start-up as well.

As described above, WHH has been conservative in its utilization assumptions. WHH's volumes assume we will serve a portion of the unmet need in the planning area. It does not assume that we will capture volumes from existing providers. Employing the "test" performed by the Program (calculating to assure that the applicant's proposed ADC is not greater than the defined unmet need), Wesley is not duplicating.

Wesley's volumes are reasonable and appropriate. As provided in detail above, Wesley is fully committed to addressing unmet need. We also focus on partnerships and not duplicating services. We have estimated conservative volumes in order to ensure continuation of our collaborative work with Pierce's existing providers, including the two most recently approved, to ensure access and avoid duplication."

Public Comment

During the review of this project, the department received eight letters of support for the Wesley Homes project. While not all letters are restated below, all letters are considered in this review.

Washington State Senator Karen Keiser, 33rd Legislative District [source: Comment Packet, distributed June 1, 2023, pdf 8]

"Today, Wesley is a vibrant network of housing and health care services for older adults in the Puget Sound region, including two retirement communities in Pierce County. It is widely regarded as a leader in senior housing and health care, and I can attest that it has earned an exemplary reputation in every regard. Further, and during COVID, and within weeks of the Governor's 2020 Proclamation 20-36, Wesley, in partnership and support of the existing hospice providers in Pierce County; began serving those that the existing agencies did not have the staffing to admit. They accepted many of the individuals in the last week or so of their life, with no regard to whether they would ever receive payment for the care delivered. From their perspective, it was the right thing to do.

In early 2022 Wesley submitted a CN application to assure that it would be able to continue to serve and respond to the Department's identified need for three additional agencies in Pierce County post the PHE. Disappointedly, the Wesley application was not approved. As I understand, in a competitive review, if more projects meet all general CN criteria then are identified as need, the CN Program conducts a "superiority analysis". Wesley met all general criteria. I also understand that CN leadership acknowledges that its current superiority process advantages larger multi-State providers, typically for profits, over smaller non-profit providers such as Wesley. Wesley has subsequently resubmitted its CN. The decision date is late fall 2023.

I am writing to assure that the Department gives thoughtful attention to Wesley's Certificate of Need application. I do not think Washington state should prioritize large chains over the long-standing not for profits that have served our residents well for nearly a century. The rules give the Department the flexibility to consider factors under "improved service to the planning area" such as history of service to the region, reinvestment of profits back into the community, history of provision of service to the underserved, service during COVID, and relationships with existing providers.

Wesley is a proven and trusted provider. I strongly encourage awarding a certificate of need to Wesley for a Medicare and Medicaid certified hospice in Pierce County.”

Judy Dunn, President and CEO, Franke Tobey Jones [source: Comment Packet, distributed June 1, 2023, pdf 4]

“Franke Tobey Jones, a not-for-profit senior living community in Tacoma is home to more than 200 residents. Our mission is to enrich and extend the quality of life for seniors in our community. We offer a full continuum of services for seniors, including independent living, assisted living, memory care and skilled nursing care, but we do not offer hospice services. Franke Tobey Jones offers our full support to the certificate of need application of Wesley to provide services in Pierce County.

We were incredibly grateful when Wesley began providing hospice services in Pierce County during the early days of COVID. What Wesley intended to be a partnership to support existing Pierce providers, turned into a partnership with and for the community. It helped us, and other providers and families, assure that our individuals had their pain and clinical care needs managed in a quality, timely manner, and that their emotional and spiritual needs were always at the forefront. The experience of Wesley operating in Pierce County during the Pandemic demonstrated that it is a community asset.

We understand that their CN application submitted during the Pandemic to ensure their ability to continue providing services in Pierce County permanently was denied. This denial came not only as a surprise since we knew first-hand the value and improved service that Wesley added to our community, but also meant that they could no longer provide this service that had so clearly benefitted our residents and others throughout the County.

We understand that the Department has identified the need for another agency in Pierce County and that Wesley has again applied to meet that need. We strongly encourage you to approve this CN and allow Wesley to again provide these much-needed services in Pierce County. Wesley's long-term commitment to our region and their non-profit status will lead not only to improved hospice services in the County but will also mean that they will be investing in the community and assuring needed services are available - even if they are not profitable, and that all in our community will have access. These values are in close alignment with ours, and we look forward to partnering with them for the betterment of our community.

I urge the State's approval of the Wesley application.”

EmpRes/Eden Public Comment [source: Comment Packet, distributed June 1, 2023, pdf 19]

“Eden: As noted in response to Question 4, Eden will reduce disparity by 106 patients and equal the number of conventional patients that Wesley would serve. Wesley and Eden will serve approximately the same, 97 and 96 patients that are generated by the Department’s need methodology by 2026, but in the case of Wesley, it appears that Wesley will confine its services to supporting its existing, affiliated agencies.

Wesley: As noted in the next subsection, the Department is left to conclude that Wesley will only serve residents of its existing programs since no information on other populations or outreach approaches is provided. With undocumented volume projections of need and the pro forma volume, the only reasonable conclusion is that Wesley will serve only its existing programs that will result in only 46% of the expected proxy volume that the Department would allocate for a new agency

within three years. This low volume does not address the general, Pierce County projected need let alone address Wesley's conclusion about disparity affecting an additional 510 eligible hospice patients."

Wesley Rebuttal Comments [source: Rebuttal Packet, distributed July 3, 2023, pdfs 137, 142-144]

"Wesley's review of public comment confirms that it differentiates Wesley from the other concurrent review CN applicants based on its mission, longevity, and commitment to the communities it serves.

As noted in the introduction to this rebuttal, more than 50% of our patients come from the general community. Wesley has provided detailed information on special populations, and as referenced above, the Department confirmed in its 2022 Pierce County decision that Wesley's service will be available to all patients in the Planning Area. This comment is without merit.

Additionally, it is important to note that Wesley's assumptions are founded in actual Washington experience and based on verifiable data. The CMS Hospice Compare website: Find Healthcare Providers: Compare Care Near You | Medicare demonstrates that, consistent with Wesley's application materials, less than half of our hospice patients reside in skilled nursing facilities. The same data also confirms Wesley's focus on patients with dementia; demonstrating that 54% of Wesley's patients have a dementia diagnosis.

Wesley's intent is to complement and partner with existing providers in Pierce County, not unnecessarily duplicate services. The hospice agency need methodology assumes an ADC of 35 for the first three years of operation for each of the newly approved providers; however, the projections established by each provider far exceeds 35 after the start-up year, in most cases. Wesley's goal is for all of the Pierce County providers to be viable, for patients to have a choice, and for Wesley to support patients and providers in its operations.

Unlike many of the new hospice applicants entering the Washington market, Wesley is fully committed to serving the community for the long-term, so it is important that it is set up for success with conservative and realistic assumptions and that duplication is avoided through the realization of appropriate partnerships. Wesley discussed its approach with the Department in TAs, and the Department concurred that a more conservative approach was better. With that said, Wesley is in no way limited to these projections and will continue to provide the flexibility necessary to meet community need. Eden's comments are without merit.

Department's Evaluation

This section of the application allows an applicant to explain why the proposed project is not an unnecessary duplication of services. The rationale and discussion provided by Wesley is based on information specific to Pierce County. Wesley provided information regarding the utilization rates of different ethnic and racial groups. Wesley also discussed delays in referring patients to existing Pierce County hospice agencies. The department finds this approach to be reasonable.

EmpRes/Eden provided comment stating Wesley's volume projections were undocumented and an indication that Wesley would serve only its existing facilities. Wesley provided rebuttal to this comment indicating its partnerships within the planning area. The department finds this response with the provided public comment in support of Wesley from existing providers satisfactory.

The numeric methodology projects need for one additional hospice provider in Pierce County. The approval of an additional provider in the planning area will result in an additional hospice option for many terminally ill residents in the county.

Based on the information above, the department concludes that Wesley provided a reasonable rationale to support its project and the statements, including public comment, in the application support need for this project.

If this application is approved, Wesley’s approval would include a condition requiring the agency to be available and accessible to all residents of Pierce County. With agreement to the condition, Wesley’s application **meets this sub-criterion**.

AccentCare, Inc. dba Seasons Hospice & Palliative Care of Pierce County Washington, LLC

In response to this requirement, AccentCare identified the following factors in the planning area that currently restrict patient access to hospice services.

- The broad diversity of the population that resides in Pierce County.
- Lack of information and understanding of hospice.
- Lack of financial resources.
- Isolation from society.

[source: Application, pdf 54]

AccentCare identified the following specific groups who are currently under utilizing hospice services in Pierce County.

- Persons without housing.
- Minority populations, including:
 - Asian Americans,
 - Black Americans,
 - Latinxs, and
 - the LGBT community.
- Children
- The elderly, including those residing in nursing homes and assisted living facilities.
- Persons requesting medical-aid-in-dying under the Death with Dignity Act.

[source: Application, pdf 55]

AccentCare further provided a summary of supporting research on each of these groups and how it would overcome existing barriers it identified. These strategies include: assistance with housing, partnering with community-based organizations, education and outreach, developing diverse staff, developing cultural competencies specific to an area, use of telemedicine, improving patient-family-caregiver-medical team communication, support from centralized call center, become Services and Advocacy for Gay Elders Platinum Certified, offer population-specific programing, and establishing a Minority Advisory Board. This Board will help identify specific needs of these populations, meet at least bi-annually, facilitate diversity training, and promote minority enrollment. [source: Application, pdfs 55-63]

When asked in screening how the department could approve an applicant when it is already approved to provide that service and included in the planning area supply, AccentCare responded with the following statement. [source: March 31, 2023, screening response, pdfs 4-5]

“Seasons Pierce County filed a CN application in the 2022-2023 concurrent review cycle because the CN it was granted in 2022 (#1947) is subject to challenge in a consolidated adjudicative proceeding brought by Wesley Homes and two other hospices (Providence Health & Services - Washington and Envision Hospice of Washington). Seasons Pierce County is confident that the Department’s 2022 Evaluation is correct and legally valid, and Seasons intends to support the Department in defending the Evaluation during the consolidated adjudicative proceeding. However, there is always an element of uncertainty in administrative and judicial review processes. One potential outcome is that the 2022 Evaluation granting a CN to Seasons Pierce County will be reversed in the adjudicative proceeding or in a subsequent judicial review. Should this occur, we assume that another CN would be issued to the prevailing party so that the number of approved CNs in 2022 would remain unchanged. Seasons Pierce County could then establish its hospice under the CN sought in the application currently under review, if approved.

Alternatively, should CN #1947 be affirmed in the adjudicative proceeding and any subsequent judicial review, Seasons Pierce County will continue to rely on CN #1947 for its operations in Pierce County and will withdraw the current application if it is still under review, allowing another applicant to be approved.

Seasons Pierce County is motivated to provide needed services to Pierce County residents, and that is the reason for this application. Seasons Pierce County intends to only license one hospice in Pierce County. If CN # 1947 is affirmed and the Department approves the current application under review, Seasons Pierce County will relinquish one of the two CNs. The Department could add a condition to a new CN stating that if one of Seasons’ CNs is not subject to further challenge, Seasons must relinquish the other and a CN will be issued to a different applicant.

Seasons Pierce County is not aware of any regulation that prevents it from applying for a CN while its existing CN is under administrative and potentially judicial review. The underlying assumption for this application is to assure a positive outcome for Seasons Pierce County assuming CN 1947 is revoked.”

When asked about its application for an already approved agency relative to duplication of services, AccentCare provided a response that is partially quoted here. [source: March 31, 2023, screening response, pdfs 6-7]

“The commencement of Seasons’ operations under CN #1947 is scheduled for July 2024, consistent with that of CN #23-26 currently under review. See Attachment 2 for a copy of the Amended Fourth Quarter 2022 Monitoring Report for CN #1947. Therefore, the expected commencement date of July 1, 2024, for both proposals ensures that Seasons Pierce County can avoid any possible duplication.

...

Seasons Pierce County does not propose to duplicate itself, but will establish only one hospice for Pierce County, either under the previously approved CN or through the one sought in this application.”

Public Comment

The department received several comments on AccentCare’s project. The following are representative excerpts from comments related to this sub-criterion.

Catherine Clements, MT-BC, NICU MT, AAC, NICU Music Therapist [source: Comment Packet, distributed June 1, 2023, pdf 27]

“...My name is Catherine Clements and I am a local Pierce County Music Therapist. I current [sic] work in the hospital servicing children and babies. I was interested to learn that AccentCare is applying to be a provider in this area. They are the largest employer of music therapists in the nation and having them here would be such a wonderful addition to the community.”

AccentCare provides extensive bereavement services involving music therapy in adult, and children bereavement. Their children's bereavement camp, Camp Kangaroo, would serve the entire county, as well as surrounding counties, at no cost to the families, offering interactive creative arts therapies to walk children through the grieving process. During this current state of the pandemic there has been an incredible amount of loss and this extra support is a much needed addition.

Something that is also a need is a pediatric hospice and palliative program. This is something that is currently not an option here in Pierce County and no providers offer this. AccentCare's pediatric hospice program, Kangaroo Kids, would provide a child life specialist as well as a music therapist, which would be a huge support to children and their families going through a sensitive time...”

Evelyn Stagnaro, MM, MT-BC, Life One Music, LLC, Seattle Children's Hospital Music Therapist [source: Comment Packet, distributed June 1, 2023, pdf 28]

“...Our state desperately needs more programs that can provide pediatric hospice and palliative care services. The previous palliative program at Mary Bridge Children's Hospital has been dissolved and the lack of services available is growing...”

Stephanie Raghubeer, M.D., Medical Director, MultiCare Mary Bridge Children's [source: Comment Packet, distributed June 1, 2023, pdf 29]

“...Our Pediatric Palliative Care Team at Mary Bridge Children's can attest to the need for such programs in Pierce County. We are in support of aligning with pediatric hospice programs that can benefit our patients with life limiting illness and their bereaved families. We believe AccentCare's proposed services would be a significant asset to our community in Pierce County.”

Eden Hospice at King County, LLC [source: Comment Packet, distributed June 1, 2023, pdfs 13 and 16-17]

“AccentCare CN#23-26 already has an approved Certificate of Need to provide hospice services in Pierce County and does not need a duplicative approval that would restrict both Eden and Wesley from providing hospice services and constitute an access barrier.”

*“Providing a second, **duplicate** Certificate of Need approval to AccentCare would immediately create an access barrier for residents in Pierce County if either or both, the Eden Certificate of Need application and the Wesley application were denied. AccentCare's suggestion in response to Question #14 that if its Certificate of Need #1947 is eventually approved and all appeals exhausted, it would rescind approval of its CN#23-26 approval which could then possibly be transferred to an applicant from this review process. This is likely the worst alternative ever considered by the Department because under this scenario, the Department may have already denied Eden and Wesley unless exceptions were considered. Our assessment is that this approach is remarkably poisonous to a regulatory process because it would set in motion an appeal in this concurrent review cycle cascading to even further delays in providing access to hospice services for one to two years to come. Furthermore, this ill-conceived ‘transfer’ approach does not comply with rules and regulations that govern the CoN process. Pierce County has already suffered due to*

the years of delays in hospice care availability under the existing regulatory framework. Ultimately, delays hurt the population that the Program strives to protect – patients, their families, and the healthcare institutions that strive to help their dying patients.”

Wesley Homes Hospice, LLC [source: Comment Packet, distributed June 1, 2023, pdf 103]

“...A review of prior CN decisions demonstrates that Seasons will not prevail because the CN Program’s position is that a second application from a provider that has already received a CN is an unnecessary duplication of services. In its 2022 denial of the application of Providence’s second application for Pierce, the Program wrote that that because Providence already had CN approval, it cannot award an additional CN without duplicating an existing service provider; and that therefore the application should, therefore, be denied. This is the same scenario as with Seasons in 2023...”

AccentCare, Inc. Rebuttal [source: Rebuttal Packet, distributed July 3, 2023, pdfs 2-3]

“AccentCare does not seek a second hospice to serve Pierce County, but an alternative should CN #1947 be overturned prior to the decision date for the current cycle. For this reason and others set forth in AccentCare’s screening responses, no duplication occurs.

...

AccentCare addressed these issues in its screening responses. AccentCare made no mention of transferring a CN, but rather, upon a withdrawal or relinquishment of CN #23-26, another CN could potentially be awarded.”

Department Evaluation

AccentCare provided an interpretation of the numeric need methodology that is consistent with the department’s version, indicating a need for one additional hospice agency to serve Pierce County residents. Further, AccentCare identified special populations it would serve if approved. AccentCare also provided a discussion on how it determined these populations are currently underserved, strategies to reach these specific populations, and formation of a board that would on an ongoing basis *to strengthen minority relationships, facilitate diversity training, and promote minority enrollment.*

As noted in its own application AccentCare is in the process of operationalizing certificate of need #1947, approving it to provide hospice services to Pierce County residents. The CN was granted on September 30, 2022, and has not yet begun providing hospice services to Medicare and Medicaid patients who live in Pierce County. That certificate is the subject of legal challenges by other Pierce County providers and applicants from that review cycle.

In order to conclude that an application is compliant with this sub-criterion, it must find “...*that other services and facilities of the type proposed are not or will not be sufficiently available or accessible to meet that need.*” While AccentCare has offered a need methodology that projects a need for one additional hospice agency to serve Pierce County, it does not account for the fact that it is already counted in the supply of existing agencies. By applying in this cycle, AccentCare must somehow convince the department that it can, by approval in this cycle, provide additional services to meet a need that the existing providers cannot adequately satisfy. Since AccentCare is currently an existing provider, AccentCare places the department in the unusual situation of evaluating its application to provide hospice services in Pierce County when it is already approved to do so. AccentCare justifies this approach by assuming “*that should litigation result in revocation of CN #1947, Seasons Hospice & Palliative Care of Pierce County Washington, LLC could still prevail*

with a CN during the current cycle for which additional need was published on October 14, 2022.”
[source: Application, pdf 8]

The other two competing applicants in this review provided comments outlining the duplication that would occur if AccentCare is approved in this review cycle. Detailing the inevitable delay in providing access to services this would cause by superficially blocking other providers from potential approval. AccentCare responded to these comments reiterating it intends on only operating one hospice agency under one approval; and deflects blame for the delay to the past litigation. This project also received letters in support from local credentialed professionals indicating their belief that AccentCare’s hospice services are needed.

The department’s evaluation of CN applications is, by its very nature, dependent upon assumption of certain facts and circumstances and must project those conditions into the future in an effort to understand the healthcare needs of the population in later years. In that pursuit, the department must consider all facts of which it has knowledge. The department issued CN #1947 on September 30, 2022, and until and unless the department’s decision in the prior approval is overturned or stayed by an appropriate authority, it must be presumed valid. As such, the department must proceed with reviewing all current applications as though AccentCare will commence and complete its Pierce County project under its existing approval. Further, AccentCare’s agency dba Seasons Hospice & Palliative Care of Pierce County Washington, LLC is already included in the supply of approved hospice agencies in its numeric need methodology. Because the department cannot reasonably conclude that an applicant is capable of being both an existing provider and an applicant who proposes meeting an unmet need it is already included in meeting, this application **cannot meet this sub-criterion.**

EmpRes Healthcare Group, Inc. dba Eden Hospice at King County, LLC

EmpRes/Eden identified the following factors in Pierce County that could restrict patient access to hospice services and the availability and accessibility of the existing Pierce County providers.
[source: Application, pdfs 23-25 and April 13, 2023, screening response, pdf 5]

“There are a variety of factors within the planning area that restrict patient access to hospice services. These are listed in order and discussed in greater detail in response to Question 4 that requires applicants to document that their applications will not result in unnecessary duplication of services.

General Population Increase: *Exhibit 1 discussed in the next section shows that there will be need for an additional hospice in 2025 and 2026. As Table 5 shows, in each of the first three full years of operation (2024 – 2026) Eden hospice will not exceed the projected, population-based hospice need (using only the 2022-2023 hospice need methodology extended through 2026 and 2027).*

Dual Medicare-Eligible Disparity: Dual-eligible Medicare beneficiaries’ income is so low that they also qualify for Medicaid. This Medicare population is called the “dual-eligible” beneficiary cohort. In Pierce County, dual-eligible hospice admissions make up 24% of Medicare hospice admissions. As Table 8 shows, in 2021 Pierce County, hospice utilization by dual-eligible Medicare beneficiaries in Pierce County was only 38.2% of Medicare dual-eligible deaths, while utilization by nondual (not Medicaid eligible) Medicare beneficiaries was only 41.6% of Medicare non-dual beneficiaries. Eliminating disparity in dual-eligible admissions, by increasing the percent of dual-eligible admissions to the Washington State percentage average, would add 186 new

*hospice admissions, which translates into an average daily census of 31.5 **new** hospice patients at current length of stay rates (61.89 days)¹⁴*

Racial and Ethnic Disparity: *Race and Ethnic disparity exists in Pierce County but it is overshadowed by low utilization for all racial and ethnic groups when compared with matched hospice admissions percent of Medicare beneficiary deaths for racial and ethnic cohorts. General capacity-related disparity results in disparity for the white racial cohort of about 340 hospice admissions in Pierce County compared to capacity disparity for non-white cohorts of 62 hospice admissions.*

An examination of OFM population estimates (provided in the next section that is summarized in Table 6, shows that the population aged 65 and older, currently accounts for approximately 15% of overall population, but Exhibit 1 shows that the population aged 65 and older accounts for 88% of hospice admissions. Therefore, the percentage of the population in racial and ethnic at-risk population cohorts that is age 65 and older will make up the largest percentage of hospice admissions. As Table 6 shows, the percentage of racial and ethnic residents 65 and older other than White is decidedly lower than the overall percentage of these cohorts to total population. Thus, while there is disparity, the population cohorts are so small that substantial disparity rates do not translate into a large number of hospice admissions due to disparity. As a result, direct outreach will produce limited improvements in access. The Eden approach is to assure cultural competence in the delivery of services and to focus outreach to the dual-eligible population, which includes all races and ethnic minority population cohorts and will improve equality of access. Many of these residents in Pierce County live in skilled, short-term and non-skilled long-term nursing homes where hospice participation (e.g., percent of hospice patients divided by average daily census) is very low compared to national and statewide estimates.

Pierce County presents a unique situation when compared with other Washington State Counties. As Table 4, documents, 9.2% of total Pierce County hospice days were provided in skilled nursing homes compared with 4.9% of hospice days for all Washington State hospice patients in 2021. For the same time period, only 0.8% of hospice days occurred in Pierce County non-skilled, long term care nursing homes compared with 2.4% of hospice days in all Washington non-skilled, long term care nursing homes.

¹⁴ Footnote #16 in EmpRes/Eden’s application states: “Eden does not expect to totally eliminate this disparity over a 4-year period.”

Applicant's Table

Table 4
Medicare CMS Hospice Days by Location of Hospice Days in 2021 (Berg Data)

Place of Service	Q Code	Hospice Days 2021	Percentage of County Total Days	Percentage of State Total Days	Percentage of National Total Days
Home	Q5001	122,450	70.8%	62.0%	61.0%
Assisted Living Facility	Q5002	30,844	17.8%	26.8%	19.8%
Nursing Long-Term Care Facility (LTC) or Non-Skilled Nursing Facility (NF)	Q5003	1,412	0.8%	2.4%	12.7%
SNF	Q5004	15,972	9.2%	4.9%	4.4%
Inpatient Hospital	Q5005	107	0.1%	0.2%	0.4%
Inpatient Hospice Facility	Q5006	1,004	0.6%	0.8%	0.9%
Long-Term Care Facility	Q5007	-	0.0%	0.0%	0.0%
Inpatient Psychiatric Facility	Q5008	-	0.0%	0.0%	0.0%
Other	Q5009	345	0.2%	2.2%	0.5%
Hospice Facility	Q5010	734	0.4%	0.8%	0.3%
Total		172,868	100.0%	100.0%	100.0%

Medicare covers hospice at a skilled nursing facility (SNF) only if the SNF has a contract with a Medicare-certified hospice that can provide hospice care, but the hospice benefit will not pay for room and board at the SNF leaving the patient responsible for room and board charges. However, a patient with skilled care needs unrelated to the hospice-eligible terminal illness, and also meets Medicare's coverage requirements for a SNF stay, will have room and board service costs covered by Medicare e.g. terminal cancer and a fall with a broken hip. 17 18 Table 5 shows two important elements: (1) High SNF hospice utilization is a proof of concept example showing even patients with reimbursement limitations can be referred to hospice and (2) Pierce County and Washington State have a disparity in access to hospice for convalescent, long term care nursing home patients

*The Eden experience is that long term, convalescent nursing homes and retirement facilities have not received outreach services from existing hospices, and this is documented in the above table. This population cohort makes up a large component of the dual-eligible population because while the patients are Medicare eligible, they are not eligible for skilled nursing home benefits and instead rely on state Medicaid support for their nursing home residential care. **Together, the principal Eden approach will reduce dual-eligible disparity in admissions without duplication of existing services.***

Death with Dignity Disparity:** The 2021 Death with Dignity state report (See Appendix Q PDF page 10), indicated that Pierce County registered 1 – 9 Death with Dignity participants. Tables 12 and Table 13 indicate that Death with Dignity participation rates for counties west of the Cascades, would generate approximately 30 Death with Dignity participants. Statewide, 91% of Death with Dignity participants are enrolled in a hospice program (PDF, page 5). Eden would expect to serve approximately 10 – 15 hospice patients who for the most part previously did not elect hospice care due to perceived and actual barriers to end of life care that could include a Death with Dignity option. As previously noted, Eden is in full compliance with the Death with Dignity statute and welcomes individuals who contemplate this as a possible option to ending their end of life journey. **This volume of Death with Dignity hospice patients is fully non-duplicative.

Since Need in the Methodology multiplies population by a use rate, population increase will increase demand for services. If service capacity is fixed and patient volume increases, access to services will be restricted meaning patients may have to wait longer for services. This normally affects patients with less resources first and their use rate goes down compared to resourced patients causing disparity in access. Specific to Pierce County, the overall utilization of hospice services is 15% below the statewide average which means that increased hospice demand associated with general population growth represents a access barrier problem as patients have to wait longer for hospice services or hospice hours of care per patient are reduced or agencies reduce short-term outreach to balance existing operational demand for services with that agency’s resources to supply services.”

EmpRes/Eden provided the following information to demonstrate that its project should not be considered an unnecessary duplication of services. [source: Application, pdfs 28-35 and April 13, 2023, screening response, pdf 5-6]

“As documented in the Department of Health’s own 2022 calculation of 2024 Pierce County hospice need, there is an Unmet Need of 249 admits –which equates to an Average Daily Census of 42 patients. Table 5 demonstrates that Eden’s Pierce County admits in 2024 are expected to be only 46% of total market share for all hospices serving Pierce County, but over the 3-year period, Admits then increase to 60%. Length of stay is set at 61.2 days to be more conservative than the statewide average of 61.89 days in 2027 – which mirrors the current statewide length of stay of 61.89 days. Please see Table 3.

Applicant’s Table

**Table 5
Eden Hospice at King County Pierce County Admits, Days and Average Daily Census
For the First Three Years of Operation**

PIERCE COUNTY	2023	2024	2025	2026
	3 months			
Total hospice admissions	18	114	171	202
Average Length of Stay	61.2	61.2	61.2	61.2
Total Hospice Days	1,110	6,977	10,465	12,353
Projected Average Daily Census	3.0	19.1	28.7	33.8
Unadjusted Market Share of "Population-Based" Patients	N.A.	46%	42%	60%

A. Pierce County Medicare Dual-eligible Utilization Disparity Analysis

*Regarding population growth generating additional hospice need, the Department has generally accepted the population growth approach as a starting point in addressing unnecessary duplication. In recent applications, the Department expressed interested in how applicants will address barriers to care beyond simple availability of service. The Department rationale is that applicants proposing to serve counties where there is a hospice Need of less than a 35-patient average daily census must identify **Unmet Need, not just population growth**. In counties with identified hospice agency need, applicants are expected to go beyond the “target” year for hospice need to show how their proposed hospice will not result in unnecessary duplication by reducing volume to existing hospices ostensibly below their existing hospice census.*

*In response to the evolving position of the Department, most applicants have studied the health status of individual counties, including Pierce County, as well as the demographic mix of the population. We applaud the many successful efforts of existing providers to address racial and ethnic disparity in access as well as new applicants proposing to serve Pierce County. New applicant analyses have found that disparity equates to lower utilization due to income (including homelessness), race and ethnicity. **Our community analysis contained in Appendix N is consistent with earlier applicant findings, but the problems identified by other applicants fundamentally misunderstand the scale of hospice utilization disparity in terms of economic, ethnic and racial disparity and require a new array of solutions to reducing disparity in hospice utilization in Pierce County. In most previous analyses, social values, e.g., services to Death with Dignity or LGBTQ population cohorts and low income access disparity have been under analyzed.***

Ethnic and racial access disparity in Pierce County exists as shown in Table 6. Table 7 shows that (for ages 65 and older) Hispanic, Black and other racial minorities use hospice services less than the overall population. Hispanics, 65 and older are the largest minority cohorts using hospice. Table 7 documents that disparity in hospice admission rates per 1,000 Medicare Beneficiary Deaths is significant. This disparity also exists throughout Washington State. However, the differences in these specific utilization rates do not translate into a large number of hospice admissions because there is a of the lower population of racial and ethnic minorities ages 65 and over. (as shown in Table 6). For example, the Hispanic population age 65 and older makes up only 3.1% of the total Hispanic population while it makes up 11.1% of the total County population over age 65.

Eden’s goal is to help all patients get the care they need which will help avoid unnecessary emergency department and hospital stays thus reducing the healthcare costs to the patient and/or their family and lower (often overwhelming), stress for all involved. Eden embraces all marginalized segments of the population who need hospice care.

Applicant’s Table

Table 6
2020 Pierce Population and Percent of Total Population By Age Group and Racial and Ethnic Cohort
(OFM/Provisional Census Estimate)

Age Cohort	Total	% of Total	White	% of Total	Black	% of Total	American Indian Alaska Native	% of Total	Asian	% of Total	Hispanic	% of Total
Under Age 65	761,236	84.5%	543,303	82.3%	64,187	90.6%	13,510	92.0%	56,793	83.0%	96,536	95.8%
Over Age 65	139,464	15.5%	116,557	17.7%	6,621	9.4%	1,182	8.0%	11,605	17.0%	4,281	4.2%
Total	900,700		659,860		70,808		14,692		68,398		100,817	
			White		Black		American Indian Alaska Native		Asian		Hispanic	
Percent of Population Under 65			71.4%		8.4%		1.8%		7.5%		12.7%	
Percent of Population over Age 65			83.6%		4.7%		0.8%		8.3%		3.1%	

Table 7 shows total hospice admissions for each racial and ethnic cohort (excluding White and Black cohorts) is less than 100 admissions so outreach concentrating solely on racial and ethnic outreach strategies will miss curing most of the percentage-based disparity. Eden is committed to culturally competent care but will focus its outreach efforts to the dual-eligible population group as well as focusing on patients in nursing homes with long term care residents. This population has a larger representation of dual-eligible patients since patients

who are not eligible for Medicare skilled care or who have exhausted those Medicare skilled nursing care benefits exist. In Pierce County this population in long term nursing care receiving hospice care is underrepresented, less than 1% of total Pierce County hospice days. Eden has the experience to assist nursing homes in converting those patients who qualify for hospice to hospice care, which will improve the quality of life for these residents while reducing cost pressures on nursing homes, particularly as these patients experience end-of-life care in the last few days of hospice care.

Applicant's Table

Table 7
2021 Pierce County Medicare Hospice Utilization Rates by Race and Ethnicity (Berg Data)

Race	Hospice Admissions 2021	Deaths of Beneficiaries	Utilization Rate
White	2,234	5,249	42.6%
Black	128	398	32.2%
Asian	98	268	36.6%
Hispanic or Latino	12	45	26.7%
North American Native	17	67	25.4%
Other	60	195	30.8%
Unknown	18	81	22.2%
Total	2,567	6,303	40.7%

Table 8-A and Table 8-B provide the 2021 Utilization Rates for the Dual-eligible and Non-Dual-eligible Population in Pierce County and the State. The dual-eligible hospice utilization rate for Pierce County dual-eligible Medicare beneficiaries was 38.2% compared to 41.6% for non-dual-eligible beneficiaries. The core problem is the overall hospice utilization in Pierce County. The differences in hospice utilization in Pierce County for both Dual and Non-Dual Medicare beneficiaries in 2021 is woefully lower for Pierce County Medicare beneficiaries than the Washington State average. While Table 8-A shows little difference in utilization rates for dual-eligible compared with non-dual hospice patients in Pierce County, only a 3.4% difference in the two cohorts; disparity is profound. The Pierce County overall hospice utilization rate is a full 15% lower than the overall Washington State hospice utilization rate. If disparity in total 2021 Pierce County non-dual hospice utilization compared to the Washington State non-dual hospice utilization rates was eliminated there would have been an additional 511 hospice admissions or an average daily census of 86.6 patients in 2021. **This is why Eden is concentrating on gaining parity in hospice dual eligible and non-dual eligible Medicare cohorts, which means that the target rate is the State non-dual eligible hospice admission rate.**

Applicant's Table

Table 8-A
Total Medicare Utilization for Both Dual-eligible and Non Dual-eligible Patients in 2021
(Berg Data)

	Hospice Admissions 2021	Deaths of Beneficiaries	Utilization Rate
Dual	615	1,611	38.2%
Non-Dual	1,952	4,692	41.6%
Total	2,567	6,303	40.7%

Table 1 provides a revised Table 8-B.

Applicant's Table

Table 1
Corrected Table 8-B for Dual and Non Don Dual-Eligible Patients in 2021
Table 8-B

	Washington State Hospice Admits 2021	Deaths of Beneficiaries	Utilization Rate
Dual	5,523	13,354	41.4%
Non-Dual	20,513	41,285	49.7%
Total	26,036	54,639	47.7%

The reasoning behind Eden's outreach approach is the following:

- Reduce or eliminate income barriers to hospice admissions
- Racial and ethnic cohorts have having [sic] lower income and have higher Medicaid participation rates
- Focus on locations where Medicaid admissions to hospice care show low hospice participation and have high hospice admission eligibility – long term care nursing homes.
- Reach out to these long term care nursing homes to increase hospice participation rates
- Continuously improve cultural competence and welcoming and direct outreach to primary care to engage racial and ethnic cohorts earlier in their disease processes about hospice care

Table 9 shows that the best immediate, first-step strategy for improving access to hospice services by eliminating disparity is to focus on removing disparity in overall hospice use rates between the low Pierce County hospice utilization rate and the Washington State non-dual-eligible hospice utilization rate. This approach is likened to “a rising tide, lifts all boats” approach. However, from a policy standpoint, eliminating access disparity for racial, ethnic and income-based Pierce cohorts must be simultaneously addressed. The Eden approach for a “second-step” is to concentrate on long term, non-skilled nursing home patients who are principally Medicaid patients. A 2021 Kaiser Family Foundation Financial analysis (“KFF”) found that for Washington State, the distribution of Medicaid among the nonelderly (e.g., non-Medicare) population was 6.7% Black, 25.7% Hispanic, 7% Hawaiian and Pacific Islander, and 1.2% American Indian/Alaska Native. In short, approaching populations with high Medicaid and high hospice use potential in Pierce County should first focus on long term care

and then on clinics that focus on Medicaid access. This will directly address income disparity and probably address a portion of racial and ethnic disparity that may be co-occurring in Pierce County.

Eden also wants to increase the Washington State hospice non-dual utilization rate which is a full 11.5% lower than the national non-dual hospice utilization rate of 55.4%. In this case, existing Pierce County providers' efforts offer a solid example of how existing hospice efforts in increasing hospice utilization for the Medicare SNF population cohort have led to a substantially higher hospice use for this population and provides a 'proof of concept' to the Eden strategy of the impact of hospice outreach to the long term nursing home care patients. In short, if hospice providers can overcome resistance due to highly complex reimbursement barriers for Medicare SNF patients, then it is logical to expect success from Eden's efforts since Eden is experienced in home health, hospice and nursing home services.

Applicant's Table

Table 9

2021 Average Daily Census Increase by Achieving Parity Between Pierce County Hospice Admission Rates for Non-Dual and Dual Eligible Medicare Beneficiaries (Berg Data)						
	Pierce County Hospice Admits	Pierce County Medicare Deaths	Pierce County Admission Rate per 1,000 Beneficiaries	Pierce County Admission Rate For Non-Dual Eligible	Additional Hospice Patients by Eliminating Pierce County Dual Eligible Disparity	Additional Hospice Days to Reach State Average Length of Stay of 61.89 Days
2021 Dual Eligible Medicare Admissions	615	1,611	0.382	0.416	55	3,390
Additional Average Daily Census						9.3
	Pierce County Hospice Admits	Pierce County Medicare Deaths	Pierce County Admission Rate for All Pierce County Patients	Washington State Admission Rate For Non-Dual Patients	Additional Hospice Patients by Applying State Non-Dual Rate	Additional Hospice Days to Reach State Average Length of Stay of 61.89 Days
Total Admissions and Average Daily Census Needed to Achieve Parity in Dual and Non-Dual Hospice Utilization using Statewide use rates	2,567	6,303	0.416	0.497	511	31,598
Additional Average Daily Census						86.6

Returning to hospice use for long term nursing home patients, the experience of Bethany in its CN 21- 45 that found that 25% of its patients were transferred to hospice.¹⁵ This finding is consistent with the findings reported in a 2010 study by Monroe and Carter (included in Appendix W) which found that 24% of nursing home patients qualified for hospice, but only 6% received hospice services.¹⁶ As Table 4 shows, the national Medicare hospice use of convalescent nursing homes now represents 9% of all hospice days but use in Washington nursing homes remains at only 2.4%. Hospice referrals generated by outreach to long term care nursing patients results in non-duplicative and needed hospice access based on analyzing Pierce County, Washington State, and national approaches to improving long term care access to hospice services as summarized below:

- The annual, non-duplicated hospice admission volume for long term care nursing home patients would be achieved over several years.

¹⁵ Footnote #22 in EmpRes/Eden's application states: "Bethany CN 21-45; Page 183"

¹⁶ Footnote #23 in EmpRes/Eden's application states: "Todd Monroe, Michael Carter. Hospice Care in US Nursing Homes: Benefits and Barriers. Page 1,"

- *The Pierce County experience with Skilled Nursing home hospice referrals can be replicated for long term nursing home patients.*
- *Based on the analysis included in Table 4, existing hospices' referral volume will be unaffected by the addition of the Eden Hospice program because this population is not being served in Pierce County.*

Racial and ethnic cohort disparity reduction is also a priority. Table 10 provides the annual, expected disparity reduction for racial and ethnic cohort admissions stemming from our priority initiative of reducing dual-eligible (principally income-based disparity but also racial and ethnic+ disparity) associated with outreach to nursing and assisted living facilities. This effort will initially start in nursing homes owned or operated by EmpRes/Eden in King County and then extended to assisted living and nursing facilities in Pierce County in 2024.

Table 10 shows that the initial outreach effort will reduce racial and ethnic disparity by 3 – 5 patients per year, which while significant, is less than 10% of the estimated total disparity for this category. Eden will initiate other outreach activities such as enhanced culturally welcoming strategies as well as direct outreach as the Eden program matures. Eden will continually monitor its progress in reducing disparity for dual-eligible patients and add additional outreach efforts, which are staffed and directly funded in the Eden Hospice at King County operating budget.

Applicant's Table

Table 10
Pierce County Dual Eligible Disparity Reduction

	2023	2024	2025	2026
Total Eden Pierce Hospice Admits	15	114	171	202
Admissions Due to Outreach -- Dual Eligible Long Term Nursing Home Patients	N.A.	46	64	84
Dual Eligible Long Term Nursing Home Patient Disparity Reduction Among Non-White Medicare Beneficiaries				
Estimated Percent of Non-White Dual Eligible Long Term Nursing Home Patients	N.A.	5.9%	5.9%	5.9%
Disparity Reduction for Dual Eligible Long Term Nursing Home Patients who are non-White Estimate for Pierce	N.A.	3	4	5

B. Pierce County Death with Dignity Analysis
Eden, to remain in full compliance with the Death with Dignity statute, has examined the implications of full compliance with the Act by hospices and by Eden in Pierce County. Our analysis provided in Table 11 indicates that an expected Death with Dignity estimate based on the 2021 OFM population estimates is that approximately 51 Pierce County citizens would annually request Death with Dignity. Population growth since 2020 would likely increase Death with Dignity participation to 53 individuals in 2026. Eden would support any request for this service from Pierce County hospice patients.

Applicant's Table

Table 11
Pierce County Death with Dignity Patient Estimate for Eden Pierce County Hospice

	Counties West of Cascades
2021 Total Population	6,089,400
2021 Death with Dignity Deaths	341
Participation Rate per 100,000 persons	5.6
2021 Pierce County Population (OFM)	928,000
Expected Pierce County Death with Dignity Participants in 2021	52.0

The narrative addresses a range estimate. The 52-patient estimate in Table 11 is more accurate than the 51-patient estimate in the narrative – the actual calculation is just below 52 patients.

Table 12 provides the estimate of Death with Dignity Patients who are projected to select Eden hospice. As discussed earlier, Death with Dignity disparity in use of the statute in Washington State is very difficult to measure. Eden’s policy is not aimed at encouraging hospice patients to elect Death with Dignity but instead to be supportive of every hospice patients’ unique situations and their response to their unique dying process. Because Eden is one of a few agencies with fully complying Death with Dignity policies in Washington State, it is likely that the Eden Hospice at King County would have several additional referrals to its hospice program beyond the imprecise estimates of Death with Dignity utilization presented in Table 12.

Applicant's Table

Table 12
Estimate of Eden Hospice Death with Dignity Patients Served in Pierce County

	2024	2025	2026
Pierce County Death with Dignity Expected Deaths in 2021	52	52	52
Population Increase Adjustment of 4%, 5% and 6% to 2024, 2025 and 2026	54	55	55
Expected Eden Share	20%	35%	40%
Eden New DWD Admissions Due to Support Policy	11	14	22

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C. Non-Duplication and Disparity Analysis

Table 13 summarizes hospice admissions and patient days for the Eden Hospice at King County by source of admissions and examines market share for non-duplicated admissions for full projection years 2024 (first year) through 2026. This table shows that on a hospice admission basis, Eden will have only a 16% potential market share of general population growth hospice days in 2024 increasing in 2025 and then declining to a 19% market for general population growth days in 2026. Eden expects that its outreach to other nursing facilities will further increase referrals from Medicare dual-eligible patients who currently face

¹⁷ EmpRes/Eden clarified that the projected 14 “New DWD Admissions” were incorrect, and that 19 is the correct number of admissions based on the supplied assumptions. [April 13, 2023, screening response, pdf 6]

disparity in hospice access, which would reduce total market share from the general population hospice growth base to 19% by 2026.

The Eden approach results in no unnecessary duplication of Pierce County hospice services as defined by the percentage of existing population growth-based hospice volume using the State need methodology. A second element in determining whether duplication is necessary or unnecessary is measuring the financial impact on payers and patients of increasing hospice use. While the adverse social and financial impact of the end-of-life has not been measured for families in the various Washington State analyses, CMS outside evaluators in examining Washington State identified Medicare cost savings of \$2,000 per beneficiary (in 2021 dollars) from the hospice-healthcare integration initiative described in this proposal which would amount to annual savings of \$116,000 in 2024 increasing to \$212,00 in 2026 to Medicare as a result of converting a new category of patients to hospice services This does not include Medicaid savings that have not yet been calculated by the Department of Health and Social Services nor savings for patients and families. An extensive national study identified family savings of \$670 per family to hospice patient care enrolled in hospice care in the last month of patient life.¹⁸

Applicant's Table

Table 13
Duplication Analysis No Duplication by Eden Hospice at King County Services Within Pierce County Using State Methodology Need from 2023 Through 2026 With Disparity Reduction

PIERCE COUNTY	2023	2024	2025	2026
Total Eden Pierce Hospice Admits	15	114	171	202
Admissions Due to Outreach -- Dual Eligible Long Term Nursing Home Patients	N.A.	46	64	84
Admissions Due to Outreach - - Death w/Dignity	N.A.	11	14	22
New Admits from Eden Outreach	N.A.	57	78	106
Eden Admits From Pierce due to Population Growth	N.A.	57	93	96
% of Admits from Pierce due to Population Growth	N.A.	50%	54%	47%
Duplication Analysis				
Total New Pierce Admits from Pierce due to Population Growth through 2026 from State Methodology	N.A.	349	404	538
Eden Market Share Percentage of Patients From Pierce due to Population Growth	N.A.	16%	23%	18%

Eden will initiate very preliminary efforts with Veterans and the LGBTQ Communities in King County and continue to Pierce County upon CoN approval as examples:

- *Veterans: According to the National Hospice and Palliative Care Organization (NHPCO), one out of every four dying Americans is a veteran. The VA offers hospice to Veterans who are in the final phase of their lives, typically six months or less and works very closely with community and home hospice agencies to provide care in the home.*

¹⁸ Footnote #25 in EmpRes/Eden's application states: "Melissa Aldridge, Ab Brody, Peter May, Jaison Moreno, Karen McKendrick, Lihua Li. Association Between Hospice Enrollment and Total Health Care Costs for Insurers and Families, 2002-2018, Jama Health Forum, Feb. 11, 2022. Page 5"

Eden will reach out to American Lake VA Medical Center in Pierce County, the Tacoma Vet Center and other community agencies focused on serving Veterans. Eden is committing to a Level 3 program of involvement within its ongoing membership in the “We Honor Veterans” program. Eden will help veterans be comfortable choosing hospice earlier thus gain more benefits. Eden will also provide sensitive care to veterans who may have unique end-of-life care based on their service. For more program information, see the “Program Detail” section of Eden’s CON application.

- *LGBTQ Community Residents: A 2015 Gallup Poll survey of adults identified 4.8% of Seattle, Everett and Tacoma adult respondents identifying as LGBTQ. More recent Gallup Poll and other analyses indicated that the percentage of LGBTQ adults could be as high as 8% nationwide with approximately 4% falling in the Bisexual Category in the Lesbian and Gay categories. The University of Washington is issuing a major report on Health Disparities of LGBTQ+ Older Adults in February 2022. Eden will incorporate the results of this nationally recognized effort into its outreach strategy to identify the disparity percentage for LGBTQ+ residents in Pierce County as well as King County and Snohomish County where Eden is establishing hospice services.”*

Public Comment

During the review of this project, the department only received comments from Wesley and AccentCare for the EmpRes/Eden project. Following are representative excerpts from comments related to this sub-criterion.

AccentCare/Seasons [source: Comment Packet, distributed June 1, 2023, pdfs 49-50]

*“In the application in response to question 7, Eden Refers to question 4 on page 23 that simply identifies factors in the planning area that could restrict patient access to hospice services. However, how Eden will improve access and overcome barriers is not clear other than seeking referrals from various types of providers and honoring Death with Dignity participation. There are no existing programs targeting or benefitting the specific populations they plan to serve. In fact, on page 204 of the application (Appendix S page 8), it states that “The average dual-eligible individual receiving full Medicare and Medicaid benefits has six chronic conditions, while all other Medicare beneficiaries average only four. Depression and Alzheimer’s disease or related dementia were among the most prevalent conditions for full-benefit dual-eligible individuals. As a result, those with multiple chronic conditions typically have higher utilization of services...” Yet, Eden presents no programs for managing or alleviating symptoms associated with chronic conditions. **With a lack of programs and services, Eden could not be considered superior in having the greatest breadth and depth of hospice services.***

*Regarding dual eligible nursing home residents, Eden state that it “will reach out to nursing homes so that their patients, typically those on Medicaid who are eligible for hospice services to enroll in hospice services,” and would “enter into several contracts with individual nursing homes which would be initiated upon approval of the [CN].” **While Eden plans to reach out to nursing homes, as of this submission, no nursing home support letters indicating a willingness to contract with Eden were provided. There is also no policy or draft agreement for contracting with nursing homes.***

Wesley [source: Comment Packet, distributed June 1, 2023, pdfs 109-111]

“Eden attempts to support its inflated volume assumptions by assigning specific patient volume to cohorts they identify as underserved. They give no data to support these assumptions, provide

inconsistent statements throughout their CN submittal documents, and provide inaccurate claims. The volumes are unreliable.

i. Death with Dignity

Eden claims patients interested in Death with Dignity will represent a significant percentage of its volume. Its CN application implies that none of the existing hospice providers in the county, and none of the recently approved agencies, comply with the Death with Dignity statute. After being questioned by the Program during the initial screening process, Eden backtracked and stated that they cannot “opine” on providers’ compliance with the statute. However, they continued to conclude that they are the only provider that would be chosen by patients interested in Death with Dignity. They do not address the fact that:

- All of the existing providers, newly approved providers, and competing applications in this process have compliant policies and procedures. All accept and support patients and families interested in or seeking Death with Dignity.*
- At least one of the recently approved providers entering Pierce County has a policy nearly identical to Eden’s policy.*
- Eden failed to provide any data to support their assumption that people interested in Death with Dignity would not choose other providers in the county who are compliant with the statute.*
- Eden failed to provide any data to support their assumption that people interested in Death with Dignity would not choose other providers in the county who are compliant with the statute.*

Since all providers in Pierce County have compliant policies and can and do support Death with Dignity patients, and since Eden provides no data to support their estimates, these assumptions cannot be validated.

ii. Home Health Referrals

Eden also states that a significant portion of their volume will be from home health referrals. Without providing any data to substantiate this statement, Eden assumes 10% of home health patients will need and select hospice services. We were unable to find any data to support their 10% statistic.

iii. Nursing Homes

Eden assumes volumes related to “integrating their hospice” into nursing homes within the county. Eden projected volume in each of the first three years, including 5,141 patient days in nursing homes by the third full year of operation. However, when the Program, during screening, requested specific information, Eden responded (page 22) that Eden believes that initially, e.g., for the first three full years of operation, it is highly unlikely that Eden will have a substantial cohort of these patients. However, they did not revise their volumes or pro formas.

iv. Dual Eligible Patients

Again, Eden makes unsubstantiated claims about reaching dual-eligible patients. First, Eden linked these patients to their integration of hospice services into nursing homes—although, per the above section iii, they concede that they do not expect to serve a “substantial cohort of these patients” in the first three years. Eden also attempts to support their commitment to dual-eligible patients through their participation in the Department of Social and Health Services

Long-Term Services Support Dual Eligible Demonstration Project and the Medicaid Apple Program. However, when the Program questioned them on their participation in these programs, Eden states that they will reach out to the DSHS Program in the next year to define what its role “could be.” With this kind of ambiguity, again, the Program cannot rely on any of these assumptions.

v. Pediatric, LGBTQ, Racial and Ethnic Minorities, etc.

Eden includes assumptions regarding the volume of patients they will receive from each of these cohorts. While they provide assumptions on what percentage of these populations are represented in the community, Eden provided absolutely no basis or data to support its assumptions regarding the proportion of each population that will be served by Eden.”

EmpRes/Eden’s Rebuttal Comments [source: Rebuttal Packet, distributed July 3, 2023, pdfs 23-25, 79-82]

“At least three concurrent review periods in the past, applicants could rely on the State hospice need methodology and essentially not provide a detailed market analysis and business planning. and a detailed market/business plan is now required to support the pro forma volume. The pro forma volume projections have always been required to be consistent with the Need methodology.

At least three concurrent review periods in the past, applicants could rely on the State hospice need methodology. The rules have changed, and the instructions have changed. Applicants must provide a detailed market analysis and business plan that supports their proforma volume. The applicant’s analysis, business plans and corresponding proforma must also be consistent with the applicant’s Need analysis. Applicants with inconsistent and/or incomplete analysis, plans or pro formas were denied by the Program. Denials were based on the application’s clear errors, omissions and/or inconsistencies. Eden has provided an exhaustive analysis, business plan that supports its pro forma. AccentCare provided analysis based on Portland, Oregon – instead of Pierce County in Washington State.

With revisions in instructions and in rules, applicants are now required to provide detailed assumptions and plans to show that their market assumptions support the financial pro forma in addition to being consistent with the Need methodology. Some applicants have been stuck in the past and rely solely on the State Need methodology. In early health policy days this was ruled by Roemer Law “in an insured population, a hospital bed built is a bed filled” which many applicants have interpreted to be applicable to the current Hospice methodology – an agency opened is an agency filled. This approach is no longer accepted per applicant instructions. Specific to this analysis both Wesley and AccentCare are stuck in the past. In the case of AccentCare, it presents a variety of specialized therapies that it believes will result in successful outreach. Rather than providing a population-by-population cohort analysis with marketing assumptions and plans it throws in the towel and says Pierce County is like Portland, Oregon, e.g. here is how it works in Portland, Oregon. Portland, Oregon is not Pierce County.

AccentCare criticizes Eden for not presenting letters of support ignoring EmpRes’s decades of experience operating in Washington State and the Puget Sound region. AccentCare does not have a significant presence in Washington State and feels that it must introduce itself to area providers. AccentCare then goes on to indicate that it has a letter of support from a Pierce County nursing home that indicates that it is interested in discussing a contract with AccentCare. Eden has a list of all nursing homes in Pierce County, and it will initiate outreach to these facilities once it is approved to operate hospice services in Pierce County. Turning back to AccentCare’s submitted

letter. Eden notes that the AccentCare certificate of need does not anticipate contracts that would involve pass-through reimbursement for Medicare-Medicaid eligible hospice patients in its pro forma, perhaps because the AccentCare pro forma is based in operating in Portland Oregon rather than Pierce County and the nursing home in question is located in Pierce County.

Eden provided a comprehensive response to this question in its response to this screening question and to question 50. Our understanding of the AccentCare criticism is that the Eden response did not list by name all of the specialized therapeutic programs, e.g., Namaste care for dementia patients. Eden approach, which is rules-based, focuses on the following:

1. Eden prepares a demographic analysis and assessment of the state need methodology used to determine baseline need in each of the projects.
2. Eden carries out a rules-based analysis of need to identify underserved population cohorts where outreach by Eden can improve county-wide access to hospice services that is totally non-duplicative because in most cases no other hospices are addressing disparity in access principally in the dual eligible population. In most counties, disparity in access for the population that wants death with dignity as a potential treatment alternative has been well documented.
3. Eden then prepares a market analysis with a business plan to identify which population cohorts that it will serve, the number of potential patients within the cohort and market share assumptions by cohort to determine the number of patients and patient days to support the pro forma. Eden then in the narrative describes how it will carry out outreach activities to reduce disparity in access or to respond to opulation increase. Two examples of this approach follow
4. As an aside, Eden's use of the CMS hospice data set to support a comprehensive examination of disparity among Medicare beneficiaries and the solutions to that disparity is unique in Washington State

a. Contracting with Long Term Convalescent Nursing Homes to Provide Hospice Services

Eden has identified universal disparity in Washington State in access for the Medicare dual eligible population that is economic based, racial and ethnic based. The severity in disparity varies from county to county.

Eden has developed a common approach to reducing this disparity in all counties by contracting with long term convalescent nursing homes. In Whatcom County this involves contracting with an EmpRes nursing home facility, while in Skagit County the contract is with a non-EmpRes nursing home. Eden is using this approach in Skagit County because countywide hospice days in convalescent nursing homes are 0.1% while the statewide average is 2.4%. While the disparity is great, the number of patients is lower due to the population base in Skagit County, so Eden has developed other outreach strategies to assure achieving the census projections listed in that pro forma. In Pierce County, the penetration rate is a little higher at 0.8% of total Pierce County days, but the target population is significantly higher in Pierce County than in Skagit County. In addition, Table 1 below shows that there is a large Medicaid cohort residing in long term care convalescent nursing homes representing a substantial number of hospice eligible patient residents.

... As a secondary point, Eden does not make initial contacts with the most eligible long term care nursing homes prior to receiving a certificate of need for hospice for the obvious reason

that it does not want competitors to “cherry pick” the most amendable nursing homes to work with.

... Eden with its 26-year history in providing nursing home care throughout Washington State and home health services again dating back 26 years will initiate outreach efforts with the 10 nursing homes listed by the Department of Social and Health Services / Aging and Disability Services Division. Together, these nursing homes generated 194,851 Medicaid days in the report listed below. Eden as noted has experience in contracting for hospice services with long term care facilities. Attachment 1 provides a copy of the contract that is in place within Whatcom County with North Cascades Health and Rehabilitation Care Center.

Applicant’s Table

Table 1
STATE OF WASHINGTON
DSHS / AGING AND DISABILITY SERVICES ADMINISTRATION
CURRENT RATE REPORT
Run Date: 12/01/2022

Vendor Name	City	Bed Count	Medicaid Cost Report Year	Medicaid Days	Total Medicaid Rate for Payment
WASHINGTON SOLDIERS HOME	ORTING	97	21	10,360	296.69
THE OAKS AT LAKEWOOD	LAKESWOOD	80	21	14,540	366.25
COTTESMORE OF LIFE CARE	GIG HARBOR	108	21	12,520	327.17
MANOR CARE HEALTH SERVICES (GIG HARBOR)	GIG HARBOR	120	21	16,615	323.96
LIFE CARE CENTER OF PUYALLUP	PUYALLUP	102	21	18,492	330.34
LINDEN GROVE HEALTH CARE CENTER	PUYALLUP	130	21	25,353	372.15
ALASKA GARDENS HEALTH AND REHABILITATION CENTER	TACOMA	123	21	19,146	308.34
ELISEO	TACOMA	187	21	22,305	306.27
HEARTWOOD EXTENDED HEALTHCARE	TACOMA	120	21	26,941	310.02
TACOMA NURSING AND REHABILITATION CENTER	TACOMA	150	21	28,579	320.14

b. Use of Enhanced EmpRes-owned Home Health and Hospice Agencies to Carry Out General Outreach and Specialized Outreach to Disparity Cohorts such as Death with Dignity, LGBTQ+ and Medicare Dual Eligible Community-Based Patients.

The second example is Eden’s use of EmpRes enhanced home health agency and hospice agency outreach. Research provided in Attachment 2 documents that jointly owned home health agency and hospice agency enhanced outreach increases referrals by 28% over independent hospice agencies. Our experience in Whatcom and Skagit Counties is that 19% of total hospice referrals, 49 referrals, were to hospice agencies

Department’s Evaluation

This section of the application allows an applicant to explain why the proposed project is not an unnecessary duplication of services. Eden provided extensive rationale, discussion and supporting documentation specific to Pierce County. Eden provided information regarding the utilization rates of different populations expected to utilize hospice services in Pierce County based on the department’s methodology, as well as specific populations Eden determined to be underserved and not captured within the methodology. These proposed underserved groups included those seeking end-of-life control via Death with Dignity, those Dual Eligible for reimbursement via both Medicare and Medicaid, as well as ethnic and racial groups.

Both Wesley and AccentCare provided comment questioning Eden’s ability to target these patient subgroups due to a lack of demonstrated programming and outreach, as well as the reliability of Eden’s

assumptions. Eden rebutted these comments by reiterating its outreach strategy. While Eden submitted similar rebuttal for both Wesley and AccentCare’s comment, there were slight differences. In an effort to reduce repetition and offer clarity, the department has provided relevant rebuttal above, with some statements removed from their original context that would be duplicative.

The numeric methodology projects need for one additional hospice provider in Pierce County. The approval of an additional provider in the planning area will result in an additional hospice option for many terminally ill residents in the county.

While the department projects an unmet need for an additional provider through its methodology, Eden’s volume projections were divided between patients accounted for in the department’s method, and those presumed to be underserved and not accounted for. Through this distinction in patient volume sources, Eden indicated its assumption that there exist multiple populations separate from the department’s methodology in need of hospice services, and that they would serve them. Those volumes are restated below.

**Department’s Table 4
Eden Hospice at King County, LLC
Patient Volume Mix**

Patient Volume Source	2023	2024	2025	2026
Underserved Groups				
Death with Dignity Cohort	1	11	14	22
Long-Term Nursing Home Referrals (Dual & Non-Dual Eligible)	5	44	60	79
Long-Term Nursing Home Referrals (racial and ethnic minority patients)	0	4	4	5
Sub-Total	6	59	78	106
Method-Counted Groups				
Home Health Referrals	4	18	43	48
Pediatric Patients	1	2	2	2
LGBTQ+ Patients	5	11	14	23
Other (Including VA Patients)	2	24	34	23
Sub-Total	12	55	93	96
COMBINED TOTAL	18	114	171	202

Creating utilization rates sourced from various population data sources, state reports, third-party data analysis of Pierce County, and the historical experience of existing, EmpRes/Eden-owned agencies, the applicant demonstrated the existence of the underserved groups referenced in the above department table, and the need for the proposed services. Under the sub-criterion of WAC 246-310-210(1), the services proposed must also not be sufficiently available or accessible to these populations, or else risk the unnecessary duplication of services in the planning area. In the case of new services, the department considers the efficiency and appropriateness of the use of existing services and facilities similar to those proposed.

The department has no set standard to determine this efficiency and appropriateness and depends on the applicant to demonstrate this through their application, as well as input from members of the planning area and healthcare community.

Within its application and supporting materials, EmpRes/Eden indicated that it had designed strategies to meet the underserved groups above. In regard to the “Death with Dignity Cohort,” EmpRes/Eden indicated the existence of a population underutilizing or delaying hospice care due to concerns about end of life control. To address this underserving, EmpRes/Eden stated they intend to differ from the current Pierce County providers by “...*provid[ing] patients with direct access to Death with Dignity services and most other providers in Pierce County indicate that they refer patients to other outside resources not previously known to the patient and the family.*” (source: April 13, 2023, screening response, pdf 1)

EmpRes/Eden’s submitted Death with Dignity Act Policy states: “*If a patient elects to participate in the Death with Dignity Act of a participating state, Eden Health employees and Volunteers are limited to providing information/education and will not provide, deliver, prepare, administer, assist, or participate in any manner with the administration/consumption of any medication prescribed or obtained for intended use under The Act. Upon the patient’s request, Eden Health employees may be present during, but not assist in The Act in any way as outlined above.*” (source: Application, Appendix O)

This policy fully complies with the state’s requirements in terms of Death with Dignity. This policy does not demonstrate that EmpRes/Eden will provide the described “*direct access to Death with Dignity services,*” acting as a basis for volumes not counted in the department’s methodology. In reviewing the available Death with Dignity policies of existing hospice providers within the planning area, no limiting language was found to show EmpRes/Eden would provide exceptional “*direct access to Death with Dignity services,*” in comparison. In doing so, it does not show that the proposed service will not result in the unnecessary duplication of services.

In regard to the “Long-Term Nursing Home Referrals,” EmpRes/Eden indicated the existence of a population of nursing home residents underutilizing hospice services. Their focus on this population was specifically on residents who were dual-eligible for Medicare and Medicaid and utilized hospice at a below-average rate. In attempting to address this underutilization, EmpRes/Eden stated that underserved racial and ethnic groups, as well as non-dual eligible nursing home residents would be served due to its efforts as well.

To address this underservice, EmpRes/Eden stated they have “...*developed a common strategy to reducing this disparity in all counties by contracting with long term convalescent nursing homes.*” [source: Rebuttal Packet, distributed July 3, 2023, pdf 24]

To demonstrate this strategy, EmpRes/Eden submitted an existing contract between Eden Hospice at Whatcom County and Evergreen at Bellingham, LLC dba North Cascades Health and Rehabilitation Center in its rebuttal. [source: Rebuttal Packet, distributed July 3, 2023, Attachment 1] This material was not submitted appropriately and considered supplemental to the record and, as such, not included in the department’s evaluation..

No public comment was submitted in support of EmpRes/Eden. In rebuttal, EmpRes/Eden stated they do “...*not make initial contacts with the most eligible long term care nursing homes prior to receiving a certificate of need for hospice for the obvious reason that it does not want competitors to ‘cherry*

pick' the most amendable nursing homes to work with." [source: Rebuttal Packet, distributed July 3, 2023, pdf 24] The department cannot comment on the appropriateness of EmpRes/Eden's decision to forgo outreach to long term care nursing homes as a business strategy to secure future contracts. The department does, however, find this strategy unsupportive of EmpRes/Eden's ability to serve the assumed dual-eligible volumes within the planning area, as contacting long term nursing homes appears to be their only stated outreach plan to serve this population. The department is unable to conclude that hospice services delivered via long term convalescent nursing home contracts are "sufficiently available or accessible to meet that need." The department does, however, conclude that EmpRes/Eden has not demonstrated its ability to make available or accessible hospice services to this population via that method. The department further determines services provided by such contracts were shown to be potentially available via Wesley based on the list of potential facilities in EmpRes/Eden's rebuttal in Table 1, and public comment received in support of Wesley from Eliseo and Life Care Center of South Hill. [source: Rebuttal Packet, distributed July 3, 2023, pdf 81, and Comment Packet, distributed June 1, 2023, pdfs 2-3, 5]

Based on the information above, the department concludes EmpRes/Eden provided reasonable rationale to support need for this project. However, EmpRes/Eden failed to provide a service delivery plan for these volumes that is not currently sufficiently available, or will not be sufficiently available to support these volumes. As a result, EmpRes/Eden **does not meet this sub-criterion**.

(2) All residents of the service area, including low-income persons, racial and ethnic minorities, women, handicapped persons, and other underserved groups and the elderly are likely to have adequate access to the proposed health service or services.

To evaluate this sub-criterion, the department evaluates an applicant's admission policies, willingness to serve Medicare and Medicaid patients, and to serve patients that cannot afford to pay for services.

The admission policy provides the overall guiding principles of the facility as to the types of patients that are appropriate candidates to use the facility and assurances regarding access to treatment. The admission policy must also include language to ensure all residents of the planning area would have access to the proposed services. This is accomplished by providing an admission policy that states patients would be admitted without regard to race, ethnicity, national origin, age, sex, pre-existing condition, physical, or mental status.

Medicare certification is a measure of an applicant's willingness to serve the elderly. With limited exceptions, Medicare is coverage for individuals age 65 and over. Medicaid certification is a measure of an applicant's willingness to serve low income persons and may include individuals with disabilities.

Charity care shows a willingness of a provider to provide services to individuals who do not have private insurance, do not qualify for Medicare, do not qualify for Medicaid, or are under insured.

Wesley Homes Corporation

In response to this sub-criterion, Wesley provided copies of policies in use at all of its hospice agencies. Of the policies provided, the following are directly related to this sub-criterion. [source: Application, Exhibit 3; March 31, 2023, screening response, pdfs 4-6, Attachment 1; and April 27, 2023, supplemental screening response]

Admission Criteria

The policy includes the following purpose: *To establish the criteria and process of receiving and evaluating referral information and evaluating for appropriateness for admission.*

The policy includes the following language regarding admission.

“Wesley Homes Hospice will admit patients to service who meet the requirements and conditions for admission to Wesley Hospice services. Admission criteria includes:

- *Terminal Diagnosis with a life expectancy of six months or less if the disease runs its normal course, as determined by the attending physician or Medical Director.*
- *Be under the care of a physician.*
- *Declines further aggressive or curative treatment.*
- *Reside in King County as required by the Certificate of Need issued by Washington State, or other counties as applicable to current waivers, such as PHE waivers.*
- *Agree to accept Hospice services and be aware of his/her diagnosis and prognosis.*
- *Identify a family member, caregiver, or legal representative who agrees to be the primary support care person.*
- *Wesley Homes Hospice can reasonably meet the identified needs of the patient and loved ones.”*

Patient Rights and Responsibilities

The policy includes the following purpose:

1. *To inform patients of their rights.*
2. *To promote and protect the exercise of the patient’s rights.*

The policy includes the procedure the agency would use to admit a patient and outlines the rights of the patient. The policy also includes the following nondiscrimination language:

“... Be treated with courtesy, respect, privacy, and freedom from abuse and discrimination; be free from mistreatment, neglect, or verbal, mental, sexual, and physical abuse, including injuries of unknown source, and misappropriation of patient property. Right to have property and person treated with respect, consideration and recognition of patient dignity and individuality.”

Nondiscrimination for Admissions and Services

The policy includes the following purpose: *To meet federal and state standards and requirements relative to nondiscrimination in Hospice practices.*

The policy includes the following non-discrimination language:

“As a recipient of Federal financial assistance, Wesley Homes Hospice, LLC does not exclude, deny benefits to, or otherwise discriminate against any person on the grounds of race, color, or national origin, disability or age in admission to, participation in, or receipt of the services and benefits of any of its programs and activities or in the employment therein, whether carried out by the Company directly or through a contractor or any other entity with whom the company arranges to carry out its programs and activities. In accordance with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973 and with the Age Discrimination Act of 1975, it is the policy of Wesley Homes Hospice to admit and treat all persons without regard to age, race, color, creed, national origin, religion, veteran status, socioeconomic status, ability to pay, sex, sexual preference, gender identity or expression, or disability.

Staff assignments will be based on clients' needs, staffing level and availability, without regard to age, race, color, creed, national origin, religion, veteran status, socioeconomic status, ability to pay, sex, sexual preference, gender identity or expression, or disability."

Charity Care Policy

The policy includes the following purpose: *Wesley Homes Hospice is committed to meeting the needs of the patients who seek care, regardless of their financial ability to pay for services provided. Charity care may be provided to patients who are uninsured, underinsured, or determined to be medically indigent.*

The policy also includes the following language: *Wesley Homes Hospice will apply a standard process to identify patients unable to pay for services that would qualify for charitable care.*

Advance Directives

The policy includes the following purpose: *To determine a patient's preferences for health care decisions and honors those wishes and to inform staff of the patient's decisions so they may be honored.*

The policy includes the following language: *Wesley Homes Hospice recognizes that all persons have a fundamental right to make decisions relating to their own medical treatment, including the right to accept or refuse medical care. It is the policy of the agency to encourage individuals and their families to participate in decisions regarding care and treatment. Valid advance directives, such as Living Wills, Durable Powers of Attorney for Health Care, DNR (Do Not Resuscitate), and Physician's Orders for Life Sustaining Treatments (POLST) orders will be followed to the extent permitted and required by law. The agency will not condition the provision of care or otherwise discriminate against an individual based on whether or not the individual has executed an advance directive.*

Terminally Ill Clients

This policy includes the following purpose: *To assure that the needs of patients at the end of life are met with dignity and respect.*

The policy includes the following language: *Wesley Homes Hospice recognizes that the terminally ill patient and their family have unique and individual psychological, emotional and spiritual needs within the home setting. It shall be the goal of the Agency and its staff to provide active support and to ensure respectful, responsible care directed to optimizing the patient's comfort and dignity, while respecting the patient's values, religion and life philosophy.*

To further support its availability to residents of the planning area, Wesley provided the following statements related to this sub-criterion. [source: Application, pdfs 15-16]

"WHH will be available and accessible to the entirety of Pierce County; measured both geographically and by race, ethnicity and special population (i.e.: dementia, Parkinson's and the homeless).

One factor that makes us uniquely qualified to provide care in long-term care settings is our expertise with a number of end-of-life conditions including late-stage dementia and late-stage Parkinson's. Earlier in this application, we provided data showing that these two groups are challenging because their diseases do not follow a normal progression like cancer typically does (making it harder to determine death within six months) and because many of these patients have

multiple co-morbidities. We will market these services in Pierce and strive to enroll early, engage patients and/or families, and bring the expertise to the family to support quality end of life care.

To increase enrollment of traditionally underserved groups, Wesley uses our multicultural staff, Corporation-wide, to train other staff in recognizing and valuing different cultures, including various aging beliefs and rituals surrounding death and dying. These employees are also our ambassadors into their communities. Our staff is incredibly diverse, we have large numbers of first-generation immigrant staff from the Ukraine, Philippines, and Kenya, as well as staff from both Eastern and Western Africa, the Middle East, and a number of Southeast Asian countries. The staff have been invaluable in helping with outreach and supporting Wesley in assuring that culturally sensitive information is available and accessible to these traditionally underserved groups.

WHH has an excellent working relationship with the existing providers in Pierce County; this has been further strengthened by our collaborative work during the PHE over the past two years to assure end of life patients requesting hospice receive quality, timely care. Most of WHH's patients admitted during the waiver period were direct diverts and referrals from the existing hospice providers in Pierce County. WHH's presence to date in Pierce County has not been a duplication of services but served to improve access to hospice services to patients who would otherwise not have received care. WHH plans to continue working collaboratively with existing providers after CN approval as well. These relationships, along with Wesley's growing retirement community presence in Pierce County, has given us great insight into where patient access is currently compromised and which obstacles, if not addressed, will continue to restrict patient access.

Finally, our hospice programming also includes volunteer supported adjunct therapies, including pet, music and massage therapy provided via a strong volunteer network. We also offer a Music and Memory Program for Dementia patients. This not-for-profit program trains caregivers and volunteers to help people in nursing homes and other care organizations, including hospice who suffer from a wide range of cognitive and physical challenges to find renewed meaning and connection in their lives through the gift of personalized music. Because our programs are volunteer based, and even unique (Music and Memory), we are not duplicating existing services."

Wesley provided the following clarification regarding its intended availability for pediatric patients, with additional information on its availability for other underserved groups. [source: March 31, 2023, screening response, pdf 4]

"WHH confirmed with CN program staff during a technical assistance visit during the 2022 Concurrent Review cycle that the Department asks this question to simply confirm whether applicants are available and accessible to provide services to pediatric patients. The answer to this question is yes. If requested and appropriate (per the defined process described in Question 9 below), WHH fully intends to serve a pediatric patient.

Wesley has clearly documented its commitment to serving all hospice patients who desire to be cared for by Wesley, regardless of age, payer, ability to pay or other considerations, including the pediatric population. However, being available and accessible to serve the population is very different than creating a specialized pediatric program.

Excluding violence, trauma, drownings, etc., the volume of children and adolescents under the age of 17 that die in Pierce County annually is very small. An important CN requirement that needs to be considered regarding the pediatric population is whether a proposed project duplicates

services, or harms existing providers. Providence was just recently approved to provide dedicated pediatric services in the County. Wesley conducted a review of the need and determined that at this juncture, another dedicated hospice pediatric program could be detrimental to the development of Providence's program, by reducing already very small volume, and by competing for a very limited workforce (pediatric hospice providers).

Wesley also confirmed with CN program staff during a technical assistance during the 2022 concurrent review cycle that being available and accessible to provide services to pediatric patients and being prepared to serve a patient upon request is a reasonable response.

Beyond pediatrics, the record reflects that Wesley is fully committed to providing services beyond those required by Medicare and to serving underserved populations. In Pierce County, the percentage of Medicare beneficiaries accessing care is lower than the State average, and therefore the general Medicare population is, in itself, an underserved group.

In addition, Wesley is affiliated with the Pacific Northwest Conference of the United Methodist Church, a very inclusive and diverse conference. Its geography spans Washington and Northern Idaho, as well as cultural groups from all parts of the world, including first generation immigrants, many of whom have fled war or poverty in their birth countries in search of a better life here. It prioritizes reducing resistance to equity and justice for people of color and the LGBTQIA+ community, because as people of faith, we are called to be different and model a better way to be for the world. The Apostle Paul writes these words of counsel in 1 Corinthians 16:13-14: 'Stay awake, stand firm in your faith, be brave, be bold. Everything should be done in love.'

Wesley is committed to serving underserved ethnic and minority groups in Pierce County, and our investments in our highly diverse employee base and comprehensive cultural competency and outreach programs is one demonstration of this commitment. We use our existing multicultural staff to train other staff in recognizing and valuing different cultures, including various aging beliefs and rituals surrounding death and dying.

Wesley has an excellent working relationship with the existing providers in Pierce County; this was further strengthened by our collaborative work during the Pandemic to assure end of life patients requesting hospice services received quality, timely care. Most of Wesley's Pierce patients admitted through the COVID waiver period were direct diverts and referrals from the existing hospice providers in Pierce County. Wesley's presence was not a duplication of services but rather served to improve access to hospice services to patients who would otherwise not have received care. These relationships, along with Wesley's growing retirement community presence in Pierce County, has given us great insight into where patient access is currently compromised and which obstacles, if not addressed, will continue to restrict patient access.

As described in our CN application, Wesley is known for and has developed strong expertise in providing hospice services for individuals with Parkinson's disease, Alzheimer's and dementia. Dementia represents one of the fastest growing populations served by hospice. National statistics indicate that dementia is the 6th leading cause of death in the United States. Yet, dementia patients are often challenging to serve in hospice for a number of reasons, including long lengths of stay. The provision of optimal end-of-life care for people living with Parkinson's disease is also challenging because the disease trajectory is longer and less predictable than other progressive illnesses such as cancer. In advanced stages of Parkinson's, patients are more likely to develop comorbidities and complications, such as thrombosis, infections of the lung and urinary tract, and

dementia. To be successfully managed at home, and reduce hospitalization, hospice staff needs to be well trained and available and accessible for both the dementia and Parkinson’s communities. Wesley has been exceptionally successful in supporting these patients and their families.

Finally, our hospice programming includes volunteer supported adjunct therapies, including pet, music and massage therapy provided via a strong volunteer network. We also offer a Music and Memory Program for Dementia patients. This not-for-profit program trains caregivers and volunteers to help people in nursing homes and other care organizations, including hospice, who suffer from a wide range of cognitive and physical challenges to find renewed meaning and connection in their lives through the gift of personalized music. Because our programs are volunteer based, and even unique (Music and Memory), we are not duplicating existing services.

The reality is that WHH does not typically receive hospice referrals for pediatric patients, as, gratefully, the number of pediatric hospice patients in general is extremely small. Consistent with WAC 246-310-230(4): The proposed project will promote continuity in the provision of health care, not result in an unwarranted fragmentation of services, and have an appropriate relationship to the service area's existing health care system. As described earlier in this response, WHH does not intend to offer a dedicated pediatric hospice program, but we will have staff with experience and training in supporting pediatric patients and their families.

If a pediatric patient is referred, the referral will be evaluated for admission according to our established process. This process includes admission upon the recommendation of the Hospice Medical Director, input from the patient’s attending physician, the hospice Interdisciplinary Group, the patient’s family, and appropriate clinical experts. We would also let the family know that there are dedicated pediatric providers in the County. If the family continues to want WHH to provide the services, and further assuming the above processes have been completed, we will be honored to serve the patient.”

Wesley provided a table showing its current and projected payer mix. The table is below. [source: March 31, 2023 screening response, Attachment 2, pdf 54]

Applicant’s Table

Revised Table 5 Current and Projected Payer Mix by County and Payer

Payer Mix	King County		Pierce County		Total Agency		King County		Pierce County		Total Agency	
	% Of Gross Revenue	% By Patient	% Of Gross Revenue	% By Patient	% Of Gross Revenue	% By Patient	% Of Gross Revenue	% By Patient	% Of Gross Revenue	% By Patient	% Of Gross Revenue	% By Patient
Medicare	68.78%	86.11%	94.19%	92.86%	73.30%	87.99%	68.80%	86.11%	68.50%	86.50%	68.69%	86.20%
Medicaid	31.14%	12.96%	5.49%	4.76%	26.58%	10.67%	31.10%	12.96%	30.50%	12.50%	30.90%	12.80%
Commercial	0.08%	0.93%	0.00%	0.00%	0.06%	0.67%	0.10%	0.93%	0.50%	0.50%	0.24%	0.60%
Self Pay, VA, and Tri Care	0.00%	0.00%	0.32%	2.38%	0.06%	0.67%	0.00%	0.00%	0.50%	0.50%	0.17%	0.40%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Wesley provided the following clarification regarding payer mix [source: March 31, 2023 screening response, pdf 11]

“The current payer mix data reflects what WHH experienced in Pierce during the Governor’s Proclamation. When WHH served Pierce County during the PHE, we did not market our services directly to the public, rather, we made ourselves available to existing hospice agencies and other providers to serve patients whose care needs would otherwise not be met or otherwise delayed.

While we accepted all patients (including those whose insurance status was not known at the time of admission), no Medicaid patients were referred to us during the PHE.

Further, and because we did not have CN approval in Pierce County during the PHE, we did not yet have established contracts with skilled nursing facilities for room and board costs for Medicaid patients; and the ability to access nursing homes to discuss contractual relationships during COVID was very restricted.

Consistent with our current operations in King County, we fully expect to accept and serve Medicaid patients in Pierce County upon CN approval.”

AccentCare/Seasons Public Comment [source: Comment Packet, distributed June 1, 2023, pdfs 61, 63]

“Overall, the Wesley proposal does not focus on the needs of Pierce County residents; rather, it acts as an extension of an existing facility in King County. It further limits access to terminally ill young adults and children, while focusing on the needs of seniors within affiliate retirement communities, typically those age 75 and older.

Wesley Homes identifies on page 7 of the application that it will serve adult populations. When asked about serving pediatric patients (Screening Question 8), the response is “The answer to this question is yes. If requested, and appropriate ... WHH fully intends to serve a pediatric patient.” In response to Screening Question 9, Wesley Homes responds, “WHH does not intend to offer a dedicated pediatric hospice program, but we will have staff with experience and training in supporting pediatric patients and their families.” However, there is a distinction between providers that simply accept pediatric patients when they present for care and those that have specialized staff available to market this service to the community and work with children’s specialty hospitals, Neonatologists, and Pediatricians serving children with life limiting illnesses. Not having a pediatric hospice and palliative care program, such as that proposed by Seasons Pierce County, does not improve access to the pediatric population.”

EmpRes/Eden Public Comment [source: Comment Packet, distributed June 1, 2023, pdfs 20-21]

Eden: *Wesley states that it uses employees to serve as unpaid ambassadors to potential underserved patients for their hospice program of care. In regard to underserved populations, Wesley’s financial information for King County and Pierce County from 2020 through 2022 shows no expenditures for charity care. The Wesley Charity Care policy does not include objective allocation criteria such as “100% discount of out-of-pocket costs for individuals and families with income less than 200% of Federal Poverty Level (FPL) or costs exceeding a percentage of monthly income, but instead just identifies the parameters for consideration for granting charity care. Normally, the CoN Program performs a rigorous review of each applicant’s charity care and admissions policy, which assures that any new agency will make hospice care available to hospice patients regardless of income or financial status. Wesley did not provide any charity for three years – 2020, 2021 and 2022. Yet from 2023 – 2026 Wesley shows an abrupt change in that trend offering 1% to charity care. By 2026 Wesley shows \$24,594 in charity care. For comparison’s sake, in 2026 Eden anticipates at least \$40,091 in charity care.*

Page 5 of Wesley’s application states “because as people of faith, we are called to be different and model a better way to be for the world. The Apostle Paul writes these words of counsel in 1 Corinthians 16:13-14: “Stay awake, stand firm in your faith, be brave, be bold. Everything should be done in love.”. Given that charity reflects Wesley’s above stated ideology and philosophy, it is reasonable to expect a clear and detailed charity care policy. It is also reasonable to expect that

Wesley would have a record of providing charity care over the last three years. Instead, Wesley did not provide charity care to even one hospice patient and its charity care policy provides no objective criteria. Eden is not challenging Wesley's charity care policy since Wesley agrees to change its policy if the Department finds it lacking; but notes that disparity due to low income among underserved populations has not been addressed by Wesley in a 3-year period.

On page 15 of the Wesley Application, the Program question #6 asked: Identify how this project will be available and accessible to under-served groups. Wesley's identified the underserved as late-stage dementia and Parkinson's patients. However, late-stage dementia and Parkinson's patients do not define an underserved population because most hospices serve Parkinson's patients. The Eden application also identified that it would serve long-term convalescent care nursing home and assisted living center patients many of whom are late-stage dementia patients. Eden estimated the size of the long term convalescent care nursing home population. It did not estimate the size of the assisted living center population because many hospices serve this population cohort, which also includes late stage dementia patients.

Wesley's Screening Response (see page 15), also identified the underserved as the "general Medicare population in Pierce County" because "the percentage of Medicare beneficiaries accessing care is lower than the State average." This conclusion may have been presented for dramatic effect; but if it were met to qualify for an exception identifying the overall population as being underserved, demonstrates a misunderstanding of the definition of "underserved" in Certificate of Need rules as related to approving a Certificate of Need under the exceptions policy.

Page 10 of Wesley's application states: "we are aware that a number of ethnic and minority groups use hospice at lower levels or are otherwise underserved by hospice" and then offers information about its multicultural staff – but it remains unclear as to what Wesley's defines as "underserved". Generally, hospice CON applications include information about the underserved population it plans to serve and includes at least some data regarding veterans, minority groups and other disadvantaged populations to which the applicant hopes to respond. Yet, despite a direct Screening Question regarding the "underserved" population, Wesley's response provided no substantive analysis of underserved populations that it expected to serve.

Assumptions were not identified or explained to support its pro forma volume projections. In Screening, the Program asked Wesley to: "provide the market share assumptions used to project the utilization of hospice services provided in Table 2 and 3 on pages 12 and 13". Like AccentCare, Wesley did not provide an evidence-based analysis that identified the size of each population cohort that Wesley would serve and then provide the share of that population that would utilize Wesley. Instead, Wesley stated: "we did not develop our volume estimates by establishing an assumed market share, rather we estimated admissions and patient days based on our understanding of, and experience in the market; and only after that..." In this response, the Department cannot even determine if Wesley's experience and understanding is of the King County or the Pierce County hospice market which Wesley served for a brief period.

The Department is left to conclude by this approach that Wesley will only serve residents of its existing programs since no information on other populations or outreach approaches is provided. With undocumented volume projections of need and the pro forma volume, the only reasonable conclusion is that Wesley will serve only its existing programs that will result in only 46% of the expected proxy volume that the Department would allocate for a new agency within three years.

This low volume does not address the general, Pierce County projected need let alone address Wesley's conclusion about disparity affecting an additional 510 eligible hospice patients."

Wesley Rebuttal Comment [source: Rebuttal Packet, distributed July 3, 2023, pdfs 138-142, 146-147]

"It is accurate that persons with conditions such as dementia and Parkinson's are a niche area for Wesley, and one of the special populations identified. Serving a particular population, whether it be a condition (such as dementia) or a location (long term care facilities) in no way means that Wesley is unable or unwilling to address a pediatric population.

Retirement Community Residents:

Wesley addressed the inaccurate claim that our program focuses on "seniors within affiliate retirement communities" in its response above to Eden's similar comment.

Pediatrics:

Wesley has documented its commitment to serving all hospice patients who desire to be cared for by Wesley, regardless of age, payer, or other considerations, including the pediatric population. However, being available and accessible to serve the population is very different than creating a specialized pediatric program. As previously documented, excluding violence, trauma, drownings, etc., the volume of children and adolescents under the age of 17 that die in Pierce County annually is, gratefully, very small. An important CN requirement that needs to be considered regarding the pediatric population is whether a proposed project duplicates services, or harms existing providers. Providence was recently approved to provide dedicated Pediatric services in the County. Wesley conducted a needs analysis and determined that at this juncture, another dedicated hospice pediatric program would undermine the development of Providence's program, by reducing very small volume, and by competing for a very limited pediatric hospice workforce.

The Department confirmed that Wesley's approach to the pediatric population, the general population and the underserved population in Pierce County overall meets the CN criteria, determining in its 2022 decision, where it wrote:

Wesley confirmed it would provide pediatric hospice services if requested and acknowledged it submitted a revised Admission Policy within its screening responses that deleted the age limitation of 18 years and older. Wesley also noted that the percentage of pediatric hospice patients is small, therefore, Wesley does not intend to establish a dedicated pediatric hospice program with separate policies and procedures and dedicated pediatric staff. Information provided in the application, screening response, and rebuttal demonstrate that Wesley intends to be available and accessible to all residents of the service area regardless of age.

*Based on the information above the department concludes that Wesley's application demonstrates **all residents of the service area will be accepted for services**, regardless of the ability to pay, **age**, and diagnosis. The department concludes that **this sub-criterion is met.***

National data demonstrates that dementia is the sixth leading cause of death in the United States and represents one of the fastest growing populations served by hospice; yet dementia patients are often challenging to serve in hospice for a number of reasons, including long lengths of stay. The provision of optimal end-of-life care for people living with Parkinson's disease is also challenging because the disease trajectory is longer and less predictable than other progressive illnesses, such as cancer. In advanced stages of Parkinson's, patients are more likely to develop co-morbidities and complications, such as thrombosis, infections of the lung and urinary tract, and dementia.

To be successfully managed at home, and reduce hospitalization, hospice staff need to be well trained, available, and accessible, for both the dementia and Parkinson's communities. Wesley has been exceptionally successful in supporting these patients and their families. Publicly reported data supports Wesley's focus on this underserved population. Fifty-four percent of Wesley's patients have a diagnosis of dementia. In comparison, for the other King and Pierce County providers (for which there is publicly reported data), the percentage of patients with dementia ranges from a low of 4% to a high of 32%. So, yes, Wesley is strongly committed to serving patients with dementia and Parkinson's and the benefits to the community are evident in the letters of support submitted during the public comment period.

Wesley also clearly identified several other underserved populations that it supports. Wesley identified the same underserved populations in its 2022 application, and the Department agreed that Wesley appropriately demonstrated a commitment to the underserved

Eden claims that Wesley's reliance upon the numeric need for an additional agency as being sufficient to support approval of their agency is somehow not adequate. For background, after reviewing the appeal of a 2017/2018 CN application for Snohomish County in which an applicant, which per the CN analysis "put forth a compelling argument" about the underserved and its ability to outreach and bring them into hospice was denied for projecting more than the methodology's protected target year ADC. Wesley requested a Technical Assistance (TA) meeting with the Department. The purpose of the TA was to understand how to quantify the underserved (which by design of the methodology are not included in the future ADC need estimates) and still stay within the methodology's census projections. Department staff advised us to be conservative, and discuss underserved populations at a high level, but not to quantify or otherwise assume a County hospice census higher than the methodology identifies. We have abided by this guidance, and so our discussion of underserved remains higher level and our estimated census remains purposefully conservative.

Wesley approached its CN application through the guidance of the TAs offered through the Department, and our 2022 CN application met all standards related to general CN criterion and superiority criteria related to special populations and breadth and depth of services. This Eden comment is without merit.

Despite our conservative approach, Wesley has demonstrated commitment to the underserved. For example, during our COVID expansion into Pierce, 100% of the patients we admitted during the early months were direct diverts and referrals from the existing Pierce County hospice providers. Wesley's presence served to improve access to hospice for patients who would otherwise not have received care (see the letter from MultiCare submitted during public comment). Wesley's collaborative relationships with existing Pierce providers were enhanced during the Pandemic. This factor, along with the growing retirement community presence in Pierce County, has given Wesley great insight into where patient access is currently compromised and which obstacles, if not addressed, will continue to restrict patient access.

In terms of other underserved populations, Wesley's record identifies:

- In Pierce County, the percentage of Medicare beneficiaries accessing care is lower than the State average, and therefore the general Medicare population is technically underserved.*

- *Wesley's commitment to serving underserved ethnic and minority groups in Pierce County, and its investments in our highly diverse employee base, comprehensive cultural competency, and outreach programs. Wesley is physically based in some of the most diverse communities in the state. For example, our Des Moines campus sits at the confluence of the Highline, Tukwila, Kent, and Federal Way school districts. Each of these school districts report no less than 80 different languages spoken at home for their students; in the Federal Way School District, that number is 120. The Wesley staff reside in these communities, and we embrace the respective cultures. Wesley also strives to learn from its staff's lived experiences and insights and use them to train other staff in recognizing and valuing different cultures, including various aging beliefs and rituals surrounding death and dying.*
- *Wesley's affiliation with the Pacific Northwest Conference of the United Methodist Church, a very inclusive and diverse conference. Its geography spans Washington and Northern Idaho, as well as cultural groups from all parts of the world, including first generation immigrants, many of whom have fled war or poverty in their birth countries in search of a better life here. The church prioritizes reducing resistance to equity and justice for people of color and the LGBTQIA+ community because as people of faith, we are called to be different and model a better way to be for the world. The Apostle Paul writes these words of counsel in 1 Corinthians 16:13-14: "Stay awake, stand firm in your faith, be brave, be bold. Everything should be done in love." Wesley's senior ministry lives by this counsel.*

In the 2022 Pierce County hospice concurrent review decision, the Department acknowledged Wesley's commitment to the underserved and its intent to be available and accessible to all residents of Pierce County. The decision found:

Wesley acknowledges that serving patients with conditions such as dementia and Parkinson's is a niche area for Wesley and one of the special populations identified in the application. Wesley provided statements and referred to documentation in the application to support its availability to underserved groups, including ethnic and minority groups, LGBTQIA, people of color, and patients valuing different cultures with various aging beliefs and rituals surrounding death and dying. Wesley provided discussion regarding its plan to serve these underserved patients, including its multicultural staffing of the hospice agency. The information provided demonstrates Wesley's intent to be available and accessible to all residents of Pierce County.

Consistent with WAC 246-310-290(13), the applicant provided statements within the application confirming that the new agency would provide Medicare and Medicaid hospice services to Pierce County in its entirety.

It also found Wesley met all requirements and was awarded a superiority point for WAC 246-310-290 (11) (a) (ii) specific populations including and not limited to, pediatrics; (iii) Minimum impact on existing programs; and (iv) Greatest breadth and depth of hospice services.

Wesley consistently provides charity care and has not and will not turn away patients due to an inability to pay. It is true that in its historical financials, the cost of charity care is not a deduction from revenue. This is because Wesley does not send bills for payment to individuals or their families who have been identified as unable to pay; there is no attempt to collect revenue in these instances. In preparing this rebuttal, Wesley's staff reviewed records and confirmed that charity

care occurred with approximately 1% of patients between 2020 and 2022. The cost of providing this care is included in the specific line items in the financials (staffing, supplies, travel, etc.). Because Wesley does not generate a bill or attempt to collect revenue, there is no GAAP or other requirement mandating that we should have treated this any differently.

In Wesley's pro forma, it was acknowledged that a CN award will require different treatment and charity care was identified as a deduction from revenue. Wesley had the same treatment of charity care (historical financials vs. pro forma) in its 2022 CN, and the Department found that it met all requirements of WAC 246-310-220. As noted in its CN filing, Wesley is glad to agree to a condition placed on its CN award requiring that it provide the level of charity care accounted for in its pro forma and that it is accounted for as deductions from revenue.

The Department's 2022 concurrent review decision found that Wesley's charity care meets CN requirements. The decision determined:

If this project is approved, Wesley anticipates its combined Medicare and Medicaid revenues for the existing hospice agency will be approximately 99% of its total revenues— 74% Medicare and 25% Medicaid. The financial data provided in the application shows revenues for both Medicare and Medicaid patients and includes deductions from revenue for charity care.

The Admission Policy (Admission Criteria) describes the criteria for admission and the procedure Wesley would use to admit a patient to its hospice agency. The policy includes language to ensure all patients will be admitted for treatment without discrimination.

Both the Patient Rights and Responsibilities Policy and the Nondiscrimination for Admission and Services document also include language to ensure all patients will be admitted for treatment without discrimination.

The Charity Care Policy includes nondiscrimination language and outlines the documentation necessary to obtain charity care and includes the process used by the agency to determine qualification for charity care.

Based on the information above the department concludes that Wesley's application demonstrates all residents of the service area will be accepted for services, regardless of the ability to pay, age, and diagnosis. The department concludes that this sub-criterion is met."

Department's Evaluation

Wesley proposes to provide Medicare and Medicaid hospice services to the residents of Pierce County through its existing King County agency. For this reason, all policies and procedures for the hospice agency are already in place.

The Admission Policy (Admission Criteria) describes the criteria for admission and the procedure Wesley would use to admit a patient to its hospice agency. The policy includes language to ensure all patients will be admitted for treatment without discrimination

Both the Patient Rights and Responsibilities Policy and the Nondiscrimination for Admission and Services document also include language to ensure all patients will be admitted for treatment without discrimination.

The Charity Care Policy includes nondiscrimination language and outlines the documentation necessary to obtain charity care and includes the process used by the agency to determination qualification for charity care.

Given that Wesley previously provided hospice services to the residents in Pierce County under the Governor’s proclamation, Wesley provided its historical payer mix during the public health emergency and projected payer mix for Pierce County. The historical payer mix shows approximately 93% of its patients are Medicare and none for Medicaid. In response to screening, Wesley clarified that the agency was not marketed to the public for Pierce County residents. Rather, the agency’s availability was marketed to existing agencies and other providers to serve patients whose care needs would otherwise not be met or delayed. No Medicaid patients had been referred to Wesley. This explanation of the zero percentage of Medicaid patients currently experienced for Pierce County is logical.

If this project is approved, Wesley anticipates its combined Medicare and Medicaid revenues for the expanded hospice agency will be approximately 99% of its total revenues—68.5% Medicare and 30.5% Medicaid. The financial data provided in the application shows revenues for both Medicare and Medicaid patients and includes deductions from revenue for charity care.

During public comment, AccentCare expressed concerns suggesting Wesley may not be available to provide hospice services for pediatric patients. In rebuttal, Wesley confirmed it would provide pediatric hospice services if requested. Wesley also noted that the percentage of pediatric hospice patients is small, therefore, Wesley does not intend to establish a dedicated pediatric hospice program with separate policies and procedures and dedicated pediatric staff. Information provided in the application, screening response, and rebuttal demonstrate that Wesley intends to be available and accessible to all residents of the service area regardless of age.

EmpRes/Eden submitted public comment on this criterion as well, expressing concerns regarding Wesley’s ability to broadly serve underserved groups, as well as its historical acceptance of charity care. In rebuttal, Wesley confirmed its commitment to the provision of charity care and clarified the presence of charity care within its submitted historical financials. Wesley also confirmed a commitment to specific underserved groups in rebuttal, reiterating its accounting for those groups throughout its application and screening response.

Wesley provided additional statements and referred to documentation in the application to support its availability to underserved groups, including ethnic and minority groups, the LGBTQIA+¹⁹ community, people of color, and patients valuing different cultures with various aging beliefs and rituals surrounding death and dying. Wesley provided discussion regarding its plan to serve these underserved patients, including its multicultural staffing of the hospice agency. The information provided demonstrates Wesley’s intent to be available and accessible to all residents of Pierce County.

¹⁹ Lesbian, gay, bisexual, transgender, queer, intersex, asexual, and other sexual identities.

WAC 246-310-290(13)

Consistent with WAC 246-310-290(13), the applicant provided statements within the application confirming that the new agency would provide Medicare and Medicaid hospice services to Pierce County in its entirety.

Based on the information above the department concludes that Wesley's application demonstrates all residents of the service area will be accepted for services, regardless of the ability to pay, age, and diagnosis. The department concludes that **this sub-criterion is met.**

AccentCare, Inc. dba Seasons Hospice & Palliative Care of Pierce County Washington, LLC

In response to this sub-criterion, the applicant provided a copy of the following policies.

Hospice Patient Bill of Rights – Draft [source: Application, Exhibit 17]

Stated purpose: *To ensure patients, caregivers and staff are aware of the Bill of Rights.*

This policy details its regulatory references, the agency's procedure to ensure staff and volunteers are trained regularly on patient rights, procedure to ensure that patients and their representatives are aware of their rights, outlines rights and responsibilities for patients and families, includes non-discrimination language, notification details, and state-specific requirements, which includes Washington State.

Availability of Services – Acceptance, Admission, Ongoing and Discharge – Executed [source: Application, Exhibit 17]

Stated purpose: *To ensure uniform quality of patient care and service for all patients throughout the organization and to ensure that patients have access to the resources they need to meet their health care needs.*

This policy outlines the procedures to be used to ensure hospice services are available when needed, and also includes the following policy statement: *It is the policy of this agency that all patients, regardless of race, color, religion, age, gender, sexual orientation, disability (mental or physical), communicable disease, or place of national origin have the right to receive the same quality of care throughout the organization and to have access to the home health resources they need to meet their health care needs.*

Section 504: Non-Discrimination & Grievance Procedure – Executed [source: Application, Exhibit 17]

Stated policy: *This agency does not discriminate based on disability and follows an internal grievance procedure providing prompt and equitable resolution of complaints alleging any action prohibited by Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) or the U.S. Department of Health and Human Services regulations implementing the Act.*

Any person who believes she or he has been subjected to discrimination based on disability may file a grievance under this procedure. It is against the law to retaliate against anyone who files a grievance or cooperates in the investigation of a grievance.

The policy includes its references, definition, procedure, contact information, and the following non-discrimination language. *For the purposes of complying with the rules and regulations set forth and enforced by the Office for Civil Rights, this agency informs the public, patients, and*

employees that the agency does not discriminate on the basis of age, disability, national origin, ancestry, gender, gender identity and/or expression, sexual orientation, or source of payment.

Admission Criteria and Process – Draft [source: Application, Exhibit 17]

Stated policy: AccentCare shall admit a patient with a terminal illness that meets the admission criteria without discrimination on the basis of age, disability, national origin, ancestry, gender, gender identity, and/or expression, sexual orientation, or source of payment.

In addition, patients shall be accepted for care based on the need for hospice services, and a reasonable expectation that the patient's hospice care needs can be adequately met in the patient's place of residence within the organization's financial and service capabilities, mission, and applicable law and regulations.

Stated purpose: To establish standards and a process by which a patient can be evaluated and accepted for admission within 24 hours of the inquiry unless the patient, family, referral source, or physician/provider requests a later date.

This policy includes its regulatory references, purpose, non-discrimination language, procedure, admission criteria and assessment eligibility, purpose of initial visit, and state-specific information.

Indigent and Charity Care Policy – Executed [source: March 31, 2023, screening response, Attachment 3]

Stated purpose: To provide guidelines to be considered when establishing patient eligibility for uncompensated or discounted services for uninsured or underinsured indigent and charity patients.

The policy includes its regulatory references, outlines the process one would use to access charity care or financial assistance, eligibility requirements, and state-specific information.

Discharge from Hospice Program – Draft [source: Application, Exhibit 17]

Stated purpose: To establish standards and a process by which patients are discharged from the hospice program.

This policy includes its regulatory requirements, discharge criteria, procedure, state-specific information, and a summary.

Contracts for Clinical Services – Executed [source: Application, Exhibit 17]

State purpose: To ensure the provision of clinical services and maintain an adequate number of qualified professionals to provide professional services.

This policy includes its regulatory references, purpose, and procedure.

Interdisciplinary Group Membership and Responsibilities – Executed [source: Application, Exhibit 17]

Stated policy: The interdisciplinary group will engage with patients and families to ensure that the care and services provide respect and respond to individual preferences and goals of the terminally ill individuals and the needs of their families.

When there is more than one (1) interdisciplinary group, the hospice will designate in advance the group responsible for program oversight and the establishment of policies that govern the day-to-day provision of hospice care and services.

Stated purpose: *To define the membership and responsibilities of the interdisciplinary group.*

This policy includes its regulatory references, purpose, procedure, the staff associated with the interdisciplinary groups, their functions, and the coordination of care processes.

In addition to the policies discussed above, AccentCare provided several other policies discussing patient-care issues such as incident and adverse event reporting, natural disasters/emergencies, emergency management, plan of care, and advance directives as well as internal policies governing staff hiring, conduct, training, and policy development, among others. While not separately discussed here, all policies were reviewed as part of this evaluation process.

AccentCare provided the following projected payer mix for the Pierce County hospice services. [source: March 31, 2023, screening response, Attachment 4]

**Department’s Table 5
Seasons Hospice & Palliative Care of Pierce County Washington, LLC
Projected Payer Mix**

Payer	Percent of Gross Revenue	Percent of Patient Days
Medicare	27.3%	27.3%
Medicare Managed Care	63.7%	63.7%
Medicaid	1.0%	1.0%
Healthy Options (BHP)	2.0%	2.0%
Charity Care	1.0%	1.0%
Private Pay	1.5%	1.5%
Third Party Insurance	3.0%	3.0%
Champus, VA	0.5%	0.5%
Total	100.0%	100.0%

The applicant provided the following information regarding assumptions used to determine the projected payer mix above.

“This is based on the past experience of similar hospice agencies.” [source: Application, pdf 80]

“The payer mix in Table 27 is based off of AccentCare’s experience around the country as stated in Exhibit 18 on page 874 of the application. However, Medicare and Medicare Managed Care are broken out separately as 27.3% and 63.7%, respectively, to total 91%, with the remaining categories matching Table 27 exactly. This payor mix is also consistent with AccentCare’s January 2022 application to provide hospice services in Pierce County.” [source: March 31, 2023, screening response, pdf 8]

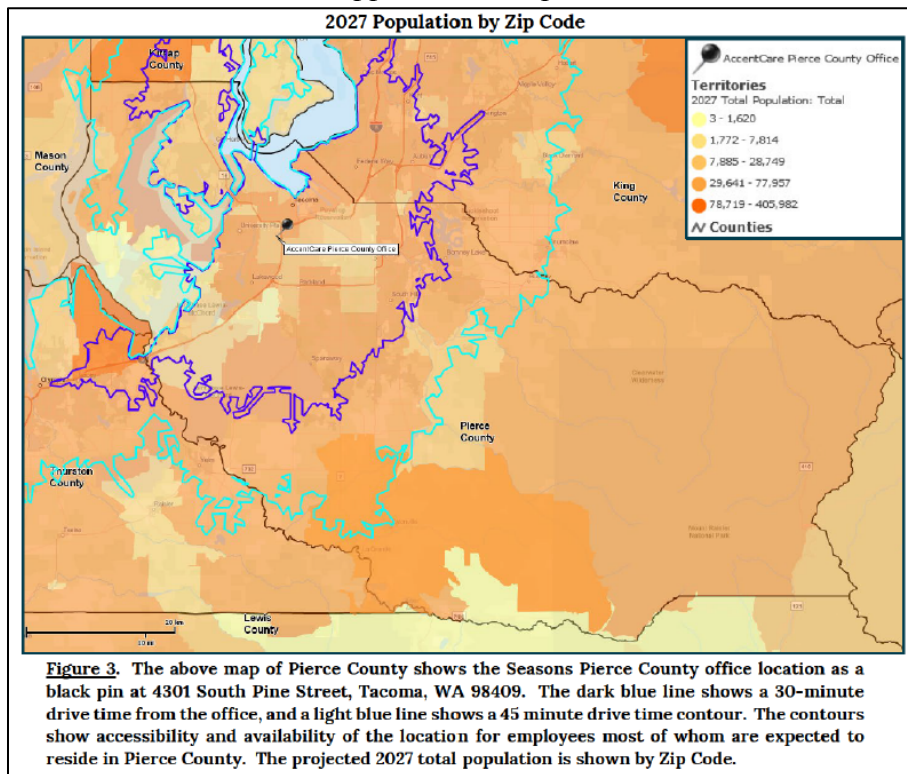
WAC 246-310-290(13) Any hospice agency granted a certificate of need for hospice services must provide services to the entire county for which the certificate of need was granted.

The applicant stated that the new hospice agency would be available to all residents of the service area as required by WAC 246-310-290(13) and provided the following specific information regarding its availability.

“Seasons Pierce County will serve all residents of Pierce County, regardless of location within the county. The proposed agency will establish its office proximate to the most populous areas of Pierce County to ensure availability and accessibility to the entire geography of the county. Enrolled patients receive hospice services in their own homes.

...
To demonstrate accessibility, the figure that follows shows the location of the home office on a map with 30 minute and 45- minute drive time contours around it. The contours establish the feasibility of staff being able to access the home office for meetings, in-service training, care team conferences and medical records. The location allows an access point to the majority of the population, as indicated in the map. Specifically, the map shows the projected 2027 population by Zip Code. The 30-minute drive-time contour captures 87.3% of the total population in Pierce County, while the 45-minute drive-time contour captures 95.3%, documenting accessibility of the proposed program. This map utilizes data from the Claritas 2022- 2027 population estimates, which can be found in Exhibit 7.” [source: Application, pdfs 16-17]

Applicant’s Graphic



Public Comment

The department received comment on AccentCare’s project related to this sub-criterion. Following is an excerpt from this comment.

Megumi Azekawa, MM, MT-BC, Founder & Director, Puget Sound Music Therapy, LLC [source: Comment Packet, distributed June 1, 2023, pdfs 44-45]

“...I am very aware of the multitude of needs that we are facing in our neighborhoods. AccentCare does immersive research to understand our community needs, and proposing [sic] to provide support with an acute awareness of how they can help.

We have a large LGBTQ+ community in Tacoma and those facing end-of-life services do require specific support. AccentCare is partnered with SAGE - Advocacy Services for LGBTQ+ Elders and is a platinum certified provider. They put in the work to understand this population and each staff member in AccentCare goes through training with SAGE to increase their knowledge and understanding of how better to serve them. This would be a huge benefit to our LGBTQ+ neighbors, to know they will be supported and taken care of by their allies.

AccentCare also puts a large amount of funding through the Seasons Hospice Foundation to address the needs of the unhoused population. There is a big need in Pierce County, as there is in King County, for those living on the street to be given the support and care they need. AccentCare partners with organizations in the communities they serve to ensure people who are living on the streets will have proper hospice care and a chance to die with dignity. This is a simple human right and AccentCare is making this a priority. This is the kind of organization we want to work alongside.

I am also a big fan of AccentCare's Namaste program. This program was established as a part of AccentCare hospice services to support those suffering from dementia and Alzheimer's. This is a unique person-centered care that provides detailed attention to personal care. This experience enhances the quality of life for those participating in the service and provides an enhanced humanized opportunity to feel taken care of when these patients aren't able to speak for themselves.

In addition to all of these services, AccentCare also offers music therapy, and still remain the largest employer of music therapists in the nation. Offering music therapy to patients and families during a sensitive and unique time in their lives can change a painful experience into a special one.

As you can see from the extensive list of programs and services AccentCare offers, they would be an amazing addition to our community. Please consider the incredible work they do and how they would raise the bar in hospice care in Pierce County.”

Department Evaluation

The applicant is CN-approved and licensed to provide home health and hospice services in Washington State. As of the writing of this evaluation, however, none of its agencies are Medicare and Medicaid-certified nor CN projects completed.

The draft Admission Criteria and Process Policy describes the process, criteria, and eligibility requirements that would be used to admit a patient to its proposed hospice agency. The policy includes extensive language to ensure all patients would be admitted for treatment without discrimination. The Admission Criteria and Process Policy and documentation provided in the application are clear that the proposed hospice agency would be available to all residents of the services area, including pediatric patients.

The applicant also provided a copy of its executed Indigent and Charity Care Policy that will be used for its Pierce County hospice agency. The policy provides the circumstances that a patient may qualify for charity care and the associated eligibility requirements. The pro forma financial statements provided by AccentCare include charity care as a deduction of revenue.

AccentCare also provided an executed Section 504: Non-Discrimination & Grievance Procedure Policy that demonstrates its intent to be available and accessible to all residents of Pierce County. The policy includes non-discrimination language and the process one would use to file a grievance.

Other executed policies provided in the application related to hospice services include Availability of Services – Acceptance, Admission, Ongoing and Discharge Policy, Contracts for Clinical Services Policy, and Interdisciplinary Group Membership and Responsibilities Policy. Additional draft policies disclosed include Hospice Patient Bill of Rights Policy, and Discharge from Hospice Program Policy. All policies provide detailed information.

The applicant anticipates its Pierce County agency’s combined Medicare and Medicaid revenue to be 92% of total revenues and commercial/other to make up the remaining 8% of revenue. The applicant also provided pro forma financial statements that show each of these revenues are anticipated in projections for the hospice agency. These percentages of revenues are not expected to change over time.

The department received public comment supporting AccentCare’s project related to this sub-criterion. The comment described the “...*multitude of needs that we are facing in our neighborhoods...*” and discussed how the proposed agency’s programs would meet these specific needs.

WAC 246-310-290(13)

Consistent with WAC 246-310-290(13), the applicant provided statements within the application confirming that the new agency would provide Medicare and Medicaid hospice services to Pierce County in its entirety.

If this project is approved, the department would condition the approval requiring AccentCare to provide the department with copies of the policies which are currently drafts to the department as final versions. Based on the information above and with agreement to this condition, the department concludes that the AccentCare project **meets this sub-criterion**.

EmpRes Healthcare Group, Inc. dba Eden Hospice at King County, LLC

In response to this sub-criterion, EmpRes/Eden provided a copy of the following policies. [source: Application, Appendices F-I, Appendix M and April 13, 2023, screening response, Attachment 13]

Non-Discrimination Policy

The policy includes the following purpose: *To prevent Eden Health staff from discriminating against other staff members, patients, clients or other customers based on race, color, religion, age, sex, sexual orientation, disability, or place of national origin in compliance with federal and state regulations.*

The policy includes the following non-discrimination language:

“1. According to Title VI of the Civil Rights Act of 1964 and its implementing regulation, Eden Health will, directly or through contractual or other arrangement, admit, and treat all persons

without regard to race, color, religion, sex, sexual orientation, disability, or national origin in its provision of services and benefits, including assignments or transfers within facilities.

2. According to Section 504 of the 1973 Rehabilitation Act and its implementing regulations, Eden Health will not, directly or through contractual or other arrangements, discriminate based on disability (mental or physical) in admissions, access, treatment, or employment.

3. According to the Age Discrimination Act of 1975 and its implementing regulation, Eden Health will not, directly or through contractual or other arrangements, discriminate based on age in the provision of services unless age is a factor necessary to the normal operation or the achievement of any statutory objective.

4. According to Title II of the American with Disabilities Act of 1990, Eden Health will not, based on disability, exclude or deny a qualified individual with a disability from participation in, or benefits of, the services, programs, or activities of Agency.

5. Eden Health complies with state specific regulations related to discrimination.

Eden Health provides patient services without regard to race, color, religion, age, sex, sexual orientation, disability (mental or physical), or place of national origin.”

Admission Policy

The policy includes the following purpose: To keep acceptance of patients consistent with Eden Hospice’ mission and scope of services based on the reasonable expectation that the patient’s care and service needs can be appropriately and safely met in the patient’s place of residence.

The policy includes the following language regarding admission.

“Patients with a terminal illness are accepted for care and services who meet the eligibility criteria listed below:

a. The physician is willing to sign or get another physician to sign the death certificate upon the patient's death. The physician discusses the patient’s resuscitation status with the patient, family, or caregiver.

b. The patient identifies a family member, a caregiver, or a legal representative who agrees to be a primary support care person. Terminally ill patients (who are currently independent in activities of daily living) without an identified support person require the development of a specific plan for the future need of a primary support person. Staff discuss and plan for this at time of admission.

c. The patient has a life-threatening illness with a life expectancy of six months or less, as determined by the attending physician and Hospice Medical Director.

d. The patient wants hospice services and is aware of his/her diagnosis and prognosis.

e. The focus of the care wanted is palliative versus curative.

f. The patient, family, or caregiver agrees to participate in the plan of care and signs the Hospice Consent Form.

- g. *The patient, family, or caregiver understands and agrees that the Agency primarily provides care at home.*
- h. *The physical facilities and equipment in the patient's home are adequate for safe and effective care.*
- i. *The patient resides within the Agency's geographical area.*
- j. *Hospice does not base eligibility for participation on the patient's race, color, creed, sex, age, disability (mental or physical), communicable disease, or place of national origin.*
- k. *The patient meets the eligibility criteria for Medicare, Medicaid, or private Hospice benefit.*
- l. *In order to be eligible to elect hospice care under Medicare, the patient is:*
 - i. *Entitled to Part A of Medicare; and*
 - ii. *Certified as being terminally ill.*
- m. *The Agency accepts patients based on their care needs. The Agency considers the adequacy and suitability of staff and the resources required to provide the service. A reasonable expectation exists that the Agency can adequately take care of the patient at home.*
- n. *The Agency accepts patients based on a patient's ability to pay for hospice services, either through state or federal assistance programs, private insurance, personal assets or the Eden Hospice charity care program. Refer to policy: HOPP 2023 Charity Care Policy.*
- o. *The Agency reserves the right to refuse patients who do not meet the admission criteria and refers patients to other resources.*
- p. *For Medicare patients, the physician is willing to provide a face-to-face encounter and the required written orders for care and/or services.*
- q. *Payment Method: Eden Hospice accepts most private healthcare insurance (please refer to the Agency brochure for further details), Medicare, and Medicaid."*

Charity Care Policy

The policy includes the following language:

- "1. Patients will not be refused admission based on ability to pay and may be eligible for charity care at the time of admission to Eden Hospice or during the period when they receive hospice services, consistent with the Income Guidelines set out below.*
- 2. Eden Health staff notify patients of the option for charity care as the need is identified. Notification may occur in person, via telephone or mail/e-mail.*
- 3. Admitted patients can appeal charity care determinations according to the Patient Concerns and Grievances policy.*
- 4. Eligibility for charity care under this policy is at all times contingent upon the patient's cooperation with the application process, including the timely submission of all information that Eden Hospice deems necessary or appropriate to enable it to make a charity care determination.*

5. Patients' eligibility for free or discounted care is based on household income and family size as identified in Exhibit 1, which is updated annually, and is based on eligible services.

- Income Level of 200% or less — 100% discount level
- Income Level of 201% to 300% — 75% discount level
- Income Level of 301% to 400% — 50% discount level"

Washington Patient Bill of Rights

The policy outlines the rights of the patient. The policy also includes the following nondiscrimination language:

"Patients have the right to:

... Be treated with courtesy, respect, and privacy;

Be free from verbal, mental, sexual, and physical abuse, neglect, exploitation, discrimination, and the unlawful use of restraint or seclusion;"

To further support its availability to residents of the planning area, EmpRes/Eden provided the following statements related to this sub-criterion. [source: Application, pdf 36]

"Eden commits to serving the entire planning area Eden has available nursing staff in Pierce County associated with the Eden home health agency and has recruited the senior management positions that will direct hospice services in Pierce County as well as King County.. Eden also will provide Pediatric hospice services consistent with the November 29th, 2022 Department of Health e-mail memorandum.

The response to Question 4 provided a comprehensive approach to the strategy and actions that Eden will initiate to reduce disparity in availability and accessibility to under-served groups."

EmpRes/Eden provided a table showing its projected payer mix. The table is below. [source: April 14, 2023 screening response, Attachment 7, pdf 86]

Applicant's Table

PAYER MIX				
Medicare	90%	90%	90%	90%
Medicaid	5%	5%	5%	5%
Commercial/Other	5%	5%	5%	5%
TOTAL	100%	100%	100%	100%

EmpRes/Eden provided the following clarification regarding payer mix [source: Application, pdfs 41-42, and April 14, 2023 screening response, pdfs 8-10]

"Payer mix prior to operation is based on the outreach plan for Pierce County which relies on reaching out to convalescent (non-skilled) nursing home residents who are eligible for hospice support. These hospice patients are primarily Medicare patients. In terms of the overall payer mix, since Medicaid pays approximately 91% of Medicare rates and commercial insurance pays approximately 80% of Medicare rates, any small difference in payer mix has a minimal effect on net revenue. This is why there is a small difference in payer mix as measured by Revenue versus payer mix as measured by Patient category. Note that dual-eligible patients are categorized under Medicare in this table.

Applicant's Table

Table 14
Projected Payer Mix

Payer Mix: Total	Percentage of Gross Revenue	Percentage by Patient
Medicare	93%	90%
Medicaid	4%	5%
Commercial	3%	5%
Total	100%	100%

It is important to note that the Eden payer mix projection is an estimate subject to year-to-year small differences. That said, payer mix in Table 14 is not expected to change throughout the first three years of operations on a per patient basis. On a revenue basis, patient mix using a conventional methodology is also not expected to change from the assumed levels. However, Eden is engaged in expanding hospice services to long-term nursing home patients who generally qualify for Medicare but for long term “custodial” nursing home services, they receive Medicaid support. Under the hospice program, Medicaid long term nursing home patients receive room and board services that previously was paid for by the Medicaid program. Payment shifts to the hospice, which in turn receives Medicaid room and board expense reimbursement at approximately 95% of the previous Medicaid room and board rate. This is essentially a passthrough reimbursement that does not cover direct care room and board services by the hospice in the nursing home facility. In a less conventional representation approach for payer mix, Table 5 provides the payer mix if Medicaid reimbursement of the hospice pass through is incorporated into the payer mix.

As an example, Eden’s strategy of increasing dual eligible patients through outreach to long term nursing home patients results in a population that is primarily Medicare as measured by the number of patients. Existing long term patients are generally older than age 65 and are Medicare patients but with low income qualify for Medicaid support for their long term nursing care. Hospices that serve long term nursing home patients in Washington State receive 95% of the Medicaid nursing home patient reimbursement for room and board expense from the State Medicaid program and in turn reimburse long term nursing homes for their room and board expense on a patient day basis. This is essentially a pass through program. Eden had chosen to represent the payer mix ignoring the pass through revenue and expense for nursing home room and board expense in Table 14. If this reimbursement is included as Medicaid revenue the percentages of Medicaid reimbursement would increase as shown below in Table 14-A – the percentage of Medicare and Medicaid revenue could vary depending on the percentage of nursing home days that represent private pay and commercial insurance reimbursed nursing home patient days that convert to hospice days. Eden asserts that Table 14 that treats Medicaid revenue to hospices as a pass through is the more conventional approach.”

Applicant's Table

Table 5

Modified Payer Mix Table Based on Net Revenue

Table 14-A

Maximum Percentage of Medicaid Revenue if Medicaid SNF Room and Board Expense is Treated as Medicaid Revenue.

Payer Mix: Total for 2026	Percentage of Net Revenue	Percentage by Patient
Medicare	51.4%	90%
Medicaid	45.6%	5%
Commercial	2.9%	5%
Total	100%	100%

There were no public comments or rebuttal comments for the EmpRes/Eden project related to this sub-criterion.

Department's Evaluation

EmpRes/Eden proposes to provide Medicare and Medicaid hospice services to the residents of Pierce County through its existing King County agency. For this reason, all policies and procedures for the hospice agency are already in place.

The Non-Discrimination Policy describes the preventative measures, management processes, and internal standards EmpRes/Eden would use to ensure all patients will be admitted for treatment without discrimination.

The Admission Policy describes the criteria for admission and the procedure EmpRes/Eden would use to admit a patient to its hospice agency. The policy also includes additional language to ensure all patients will be admitted for treatment without discrimination.

The Washington Patient Bill of Rights document also includes language to ensure all patients will be admitted for treatment without discrimination.

The Charity Care Policy includes nondiscrimination language and outlines the documentation necessary to obtain charity care and includes the process used by the agency to determination qualification for charity care.

EmpRes/Eden provided its projected payer mix for Pierce County. The projected payer mix shows 90% of its patients are Medicare and 5% are Medicaid. In its application, EmpRes/Eden stated that these projections were based on their planned outreach to convalescent (non-skilled) nursing home residents eligible for hospice support. Based on this assumption and the department's evaluation in WAC 246-310-210(1), the projected payer mix is not able to be considered reasonable.

If this project is approved, EmpRes/Eden anticipates its combined Medicare and Medicaid revenues for the expanded hospice agency will be approximately 97% of its total revenues—93% Medicare and 4% Medicaid. The financial data provided in the application shows revenues for both Medicare and Medicaid patients and includes deductions from revenue for charity care.

WAC 246-310-290(13)

Consistent with WAC 246-310-290(13), the applicant provided statements within the application confirming that the new agency would provide Medicare and Medicaid hospice services to Pierce County in its entirety.

Based on the information above the department concludes that EmpRes/Eden's application is unable to demonstrate all residents of the service area will be accepted for services, regardless of the ability to pay, age, and diagnosis. The department concludes that **this sub-criterion is not met.**

- (3) The applicant has substantiated any of the following special needs and circumstances the proposed project is to serve.
- (a) The special needs and circumstances of entities such as medical and other health professions schools, multidisciplinary clinics and specialty centers providing a substantial portion of their services or resources, or both, to individuals not residing in the health service areas in which the entities are located or in adjacent health service areas.
 - (b) The special needs and circumstances of biomedical and behavioral research projects designed to meet a national need and for which local conditions offer special advantages.
 - (c) The special needs and circumstances of osteopathic hospitals and non-allopathic services.
- (4) The project will not have an adverse effect on health professional schools and training programs. The assessment of the conformance of a project with this criterion shall include consideration of:
- (a) The effect of the means proposed for the delivery of health services on the clinical needs of health professional training programs in the area in which the services are to be provided.
 - (b) If proposed health services are to be available in a limited number of facilities, the extent to which the health professions schools serving the area will have access to the services for training purposes.
- (5) The project is needed to meet the special needs and circumstances of enrolled members or reasonably anticipated new members of a health maintenance organization or proposed health maintenance organization and the services proposed are not available from nonhealth maintenance organization providers or other health maintenance organizations in a reasonable and cost-effective manner consistent with the basic method of operation of the health maintenance organization or proposed health maintenance organization.

Department Evaluation

This sub-criterion under WAC 246-310-210(3), (4), and (5) is not applicable for these three applications.

B. Financial Feasibility (WAC 246-310-220)

Based on the source information reviewed, the department determines the following applicants **met the applicable financial feasibility criteria in WAC 246-310-220:**

- Wesley Homes Corporation

Based on the source information reviewed, the department determines the following applicants **did not meet the applicable financial feasibility of care criteria in WAC 246-310-220:**

- AccentCare, Inc. dba Seasons Hospice & Palliative Care of Pierce County Washington, LLC
- EmpRes Healthcare Group, Inc. dba Eden Hospice at King County, LLC

(1) *The immediate and long-range capital and operating costs of the project can be met.*

Chapter 246-310 WAC does not contain specific WAC 246-310-220(1) financial feasibility criteria as identified in WAC 246-310-200(2)(a)(i). There are also no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that direct what the operating revenues and expenses should be for projects of this type and size. Therefore, using its experience and expertise the department evaluates whether an applicant's pro forma income statements reasonably project that the proposed project is expected to meet its immediate and long-range capital and operating costs by the end of the third complete year of operation.

To evaluate this sub-criterion, the department reviews the assumptions provided by an applicant, projected revenue and expense (income) statements, and projected balance sheets. The assumptions are the foundation for the projected statements. The income statement is a financial statement that reports a company's financial performance over a specific period—either historical or projected. Projected financial performance is assessed by giving a summary of how the business expects its revenues to cover its expenses for both operating and non-operating activities. It also projects the net profit or loss incurred over a specific accounting period.²⁰

The purpose of the balance sheet is to review the financial status of company at a specific point in time. The balance sheet shows what the company owns (assets) and how much it owes (liabilities), as well as the amount invested in the business (equity). This information is more valuable when the balance sheets for several consecutive periods are grouped together, so that trends in the different line items can be viewed.

As a part of this Certificate of Need review, the department must determine that an approvable project is financially feasible – not just as a stand-alone entity in a new county, but also as an addition to its own existing operations. To complete its review, the department requested each applicant (when applicable) provide projected financial information for the parent corporation if the proposed agency would be operated under the parent.

Wesley Homes Corporation

Wesley provided the following assumptions used to determine its utilization and clarify market share for the proposed Pierce County hospice services. [March 31, 2023, screening response, pdfs 7-8]

²⁰ One purpose behind the income statement is to allow key decision makers to evaluate the company's current situation and make changes as needed. Creditors use these statements to make a decision on loans it might make to the company. Stock investors use these statements to determine whether the company represents a good investment.

Applicant's Table

Revised Table 3

WHH Intervening and Projected Utilization, by County, 2023 and 2024-2026

Year and County	Intervening Year	Projections								
	2023 King	2024 King	2024 Pierce	2024 Total	2025 King	2025 Pierce	2025 Total	2026 King	2026 Pierce	2026 Total
Total Admissions	140	147	80	227	154	88	242	162	97	259
Total Patient Days	8,568	8,996	4,896	13,892	9,446	5,386	14,832	9,919	5,924	15,843
ADC	23.47	24.65	13.41	38.06	25.88	14.76	40.64	27.17	16.23	43.40
ALOS	61.2	61.2	61.2	61.2	61.2	61.2	61.2	61.2	61.2	61.2

“We do want to clarify that we did not develop our volume estimates by establishing an assumed market share, rather we estimated admissions and patient days based on our understanding of, and experience in the market; and only after that, did we calculate what our volumes meant in terms of unmet need ADC and resultant market share. We found the resulting market share, detailed in Table 1 below to be very reasonable.

The Department’s methodology projects census only to 2024, which is WHH’s first full year of operation. The unmet ADC in this year is 42. To be conservative, WHH assumed the Department’s projected ADC remains flat for the first three years of operation. Under this very conservative scenario, WHH’s market share of unmet need/ADC in the third year is 39%. As shown in Table 1, if the historical growth in volume continues through to 2026 our market share is 17% of the unmet ADC. This approach allows growth for the existing providers and recently CN approved but not operational providers.

Applicant's Table

Table 1

Market Share Assumptions

Year	Department Methodology Unmet ADC (held flat)	WHH ADC Projections	WHH’s % of Unmet ADC (held flat)	Department Methodology Unmet ADC (assuming historical growth)	WHH% of Unmet ADC (assuming historical growth rates continue)
2024	42	13.4	32%	42	32%
2025	42	14.8	35%	68	22%
2026	42	16.2	39%	94	17%

Wesley Homes provided the following assumptions used to prepare its pro forma financial statements. [source: March 31, 2023, screening response, pdfs 55-57]

Applicant's Table

Wesley Homes Hospice Pro Forma Assumptions	
General Inpatient Care Days	0.16% based on industry averages
Inpatient Respite Care Days	0.76% based on historical averages
Routine Home Care Days	98.75% based on historical averages
Continuous Home Care Days	0.33% based on industry averages
Medicaid R&B Days	Average daily census of 1.5 for 2024, 1.75 for 2025, and 2 for 2026 based on historical averages
General Inpatient Care Revenue	\$1,110.76 per day based on Medicare rate schedules
Inpatient Respite Care Revenue	\$492.10 per day based on Medicare rate schedules
Routine Home Care 1-60 Day Revenue	\$211.34 per day based on Medicare rate schedules for days 1-60 – assumed 65% of total routine home care days are for days 1-60 based on historical averages
Routine Home Care 61+ Day Revenue	\$167.00 per day based on Medicare rate schedules for days 60+ - assumed 35% of total routine home care days are for days 60+ based on historical averages
Continuous Home Care Revenue	\$1,522.04 per day based on Medicare rate schedules
Medicaid R&B Revenue	95% of \$265.00 per day based on current skilled nursing facility contracts
Payer Mix:	
Medicare	Assume 68.5% in Pierce based on average of King County historical rates for 2021 and 2022
Commercial	Assume .5% in Pierce (assumed higher than historical averages to ensure access for all residents regardless of payer)
Other – VA/TriCare/Self Pay	Assume .5% in Pierce (assumed higher than historical averages to ensure access for all residents regardless of payer)
Medicaid	Assume 30.5% in Pierce based on average of King County historical rates for 2021 and 2022
Contractual Adjustments for Sequestration	2% of Medicare based on CMS rules.
Deductions from Revenue	
Charity Care	1.00% based on historical
Provision for Bad Debts	6.00% based on historical
Contractual Allowance	2.00% based on historical

Applicant's Table continued

Patient Care Costs	
Salaries and Benefits	
Hospice Employees	See salary tables
Payroll Taxes and Benefits	15% of salaries - historical
Medical Director (Contracted)	\$2,500 per month X 12 months: \$30,000 per contract
Pharmacy - Medications & IV Supplies & Lab	\$4.60 per patient day – historical
DME Costs (Equipment, oxygen)	\$12 per patient day – historical
Medical Supplies	\$4 per patient day – historical
Imaging Services	\$.08 per patient day – historical
Contract therapy	See staffing tables Per historical experience, 20% of patients admitted received one physical therapy visit. 10% of patients admitted received one occupational therapy visit. 3% of patients admitted received one speech therapy visit. Contract rates for the therapists are as follows: <ul style="list-style-type: none"> • Physical therapy – average of \$150 per visit • Occupational therapy – average of \$160 per visit • Speech therapy – average of \$180 per visit
Contract services- software, EMR	\$2.4 per patient day – historical
Misc contract servs: coding, billing, CAHPS, labs, consulting	\$3.8 per patient day – historical
General Inpatient Costs	\$1,300 per general inpatient care day - historical
Inpatient Respite Costs	75% reimbursement – historical
Medicaid R&B Costs	Pay 100% of Medicaid room and board rate.
Mileage	\$1.50 per patient day – historical
Marketing	\$1.755 per patient day – historical
Office supplies	\$.43 per patient day – historical
Equipment	Replacement of iPads – 5-year rolling inventory
Postage	\$.05 per patient day – historical

Applicant's Table continued

License fees	Per fee schedule, 75% Hospice fee added to Home Health license fee. No additional fee to add Pierce to King County. Fee allocated between King and Pierce Counties based on patient days. Fee only paid every other year.
Registration, association fees	Estimate based on historical
Utilities	\$.40 per patient day – historical
Professional Services	\$6.98 per patient day – historical
Insurance	\$.24 per patient day – historical
Leases and Rentals	\$.08 per patient day – historical
B&O tax	1.75% of gross patient revenue
Allocated	Management fee – 5% of gross revenue

Wesley also provided clarification and supporting materials regarding some of the line items above. [source: Application, Attachment 6, and March 31, 2023 screening response, pdf 17]

Medical Director Costs

“The Medical Director Addendum provided in Exhibit 5 of the Certificate of Need application (and again in Attachment 3 to this response) identifies the medical director compensation consistent with the line item in the financial statements labeled ‘Medical Director (Contracted)’.

Per the addendum, the monthly stipend for the medical director is \$4,500 for King County (or \$54,000 per year) and \$2,500 for Pierce County (or \$30,000 per year).”

Lease Costs

Wesley submitted its documentation of site control in the form of a multi-tenant lease between Centerpointe Business Park Associates and Wesley Homes. Wesley is proposing to serve Pierce County from its King County offices currently occupying this space. The provided assumptions assume an allocated cost of \$.08 per patient day based on historical experience. These costs are substantiated in the Pierce-only pro forma Revenue and Expense Statement.

If this project is approved, the Pierce County service area of the hospice agency would be operated in combination with Wesley’s existing King County operations. The department requested Wesley to provide pro forma financial statements for Pierce County operations alone, and the proposed combined King/Pierce operations.

Based on the assumptions described above, below is a summary of Wesley’s pro forma Revenue and Expense Statement summary for its Pierce County-only operations. [source: March 31, 2023, screening response, Attachment 2, pdf 43]

Department’s Table 6
Wesley Homes Pierce County-Only Projected Revenue and Expense Statement Summary

	CY Year 1 2024	CY Year 2 2025	CY Year 3 2026
Net Revenue	\$1,018,263	\$1,129,115	\$1,247,571
Total Expenses	\$951,074	\$1,054,427	\$1,168,213
Net Profit / (Loss)	\$67,189	\$74,688	\$79,358

Net revenue includes all gross revenue, minus any deductions for charity care, bad debt, contractual adjustments and allowances. Total expenses include staff salaries and benefits, and all costs associated with the Pierce County operations. [source: March 31, 2023, screening response, Attachment 2, pdf 46]

**Department's Table 7
Wesley Homes Pierce County-Only Pro Forma Balance Statement Summary**

ASSETS	CY 2024 (Year 1)	CY 2025 (Year 2)	CY 2026 (Year 3)
Current Assets	\$83,453	\$167,270	\$256,600
Property and Equipment	\$0	\$0	\$0
Other Assets	\$0	\$0	\$0
Total Assets	\$83,453	\$167,270	\$256,600

LIABILITIES	CY 2024 (Year 1)	CY 2025 (Year 2)	CY 2026 (Year 3)
Current Liabilities	\$83,250	\$92,379	\$102,351
Long-Term Debt	\$0	\$0	\$0
Equity	\$203	\$74,891	\$154,249
Total Liabilities, Long-Term Debt, and Equity	\$83,453	\$167,270	\$256,600

Below is a summary of Wesley's projected utilization and the pro forma Revenue and Expense Statement summary for its combined King and Pierce County operations. This combined information is based on Wesley's understanding and experience of the market. [source: March 31, 2023, screening response, pdfs 7 and 44]

**Department's Table 8
Wesley Homes King and Pierce Combined Utilization Summary**

	CY Year 2024	CY Year 2025	CY Year 2026
Total Number of Admissions	227	242	259
Total Number of Patient Days	13,892	14,832	15,843
Average Daily Census	38.06	40.64	43.40
ALOS-Calculated	61.2	61.2	61.2

**Department's Table 9
Wesley Homes King and Pierce Combined Pro Forma Revenue and Expense Statement Summary**

	CY Year 1 2024	CY Year 2 2025	CY Year 3 2026
Net Revenue	\$3,012,295	\$3,225,782	\$3,451,834
Total Expenses	\$2,834,348	\$3,028,362	\$3,227,212
Net Profit / (Loss)	\$177,947	\$197,420	\$224,623

Wesley also provided a copy of its combined pro forma Balance Sheet for its King and Pierce hospice operations. The balance sheet is summarized below. [source: March 31, 2023 screening response, Attachment 2, pdf 46]

**Department's Table 10
Wesley Homes King and Pierce Combined Pro Forma Balance Statement Summary**

ASSETS	2023 (Partial Year)	CY 2024 (Full Year 1)	CY 2025 (Year 2)	CY 2026 (Year 3)
Current Assets	\$71,962	\$330,542	\$545,150	\$787,295
Property and Equipment	\$0	\$0	\$0	\$0
Other Assets	\$0	\$0	\$0	\$0
Total Assets	\$71,962	\$330,542	\$545,150	\$787,295

LIABILITIES	2023 (Partial Year)	CY 2024 (Full Year 1)	CY 2025 (Year 2)	CY 2026 (Year 3)
Current Liabilities	\$91,464	\$135,145	\$145,107	\$154,975
Long-Term Debt	\$77,671	\$114,623	\$121,849	\$129,503
Equity	(\$97,172)	\$80,775	\$278,196	\$502,818
Total Liabilities, Long-Term Debt, and Equity	\$71,963	\$330,543	\$545,151	\$787,296

Numbers may not be exact due to rounding.

AccentCare/Seasons [source: Comment Packet, distributed June 1, 2023, pdfs 64-65]

*“Table 3 on page 13 shows admissions for King County suddenly jumping from 78 actual admissions in 2022 to 140 projected in 2023 with no explanation as to how to double the number from one year to the next. The same is true for the Pierce projections, increasing from 39 in 2022 (allowed under the emergency provision) to 80 in 2024, with projections rising to 97 by 2026. Overall, total utilization of both counties increases from 117 actual admissions in 2022 to 259 projected admissions in 2026 (year 3). However, there is no basis for the projections and no historical growth rates are identified. In fact, looking at Table 2 on page 12 of the application (which is labeled **WHH Historical Utilization, by County, 2019-2022**, but shows utilization from 2020 to 2022), service to King County decreased by 20 admissions (20% drop) and overall growth for Pierce and King combined was 2 admissions (1.7% growth). When asked to provide the assumptions used to project utilization in Screening Question #11, Wesley Homes stated that “we estimated admissions and patient days based on our understanding of, and experience in the market.” The experience provided in Table 2 is very different from the projections provided in Table 3. Therefore, without a valid basis for the projections, the numbers are unreliable and unattainable. This does not demonstrate Need for the project, and without providing reasonable assumptions on how they arrive at the projections, the project is not financially feasible.*

Furthermore, even though Wesley projects serving 97 Pierce County hospice patients in 2026, Seasons Pierce County projects serving 207, more than twice as many, yet still within the calculated need of 249. Seasons Pierce County provides historical start-up experience, robust recruitment and retention initiatives, and programs targeting traditionally underserved populations as ways to meet the need and fill gaps in service. Therefore, Wesley Homes’ proposed hospice fails to address hospice need and the model of shifting staff from King County to Pierce negatively impacts service to King County as staff are diverted into Pierce without appropriate planning to maintain existing service while expanding into another area.”

Wesley Rebuttal Comments for AccentCare/Seasons [source: Rebuttal Packet, distributed July 3, 2023, pdfs 64-65]

“In both its 2022 and 2023 applications, Wesley Homes confirmed with the Department that “we estimated admissions and patient days based on our understanding of, and experience in the market.

The Department found this approach reasonable in its 2022 decision:

When asked during screening to provide the assumptions used to determine the market shares and utilization, Wesley clarified that it based its projections on its experience in the market. Given that Wesley is not a new provider in Washington State, the approach described above is reasonable.

While Seasons focuses only on Wesley’s historical volumes, Wesley uses its specific experience in the Washington market, including our understanding of the volatile market that existed throughout the COVID Pandemic and the changes in referrals and volumes that occurred to project volumes moving forward. Importantly, Wesley’s experience in the market did allow us to accurately predict King County volumes. For the Department’s information, Wesley has already met these projected volumes.

In contrast, Seasons states that its projections are based on its experience nationally, without any Washington context. They claim that their assumptions are based on “historical start-up experience, robust recruitment and retention initiatives, and programs targeting traditionally underserved populations as ways to meet the need and fill gaps in service.” However, in King County (based on Seasons application materials), YTD Seasons should have already provided in excess of 4,000 visits, but instead is still not operational. Likewise in its Snohomish County agency, Seasons projected nearly 3,500 YTD, but again is not even operational. It is Seasons volume projections that are unreasonable.

After arguing that Wesley’s projections are too high, Seasons in the same sentence, argues that our projections are too low to meet need – and contrasts their higher volume projections as necessary to meet community need. Wesley discussed in detail above the reasons we were conservative in our Pierce County assumptions. We also discussed these assumptions directly with Department staff during a TA visit in which the Department confirmed the approach as reasonable. Wesley’s conservative assumptions are much more reasonable than Seasons overstated volumes with no actual Washington experience to support them.”

Department’s Evaluation

An applicant’s utilization assumptions are the foundation for the financial review under this sub-criterion. Wesley proposes to expand the service area of its existing King County agency to include Pierce County. Wesley based its projected utilization for its Pierce County operations on specific factors:

- Admissions were based on Wesley’s experience operating within the Pierce County planning area.
- Market share projections are 32% in full year one (2024) that decrease to 17% in full year three (2026). Wesley provided its rationale for this assumed market share;

- Average annual length of stay (ALOS) is held constant from the intervening year of 2023 at 61.2 days through the end of year 2026. This ALOS is slightly less than the state-wide average of 61.89.

Wesley provided a pro forma Revenue and Expense Statement for the combined King and Pierce County operations; the statement included embedded assumptions and clarification that its projections are based on submitted historical utilizations operating in both planning areas. This approach is reasonable.

At the department's request, Wesley also submitted pro forma Revenue and Expense Statement showing Pierce County projections alone. Wesley provided extensive assumptions used to prepare the Pierce County statement and included a payer mix table. Wesley expects Medicare to be 68.5% of its gross revenue; Medicaid to be 30.5%; and Other (commercial and self-pay) to be 1.0% of gross revenue.

When asked during screening to provide the assumptions used to determine the market shares and utilization, Wesley clarified that it based its projections on its experience in the market. Given that Wesley is not a new provider in Washington State, nor the combined planning areas of Pierce and King County, the approach described above is reasonable.

In public comment, AccentCare/Seasons identified concerns with the provided assumptions. The submitted comment notes Wesley's projected King and Pierce total number of admissions are submitted with only the rationale of their reasonableness, and no calculations on how they were projected outward. In rebuttal, Wesley affirmed its position that applying historical experience and market insight as a provider in Washington was sufficient to project volumes and validated by the department's previous finding of this approach to be reasonable. The department does not share Wesley's position that previously acceptable assumptions necessarily remain so by virtue of their initial approval when removed from their original context. Nor does the department accept AccentCare/Seasons contention that Wesley's utilization is unreasonable. The department concludes that Wesley's use of historical admissions and utilizations numbers in its application and screening response is reasonable., and Wesley's experience operating in King County and Washington State is a valid basis for its utilization projections.

Wesley also provided a historical and projected pro forma Balance Sheet for the combined King/Pierce operations. The balance sheet demonstrates that Wesley does not intend to assign any debt to the agency; rather, all debt will be assigned to the parent - Wesley Homes Corporation.

Medical Director Agreement

In addition to the financial statements discussed above, Wesley provided a copy of the executed Medical Director Agreement between Wesley Homes at Home, LLC and Jude Verzosa, MD. The agreement was executed on December 14, 2016, and effective in perpetuity. Wesley also provided an Addendum to the Medical Director Agreement executed on March 27, 2020. Compensation identified in the addendum is \$4,500/month for King County operations and \$2,500/month for Pierce County operations. The Pierce County financial statement substantiates the \$30,000 annual and the combined King and Pierce County statement substantiates the \$84,000 annual.

After reviewing the financial information provided, the department concludes that Wesley's project **meets this sub-criterion.**

AccentCare, Inc. dba Seasons Hospice & Palliative Care of Pierce County Washington, LLC

The applicant provided the following assumptions used to determine the expected number of patients and visits for the proposed Pierce County hospice agency.

“Step 9: Assume a Market Share Based on Past Experience.”

*Although Seasons Pierce County is a new entity without experience, it looks to other AccentCare Hospice programs and their start-up experience nationwide, including the Oregon agency, to gauge service levels and estimate a market share. (See **Exhibit 16** for the start-up utilization of new hospice programs over the past 10 years which have Administrative Services Agreements with AccentCare, Inc.) That, and the default calculations for Washington Hospice Agencies, are taken into consideration. Implementation date is July 1, 2024.*

...

Step 10: Assume an ALOS Reflective of a New Agency for Washington State

*Again, Seasons Pierce County looks to the start-up experience of other AccentCare Hospice programs nationwide to determine a length of stay that increases during its first 6 months while becoming established in the Medicare and Medicaid programs and its first calendar year. The program is assumed to reach the Washington statewide ALOS of 61.89 days by its second calendar year, 2026. Implementation date is July 1, 2024. This conservative approach yields the following patient days and census for the forecast period. Seasons Pierce County proxy data is provided in **Exhibit 16.**” [source: Application, pdfs 53-54]*

Applicant’s Table 15

Table 15 Seasons Pierce County Projected Patients and Share of Unmet Admissions, 2024 - 2027				
	2024	2025	2026	2027
Pierce Unmet Admissions	249	404	530	660
Seasons' Share of Unmet Patients	23.0%	39.0%	39.0%	39.0%
Seasons' Hospice Patients	57	157	207	258

[source: Application, pdf 53]

Applicant’s Table 16

Table 16 Seasons Pierce County Projected Patients and Share of Unmet Admissions, 2024 - 2027				
	2024	2025	2026	2027
ALOS	39	53	61.89	61.89
Seasons' Patient Days	2,236	8,344	12,791	15,938
Seasons' Share of Unmet Days	14.5%	33.4%	39.0%	39.0%
Seasons' ADC	6	23	35	44
Seasons' Share of Unmet Census	14.5%	33.4%	39.0%	39.0%

[source: Application, pdf 54]

Exhibit 16 referenced above and provided in the application is a table comparing Pierce County in Washington State with the following three Oregon counties: Multnomah, Clackamas, and Washington. The table provides extensive comparison data with highlighted sections. Below is an excerpt of the table showing the highlighted areas.

Applicant's Table

Comparison of AccentCare Hospice Oregon Service Area with Pierce County, Washington					
Fact	Fact Note	Multnomah County, Oregon	Clackamas County, Oregon	Washington County, Oregon	Pierce County, Washington
Population Estimates, July 1 2022, (V2022)		NA	NA	NA	NA
Population Estimates, July 1 2021, (V2021)		803,377	422,537	600,811	925,708
Population estimates base, April 1, 2020, (V2022)		NA	NA	NA	NA
Population estimates base, April 1, 2020, (V2021)		815,428	421,401	600,372	921,130
Population, percent change - April 1, 2020 (estimates base) to July 1, 2022, (V2022)		NA	NA	NA	NA
Population, percent change - April 1, 2020 (estimates base) to July 1, 2021, (V2021)		-1.50%	0.30%	0.10%	0.50%
Population, Census, April 1, 2020		815,428	421,401	600,372	921,130
Population, Census, April 1, 2010		735,334	375,992	529,710	795,225
Persons under 5 years, percent		4.70%	4.90%	5.30%	6.10%
Persons under 18 years, percent		18.00%	21.20%	21.90%	23.20%
Persons 65 years and over, percent		14.30%	19.10%	14.30%	14.40%
Female persons, percent		50.30%	50.30%	50.10%	49.80%
White alone, percent		78.60%	88.00%	78.60%	73.10%
Black or African American alone, percent	(a)	6.00%	1.30%	2.70%	8.00%
American Indian and Alaska Native alone, percent	(a)	1.50%	1.10%	1.20%	1.80%
Asian alone, percent	(a)	8.20%	5.20%	12.20%	7.40%
Native Hawaiian and Other Pacific Islander alone, percent	(a)	0.70%	0.30%	0.60%	1.80%
Two or More Races, percent		5.00%	4.00%	4.80%	7.90%
Hispanic or Latino, percent	(b)	12.70%	9.50%	17.60%	12.20%
White alone, not Hispanic or Latino, percent		68.10%	79.90%	63.20%	63.90%
Veterans, 2017-2021		35,054	24,485	28,450	83,506
Foreign born persons, percent, 2017-2021		13.50%	8.50%	17.90%	10.20%
Total health care and social assistance receipts/revenue, 2017 (\$1,000)	(c)	9,879,704	2,861,945	4,422,133	7,449,203

[source: Application, Exhibit 16]

“Please refer to Table 12 that shows the unmet admissions for Pierce for years 2022 – 2027 by subtracting the current volume from the projected hospice volume calculated in accordance with the state’s Hospice Numerical Need Methodology. In Table 15 on page 53 a market share is estimated for the resulting unmet hospice admissions that results in the expected number of patients for Seasons Pierce County, considering experience from the Seasons Proxies in Exhibit 16. A market share of 23% of the 249 unmet hospice admissions in 2024 results in 57 Seasons Pierce County patients. This is consistent with the first six months of the proxies, averaging 62 admissions and the Portland Oregon admissions of 60. Likewise, market shares are assumed that result in admissions numbers consistent with the startup experience for years 1 – 3, consistent with experience of affiliates and is within the calculated unmet need so as not to adversely impact existing providers. A market share of 39% of the unmet needed admissions in 2025, the first full calendar year, produces 157 admissions. This is below the unmet need of 404 and below the proxies’ average of 172 and Portland 165 admissions for the first year. Likewise, market shares of 39% and 39% for years 2026 – 2027 produce admissions for Seasons Pierce County that are within the unmet calculated admissions needed and within the ability of the applicant, based on experience of its affiliates.

The Seasons Pierce County forecast then assumes an average length of stay (ALOS) based on its proxies’ experience for the first 6-month period and first full calendar year, leveling off at the Washington statewide ALOS of 61.89 for the second and third calendar years, 2025 and 2026. The first six months assumes an ALOS of 39 days, similar to the proxies’ average ALOS of 53 days and Portland, Oregon ALOS of 55 days. The first calendar year ALOS is assumed as 53 days, the same as the first year for the Portland-based hospice and between the first- and second-year ALOS of 53 days and 68 days, respectively. Note that the first year in the exhibit includes months 1 - 12, whereas the first calendar year for Seasons Pierce County includes months 7 – 18 and therefore is expected to achieve a slightly higher ALOS. Using these lengths of stay, patient days are

calculated. Therefore, the market share of unmet patient days for Seasons Pierce County is a resulting calculation of its forecasted admissions and lengths of stay, consistent with experience of AccentCare and within the bounds of the state’s need calculations. This information is described in Step 10 and Table 16 on pages 51 and 52.

The above methodology is conservative, responsive to need, and reflects the past experience of AccentCare affiliates.” [source: March 31, 2023, screening response, pdfs 5-6]

Based on the assumptions above, AccentCare provided its projected utilization shown in the following table. [source: Application, pdf 46]

Applicant’s Table 6

Table 6				
Seasons Pierce County Forecast, First Three Years				
Pierce County	Partial Year	Year 1	Year 2	Year 3
	7/24-12/24	CY 2025	CY 2026	CY 2027
Total number of admissions	57	157	207	258
Patient Days	2,236	8,344	12,791	15,938
Average Length of Stay	39.00	53.00	61.89	61.89
Average Daily Census	6	23	35	44

AccentCare also provided the following details as a basis for the assumptions used to project revenue for its income statements for its Pierce County agency.

“Patient Care Revenues: Revenues are forecast on the basis of the Applicant’s historical experience in other services area. Charges are set to be generally consistent with expected Medicare reimbursement by level of service. In order to reflect patient care services rendered, charges assessed to charity care patients and to bad debts are initially recorded as private pay revenue. The allowances for charity care and bad debts are deducted from the gross revenues projected for the private pay payor group. All payor groups are projected to access the four categories of patient care routine, continuous care, respite, and GIP in the same distribution.

Non-Operating Revenues: Non-Operating revenues are billings for physician services outside of the Medicare hospice benefit. The amount shown is based on the experience of the AccentCare-Affiliated program AccentCare Hospice and Palliative Care of Oregon.

Net Patient Service Revenues: Net Patient service revenues by payor are computed as follows:

Medicare: Medicare Net patient service revenues are forecast on the basis of the October 2022 Medicare rates applicable to the Applicant’s proposed service area. For purposes of computing the blended routine care rate, it is assumed that 52 percent of the routine patient days delivered at the proposed hospice will be reimbursed at the rate applicable to days 1 – 60. The balance of the projected patient days will be reimbursed at the rate applicable to days 61 and beyond. This mix of routine days is based on the experience of ~~SHCM~~ AccentCare (and previously Seasons Hospice) with start-up programs.

Medicare Managed Care: It is assumed that managed care providers will negotiate and average discount of 5 percent below the published Medicare rates.

Medicaid: It is assumed that net reimbursement for Medicaid patients will be approximately 10 percent lower than published rates for Medicare patients.

...

For patient charges by setting, we are using the Palmetto GBA, LLC website, which is sourced by CMS data. (<https://palmettogba.com/palmetto/jmhhh.nsf/DID/REF87R0NS3>)

For Pierce County beginning from October 1, 2022 to September 30, 2023, the following rates by setting exist.

Please note that we will keep these rates for each year throughout the projected time period, that is, we will NOT inflate or decrease them.

Routine	\$232
Continuous Care	\$1,693
Respite	\$537
GIP	\$1,216” [source: March 31, 2023, screening response, Attachment 4]

The applicant clarified the following information from its revenue assumption for Medicare Net patient service revenues in response to screening.

“SHCM is an acronym that stands for Seasons Health Care Management. For this application ‘SHCM’ should be struck and rewritten as ‘AccentCare.” [source: March 31, 2023, screening response, pdf 12]

In the Patient Care Revenues section under Revenue, AccentCare clarified the following statement “In order to reflect patient care services rendered, charges assessed to charity care patients and to bad debts are initially recorded as private pay revenue” with this response, “The applicant confirms the Department’s assumption. ‘Bad debt’ is the difference between gross private pay revenue amounts and collected or net private pay revenue.” [source: March 31, 2023, screening response, pdf 12]

Applicant’s Tables

Global Assumptions					
Inflation Rates	1.000				
Patient Charges	1.000				
Government Payers	1.000				
Salaries and Wages	1.000				
Medical Supplies	1.000				
Project Year 1 Ending Date	12/31/2024	12/31/2025	12/31/2026	12/31/2027	
Fringe Benefit Percentage (excluding Gov't)	15.0%	15.0%	15.0%	15.0%	
Payroll Taxes	6.5%	6.5%	6.5%	6.5%	
Patient Days by Setting					
Projected Patient Days	2,236	8,344	12,791	15,938	
ADC	6	23	35	44	
Percentage by Setting	12/31/2024	12/31/2025	12/31/2026	12/31/2027	
Routine	98.0%	98.0%	98.0%	98.0%	
Continuous Care	0.2%	0.2%	0.2%	0.2%	
Respite	0.3%	0.3%	0.3%	0.3%	
GIP	1.5%	1.5%	1.5%	1.5%	
Total	100.0%	100.0%	100.0%	100.0%	

Net Revenues by Payer and Patient Setting					
Part 1: Net Per Diem Revenues					
Medicare			% 1-60 days	% 1-60 days	Blended Rate
Routine	\$232.18	\$183.47	52%	48%	\$208.80
Continuous Care	\$1,693.04				\$1,693.04
Respite	\$536.95				\$536.95
GIP	\$1,216.14				\$1,216.14
Source: Final FY 2022 Hospice Rates CMS					

Applicant's Tables continued

It is assumed that reimbursement rates for Medicare Managed Care and Medicaid will follow the Medicare methodology with discounts from the Medicare rates.				
	12/31/2024	12/31/2025	12/31/2026	12/31/2027
Medicare Managed Care Discount	5%	5%	5%	5%
Medicaid Discount	10%	10%	10%	10%

Other Payers Percentage of Charges Collected				
Healthy Options (BHP)	80%	80%	80%	80%
Charity Care	0%	0%	0%	0%
Private Pay	20%	20%	20%	20%
Third Party Insurance	95%	95%	95%	95%
Other	75%	75%	75%	75%

Percentage of GIP Revenues to be paid to outside providers				
	12/31/2024	12/31/2025	12/31/2026	12/31/2027
GIP Charges	\$1,216.14	\$1,216.14	\$1,216.14	\$1,216.14
Contract Percentage	85%	85%	85%	85%
Contract Payments	\$1,033.72	\$1,033.72	\$1,033.72	\$1,033.72
GIP Days	34	125	192	239
GIP Contract Payments	\$34,678	\$129,378	\$198,332	\$247,135

[source: March 31, 2023, screening response, Attachment 4]

The applicant provided the following details as a basis for the assumptions used to project its Pierce County agency's expenses.

“Utilizing our Oregon operations and 2022 financial statements as a proxy, the below expenses are based on percent of revenue and consistent with our Oregon operations.

Expense	% of Revenue (OR)
<i>Education and Training</i>	<i>0.16%</i>
<i>Insurance</i>	<i>0.26%</i>
<i>Legal and Professional</i>	<i>0.16%</i>
<i>Medical Supplies</i>	<i>6.36%</i>
<i>Postage</i>	<i>0.02%</i>
<i>Repairs and Maintenance</i>	<i>0.05%</i>
<i>Supplies</i>	<i>0.16%</i>
<i>Telephones / Pagers</i>	<i>0.99%</i>
<i>Travel</i>	<i>1.03%</i>

Advertising:

Advertising costs are based on the 2020 experience of AccentCare Hospice and Palliative Care of Oregon, which was \$14,154. No inflation adjustment has been made to this amount.

Advertising costs are treated as fixed and do not respond to changes in clinical volume. For the purposes of this application, we assume \$15,000 per year beginning in 2025 and half that amount from July to December of 2024. An advertising budget of \$2,000 is also included in the pre-opening expenditures.

Allocated Costs:

Allocated costs are not accounted for in this model, consistent with our other markets and are therefore \$0 throughout the time period.

Depreciation and Amortization:

Depreciation and Amortization is computed on the basis of the capital assets to be acquired in connection with this project. Depreciation is forecast on a straight-line basis. The depreciation table is within the capital expenditures breakout. **see 'Cost Estimates' tab**

Dues and Subscriptions:

We have projected the cost of dues and subscriptions based on its experience with other start-up programs. It is assumed that this line item is not sensitive to increases in clinical volume. No inflation adjustment is made to this amount.

Education and Training:

Education and Training expenses are forecast on the basis of the experience of Seasons Hospice and Palliative Care of Oregon in 2022. This includes [sic] Education/Training and Employee Relatio [sic] Also as indicated above, we assume that these expenses will correlate to our projected revenue.

Employee Benefits:

Employee benefits are projected to equal 15% of salaries and wages. This percentage does not include provision for Employed FICA contributions, which are forecast under the caption of Payroll Taxes.

Equipment Rental:

Consistent with our 2022 application, we are allocating \$0 in annual expenses to equipment rental.

Information Technology / Computers:

The budget for this line item reflects the acquisition of the costs of purchasing computer hardware, cell phones, computer monitors, desk phones and applicable charges for internet connections and telecom charges. Such charges will be incurred as staffing levels require. For this reason, the largest expense is in year one. Internet and telecom charges are fixed, others are incremental. The schedule of acquisitions and expenses is shown below and we have increased unit cost 10% compared to our 2022 application.

Applicant's Table

Information Technology and Compu	Unit Cost (2022)	Unit Cost (2023)	Six Months Ending			
			12/31/2024	12/31/2025	12/31/2026	12/31/2027
Toshiba Protégé x20W-D Lap Top	\$1,400	\$1,540	6	2	2	2
Samsung S8 Cell Phone	\$700	\$770	6	2	2	2
Lenovo Think Center M7 10Q Compu	\$700	\$770	4	1	1	1
Monitor	\$150	\$165	6	2	2	2
Desk Phone	\$300	\$330	6	2	2	2
Internet Charges	\$8,400	\$9,240	1	1	1	1
Telecom Charges	\$3,600	\$3,960	1	1	1	1
Total						

Insurance:

Insurance expenses are forecast on the basis of the experience of Seasons Hospice and Palliative Care of Oregon in 2022. Also as indicated above, we assume that these expenses will correlate to our projected revenue.

Interest

We are assuming no interest expense at the local/facility level,

Licenses and Fees

Licenses and Fees include a \$5,000 annual provision for state and local licenses. In addition to this amount, the following computer software and licensing fees are projected in connection with the office computer equipment to be acquired in connection with the project.

Applicant's Table

Licenses	Unit Cost	Unit Cost	Six Months Ending			
			12/31/2024	12/31/2025	12/31/2026	12/31/2027
Windows 365 & Related	\$540	\$540	4	1	1	1
EMR Costs Operating	\$3,500	\$3,500	1	1	1	1
EMR Costs Incremental	\$2,500	\$2,500	3	4	5	6
Total						

Medical Supplies:

Medical Supplies are forecast on the basis of the experience of Seasons Hospice and Palliative Care of Oregon in 2022. These expenses include Clinical Supplies, DME Expense, and Pharmacy Costs. Also as indicated above, we assume that these expenses will correlate to our projected revenue.

Payroll Taxes:

Payroll Taxes are projected to equal 6.5 percent of Salaries and Wages.

Postage:

Postage expenses are forecast on the basis of the experience of Seasons Hospice and Palliative Care of Oregon in 2022. Also as indicated above, we assume that these expenses will correlate to our projected revenue.

Purchased Services:

Purchased services consist of the fees paid to hospitals and nursing homes that provide inpatient services on a subcontracted basis to the Applicant's projected hospice inpatients. It is assumed that these facilities will be paid an amount to 85 percent of the Medicare GIP per diem rate.

Applicant's Table

Projection of Purchased Services Expenses		Six Months Ending			
		12/31/2024	12/31/2025	12/31/2026	12/31/2027
GIP Days		34	125	192	239
Projected GIP per Diem Charge		\$1,216	\$1,216	\$1,216	\$1,216
Projected GIP per Diem Charge Contr	85%	\$1,034	\$1,034	\$1,034	\$1,034
Total Purchased Services		\$34,678	\$129,378	\$198,332	\$247,135

Rental/Lease:

The amount shown under rental and lease expense represents the costs of leasing the office space from which the proposed hospice will conduct its operations. The lease amounts are documented in the Appendices to this application. The rental amount is inclusive of utilities and property taxes.

Repairs and Maintenance:

The Applicant estimates that repairs and maintenance will be relatively minor expenditures in its early years of operations, but has included a budget on the basis of the experience of Seasons Hospice and Palliative Care of Oregon in 2022. Also as indicated above, we assume that these expenses will correlate to our projected revenue.

Salaries and Wages:

Salaries and Wages Salaries and wages are detailed in Tables 22 and 23 of this application. Staffing levels are based on the projected daily census of the proposed hospice and AccentCare sta [sic] Salary expense for the pre-opening period includes provisions for pre-opening hiring of staff to permit orientation and training before clinical operations commence.

Supplies:

Expenses specific to Supplies (for example, office supplies) are forecast on the basis of the experience of Seasons Hospice and Palliative Care of Oregon in 2022. Also as indicated above, we assume that these expenses will correlate to our projected revenue.

Telephones/Pagers:

The expenses included in this line item include the Information Systems and Call Center expenses at of AccentCare Hospice and Palliative Care of Oregon in 2020. Also as indicated above, we assume that these expenses will correlate to our projected revenue.

Service Fees:

Service Fees consist of the management fee paid by the Applicant to AccentCare. This fee is fixed at \$60,000 per year.

Washington State B&O Taxes:

This tax is computed as 1.5 percent of Revenues.

Travel:

Expenses specific to Travel are forecast on the basis of the experience of Seasons Hospice and Palliative Care of Oregon in 2022. Also as indicated above, we assume that these expenses will correlate to our projected revenue.” [source: March 31, 2023, screening response, Attachment 4]

Applicant’s Tables

Other Expense assumptions/considerations.		
Worksheet 7:		
Non-salary and other costs are based on the experience of AccentCare Hospice and Palliative Care of Oregon. The grid below summarizes patient days for this facility for Calendar Year 2022. The figures in this grid are used to compute the fixed and per diem variable non-salary costs for the project.		
Patient Setting	Patient Days	2020 Breakout
Routine	15,885	97.03%
Respite	4	0.02%
GIP	483	2.95%
Continuous Care	0	0.00%
Total	16,371	100.00%
Physician Fees	\$80,761	
Patient Days	16,371	
Per Diem Physician Fees	\$4.93	
Other Revenue Inflation Factors	1.00	
Other Revenue Per Diem (all years)	\$4.93	

Staff	First Six Months		Year 1	
	FTE	Contracted	FTE	Contracted
RN	2.000		3.000	
LPN				
Hospice Aide	1.000		2.000	
Nursing Total	3.000	0.000	5.000	0.000
Admin	3.000		4.000	
Medical Director		0.030		0.030
Medical Director Contracted		0.200		0.200
DNS				
Business Clerical	3.000		4.000	
Admin Total	6.000	0.230	8.000	0.230
PT		0.015		0.015
OT		0.011		0.011
Speech Therapist		0.025		0.025
Clinical Nutritionist	0.100		0.100	
Med Social Worker	1.000		1.000	
Pastoral/Other Counselor (Chaplain)	1.000		1.000	
Volunteers				
Other: Music Therapy	1.000		1.000	
Others Total	3.100	0.051	3.100	0.051
TOTAL STAFFING	12.100	0.281	16.100	0.281

Applicant's Tables continued

Staffing and Salary Levels				
AccentCare follows a corporate staffing model in member hospice. The staffing levels shown below are the levels indicated for the census levels projected for the pro three years of operations.				
	12/31/2024	12/31/2025	12/31/2026	12/31/2027
Calendar Days	184	366	365	365
Patient Days	2,236	8,344	12,791	15,938
ADC	6	23	35	44
Department	FTEs	FTEs	FTEs	FTEs
Admissions Department	0.000	0.000	0.000	1.000
Business Development Department	2.000	3.000	3.000	3.000
Business Operations - Leadership	1.000	1.000	1.000	1.000
Chaplain	1.000	1.000	1.000	1.000
Executive Director	1.000	1.000	1.000	1.000
Hospice Aide	1.000	2.000	3.000	4.000
Music Therapy	1.000	1.000	1.000	1.000
Nursing	2.000	3.000	4.000	5.000
Physician Leadership (Medical Director)	0.030	0.030	0.030	0.030
Physician Team Support	0.200	0.200	0.200	0.200
Social Work	1.000	1.000	1.000	1.000
PT	0.015	0.015	0.015	0.015
OT	0.011	0.011	0.011	0.011
Speech Therapist	0.025	0.025	0.025	0.025
Clinical Nutritionist	0.100	0.100	0.100	0.100
Team Assistant	1.000	1.000	1.000	1.000
Team Director	1.000	1.000	1.000	1.000
Volunteer Department	0.000	1.000	1.000	1.000
TOTAL	12.381	16.381	18.381	21.381
		Annual Salary per FTE		
Department	12/31/2024	12/31/2025	12/31/2026	12/31/2027
Admissions Department	\$0	\$0	\$0	\$48,500
Business Development Department	\$77,500	\$77,500	\$77,500	\$77,500
Business Operations - Leadership	\$82,000	\$82,000	\$82,000	\$82,000
Chaplain	\$65,500	\$65,500	\$65,500	\$65,500
Executive Director	\$107,000	\$107,000	\$107,000	\$107,000
Hospice Aide	\$32,500	\$32,500	\$32,500	\$32,500
Music Therapy	\$58,500	\$58,500	\$58,500	\$58,500
Nursing	\$85,000	\$85,000	\$85,000	\$85,000
Physician Leadership (Medical Director)	\$250,000	\$250,000	\$250,000	\$250,000
Physician Team Support	\$250,000	\$250,000	\$250,000	\$250,000
Social Work	\$68,500	\$68,500	\$68,500	\$68,500
PT	\$93,700	\$93,700	\$93,700	\$93,700
OT	\$94,200	\$94,200	\$94,200	\$94,200
Speech Therapist	\$96,000	\$96,000	\$96,000	\$96,000
Clinical Nutritionist	\$68,000	\$68,000	\$68,000	\$68,000
Team Assistant	\$35,750	\$35,750	\$35,750	\$35,750
Team Director	\$87,500	\$87,500	\$87,500	\$87,500
Volunteer Department	\$0	\$52,000	\$52,000	\$52,000
Effective Date	12/31/2023			
Inflation Rate		1.00		
Inflation Factor	1.00	1.00	1.00	1.00
No inflation adjustment is made				

[source: March 31, 2023, screening response, Attachment 4]

The applicant included the following information about its expense assumption for “Service Fees” in response to screening.

*“This ‘Service Fees’ line item does fully account for the Management Services Agreement/Fees described on page 153, and as such, the ‘Service Fees’ expense line item in the pro forma financial schedules has been amended to be 12% of ‘Total Revenues’ per year. Please see **Attachment 4** for the updated Pro Forma Financial Statements and Assumptions that appeared in **Exhibit 18** of the application.*

...

Exhibit 1 of the Management Services Agreement appearing on page 153 of the application (4th paragraph) states, Notwithstanding anything contained herein to the contrary, the Aggregate Management Fee shall not exceed twelve percent (12%) of the aggregate revenues of the Subsidiaries and Joint Ventures other than Excluded Subsidiaries and Joint Ventures. Revised

Table 18 and the revised proforma are consistent with this fee calculation.” [source: March 31, 2023, screening response, pdfs 12-13]

This project includes several services that are assumed to have an additional cost. The applicant confirmed with the following statement that these costs, listed here, are included in the pro forma statement. [source: March 31, 2023, screening response, pdf 13]

“These items and services would be accounted for in the Management Services Agreement and are considered to be part of ‘national’ or ‘enterprise’ support services. The general categories are provided in Section 2.1 of the Management Services Agreement on pages 138 – 139 of the application.”

List of additional services and location of reference in the initial application.

- SAGE Care certification (pdf 15 and pdf 40)
- Annual continuing education event (pdf 20)
- Interpreter services (pdf 41)
- Telemedicine (pdf 62)
- Outreach efforts/campaign (pdfs 44 and 60)
- Establishing a Minority Advisory Board (pdf 57)
- Education and resources to help minority leaders increase public awareness of hospice (pdf 57)
- Facilitate biannual diversity training (pdf 57)

If this project is approved, the new hospice agency in Pierce County would be operated under the parent, AccentCare. To assist in this evaluation, the applicant provided pro forma financial statements for the Pierce County hospice agency alone which is summarized in the following table.

Department’s Table 11
Seasons Hospice & Palliative Care of Pierce County Washington, LLC
Revenue and Expense Statement
Projected Partial Year 2024 and Full Years 2025 through 2027

	July - Dec 2024	Full Year 1 Year 2025	Full Year 2 Year 2026	Full Year 3 Year 2027
Net Revenue	\$491,847	\$1,835,090	\$2,813,096	\$3,505,283
Total Expenses	\$806,309	\$2,105,000	\$2,555,253	\$2,991,936
Net Profit / (Loss)	(\$314,462)	(\$269,910)	\$257,843	\$513,347

The *Net Revenue* line item is gross operating and non-operating revenue minus deductions for contractual allowances, bad debt,²¹ and charity care. *Total Expenses* include all expenses associated with the operations of the Pierce County agency detailed earlier in this section.

Additionally, the applicant provided pro forma financial statements for AccentCare, Inc. that includes this Pierce County hospice project’s projections. The combined information is summarized in the following table. Year 2024 is not broken into partial years since the larger organization will be operational throughout the year unlike the new Pierce County agency. [source: March 31, 2023, Attachment 6]

²¹ The applicant confirmed in its screening response that bad debt is accounted for as the difference between net and gross private pay revenue. [source: March 31, 2023, screening response, pdf 12]

Department's Table 12
AccentCare, Inc. Including Proposed Pierce County Hospice Operations
Combined Revenue and Expense Statement
Full Years 2022 through 2027 (in 1,000s)

	Full Year 2022 Historical	Full Year 2023 Projected	Full Year 2024 Projected	Full Year 2025 Projected	Full Year 2026 Projected	Full Year 2027 Projected
Net Revenue	\$1,566,703	\$1,691,574	\$1,819,667	\$1,987,897	\$2,167,964	\$2,363,892
Total Expenses	\$1,681,885	\$1,792,069	\$1,845,127	\$1,965,358	\$2,101,792	\$2,266,186
Net Profit / (Loss)	(\$115,182)	(\$100,495)	(\$25,460)	\$22,539	\$66,172	\$97,706

For the combined summary above, *Net Revenue* is gross revenue minus deductions for contractual allowances, bad debt, and charity care. *Total Expenses* include all expenses associated with the operations of the parent, AccentCare, Inc.

AccentCare also provided projected balance sheets for the proposed Pierce County hospice agency alone. A summary is shown in the table below. [source: March 31, 2023, screening response, Attachment 4]

Department's Table 13
Seasons Hospice & Palliative Care of Pierce County Washington, LLC
Balance Sheet Projected Partial Year 2024 and Full Years 2025 through 2027

ASSETS	Year 2023	Jan – Jun 2024	July - Dec 2024	Full Year 1 Year 2025	Full Year 2 Year 2026	Full Year 3 Year 2027
Current Assets	\$2,000,000	\$1,639,457	\$1,373,775	\$1,208,015	\$1,501,131	\$2,051,351
Property and Equipment	\$0	\$109,700	\$109,700	\$109,700	\$109,700	\$109,700
Depreciation	\$0	\$0	\$6,085	\$18,157	\$30,228	\$42,299
Total Assets	\$2,000,000	\$1,749,157	\$1,477,390	\$1,299,558	\$1,580,603	\$2,118,752
LIABILITIES	Year 2023	Jan – Jun 2024	July - Dec 2024	Full Year 1 Year 2025	Full Year 2 Year 2026	Full Year 3 Year 2027
Current Liabilities	\$0	\$15,074	\$58,329	\$151,521	\$175,831	\$201,743
Long-Term Debt	\$0	\$0	\$0	\$0	\$0	\$0
Equity	\$2,000,000	\$1,734,084	\$1,419,060	\$1,148,038	\$1,404,773	\$1,917,008
Total Liabilities, Long-Term Debt, and Equity	\$2,000,000	\$1,749,158	\$1,477,389	\$1,299,559	\$1,580,604	\$2,118,751

AccentCare also provided consolidated historical balance sheets for its parent company Horizon Acquisition Co. Inc., which is included in the company's organizational chart. The applicant confirmed in response to screening that "*Pluto Acquisition 1, Inc., and Horizon Acquisition Co., do not own any other healthcare entities aside from those previously disclosed in Exhibit 3 of the application.*" [sources: Application, pdf 7 and Exhibit 20 and March 31, 2023, screening response, pdf 2]

AccentCare provided copies of agreements associated with this project which include financial commitment. Including an executed lease with first, second, and third amendments for the proposed agency as Exhibit 4 of the initial application. The lease agreement is between Seasons Hospice and Palliative Care of Pierce County, LLC, and 3W TMOB Partners LLC and M&M Tacoma Investments IV LLC. The lease was originally executed on February 28, 2020,

commencing on March 1, 2020, and amended on January 27, 2021, January 27, 2022, and March 14, 2022. As agreed in the lease's Third Amendment, the lease includes optional terms which extend until December 31, 2029.

Another agreement that ties the applicant to financial obligations is an executed *Management Services Agreement* as Exhibit 2 of the initial application. The agreement is between AccentCare, Inc. and *its subsidiaries and joint ventures*. The agreement was effective on October 20, 2022, and although there are several portions of the agreement with redacted sections, it does specify its *Compensation for Management Services and Term*.

Additionally, the applicant included the following summary of the redacted sections in response to screening. [source: March 31, 2023, screening response, pdf 10]

“Summary of Redacted Information

Information regarding additional entities for which AccentCare provides Management Services and the ownership of those entities.

Explanation for Redaction

No information relevant for the CON review has been redacted. The terms of the agreement between Seasons Pierce County and AccentCare including, for example, services and compensation, is available for review. Additionally, related entity information has been provided in Exhibit 3.”

Another agreement with financial terms associated with Pierce hospice services is the executed *Medical Director Agreement* as Exhibit 19 of the initial application. The agreement is between Seasons Hospice & Palliative Care of Pierce County Washington, LLC and Balakrishnan Natarajan, M.D. The agreement was effective January 1, 2021, outlines roles and responsibilities for both the agency and the physician, includes *Compensation and Benefits*, and its *Term and Termination* details.

Public Comment

The department received the following comment critical of AccentCare's project related to this sub-criterion.

Eden Hospice at King County, LLC [source: Comment Packet, distributed June 1, 2023, pdf 14]

“In the case of AccentCare, it conducted a broad demographic analysis exploring population growth using the Claritas data set as well as examining a number of demographic variables such as homelessness and how they might affect hospice utilization and disparity in access. However, AccentCare did not use this analysis to support utilization forecasts or create a service delivery plan. Instead, Accent compared its experience in operating in the Portland, Oregon area, which AccentCare indicated had similar but unsubstantiated demographic characteristics comparable to Pierce County to generate its volume projections. Essentially, AccentCare threw out its Pierce Need analysis and applied an unhinged Portland, Oregon experience to demonstrate that its services support feasibility. Accentcare [sic] relies on the State methodology showing a need for an additional agency as sufficient proof of non-duplication. Of greater significance is that AccentCare's pro forma volumes are not reliable. AccentCare applied the Portland, Oregon 'service delivery plan' but left out the critically necessary data – the Pierce County data. Plain logic reveals that evidence-based analysis is essential to verify proposed volumes in a pro forma. AccentCare did not apply evidence-based analysis and therefore the Proforma is flawed.”

Wesley Homes Hospice, LLC [source: Comment Packet, distributed June 1, 2023, pdf 115]

“The Seasons application’s conformance to Financial Feasibility and Structure and Process of Care standards is challenging to determine. This is due, in part, to discrepancies between contracted services listed as to be provided and the lack of expenses associated with these services outlined in its pro forma financial statements and supporting documents.”

AccentCare, Inc. Rebuttal [source: Rebuttal Packet, distributed July 3, 2023, pdfs 2-3 and 5]

“Furthermore, Eden is mistaken about AccentCare’s service delivery plan which the analysis supports. AccentCare’s service delivery plan and projections are fully set forth in AccentCare’s application. AccentCare’s programs and services are identified on pages 18 – 35 of the application; the implementation schedule is provided as attachment 1 to the screening response; a description of patients to be served is provided on pages 35 – 44 and includes identification of the subpopulations and the programs that provide specific benefits. AccentCare’s forecast is reasonable based on the calculation of need and start up experience of similar hospices for AccentCare.

...

AccentCare disagrees with Eden’s critique of the utilization forecast, which is based in part on the state’s methodology. The volume projections for the ramp up period are sound, based on AccentCare’s experience as stated in the application. The Oregon operations are used as the basis for some items in the financial pro forma. The approach is the same as that used in the application for CN#1947 which the state approved.

...

AccentCare has fully responded to all the application questions and screening questions. The updated pro forma financial statements provided in Attachment 4 to the screening response are complete and consistent with the presentation in the approved CN #1947. All staff and contracted personnel are identified by position, with detail and assumptions shown on worksheet 7 (pages 42 – 45 of the screening response.) Expenses are provided on page 17 of the screening response.

Furthermore, in response to screening question #26, several services are identified that are covered under the Management Services Agreement provided in Exhibit 2 of the application (pages 135 – 154).”

Department Evaluation

Utilization Assumptions

An applicant’s utilization assumptions are the foundation for the financial review under this sub-criterion. The applicants other hospice agencies in Washington State only obtained licensure in August 2023 and have no available utilization histories, so AccentCare based its projected utilization of the proposed new agency on specific factors:

- Average length of stay of 61.89 days in years 2026 and 2027 based on the department’s numeric methodology, shorter lengths of stay (39.0 and 53.0) for the first two years (2024 and 2025).
- An extensive comparison of Pierce County, Washington with three Oregon counties (Multnomah, Clackamas, and Washington). Based on this comparison, market share and referral rates were based on affiliate experience in Oregon. Market share of 14.5%, 33.4%, and 39.0% of unmet days for years 2024 through 2027 respectively.
- Based on the factors above, the three-year average daily census calculates to 6 in partial year 1 (2024) and full years one, two, and three were estimated at 23, 35, and 44, respectively.

By using the department's numeric method as a basis in its utilization assumptions AccentCare is simultaneously stating that it has built its assumptions on the non-existence of its approved Pierce County hospice and that there is unmet need even though the methodology already assumes approval of the previous year's AccentCare project. AccentCare attempts to justify this approach by declaring that it only intends to operationalize one agency despite seeking a second approval.

As noted in the need section of this evaluation, the department may not disregard a previous approval of the applicant in its review since its market share is included in the Pierce County supply assumed for the numeric methodology. As a consequence, the projected admission volumes relied upon in this application are already served and no additional patient volume shall be supported. Because the department rejects AccentCare's assertion that this project can be approved while the prior CN remains in force, the projected patient volumes cannot be supported. Based on this the department cannot conclude that AccentCare's utilization assumptions are reasonable.

Pro Forma Financial Statements

The new agency proposed by AccentCare is planned to function independently from AccentCare's other operations. However, the department considers not only the new agency's financial feasibility, but also that of its parent. AccentCare provided the following statements to demonstrate compliance with this standard.

- Consolidated financial statements for its parent company, Horizon Acquisition Co. Inc. [source: Application, Exhibit 20]
- Pro forma revenue and expense statements of the new agency. [source: March 31, 2023, screening response, Attachment 4]
- Pro forma balance sheet and cash flows for the new agency. [source: March 31, 2023, screening response, Attachment 4]
- Pro forma revenue and expense statements for AccentCare, Inc. [source: March 31, 2023, screening response, Attachment 4]

These various statements were helpful for the department to determine potential impacts of this project on existing operations. The department first examined the financial feasibility of the Pierce County hospice project alone. AccentCare provided extensive assumptions used to prepare the proposed agency's pro forma revenue and expense statement. As summarized in Table 11 the new agency is expected to operate at a net loss in partial year one (2024) and full year one (2025) becoming profitable by the end of full year two (2026) and becoming increasingly profitable in full year three (2027). A review of the larger organization's revenue and expense statement for the same projection period summarized in Table 12 shows by the project's first full year (2025) the parent is profitable by more than \$22.5 million. Although significant historical and initial years' losses are shown for the parent, this appears to be attributable to substantial investments by the parent into its operations nationally. Its consolidated financial statements show increasing hospice Medicare revenue between years 2020 to 2021 from 9% to 30% while its home health and home care are still 42% and 24% of revenue respectively. Also of note, is the decrease in *Cash and cash equivalents* between December 31, 2020, to December 31, 2021, appears to be partially attributable to a transaction that closed mid-2021, wherein the applicant entered into an equity purchase agreement to acquire Southeastern Health Care at Home. Southeastern is a large, 12-location, provider of post-acute care. The agency's initial start-up years' operational loss is not expected to affect the overall financial health of the parent, which has a great deal of liquid capital and anticipated growing profitability from years 2025 forward.

Focusing on the Pierce County hospice agency's balance sheets summarized in Table shows that the new agency is anticipated to be financially stable. The balance sheets provided in the review demonstrate the proposed Pierce County project is a very small part of a larger corporation with many assets, liabilities, debt, and equity. The balance sheets demonstrate that the applicant is financially healthy company that is able to support a relatively small project and investment of capital.

Lease

The Pierce County hospice operations would be located within office space already leased by the applicant in Pierce County; an executed lease was provided in the application. To ensure that the costs associated with this project could be clearly reviewed, AccentCare provided the lease agreement and a *Rental Worksheet* connecting the costs in the agreement with those identified in the pro forma revenue and expense statement. The costs for the lease can be substantiated and are consistent with the *Rental/Lease* line item amounts in the pro forma income statement.

Management Services Agreement

The applicant also provided a copy of an executed *Management Services Agreement*. The costs associated with this agreement are substantiated and consistent with the *Service Fees* line item amounts in the pro forma income statement.

Medical Director Agreement

AccentCare, Inc. provided a copy of an executed Medical Director Agreement. The costs associated with this agreement are substantiated and consistent with the *Physician Leadership (Medical Director)* line item amounts in the pro forma income statement.

Utilization Basis

Comment provided by Eden Hospice at King County, LLC calls out several areas of AccentCare's utilization assumptions it qualifies as *unhinged*. The following list summarizes the issues Eden identified.

- Statements that AccentCare did not tie Pierce County demographic research to its utilization projections. Rather using Portland, Oregon experience to determine these projections.
- Statements that AccentCare relies on the numeric methodology to prove it is not duplicating services.

The record and AccentCare rebuttal refutes these comments. Although the comment misrepresents AccentCare's assumptions, the fact remains that AccentCare cannot assume admissions while its analogous approved agency's market share (admission volumes) are included in the numeric methodology's supply.

In its application materials, AccentCare used Pierce County demographic data to justify its identification of target populations that are currently underserved in Pierce County. AccentCare included a detailed discussion of current barriers to accessing hospice services in Pierce County; analysis and source reports, articles, and data on Pierce County demographic data, research on effective ways to overcome said barriers; a detailed plan on how it would implement such strategies in Pierce County; samples of brochures it uses to educate the public and medical professionals that could be good referrals sources; and included costs and policies associated with this work in its application. AccentCare then relied on rates used by the department from the

numeric methodology²² alongside its Portland, Oregon start-up experience to quantify patients in need of services and what portion of those patients it could reasonably serve in its first three years. It further provided a summary of its research comparing population demographic data of three counties in the Portland, Oregon area to that of Pierce County. If not for being already approved for these same services and counted in the supply, this approach would be not only thorough but also reasonable in projecting utilization.

Inclusion of Costs Associated with Contracted Services

Wesley Homes Hospice, LLC provided comment with a criticism that AccentCare’s income statement is missing expenses associated with contracted services. Wesley does not identify which contracted services it could not identify. The following is an accounting of contracted services mentioned in the application and detail of whether its costs were included in the income statement.

**Department’s Table 14
AccentCare’s Contracted Services**

Contracted Service Type	Source in the initial application	Associated Expense identified as	Location of Expense in screening response, Attachment 4	Assumption Location in screening response, Attachment 4
Management Service	Exhibit 2	Service Fees	pdf 47	pdfs 12-13
Medical Director	Exhibit 19	Physician Fees	pdf 47	pdfs 42-44
General Inpatient Care	pdf 101	Purchased Services	pdf 47	pdfs 33-39, 45, & 51
Physical Therapist	pdf 100	Physical Therapist	pdf 47	pdfs 42-44
Occupational Therapist	pdf 100	Occupational Therapist	pdf 47	pdfs 42-44
Speech Therapist	pdf 100	Speech Therapist	pdf 47	pdfs 42-44
Interpreter Services	pdf 41	Service Fees	pdf 47	pdf 13

It is noted that on pdf page 47 of AccentCare’s March 31, 2023, screening response the expense line item for *Purchased Services* includes *Utilities, other* which is not representative of what is included in that line item according to the definition for the expense on pdf page 51. However, the information on pdf page 51 matches AccentCare’s calculations and information elsewhere in the application.

Another possible origin of Wesley Homes’ confusion could be that AccentCare accounts for its contracted staff costs with its employed staff. Its screening response, Attachment 4, pdf page 42 shows which portions of staff are contracted, the following pages include wages for all staff, employed and contracted together. These totals do not include benefits, since contracted are

²² Historical Washington State death data, historical Washington State hospice admissions data, Pierce County population projections, Pierce County existing hospice admissions data, and Washington State’s average length of stay published by CMS.

included. The totals are then included in the income statement as *Salaries and Wages*. Also included as their own line items are *Employee Benefits* and *Payroll Taxes*, both of which are sometimes included in a line for salaries.

Without additional detail the department is unable to locate contracted services AccentCare asserts it will utilize that does not have a corresponding projected expense. The department concludes that Wesley’s criticism is insufficiently detailed to offer assistance in reviewing this application.

Because the department concludes that AccentCare has not demonstrated need for this project, and because the utilization projections for this project duplicate patients already allocated in the need methodology and based on the information reviewed, the department concludes the immediate and long-range operating costs of this project cannot be met. **This sub-criterion is not met.**

EmpRes Healthcare Group, Inc. dba Eden Hospice at King County, LLC

EmpRes/Eden provided the following assumptions used to determine its utilization and clarify market share for the proposed Pierce County hospice services. [Application, pdfs 22-23]

Applicant’s Table
Table 3
Eden Hospice in King County

KING COUNTY	2023	2024	2025	2026
	12 months			
Total Hospice Admissions	180	276	312	324
Average Length of Stay	59.1	61.2	61.1	61.1
Total Hospice Days	10,643	16,888	19,074	19,809
Projected Average Daily Census	29.2	46.3	52.3	54.1
PIERCE COUNTY				
	2023	2024	2025	2026
	3 months			
Total hospice admissions	18	114	171	202
Average Length of Stay	61.2	61.2	61.2	61.2
Total Hospice Days	1,110	6,977	10,465	12,353
Projected Average Daily Census	3.0	19.1	28.7	33.8
TOTAL AGENCY				
	2023	2024	2025	2026
Total hospice admissions	198	390	483	526
Average Length of Stay	59.4	61.2	61.2	61.1
Total Hospice Days	11,753	23,865	29,539	32,162
Projected Average Daily Census	32.2	65.4	80.9	87.9

“Table 3 provides the required information showing projected utilization in both King County and Pierce County for 2023 through 2026 (“total agency” utilization is also shown). Note that the Pierce County 2023 utilization is projected partial year data for the last quarter of 2023.

Hospice admissions are comprised of three components:

Hospice Admissions: *There are two sources for hospice admissions for the Eden Pierce County service area described below:*

*(a) Unmet hospice admissions from population growth by extending admitting projections through 2027 – the Pierce County non dual-eligible hospice percent of Medicare beneficiary deaths at 41.6%, is 16% **below** the Washington State hospice percent of Medicare beneficiary deaths of 49.7%.*

(b) Hospice admissions from outreach to dual-eligible Medicare patients from areas of Pierce County where disparity results in hospice use rates are below non dual-eligible rates. In Pierce County the percentage disparity between dual-eligible and non-dual-eligible admissions is only 3.4%. However, disparity of the Pierce County dual-eligible percentage of hospice admissions to Medicare beneficiary deaths are 23.2% % lower than the State's non dual-eligible hospice admissions as a percent of Medicare beneficiary deaths.

Taken together, hospice utilization is substantially lower in Pierce County than in other metropolitan Washington counties due to under capacity and access disparity. As noted in this document, the greatest disparity is related to income rather than barriers related to race or ethnic variables.

Average Length of Stay: While average length of stay is longer nationally. Eden expects that length of stay for the first two full years of operation will mirror the state average length of stay. As patient admissions increase due to Eden's outreach efforts, patient(s) length of stay will also increase. Furthermore, patients who previously were never considered eligible for hospice (e.g., congestive heart failure or early dementia) will select hospice care – these types of conditions normally have longer lengths of stay.

Patient Days and Average Daily Census are both products of simple algebraic equations, e.g., Patient days divided by 365 or 366 days equals Average Daily Census in this case because a leap year is involved in the projections.”

EmpRes/Eden provided the following assumptions used to prepare its pro forma financial statements. [source: April 13, 2023, screening response, Attachment K, pdfs 95-96]

Applicant's Table

Pierce Hospice Pro Forma	
Hospice Patients	153 admits in 2023, 390 admits in 2024, 483 admits in 2025 and 526 admits in 2026
Average Length of Stay	61.2 days, set below 61.89 days due to nursing home hospice referrals
Hospice Days	9364 days in 2023, 23868 days in 2024, 29560 days in 2025, 32191 days in 2026
Average Daily Census	25.65 in 2023, 65.39 in 2024, 80.99 in 2025 and 88.20 in 2026
Routine hospice care 60 days	Most patients have stays of 60 days or less, Eden experience. For Routine hospice care, 45% of days receive revenue in the "Routine hospice care of 60 days or less"
Routine hospice care, 61+ days	A number of patients have stays exceeding 60 days. For Routine hospice care for longer stay patients, 53% of days have stays exceeding 60 days that receive revenue in the "Routine hospice care of greater than 60 days"
General Inpatient Care Days	.5% of days based on Eden averages and other providers
Inpatient Respite Care Days	1% of days based on Eden and other WA providers
Continuous Home Care Days	.5% of days based on Eden averages and other WA providers. Each day receives on average 8 hours of direct care at the rates listed under continuous home care for each day
Medicaid long term Nursing Home R&B Days	5 patients and 306 days in 2023, 46 pts., 2,815 days for 2024, 64 pts. and 3,917 days for 2025, and 84 patients, 5,141 days for 2026. Nursing Home days in King County are not included in this pro forma because no formal effort in King County is expected at this time
Routine Home Care 1-60 Day Revenue	\$232.57 weighted average per day based on Medicare rate of \$236.12, Medicaid rate of \$212.22 and commercial at \$188.90 with 90% Medicare, 5% Medicaid and 5% Commercial/Other
Routine Home Care 61+ Day Revenue	\$18378. weighted average per day based on Medicare rate of \$186.59, Medicaid rate of \$167.695 and commercial at \$149.27 with 90% Medicare, 5% Medicaid and 5% Commercial/Other
Inpatient Respite Care Revenue	\$537.41 weighted average per day based on Medicare rate of \$545.44 Medicaid rate of \$493.99 and commercial at \$436.35 with 90% Medicare, 5% Medicaid and 5% Commercial/Other
General Inpatient Care Revenue	\$1,217.69 weighted average per day based on Medicare rate of \$1,236.10 Medicaid rate of \$1,115.20 and commercial at \$988.88 with 90% Medicare, 5% Medicaid and 5% Commercial/Other
Continuous Home Care Revenue	\$70.76 weighted average per hour based on Medicare rate of \$71.89 per hour, Medicaid rate of \$63.72 per hour and commercial at \$57.51 per hour with 90% Medicare, 5% Medicaid and 5% Commercial/Other. Day. Use 8 hours per day for each eligible day
Medicaid R&B Revenue	95% of \$364.49. per day based on current skilled nursing facility contracts
Payer Mix:	
Medicare	Assume 90% in Pierce based on Eden experience and review of WA CoNs
Medicaid	Assume 5% in Pierce based on Eden experience and review of WA CoNs
Commercial	Assume 5% in Pierce based on Eden experience and review of WA CoNs
Deductions from Revenue	
Contractual Adjustments for	2% of Medicare based on CMS rules.
Charity Care	1.5% of gross revenue based on charity care policy and Eden experience
Provision for Bad Debts	1.0% of gross revenue
Patient Care Costs	

Applicant's Table

Salaries and Benefits	Experience in each market in Washington
Hospice Employees	See salary tables with FTE ratios set on Average Daily Census in existing Eden units and several in Washington
Payroll Taxes and Benefits	30% of salaries based on Eden exp
Medical Director (Contracted)	\$7 per hospice day, no caps in contract
Pharmacy - Medications & IV Supplies	\$5 per hospice day
Lab	\$.12 per hospice day
DME Costs (Equipment, oxygen)	\$6.50 per hospice day,
Medical Supplies	\$4.35 per patient day
Imaging Services	\$.08 per hospice day
Physical Therapy	\$.05 per hospice day
Occupational Therapy	\$.03 per hospice day
Speech Therapy	\$.05 per hospice day
Dietary	\$.09 per hospice day
Patient and ambulance transport	\$.40 per hospice day
Communications	\$1.25 per patient day
Employment and recruitment services	Based on existing contracts and budget of \$400 month for 12 months
Misc. contract servs: Career Arc, SHP, Curaspan etc. engaged in social recruitment, quality assurance.	Based on existing contracts and budget of \$921 per month for 9 months
General Inpatient Costs	\$864.50 per general inpatient care per day
Inpatient Respite Costs	\$381.11 per day
Medicaid R&B Costs	Pay Medicaid room and board rate estimated at \$364 per patient day. No separate R & B rate for King County for new program in Pierce County
Mileage -- RN and Social Service	\$1.77 per hospice day will depend on mix of service
Mileage -- Bereavement	\$1.00 per hospice day
Marketing	Lump sum
Office supplies	Start up and yearly operational lump sum all averaging \$400 per month
Postage	Lump sum
License fees	\$1,040 lump sum, will vary by year and volume related
Utilities	\$128 per month
Medical Director (Contracted)	\$7.00 per patient day - historical
Insurance -- Liability, property and malpractice	\$120 per month
Lease costs includes rent with semi-annual increases and operating expenses which are adjusted annually based on cost of living. Lease allocated 50% to	See Lease and Operating Expense Table
Bank Fees	.15% of Net Revenue
B&O tax and Licensing fees.	2.12% of gross revenue, B & O tax is on Gross Revenue.
Management Fee	Management fee - 5% of net revenue

EmpRes/Eden provided clarification on some of the line items above. [source: April 13, 2023, screening response, pdfs 17-19, Attachment 7, pdf 89, and Attachment 8, pdf 97]

Management Fees

“Table 6, Consultant Compensation Fee for Pierce County and the King County Agency provides the requested Table.

Applicant's Table

**Table 6
Management Compensation Based on 5% of Net Revenue
Pierce County and the King County Agency**

	2023	2024	2025	2026
King Hospice Agency Net Revenue and Management Consultant Compensation				
Pierce County Net Revenue	335,683	2,419,332	3,777,130	4,465,010
Compensation Rate Percentage	5%	5%	5%	5%
Management Consultant Compensation for Pierce County Hospice	\$16,784	\$120,967	\$188,857	\$223,251
King Hospice Agency Net Revenue and Management Consultant Compensation				
Total King Hospice Agency Net Revenue	2,044,688	5,916,668	7,730,856	8,572,408
Compensation Rate Percentage	5%	5%	5%	5%
Management Compensation for King County Hospice Agency Hospice	\$102,234	\$295,833	\$386,543	\$428,620

Medical Director Costs

“There is no cap on the number of hours that the physician will function in the capacity of the medical director.

Eden understands the Department’s interest in the hours and level of compensation for hospice medical director services because it is quite variable for different applicant organizations. The nature of this question seems to be pro forma related rather than quality of care related and so is this response. The annual number of medical director hours leading to annual compensation was determined based on Eden’s years of experience in operating hospices in multiple states. The Eden allocation of hours is \$7 per hospice day and a length of stay of 61.2 days length of stay, which translates into 2.68 hours per hospice patient on average. The contract covers all years and is reviewed annually.

Table 7 provides the Estimated Medical Director Fees Based on Hospice Day Volume for Pierce County and the King County Agency”

Applicant’s Table

**Table 7
Estimated Medical Director Fees Based on Hospice Day Volume for Pierce County and the King County Agency**

	2023	2024	2025	2026
Pierce County Patient Days and Medical Director Compensation				
Pierce County Hospice Days	1,109.5	6,976.7	10,464.1	12,353.5
Compensation per Hospice Day	\$7	\$7	\$7	\$7
Medical Director Compensation for Pierce County Hospice Days	\$7,767	\$48,837	\$73,248	\$86,474
King Hospice Agency Patient Days and Medical Director Compensation				
Total King Hospice Agency Hospice Days	9363.6	23868	29559.6	32191.2
Compensation per Hospice Day	\$7	\$7	\$7	\$7
Medical Director Compensation for King Hospice Agency Hospice Days	\$65,545	\$167,076	\$206,917	\$225,338

Lease Agreement

Applicant’s Table

EmpRes/Eden Lease Calculations (Pierce County Only)

		Jan-Mar 2023	April- Dec 2023*	Total 2023*	Jan-Mar 2024	April- Dec 2024	Total 2024	Jan-Mar 20225	April- Dec 2025	Total 2025	Jan-Mar 20226	April- Dec 2026	Total 2026
Annual Rent Rate	\$27.50	\$28.50	\$29.50		\$29.50	\$30.50		\$30.50	\$31.50		\$31.50	\$32.50	
Total Square Footage	2,901	2,901	2,901	2,901	2,901	2,901	2,901	2,901	2,901	2,901	2,901	2,901	2,901
Total Monthly Rent Rate per sq. ft.		\$2.38	\$2.46		\$2.46	\$2.54		\$2.54	\$2.63		\$2.63	\$2.71	
Months at Rate		3	9		3	9		3	9		3	9	
Total Rent		\$20,669.63	\$64,184.63	\$84,854.25	\$21,394.88	\$66,360.38	\$87,755.25	\$22,120.13	\$68,536.13	\$90,656.25	\$22,845.38	\$70,711.88	\$93,557.25
Total Allocated Operating Expense	\$11.40	\$0.95	\$0.95	\$33,071.40	\$0.95	\$0.95	\$33,071.40	\$0.95	\$0.95	\$33,071.40	\$0.95	\$0.95	\$33,071.40
Total Months		3	9		3	9		3	9		3	9	
Total Operating Expense per year		\$8,267.85	\$24,803.55	\$33,071.40	\$8,267.85	\$24,803.55	\$33,071.40	\$8,267.85	\$24,803.55	\$33,071.40	\$8,267.85	\$24,803.55	\$33,071.40
Total Lease plus Operating Expense per yr.		\$28,937.48	\$88,988.18	\$117,925.65	\$29,662.73	\$91,163.93	\$120,826.65	\$30,387.98	\$93,339.68	\$123,727.65	\$31,113.23	\$95,515.43	\$126,628.65
50% Allocation to Eden Hospice at King County	50%	N.A.	\$44,494.09	\$44,494.09	\$14,831.36	\$45,581.96	\$60,413.33	\$15,193.99	\$46,669.84	\$61,863.83	\$15,556.61	\$47,757.71	\$63,314.33
50% Allocation of Eden Hospice at King County to Pierce County CoN*	50%	N.A.	\$7,415.68	\$7,415.68	\$7,415.68	\$22,790.98	\$30,206.66	\$7,596.99	\$23,334.92	\$30,931.91	\$7,778.31	\$23,878.86	\$31,657.16

For Pierce County lease charges are not allocated to the Pierce pro forma until October 2023. For the King hospice agency, lease charges are not charged to the agency until April 2023. They are carried by the hospices until that time.

*Applicant's Table
EmpRes/Eden Lease Calculations (Combined Pierce and King County)*

		Jan-Mar 2023	April- Dec 2023*	Total 2023*	Jan-Mar 2024	April- Dec 2024	Total 2024	Jan-Mar 20225	April- Dec 2025	Total 2025	Jan-Mar 20226	April- Dec 2026	Total 2026
Annual Rent Rate	\$27.50	\$28.50	\$29.50		\$29.50	\$30.50		\$30.50	\$31.50		\$31.50	\$32.50	
Total Square Footage	2,901	2,901	2,901	2,901	2,901	2,901	2,901	2,901	2,901	2,901	2,901	2,901	2,901
Total Monthly Rent Rate per sq. ft.		\$2.38	\$2.46		\$2.46	\$2.54		\$2.54	\$2.63		\$2.63	\$2.71	
Months at Rate		3	9		3	9		3	9		3	9	
Total Rent		\$29,669.63	\$64,184.63	\$84,854.25	\$21,394.88	\$66,360.38	\$87,755.25	\$22,120.13	\$68,536.13	\$90,656.25	\$22,845.38	\$70,711.88	\$93,557.25
Total Allocated Operating Expense	\$11.40	\$0.95	\$0.95	\$33,071.40	\$0.95	\$0.95	\$33,071.40	\$0.95	\$0.95	\$33,071.40	\$0.95	\$0.95	\$33,071.40
Total Months		3	9		3	9		3	9		3	9	
Total Operating Expense per year		\$8,267.85	\$24,803.55	\$33,071.40	\$8,267.85	\$24,803.55	\$33,071.40	\$8,267.85	\$24,803.55	\$33,071.40	\$8,267.85	\$24,803.55	\$33,071.40
Total Lease plus Operating Expense per yr.		\$28,937.48	\$88,988.18	\$117,925.65	\$29,662.73	\$91,163.93	\$120,826.65	\$30,387.98	\$93,339.68	\$123,727.65	\$31,113.23	\$95,515.43	\$126,628.65
50% Allocation to Eden Hospice at King County	50%	N.A.	\$44,494.09	\$44,494.09	\$14,831.36	\$45,581.96	\$60,413.33	\$15,193.99	\$46,669.84	\$61,863.83	\$15,556.61	\$47,757.71	\$63,314.33
50% Allocation of Eden Hospice at King County to Pierce County	50%	N.A.	\$7,415.68	\$7,415.68	\$7,415.68	\$22,790.98	\$30,206.66	\$7,596.99	\$23,334.92	\$30,931.91	\$7,778.31	\$23,878.86	\$31,657.16

For Pierce County lease charges are not allocated to the Pierce pro forma until October 2023. For the King hospice agency, lease charges are not charged to the agency until April 2023. They are carried by the hospices until that time.

If this project is approved, the Pierce County service area of the hospice agency would be operated in combination with EmpRes/Eden's existing King County operations. EmpRes/Eden provided pro forma financial statements for Pierce County operations alone, and the proposed combined King/Pierce operations.

Based on the assumptions described above, below is a summary of EmpRes/Eden's pro forma Revenue and Expense Statement summary for its Pierce County-only operations. [source: April 13, 2023, screening response, Attachment 7, pdfs 83-84]

**Department's Table 15
EmpRes/Eden Pierce County-Only Projected Revenue and Expense Statement Summary**

	4th Quarter 2023	CY Year 1 2024	CY Year 2 2025	CY Year 3 2026
Net Revenue	\$335,683	\$2,419,332	\$3,777,130	\$4,465,010
Total Expenses	\$630,007	\$2,339,211	\$3,542,277	\$4,100,597
Net Profit / (Loss)	(\$294,324)	\$80,121	\$234,853	\$364,413

Net revenues include all gross revenue, minus any deductions for charity care, bad debt, contractual adjustments and allowances. Total expenses include staff salaries and benefits, and all costs associated with the Pierce County operations. [source: April 13, 2023, screening response, Attachment 7, pdf 83]

**Department's Table 16
EmpRes/Eden Pierce County-Only Pro Forma Balance Statement Summary**

ASSETS	4th Quarter 2023	CY 2024 (Year 1)	CY 2025 (Year 2)	CY 2026 (Year 3)
Current Assets	\$38,687	\$193,019	\$489,644	\$601,501
Property and Equipment	\$0	\$0	\$0	\$0
Other Assets	\$0	\$0	\$0	\$0
Total Assets	\$38,687	\$193,019	\$489,644	\$601,501

LIABILITIES	4th Quarter 2023	CY 2024 (Year 1)	CY 2025 (Year 2)	CY 2026 (Year 3)
Current Liabilities	\$33,010	\$140,371	\$218,716	\$255,173
Long-Term Debt	\$0	\$0	\$0	\$0
Equity	\$5,676	\$52,648	\$270,929	\$346,328
Total Liabilities, Long-Term Debt, and Equity	\$38,687	\$193,019	\$489,644	\$601,501

Below is a summary of EmpRes/Eden's projected utilization and the pro forma Revenue and Expense Statement summary for its combined King and Pierce County operations. This combined information is based on Wesley's understanding and experience of the market. [source: April 13, 2023, screening response, Attachment 8, pdfs 90-91, 93]

**Department's Table 17
EmpRes/Eden King and Pierce Combined Utilization Summary**

	4th Quarter 2023	Year 2024	Year 2025	Year 2026
Total Number of Admissions	153	390	483	526
Total Number of Patient Days	9,364	23,868	29,560	32,191
Average Daily Census	25.65	65.39	80.99	88.20
ALOS-Calculated	61.2	61.2	61.2	61.2

**Department's Table 18
EmpRes/Eden King and Pierce Combined Pro Forma Revenue and Expense Statement Summary**

	4th Quarter 2023	Full Year 1 2024	Full Year 2 2025	Full Year 3 2026
Net Revenue	\$2,044,688	\$5,916,668	\$7,730,856	\$8,572,408
Total Expenses	\$2,256,971	\$4,858,970	\$6,279,236	\$6,904,769
Net Profit / (Loss)	(\$212,284)	\$1,057,698	\$1,451,619	\$1,667,639

EmpRes/Eden also provided a copy of its combined pro forma Balance Sheet for its King and Pierce hospice operations. The balance sheet is summarized below. [source: April 13, 2023, screening response, Attachment 8, pdf 92]

Department's Table 19
EmpRes/Eden King and Pierce Combined Pro Forma Balance Statement Summary

ASSETS	2023 (Partial Year)	CY 2024 (Year 1)	CY 2025 (Year 2)	CY 2026 (Year 3)
Current Assets	\$186,719	\$1,391,509	\$2,330,212	\$3,436,902
Property and Equipment	\$0	\$0	\$0	\$0
Other Assets	\$0	\$0	\$0	\$0
Total Assets	\$186,719	\$1,391,509	\$2,330,212	\$3,436,902

LIABILITIES	2023 (Partial Year)	CY 2024 (Year 1)	CY 2025 (Year 2)	CY 2026 (Year 3)
Current Liabilities	\$99,003	\$246,095	\$333,178	\$372,229
Long-Term Debt	\$0	\$0	\$0	\$0
Equity	\$87,716	\$1,145,41	\$1,997,03	\$3,064,67
Total Liabilities, Long-Term Debt, and Equity	\$186,719	\$1,391,509	\$2,330,212	\$3,436,902

Numbers may not be exact due to rounding.

AccentCare/Seasons [source: Comment Packet, distributed June 1, 2023, pdf 50]

“Screening Question 33. The minimum requirements for site control are that the applicant has an executed or draft lease through the first three full years of the project with options to renew for an additional two years [emphasis supplied]. The agreement provided in this Appendix does not meet this requirement because it is valid through March 31, 2026 based on the “Lease Termination Date” subsection within the “Lease Summary” on page 115, and no additional rider stipulating extension appears to be provided. Please provide site control through the first full three years.

Eden responds by providing a Second Lease Amendment in Attachment 12 to its screening response, extending the lease term through December 31, 2026. However, there is no option to renew for an additional two years as requested in the question above and required on the application form (shown below). At the time of application, Eden Hospice at King County, LLC was not a Medicare-certified hospice agency and states on page 24 of its Replacement Screening Response that “For King County, it was originally expected that the overall agency would begin operations in January 2023 but that is put off to an expected opening in May 2023.” Therefore, this is a new hospice and must provide a lease for the first three full years and options to renew for an additional two years.”

Wesley Homes [source: Comment Packet, distributed June 1, 2023, pdfs 106-115]

“EmpRes Healthcare Group, through Eden Hospice at King County, LLC, has applied for CN approval to extend Eden King County into Pierce County in the 2023 Pierce Concurrent Review cycle. Eden King County received CN approval in November of 2021. In that CN application, it projected to be operational in January of 2022; in response to screening, Eden suggests that this date has been pushed to May of 2023, sixteen months after the projected start date.

Eden also received CN approval to establish agencies in Whatcom County in September of 2020, and Snohomish County in October 2021. It also has CN applications under review to establish agencies, absent numeric need, in both Skagit and Spokane counties.

Eden also received CN approval to establish agencies in Whatcom County in September of 2020, and Snohomish County in October 2021. It also has CN applications under review to establish agencies, absent numeric need, in both Skagit and Spokane counties.

Further, and per Eden, its Whatcom agency began operation in late 2021, and has been operating at a loss. Eden also stated that it has elected not to open in Snohomish County until an appeal of the 2021 review cycle is resolved.

Interestingly, all three of these applications (Whatcom, Snohomish, and King) used the exact same underlying assumptions and the exact same projected census, despite real and meaningful differences in unmet need, county demographics and socioeconomics, and operating costs, suggesting a cut-and-paste nature to the applications. This is unprecedented. In other words, there is very little evidence to suggest that Eden modelled their projections, and hence their pro formas, on actual community need.

In addition, in January of 2023, Eden entered into an agreement with Community Home Health and Hospice (CHH&H), located in Southwest Washington. Under the agreement, which relates to financial pressure on CHH&H, Eden assumed the operations of CHH&H in Clark, Cowlitz and Wahkiakum counties effective May 1, 2023. A few months prior to the announced acquisition, CHH&H went through a lay-off process and cut back or stopped providing a number of services. According to a recent article published in the Columbian (Attachment 1), CHH&H has not operated at a profit since 2018. This fact is confirmed by the latest 990 filing of CHH&H, included as Attachment 2.

Of note is the fact CHH&H built the first hospice care center in the State. Because there were no hospice care center rules at the time, it was licensed as a hospital, and then CHH&H leadership worked closely with the State to design, finalize, and adopt the new hospice care center regulations. In 2012, CHH&H sought and secured CN approval to establish a second hospice care center in Clark County. Both care centers were built with community funds and, until closed by CHH&H in late April, relied on the community to stay operational. In a Determination of Non-reviewability (DOR), it became clear that Eden's business model does not include hospice care centers, and that vital community resources will be lost. In a DOR filed by Eden related to this transaction, it stated:

The CON transfers of Community Home Health and Hospice in-home Home Health and in-home Hospice change of ownership to Eden Healthcare Management, LLC, effective May 1, 2023. The inpatient hospice units will be managed by Eden Healthcare Management, LLC, but will still be owned by Community Home Health and Hospice, it is only the in-home programs that are being acquired as of May 1st. It is our understanding that Community Home Health and Hospice holds a total of 6 CONs that would need to be transferred to Eden Healthcare Management, LLC:

- Home Health – Clark County*
- Home Health – Cowlitz County*
- Home Health – Wahkiakum County*
- Hospice – Clark County*
- Hospice – Cowlitz County*
- Hospice – Wahkiakum County*

Since this DOR was filed, various news article state that CHH&H closed the Clark County HCC and transferred the Longview HCC to a non-profit hospice provider based in Cowlitz County.

In preparing this public comment, Wesley closely reviewed each historical CN application of Eden. We note that its first three Washington CN applications (Whatcom, Snohomish, and King counties) had exactly the same ADC for each of the first three full years, and nearly verbatim underlying assumptions regarding service to traditionally underserved populations, this despite the very different demographics of the three counties. In Eden's newer applications, it provides extensive general information about underserved groups, but fails to provide any data about the demographics or specific services offered in its Washington agencies. The EmpRes website shows a total of 13 hospice agencies in 7 states (Wyoming, Washington, Idaho, Nevada, Oregon, Montana, and Arizona), yet no data was provided about underserved volumes.

The financial feasibility of the Eden Pierce application is not demonstrated in the current application file.

Eden is proposing to operate Pierce under the same license and certificate as its King County agency. In fact, its website suggests that it is already serving Pierce County. See <https://www.eden-health.com/Locations/eden-hospice-king-county>.

The portion of the application and screening responses focused on WAC 246-310-220 are confusing and contain numerous circular arguments and conflicting information. Eden approaches the pro forma with a best-case and worst-case scenario, which is inconsistent with CN guidelines which require applicants to provide utilization projections that directly connect to their pro forma financial statement with clear assumptions. From an affected party perspective, this "range approach" confounds the ability to fully review their application.

Below are the concerns and failures Wesley has identified in our review of Eden's underlying assumptions and pro formas:

1. Eden's application contains unrealistic volume projections and, hence, net income projections. Eden's "high growth" is uncertain and there is insufficient information in the record for the Program to make informed decisions.

a. Eden claims throughout its CN submissions that many of its volume assumptions are based on their actual experience, but they do not have any real experience in Washington State, and no data was provided on actual experience in other states. There is no evidence to suggest that Eden's volumes and financial projections are consistent with actual practice, or in the case of Whatcom, a reliable predictor of a new agency's performance.

i. Of the three CN-approved Eden hospice programs in Washington, only Whatcom Hospice is operational.

As described in Eden's screening response, Whatcom Hospice is operating at a loss. Eden states:

- The 12-month actual first full-year operating loss for the Whatcom (including Skagit County) was \$203,511.***
- The total operating loss for partial certification year 2022 and full year 2023 was \$547,382.***
- The Eden Whatcom agency broke even in November of 2022.***

Eden then goes on to state that since they had two months of “break-even” status in November and December of 2022, they “obviously” will have a positive bottom line in 2023. To support this claim, Eden submitted 2022 financial statements for Eden Whatcom.

Eden claims on page 25 of its Pierce screening response that the reason for its lower division-wide income in 2021 and 2022 is the high start-up costs for new hospices. It goes on to state that Whatcom will be profitable in 2023, though there is no evidence to support this claim.

- The monthly financial statements for Eden Whatcom on pages 107-109 of the screening response do not demonstrate a discernible trend toward profitability. The monthly net income fluctuated between positive and negative net income throughout the year. Although the last two months of the year were positive, two months is not sufficient to establish a trend. Importantly, the months leading up to November 2022 did not indicate a pattern of decreasing losses trending toward profitability. In fact, August and October of 2022 had the second and third worst net losses of the year.*
- Eden’s CN pro forma for its Whatcom County agency projected an operating loss in the first year of only \$84,026 – and a 2021 and 2022 total net income of \$371,941. This compares to the actual 2021 and 2022 operating loss of \$547,382.*
- Eden’s CN also projected its 2022 ADC in Whatcom County to be more than double that being provided by Eden in Whatcom County (37% of Eden’s Whatcom agency admissions in 2022 were from Skagit County residents).*
- It is also important to note that Eden is currently only authorized to provide services to Skagit County under the PHE and has a current CN to permanently provide services in Skagit County under review. There is no guarantee that this CN will be approved, so the loss of Skagit County volume would also have a significant impact on the bottom line of Eden’s Whatcom agency. Importantly, there was no assumption in its original application about volumes from an adjacent county, and their Whatcom agency volumes in Eden’s Pierce County application are based on current volumes that include Skagit County.*

- ii. **Eden’s Pierce County application is described as an extension of the King County agency that is not yet operational. It assumes volumes for King County in the combined pro forma even in excess of what was projected in the original King County CN, which there is no evidence are reasonable or achievable.***

Eden’s King County CN application projected an operational date of January 1, 2022, and based on the utilization projections in that application would have provided close to 9,500 patient days to date. Instead, as of the writing of this public comment, it does not yet appear to be operational.

The combined pro forma in Attachment 7 of Eden’s screening response identifies King County patient days as 17% higher by the third fully operational year than it projected in the original CN. Eden provided no data or rationale to support the change. The Program cannot rely on these unfounded projections.

- b. **Eden attempts to support its inflated volume assumptions by assigning specific patient volume to cohorts they identify as underserved. They give no data to support these assumptions, provide inconsistent statements throughout their CN submittal documents, and provide inaccurate claims. The volumes are unreliable.***

i. Death with Dignity

Eden claims patients interested in Death with Dignity will represent a significant percentage of its volume. Its CN application implies that none of the existing hospice providers in the county, and none of the recently approved agencies, comply with the Death with Dignity statute. After being questioned by the Program during the initial screening process, Eden backtracked and stated that they cannot “opine” on providers’ compliance with the statute. However, they continued to conclude that they are the only provider that would be chosen by patients interested in Death with Dignity. They do not address the fact that:

- *All of the existing providers, newly approved providers, and competing applications in this process have compliant policies and procedures. All accept and support patients and families interested in or seeking Death with Dignity.*
- *At least one of the recently approved providers entering Pierce County has a policy nearly identical to Eden’s policy.*
- *Eden failed to provide any data to support their assumption that people interested in Death with Dignity would not choose other providers in the county who are compliant with the statute.*
- *There are other reasons why a person interested in Death with Dignity would be drawn to a specific provider, including a history with that provider, a history of that provider in the community, high quality, willingness to serve the whole county, willingness to accept their payer, and other services available to them and their family.*

Since all providers in Pierce County have compliant policies and can and do support Death with Dignity patients, and since Eden provides no data to support their estimates, these assumptions cannot be validated.

ii. Home Health Referrals

Eden also states that a significant portion of their volume will be from home health referrals. Without providing any data to substantiate this statement, Eden assumes 10% of home health patients will need and select hospice services. We were unable to find any data to support their 10% statistic.

iii. Nursing Homes

Eden assumes volumes related to “integrating their hospice” into nursing homes within the county. Eden projected volume in each of the first three years, including 5,141 patient days in nursing homes by the third full year of operation. However, when the Program, during screening, requested specific information, Eden responded (page 22) that Eden believes that initially, e.g., for the first three full years of operation, it is highly unlikely that Eden will have a substantial cohort of these patients. However, they did not revise their volumes or pro formas.

iv. Dual Eligible Patients

Again, Eden makes unsubstantiated claims about reaching dual-eligible patients. First, Eden linked these patients to their integration of hospice services into nursing homes—although, per the above section iii, they concede that they do not expect to serve a “substantial cohort of these

patients” in the first three years. Eden also attempts to support their commitment to dual-eligible patients through their participation in the Department of Social and Health Services Long-Term Services Support Dual Eligible Demonstration Project and the Medicaid Apple Program. However, when the Program questioned them on their participation in these programs, Eden states that they will reach out to the DSHS Program in the next year to define what its role “could be.” With this kind of ambiguity, again, the Program cannot rely on any of these assumptions.

v. Pediatric, LGBTQ, Racial and Ethnic Minorities, etc.

Eden includes assumptions regarding the volume of patients they will receive from each of these cohorts. While they provide assumptions on what percentage of these populations are represented in the community, Eden provided absolutely no basis or data to support its assumptions regarding the proportion of each population that will be served by Eden.

2. Eden provides a novel, but not reasonable, “best-case/worst-case scenario” for its volumes and pro formas. Even the “worst-case” scenario has fundamental flaws that result in the Program not being able to determine the actual financial feasibility of the program.

On page 99 of Eden’s screening response, they show a best-case scenario of a 10% increase in net revenue in 2023, followed by 7% increases each year thereafter, and a best-case scenario of 7% per year increases in expense. No explanation is given for why or how these percentages were determined or what they are based on. For the worst-case scenario, a 10% increase in revenue is assumed for 2023, followed by 5% increases in each subsequent year, and 11% per year increases in expense. Again, no explanation is given for how or why these percentages were chosen.

Eden notes on page 28 of the screening response that even in the worst-case scenario, it is projected to be profitable by 2026. However, in looking at the differences between the existing agency-projected net revenue and the combined agency-projected net revenue amounts on page 99, the differences are not consistent for the best-case and worst-case scenarios. The differences, which represent the net revenue for Skagit, Pierce, and Spokane (two counties in which there is no numeric need), indicate increased revenue from these locations under the worst-case scenario. The difference in 2026 is \$345,000. If we remove this difference by making the net revenue for Skagit, Pierce, and Spokane the same as under the best-case scenario, the combined entity net income for 2026 is a loss of \$200,857.

Again, this does not include the numerous other inaccuracies listed in this public comment—including over-inflated volumes and lack of specific assumptions—nor does it include the full consideration of start-up costs of all new agencies, etc. See below.

3. Eden’s financial projections do not fully take into account the start-up costs and initial operating losses for all its other CN-approved agencies, its applications under review, or the agencies it recently acquired through a CN Determination of Non-reviewability. These include agencies in King, Spokane, Skagit, Cowlitz, Clark, and Wahkiakum counties.

Eden fails to incorporate the operating costs and revenues associated with the recent acquisition of CHH&H, nor the capital required to return the agency to profitability. According to Eden:

Currently, this transaction is governed by a confidentiality agreement until the transaction is consummated. At this time, Eden Health anticipates that no additional financial documents will

be required for this Certificate of Need. The actual transaction, if approved by CMS, will not be consummated earlier than May 1, 2023, and thus the transaction is not part of this Certificate of Need process. As we obtain additional information, we will inform the Department as we have to date with the request for Determination of Reviewability associated with the transaction.

Information was being publicly disseminated in January. Eden became the operator of CHH&H's hospice agencies in Clark, Cowlitz, and Wahkiakum counties on May 1. These agencies required ongoing subsidy by the long-time operator, and the resources required by Eden to make these agencies sustainable should be quantified and understood by the Program.

The impact of start-up costs of the other CN-approved agencies and agencies under review (King, Snohomish, Skagit, Spokane, Pierce) should also be quantified and understood by the Program. Eden implies that start-up costs and operating losses for the other CN-approved agencies or agencies under review are somehow included in the worst-case scenario described above, but it is unclear what agencies are included, the total amount assumed, and what the total impact will be. Eden seemed to have assumed an unfounded increase in expenses instead of including actual expected costs.

In its screening response, Eden states that start-ups frequently have operating losses of \$500,000-\$600,000 as the new agencies achieve Medicare certification and build up volume to break-even levels. None of its prior CN pro formas estimated a loss of this magnitude. For example, in Whatcom the loss was estimated at just over \$84,000, and in King it was estimated at just over \$140,000. Eden has not included these "frequent" estimated costs/operating losses in its combined pro forma financials for this Pierce County application in a way that can be analyzed and confirmed by the Department or by affected or interested parties. With Eden potentially entering into six new counties, start-up costs and operational losses could be in excess of \$3 million. The Program clearly does not have the necessary information to measure this impact on the viability of Eden's proposal.

4. Eden did not provide sufficient documentation that EmpRes, its parent, has committed to covering operating losses. The Program has no assurance that these costs would be covered.

Eden makes several inconsistent statements throughout its screening response about the commitment and ability of EmpRes to cover operating losses. In its screening response, Eden states that:

- If losses did occur...even assuming no operating corrections by Eden, can readily be supported by EmpRes Healthcare Group with cash and cash equivalents on hand per the 2021 audited financial statement or by the existing, available line of credit facility of up to \$40 million for EmpRes Healthcare Group.*

However, Eden also goes on to say that:

- EmpRes Eden generally expects to cover operating losses through operations.*
- Eden can, in unusual circumstances, cover operating losses through its existing \$40 million line of credit.*
- Overall hospice losses can also be addressed by timing in the implementation of projects and a variety of other normal cost-reduction strategies.*

- *Eden could easily take managerial interventions to address a “worst-case” scenario. However, it is more likely that the roll-out of the proposed hospice Certificate of Need projects would be delayed if expenses were higher.*

Most importantly, there is NO commitment from EmpRes that the Program can rely on. A letter from EmpRes on page 77 of its screening response stops short of committing to providing funding to support the project. The letter states:

As noted in our CON application and other responses to Department questions, EmpRes Healthcare Group, Inc.'s submittals document the ability to fund these projects from funds generated through operations. EmpRes also notes that the submitted, audited financial statements document that it has sufficient funds from an existing line of credit to support all of the above projects if it deems them advantageous. Finally, EmpRes is routinely involved in a variety of other business transactions on an ongoing basis that can be used to financially support specific projects, should it make that decision.

Without the CN-required commitment to fund any operating losses, the Department cannot determine Eden’s project to be financially feasible.

Finally, while in one breath Eden states that EmpRes has the available cash and line of credit to address operating losses, in the next breath it states that the more likely option would be to delay projects. This approach results in the Program being unable to rely on Eden’s projections and unable to determine financial feasibility.”

5. *Eden has failed to be responsive to the Program’s request to provide the basis for many of their assumptions (not just the calculations).*

The Program is clear in its application form and in its direct screening questions to Eden that they need each assumption to specifically identify the basis for the assumption. While Eden states they comply with this request, their assumptions are often still just calculations, percentages, and numbers with no basis/underlying assumption. The Program does not have the ability to determine the reasonableness of many of their assumptions.

6. *Eden’s CN submittal and financials also included several other errors that make it impossible for Affected Persons or the Program to determine financial feasibility.*

□ *Administrative FTEs:*

- *On page 86 of the screening response, the FTEs for administration do not change during the forecast period, despite patient volumes increasing from 1,110 days in 2023 to 12,353 days in 2026, an increase of over 1,000%.*

□ *Length of Stay:*

- *On page 87 of the screening response, it says most patients have stays of 60 days or less, but the percentage used is 45%, while the percentage used for patient with stays over 60 days is 53%.*

□ *Room and Board Assumptions and Calculations:*

- *Pages 87 and 95 assumptions state 3,917 R&B days for 2025, at a rate of 95% of \$364.49 per day, and 5,141 R&B days for 2026 at the same rate. Based on this, R&B revenue should be \$1,356,322 and \$1,780,151 for 2025 and 2026, respectively.*

- *This does not match the revenue calculated on pages 83 and 90.*
- *This would also affect the related R&B expenses, which should be \$1,427,707 and \$1,873,843 for 2025 and 2026, respectively, based on the assumptions.*
- *This does not match the expenses provided on pages 83 and 90.*
- **Social Services Expense:**
 - *The social services expense on page 90 is set to \$80,000 per year.*
 - *The assumptions on page 93 indicate social worker salaries of \$79,040, and FTEs of .86, 2.18, 2.7, and 2.94.*
 - *Based on the assumptions, the expenses should be \$67,974; \$172,307; \$213,408; and \$232,378.*
- **Benefits:**
 - *Based on the 30% benefits rate note on page 96, the administration payroll taxes and benefits on page 90 should be \$204,645 each year, not \$188,321.*
 - *Based on the 30% benefits rate note on page 88, the administration payroll taxes and benefits on page 84 should be \$67,574 each year, not \$65,174.*
- **Home Services Payroll Taxes and Benefits:**
 - *Home services payroll taxes and benefits on page 83 do not include social services expenses in the calculation. Per page 88, payroll taxes and benefits should be 30% of salaries and wages.*
- **Administrator Expense:**
 - *Administrator expenses should be \$180,000 per year based on the assumptions on page 93, not the \$174,000 identified on page 90.*
- **DME, Mileage, CIP, and Respite Costs on page 83 are inconsistent with assumptions on page 88.**
- **Lease, shared space, etc.:**
 - *There are confusing statements throughout the Eden CN submittal documents about which agencies are sharing space, costs, staffing, etc.*
 - *It appears that the lease costs will be shared by the Pierce and King county hospice operations, but it also appears that the Snohomish hospice operations and the home health operations in the relevant counties will also share this space, equipment, and costs.*
 - *These confusing statements make it impossible for the Program to determine whether there is a “direct match” between the lease and the pro forma expense line item for these costs, which is what the Program requires.*

EmpRes/Eden Rebuttal [source: Rebuttal Packet, distributed July 3, 2023, pdfs 22-32, and 61]

“Screening Question 33 – discussions about lease requirements (See Screening Response PDF page 19)

Eden reviewed its response to this question prior to submittal with agency staff. The submitted lease documents are consistent with certificate of need requirements.

Wesley’s introductory remarks on page 4 through page 6 (Consolidate Public Comments PDF pages 105 – 107) can best be summarized in their own words as “noise” at best, unrelated to rules and at worst outright misrepresentation of the factual record for the Eden Pierce project. Wesley’s comments on several topics associated with financial aspects of the Eden project appear in separate sections of its testimony that at times are contradictory in its findings. Eden will reference these various observations in its response.

- *Wesley claims that Eden has no operating experience to differentiate between the Eden exhaustive analysis of the key underserved population cohorts living in Pierce County and the linkage to actual performance of Eden over the multiple year project implementation in reducing disparity (Consolidate Public Comments PDF page 108).*
 1. *Wesley is partially correct in pointing to Eden’s short hospice operating experience (similar to Wesley) in Washington State (just excludes national hospice experience), but conveniently ignores Eden’s 26 years of experience in operating nursing homes, assisted living facilities, and home health agencies in the Puget Sound area and throughout Washington State.*
 2. *As a result of this extensive experience particularly in operating home health agencies and nursing homes, Eden’s outreach channels to nursing homes for contracting with long term nursing home patients eligible for hospice is grounded in facts. In the Whatcom County and Skagit County area, Eden has already entered into nursing home contracts with two nursing homes. Eden submits a copy of one of its nursing home contracts (Attachment 1) as an example of its ability to work with nursing homes – each contract of course will vary based on the requirements of the nursing home.*
 3. *Eden operates home health agencies in King County, Pierce County and throughout the State. In regard to the Pierce application, combining a hospice and a home health agency represents an enhanced outreach pathway for reaching underserved hospice eligible patients. Recent peer-reviewed research findings document that this enhanced home health-hospice integrated agency generates a 28% higher referral rate than home health agencies without this enhancement. Attachment 2 provides a copy of this study that appeared in a peer-reviewed journal.*
- *Wesley testified that the late 2021 and 2022 openings of Eden hospice services in Whatcom County and Skagit County, during the Covid-19 emergency resulted in operating losses for the new hospice agency (Consolidate Public Comments PDF Page 107).*
 1. *The opening date had no bearing. New agency operating losses are expected as an agency builds volume. Of greater significance, is that Eden Hospice at Whatcom County achieved breakeven volume in October 2022. In the early periods of a new agency profitability can vary on a month-to-month basis but the amazingly positive early results lead any unbiased observer to accept the conclusion that the Eden Hospice at Whatcom County will show a year-end profit in 2023 based on existing conditions.*
 - a. *Attachment 3, which will be discussed later in this response, shows that volume has trended higher and is expected to increase through 2023 and beyond according to the trend analysis using 12-month 2022 trend data.*
 - b. *Previous detailed month-by-month revenue and expense reports show that the Eden facility did achieve positive net income in November and December of 2022 (realizing that profitability can vary on a month-to-month basis*
- *Eden does not provide sufficient documentation that EmpRes would provide sufficient operating capital to cover working capital requirements (PDF 1008).*
 1. *EmpRes’s Chief Financial Officer Commits EmpRes to cover operating requirements for the project without setting a hard limit in a signed declaration (Appendix P) that is required for all applicants.*
- *“Interestingly all three of these (Eden) applications used the exact same underlying assumptions and the exact same projected census, despite real and meaningful differences in unmet need, county demographics and socioeconomics and operating costs, suggesting a cut*

and paste nature to the applications. This is unprecedented. In other words, there is very little evidence to suggest that Eden modelled their projections, and hence their pro formas, on actual community need.” (Consolidate Public Comments PDF page 106)

1. *At the outset it is important to point out that the project under review is the Eden addition of Pierce County to the Eden Hospice at King County. Other projects in terms of testimony should not be under review. Having stated the obvious, Eden has no difficulty in responding to the operating history of Eden Hospice at Whatcom County, other hospice projects, or Eden’s multi-decade operation of nursing homes in Washington State and multi-year experience in operating home health agencies throughout the State.*
2. *Eden’s comments on the assumptions of Whatcom, Snohomish and King counties show a misunderstanding of the approaches to the assumptions about need, demand and operating revenue and expense underlying the three Eden projects. Eden’ approach to each of its projects is as follows:*
 - a. *Eden prepares a demographic analysis and assessment of the state need methodology used to determine baseline need in each of the projects.*
 - b. *Eden carries out a rules-based analysis of need to identify underserved population cohorts where outreach by Eden can improve county-wide access to hospice services that is totally non-duplicative because in most cases no other hospices are addressing disparity in access principally in the dual eligible population. In addition, in most counties, disparity in access for the population that wants death with dignity as a potential treatment alternative has been well documented.*
 - c. *Eden then prepares a market analysis with a business plan to identify which population cohorts that it can serve, the size of the population and the number of patients (market share) and how it will carry out outreach activities to reduce disparity in access or to respond to population increase. Two examples of this approach follow.*
 - d. *As an aside, Eden’s use of the CMS hospice data set to support a comprehensive examination of disparity among Medicare beneficiaries and the solutions to that disparity is unique in Washington State.*

1. Contracting with Long Term Convalescent Nursing Homes to Provide Hospice Services

Eden has identified disparity in access for the Medicare dual eligible population that is economic based and racial and ethnic based in all of its Washington State studies to date. As each approved or currently submitted applications show, the severity in disparity varies from county to county (unlike Wesley’s conclusions about Eden’s approach).

Eden has developed a common strategy to reducing this disparity in all counties by contracting with long term convalescent nursing homes. As an example, in Whatcom County this involves contracting with an EmpRes nursing home facility, while in Skagit County the contract is with a nonEmpRes nursing home. Eden is using this approach in Skagit County because countywide hospice days in convalescent nursing homes are 0.1% while the statewide average is 2.4%. While the disparity is great, the number of patients is lower than in Pierce County due to the

population base in Skagit County, so Eden has developed other outreach strategies to assure achieving the census projections listed in that pro forma. As a secondary point, Eden does not make initial contacts with the most eligible long term care nursing homes prior to receiving a certificate of need for hospice for the obvious reason that it does not want competitors to “cherry pick” the most amendable nursing homes to work with.

In Pierce County only 0.8% of total hospice patient days are provided in long term convalescent nursing homes. Eden with its 26-year history in providing nursing home care throughout Washington State and home health services again dating back 26 years will initiate outreach efforts with the 10 nursing homes listed by the Department of Social and Health Services / Aging and Disability Services Division. Together, these nursing homes generated 194,851 Medicaid days in the report listed below. Eden as noted has experience in contracting for hospice services with long term care facilities. Attachment 1 provides a copy of the contract that is in place within Whatcom County with North Cascades Health and Rehabilitation Care Center.

Applicant’s Table

Table 1

STATE OF WASHINGTON
 DSHS / AGING AND DISABILITY SERVICES ADMINISTRATION
 CURRENT RATE REPORT

Run Date: 12/01/2022

Vendor Name	City	Bed Count	Medicaid Cost Report Year	Medicaid Days	Total Medicaid Rate for Payment
WASHINGTON SOLDIERS HOME	ORTING	97	21	10,360	296.69
THE OAKS AT LAKEWOOD	LAKESWOOD	80	21	14,540	366.25
COTTESMORE OF LIFE CARE	GIG HARBOR	108	21	12,520	327.17
MANOR CARE HEALTH SERVICES (GIG HARBOR)	GIG HARBOR	120	21	16,615	323.96
LIFE CARE CENTER OF PUYALLUP	PUYALLUP	102	21	18,492	330.34
LINDEN GROVE HEALTH CARE CENTER	PUYALLUP	130	21	25,353	372.15
ALASKA GARDENS HEALTH AND REHABILITATION CENTER	TACOMA	123	21	19,146	308.34
ELISEO	TACOMA	187	21	22,305	306.27
HEARTWOOD EXTENDED HEALTHCARE	TACOMA	120	21	26,941	310.02
TACOMA NURSING AND REHABILITATION CENTER	TACOMA	150	21	28,579	320.14

2. Use of Enhanced EmpRes-owned Home Health and Hospice Agencies to Carry Out General Outreach and Specialized Outreach to Disparity Cohorts such as Death with Dignity, LGBTQ+ and Medicare Dual Eligible Community-Based Patients

The second example is Eden’s use of EmpRes enhanced home health agency and hospice agency outreach. Peer reviewed research provided in Attachment 2 documents that jointly owned home health agency and hospice agency enhanced outreach increases referrals by 28% to hospices versus independent home health agencies. Our experience in Whatcom and Skagit Counties is that 19% of total home health agency patient referrals from home health agencies in 2022 were referred to hospices. In 2022, the Eden Home Health of Bellingham referred 49 patients to hospice services. As

noted in marketing and outreach plan, the Eden Pierce County and King County home health agencies are expected to refer over 70 patients annually to hospice services for Pierce County by 2026.

3. Turning to the pro forma, Eden has an objective to standardize the pro forma across hospice projects where feasible to reduce errors in presentation and to maximize internal financial performance monitoring. Each element will be discussed.

a. Volume

*Eden has a target of achieving a hospice patient census consistent with the Need methodology of approximately 205 to 210 patients by the third year of operation. This is the standard set by the Department to assure financial breakeven while meeting community need. For counties with a population base that does not generate a need of this census target, Eden focuses on reducing disparity as noted throughout its application to assure that the target is achieved without causing unnecessary duplication. In fact, in each County, Eden attempts to generate a substantial reduction in disparity – disparity represents patients that other hospices have been unable to reach. **Eden also believes that new agencies that are approved should meet the expected need for a new agency. As noted in our initial testimony, Wesley falls far short of this objective raising questions about whether it is serving the entire county.***

b. Staffing Costs

Eden aims to have a salary structure that supports the high level of integration among Eden hospice and home agencies serving Whatcom, Skagit, Snohomish, King and Pierce counties. This benefits all Eden agencies and the public at large by maximizing the flexibility in addressing short term staffing issues so that employees can take temporary positions in our various agencies without disrupting their salary levels. This approach as noted in our correspondence with the Department about Snohomish County will allow Eden to rapidly staff up that agency when the normal methods of staff recruitment have not worked in high shortage area markets.

c. Other Expense Variables

A number of expenses such as Medical Director Expense and Lease expenditures are covered through multi-county arrangements where possible.

d. Summary of the Eden Approach

A summary of the Eden approach is that project development is fully consistent with rules and volume and operating revenues and costs are specifically designed for each county but also standardized where possible to be consistent with providing a structure and process that assures quality outcomes.

Eden understands that Wesley does not understand the requirement to justify its volume projections in its pro forma instead instructing the

Department to ignore its questions and to accept Wesley's experience – in short to trust but not verify a financial pro forma. This flies in the face of the rigorous standard that Wesley applies to Eden and that Eden fully meets.

- *Wesley complains that Eden's Pierce County project has unrealistic volume projections and then switches to the Whatcom County and Skagit County hospice project indicating that there is "no discernible trend toward profitability for Eden Whatcom."*
 1. *First, it is important to note that the Eden Hospice project at Whatcom County has already been approved and is operational. Further the Eden Hospice at King County has also been approved and is operational at this time (Response to PDF 105). Having stated this, the detailed market assessment and marketing or business plan provides a sound basis for the volume projections used for the Pierce County project. This is in sharp contrast to Wesley's refusal to provide any analysis of patient cohorts (identity and size of the atrisk population, per cent patient served and outreach methods to serve these patients) that it will serve and with the non-responsive reply that the Department analysts and others should just rely on Wesley's experience. The operative issue here is that the Department starts with the premise that applicants have a rationale for operating a financially feasible project that serves the entire county and is generally non-duplicative. However, by rule, the Department must verify that the pro forma volume projections are consistent with need so that it can carry out its statutory responsibilities and thus the applicant must provide its assumptions on volume.*
 - a. *To puncture Wesley's balloon about "no discernible trend toward profitability for Eden Whatcom, we note that Attachment 3 shows that continuing the 12-month trend of average daily census based on the month to month average daily census for the Whatcom Hospice generates an average daily census of 32.5 hospice patients for 2023 and based on the Department's approach to Need and Feasibility shows that Eden should be profitable for the 2023 annual period.*
- *Wesley claims that the financial feasibility of the Eden Pierce application does not meet requirements under WAC 246-310-220 which refers to a pro forma for all Eden hospice agencies that demonstrates that Eden has the means to simultaneously fund more than one concurrent review project.*
 1. *First in reviewing Wesley's testimony it is clear that any approach used by Eden would not satisfy Wesley, even a novel not-required sensitivity analysis. Eden has responded to this requirement for a number of projects including King County and Snohomish County hospice projects in a prior concurrent review process wherein the Department found the Eden approach to meet Department requirements. Eden also provided additional information to the Department to provide assurances that Eden could successfully fund the implementation of multiple projects. Eden has reviewed the following with the Department in regard to this issue. Based on continued discussions with the Department, Eden is*

assured by the Department that additional information beyond what has been submitted is not required.

- a. The Initial Eden Pierce project used the same approved methodology that was used and CoN approved for the King County and Snohomish County concurrent review hospice projects.*
- b. The Initial Eden Pierce project used the same approved methodology that was used and CoN approved for the King County and Snohomish County concurrent review hospice projects.*
- c. Eden supplemented the record again by referring to the substantial cash on hand in the most recently submitted EmpRes audited financial statement.*
- d. Eden supplemented the record again by noting that EmpRes has a \$40 million line of credit facility to support EmpRes Eden operations.*

Eden submitted three project applications during this concurrent review cycle that would normally trigger a more comprehensive look at how projects would be funded. However, two of the projects, the Eden Skagit County project and the Inland Northwest project in Spokane County were ruled to not be subject to concurrent review. This leaves only the Eden Pierce project to be reviewed under concurrent review and thus lifts the requirement for a separate all-hospice agency pro forma.

- *Wesley Financial Review notes that it identified several errors that could affect financial feasibility by retaining an outside CPA to do a line-by-line analysis. (Consolidate Public Comments PDF pages 105 and 114)*

1. Administrative FTEs

Administrative FTEs are set to meet the shared requirements of several operations including the King County and Snohomish County hospice agencies. In this regard, Pierce County is a county extension of an existing agency. While volume will obviously grow, initial efforts aimed at securing certification and operation of the King County and Snohomish County hospice agencies is being carried out at this time. The addition of an additional county to the King County hospice agency does not significantly add to the administrative workload – the 1,000% increase reference is plainly misleading and adds nothing to the analysis of feasibility, e. g, new agency volume typically grows substantially in the first several years. The Eden allocation approach for the King County and Snohomish County agencies and the addition of Pierce County to the King County agency is very similar to the Providence approach to adding incremental overhead to individual county agencies. In the case of Eden, Eden has taken a more conservative approach of allocating critical Medical Director resources to each operation on an expense per hospice day basis.

2. Length of Stay

Length of Stay for Eden at 61.2 days that is slightly above the Revenue reduction Medicare component that takes place at 60 days of service. This results in no significant impact on the pro forma. Each hospice

serves different population cohorts which in turn result in different percentages of patients with an average length of stay below 60 days in one cohort and above 60 days. As noted, Eden's plan is to serve on a community wide basis and will not have an excessive volume of long-term patients that are often associated with dementia diagnoses. Wesley offered no specific criticism, so none is addressed.

3. Room and Board Calculations

*While the concept of room and board calculations for nursing home patients is simple enough the actual calculation is not simple. There are two elements that vary widely, the Medicaid room and board reimbursement rate that can vary widely depending on which nursing homes contract with Eden as well as specific contract requirements jointly agreed to by Eden and the prospective nursing home. In this case, the narrative assumption just does not fully capture calculated revenue or expense. **Fortunately, room and board reimbursement to Eden by the Medicaid program and the subsequent reimbursement of Room and Board by Eden to a contract nursing home represents "pass through" revenue and expense with Eden expected to receive 95% of the reimbursement rate that it pays out to the nursing home. Therefore, revenue generated by patient days to Eden that is greater than calculated revenue by outside authorities results in higher expense and vice-versa.***

Wesley's financial projections of the assumptions at the Pierce County level accurately calculate costs. As noted in the assumptions, no additional calculation of hospice long term convalescent care patient referrals was included for King County because this calculation had not been included in the originally approved King County agency and would require a new analysis of King County which have a substantially higher long term care facility hospice utilization measured by the percentage of total long term care hospice days. The initial analyses of utilization for long term care nursing home hospice patient referrals to Eden hospice for Pierce County were slightly higher for 2025 (12 patient difference) and 2026 (6 patient difference) before revision. Unfortunately, the higher utilization e.g., was not modified in the pro forma even though the impact is immaterial, albeit favourable on a net income basis. Since this is pass through revenue and expense for routine room and board expense for long term care hospice patients (e.g., the receiver of room and board revenue from Medicaid switches to Eden, and the payer to nursing homes switched from Medicaid to Eden), there is no material effect of this error as shown in Table 2.

Applicant's Table

Table 2

Financial Effect of Lower Hospice Long Term Care Utilization in 2025 and 2026

Patients, Days and Hospice Room and Board Revenue per Original Filed Assumptions				
Long term care patients	5	46	76	90
Long term care days @ 61.2 days ALOS	306	2,815	4,651	5,508
Revenue at 95% of \$364.49	\$105,957	\$974,807	\$1,610,550	\$1,907,230
Net Hospice Revised Room and Board Revenue per Revised with Filed Assumptions Reduction				
Reduction in Hospice Revenue per Year	\$0	\$0	-\$254,297	-\$127,149
Patients, Days and Room and Long Term Care Board Expense Reimbursement Per Revised Filed Assumptions				
Long term care patients	5	46	64	84
Long term care days @ 61.2 days ALOS	306	2,815	3,917	5,141
Long Term Care Expense at \$364.49	\$111,535	\$1,026,113	\$1,427,635	\$1,873,771
Patients, Days and Room and Long Term Care Board Expense Reimbursement Per Original Filed Assumptions				
Long term care patients	5	46	76	90
Long term care days @ 61.2 days ALOS	306	2,815	4,651	5,508
Revenue at \$364.49	\$111,535	\$1,026,113	\$1,695,317	\$2,007,612
Net Long Term Care Room and Board Expense per Revised Filed Assumptions Reduction				
Reduction in Long Term Care Expense	\$0	\$0	-\$267,681	-\$133,841
NET REDUCTION IN OPERATING EXPENSE	\$0	\$0	\$13,384	\$6,692

Table 2 shows that adjusting for lower utilization of long term convalescent care hospice utilization results in an overall net reduction in operating expense and increase in profitability of \$13,384 in 2025 and \$6,692 in 2026 because hospices receive 95% of the revenue that they are obligated to pay out for room and board services to long term care convalescent facilities that serve hospice patients.

4. Social Services Expense

Social service expenses are correctly calculated for the Pierce County service area addition, which forms the basis of the Department feasibility study. Therefore, from a CoN standpoint, there is no adverse impact at the Pierce County level for determining financial feasibility.

There is an error resulting in an underreporting of social services expenses at the agency level, (a secondary pro forma requirement). At the overall agency level, the underreporting represents 1.5% under reporting of expense in 2025 and 1.9% underreporting of expense in 2026. The scale of this error does not have a material effect on feasibility given that the expected net income percentage is 19% in 2025 and 2026.

As a result of the under reporting of direct salary expense in 2025, benefits would increase by approximately 16,000 in 2025 and 2026 or 0.3% for 2025 and 2026, which is also immaterial.

5. Administrative Expense

There is no error here, this relates to the expected bonus payout that is not covered correctly in the CPA analysis. No Eden error has taken place. Even if there were an error, the difference in using the assumptions for calculating between Wesley and Eden's pro forma calculation is 3.4%, which again is immaterial in terms of applying the assumption to the calculation.

6. DME, Mileage, VIP and Respite Costs

Wesley provided no calculations of deviations. Eden reviewed 2026 calculations of major expense items for DME, CIP and Respite costs and found no inconsistencies. If the CPA chose to eliminate individual calculations, the CPA must have found any differences in (his/her/they) calculations as immaterial.

7. Lease Expense Confusion

The lease table provides a description of lease cost allocations and show disrespect to the Department in that it has demonstrated no difficulty in reviewing this material. If the CPA chose to eliminate individual calculations, the CPA must have found any differences in (his/her/they) calculations as immaterial.

- *Wesley implies that Eden should have acquired Community's hospice centers in Clark County and Cowlitz County or undertaken some other unnamed action (**Consolidate Public Comments PDF Pages 106 and 107**)*
 1. *While Community Home Health and Hospice (CHH &H) began operating an in-center hospice first in Clark County. There were two agencies offering in-center hospice services in Clark County. With the unfortunate closure of the CHH&H in-center program, duplication of this important but financially difficult to operate traditional hospice care program that is still needed by a small cohort of patients is eliminated and the service is still available. In terms of Cowlitz County, CHH &H was operating an in-center hospice facility with a small population base. It is very unfortunate that there is an insufficient population base to support this hospice service element in Cowlitz County.*

- *Wesley claims that all hospices in Pierce County comply with state requirements for Death with Dignity policies and that one other small hospice has a welcoming Death with Dignity policy.*
 1. *On the first point, when Eden says it does not have an opinion on the compliance of existing hospices with the Death with Dignity policy requirements, it means exactly that. It does not mean that Eden has concluded that all Pierce County Death with Dignity policies for hospices serving Pierce County do comply. Compliance monitoring is a state responsibility. Eden does note that AccentCare's testimony points to a Wesley Death with Dignity policy that states in Wesley's words that Wesley does not participate at all in supporting its prospective hospice patients as they navigate end of life issues. Of concern, is how*

Washington residents who are hospice eligible and are current residents of Wesley programs can access support for end-of-life decisions that could include examining the Death with Dignity program. As Eden has noted before this 5% - 7% hospice eligible population cohort may delay enrolling in hospice or not enroll at all and face Death without the support of hospice services.

2. *On the second point, Eden agrees with Wesley testimony that there is only one other start-up hospice in Pierce County that has a welcoming Death with Dignity policy that supports patients' concerns. That hospice serves less than 5% of the overall hospice population in Pierce County.*

Department Evaluation

An applicant's utilization assumptions are the foundation for the financial review under this sub-criterion. EmpRes/Eden proposes to expand the service area of its existing King County agency to include Pierce County. EmpRes/Eden based its projected utilization for its Pierce County operations on specific factors:

- Admissions were based on both the projected need within the planning area by the department's methodology, as well as an extensive analysis by EmpRes/Eden of underserved populations within the planning area.
- Average Length of Stay (ALOS) at 61.2 days based on the current state figures. This ALOS is slightly longer than the statewide average of 61.89
- Average daily census and patient days are based on applying arithmetic to the above factors and dividing by the given days in a year.

When asked during screening to provide additional information regarding outreach strategies, EmpRes/Eden provided extensive reiteration and explanation of its assumptions used to determine admissions and volumes.

The applicant provided pro forma financial statements, including Revenue and Expense Statements, and Balance Sheets to allow the department to evaluate the financial viability of both the Pierce County hospice services and the King County agency with the Pierce County services.

In public comment, AccentCare/Seasons focused on perceived issues with this application's submitted lease. EmpRes/Eden's rebuttal to the proper requirements of a lease references technical assistance with the department prior to its submittal on the appropriateness of the submitted term of the lease. This response is reasonable.

Wesley provided comment on the reliability of both the utilization and pro forma assumptions, EmpRes/Eden's ability to cover operating costs, as well as EmpRes/Eden's ability to perform the outreach it based its volumes. Eden provided equally extensive rebuttal on the basis of these assumptions, the financial commitment and health of its parent organization EmpRes Healthcare Management, LLC, and reaffirmed its calculations that the proposed underserved groups comprising a significant portion of its volumes do exist.

As noted in the need section of this application, the department concludes that EmpRes/Eden did not provide reasonable rationale to reach its proposed volumes. As a consequence, the patients

relied upon in this application are not expected to be served by EmpRes/Eden's proposal and the utilizations used as a basis to project revenues cannot be supported.

Because the department concludes that EmpRes/Eden has not demonstrated need for this project, and because the utilization projections for this project are not anticipated to be met by the proposed services, and based on the information reviewed in the application and public comment, the department concludes the immediate and long-range operating costs of this project cannot be met. **This sub-criterion is not met.**

- (2) The costs of the project, including any construction costs, will probably not result in an unreasonable impact on the costs and charges for health services.

Chapter 246-310 WAC does not contain specific WAC 246-310-220(2) financial feasibility criteria as identified in WAC 246-310-200(2)(a)(i). There are also no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that directs what an unreasonable impact on costs and charges would be for projects of this type and size. Therefore, using its experience and expertise the department compared the proposed projects' costs with those previously considered by the department.

Wesley Homes Corporation

Wesley provided the following statements in response to this sub-criterion. [source: Application, pdf 19]

"There are no capital costs, and rates are established by payers, including Medicare, the largest payer, not the provider.

Hospice care has also proven cost-effective. It reduces the total costs of care by reducing hospitalizations and emergency room use. Research has documented that persons not enrolled in hospice were more likely to die in the hospital or a skilled nursing facility than those that selected the hospice benefit

A report published by the American Journal of Hospice and Palliative Care in 2019 found that the average Medicare expenditures for patients treated in acute hospitals during the last 180 days of life, far exceeds the hospice per diem cost.

In addition, hospice has also demonstrated savings to patients in terms of reduced out of pocket expenses through coverage of medication related to the hospice diagnosis (particularly for pain controlling medications) and medical equipment and supplies. For these reasons, an adequate supply of hospice services in Pierce County will help reduce the total cost of care for patients at end of life."

No public comment was received related to this sub-criterion, applicant, and project.

Department's Evaluation

Wesley states there are no capital expenditure or start-up costs for this project. Further there is no construction needed to begin providing Medicare and Medicaid hospice services to the residents of Pierce County.

The department does not have an adopted standard on what constitutes an unreasonable impact on charges for health services. Medicare patients typically make up the largest percentage of patients served in hospice care. For this project, the applicant projected that 64.6% of its patients would be

eligible for Medicare; Medicaid is projected to be 23.1%, for a combined Medicare and Medicaid total at 87.7%. Gross revenue from Medicare and Medicaid is projected to 95.7% of total revenues. Thus, standard reimbursement amounts, and related discounts are not likely to increase with the approval of this project.

AccentCare/Seasons stated in public comment that it believed the full start up and capital costs of this project were not presented, and that the submitted pro forma was unreliable as a result. Wesley provided rebuttal that, as an existing agency expanding into Pierce County, any new purchases and expenditures for expanded staffing would be costs of operation rather than capital expenditures. The department finds this approach reasonable.

Based on the information reviewed, the department concludes that approval of this project is not expected to have an unreasonable impact on the costs and charges of healthcare services in the planning area. Based on the information, the department concludes that this project **meets this sub-criterion**.

AccentCare, Inc. dba Seasons Hospice & Palliative Care of Pierce County Washington, LLC

The applicant identifies a total capital expenditure of \$106,700 for this project. All costs are for office furnishings, supplies, electronics and telecom equipment, and associated sales tax. AccentCare estimates the start-up costs for establishing the new agency to be \$242,464.

Detailed assumptions to calculate capital costs are included in Tables 26 and 28 on Application pages 76 and 81 respectively. Additionally, AccentCare provided the following statements explaining how it determined its project's capital costs. [source: Application, pdfs 75-77]

"... Any sales tax applicable to the equipment is included in that line item. Expenses, such as legal and consulting fees, are not included.

*Office furniture, electronics and telecommunication devices comprise capital cost for the project along with the cost of low voltage wiring of the office to support telecommunications. However, telecommunication devices, computers, cell phones, licenses, internet charges are expenses and appear as such in the operating statements. (Detail appears in **Exhibit 18**.)*

...

Consumable items, such as office supplies and personal care, such as adult diapers, ... fall into the category of expenses. As such, the costs are written off in the year in which the costs were incurred. Most often, the patient and his or her family provide the disposable supplies.

Medical equipment, such as a hospital bed, also is expensed as the devices are rented for a short period of time when needed, and then returned to the DME provider. For the majority of patients who are elderly and whose care is reimbursed under the Medicare Program, some home care supporting equipment, such as walkers and portable toilets, may already be among the patients' possessions.

*Given the home-based nature of hospice care, the majority of costs lie in the category of expenses, incurred in the year in which they are incurred, and therefore, under **Generally Accepted Accounting Principles** are not capital costs.*

Seasons Pierce County requires no special or technical equipment unique to the provision of care. Each nurse receives a care kit, which includes but is not limited to a stethoscope, disposable syringes ... For the project forecast period, a total of \$5,340 is allocated for care kits.

Department’s Table 20
Seasons Hospice & Palliative Care of Pierce County Washington, LLC
Capital Cost Summary

Item	Cost
Furnishings	\$62,480
Electronics and Telecom	\$44,220
State Sales Tax	Included in each row*
Total	\$106,700

* Specified in Table 26 on Application, pdf 76
[source: Application, pdfs 76 and 81]

AccentCare provided the following detailed assumptions to calculate start-up costs, which are also included in the March screening response, Attachment 4. [source: Application, pdf 77-78]

*“Start-up costs and assumptions are detailed in the financial schedules included in **Exhibit 18**. Capital expenditures include furnishing and equipping office space. Pre-opening expenses include office rent, salaries for staff and their orientation and training, and advertising are identified, and reflect pre-opening expenses of similar projects. Specifically, operations for Seasons Hospice & Palliative Care of Oregon, are used as a proxy. The cash assets allow the Applicant to cover pre-opening costs, costs incurred prior to obtaining Medicare certification, and the projected losses for the initial partial year (July 1, 2024 – December 31, 2024) and first full year of operation (CY 2025) ...”*

Department’s Table 21
Seasons Hospice & Palliative Care of Pierce County Washington, LLC
Start-Up Cost Summary

Item	Cost
2023 Lease Rental Cost	\$40,473
First Six Months of 2024 Rent	\$20,641
Advertising Costs	\$2,000
Pre-Opening Hiring Costs with Benefits and Stipend	\$179,350
Total	\$242,464

As a direct response to this sub-criterion, AccentCare provided the following statement. [source: Application, pdfs 78-80]

*“Several studies have demonstrated cost efficiencies and improved quality of life with increased hospice use. One such study, **Cost Savings Associated with Expanded Hospice Use in Medicare**, estimates an annual cost savings nationally ranged from \$316 million to \$2.43 billion, depending upon an increase in hospice duration of either 4 weeks or 24 weeks.*

Dr. Ziad Obermyer, an emergency medicine physician and researcher at Brigham & Women’s Hospice, sampled 18,000 patients with poor-prognosis cancers enrolled in hospice care before death, and matched them with an equal number of patients who died without hospice care. The average cost of care for patients in the non-hospice group was \$71,517, compared to \$62,819 for those enrolled in hospice. The median hospice stay was 11 days. Furthermore, 74% of patients in the non-hospice group died in a hospital or nursing home, compared to only 14% of hospice patients. Surveys indicate most American wish to die at home, rather in a healthcare setting. Hospice allows them to do that, thereby improving quality of life in their final days, surrounded by family in a comfortable setting.

The third annual report evaluating the Medicare Care Choices Model indicates that ‘MCCM led to a 25 percent decrease in total Medicare expenditures, which generated \$21.5 million in net savings between January 1, 2016 and September 30, 2019, largely by reducing inpatient care through increased use of [Medicare Hospice Benefit] by the 3,603 Medicare beneficiaries who enrolled in the model and died during this period.’

...

The project is not expected to impact costs and charges for healthcare services in the planning area. The majority of hospice care is reimbursed by Medicare and Medicaid. Hospice reimbursement and charges are on the basis of patient day and core services. The hospice must meet all the service needs of each patient, and funds received from the per diem rate are used to cover the cost of care, including any contracted services. Therefore, the hospice is responsible for fiduciary activities.

*Two caps exist on the hospice program. One cost cap is based on the number of enrolled Medicare beneficiaries. That amount is the absolute dollar limit per Medicare beneficiary that a hospice can receive. The cap works like this: if the hospice’s total payments exceed the total payments received calculated as the total number of Medicare patients multiplied by the cost cap, the hospice must repay the difference. **CMS sets the cost cap for the Fiscal Year 2023 at \$32,486.92 per beneficiary.***

Under the per beneficiary cap, the hospice receives a per diem rate whether or not the beneficiary receives care so long as the beneficiary remains enrolled. Thus, the daily rate, set for each core service, covers the care the beneficiary receives. The per diem rate must cover all the services specified in the plan of care the hospice provides to each beneficiary. Thus, the hospice is at financial risk should care exceed the per diem rate, furnishing all necessary services.

*A second cost cap applies to the hospices that limits the use of inpatient care, the costliest core service, to not more than 20% of total annual patient days. Rates to hospices under this cap receive both wage and geographical rate adjustments. Refund for overpayment should the 20% limit be exceeded occurs. **(Information about cost caps appears in Exhibit 22.)***

No public comment was received related to this sub-criterion, applicant, and project.

Department Evaluation

The estimated capital expenditure for this project is \$106,700 with no construction. All the estimated capital costs are for office furnishings, supplies for staff, electronics and telecom equipment, and associated sales tax. Start-up costs estimated at \$242,464 are associated with rent, advertising, and salaries/wages. AccentCare provided detailed assumptions to justify the costs. The applicant also submitted a summary of a report examining the long-term cost savings that expanded hospice use could net, and an explanation on how CMS cost caps limit spending on a per patient basis.

AccentCare provided a letter dated January 20, 2023, from its Chief Financial Officer, Ryan Solomon, demonstrating its financial commitment to this project, including the projected capital expenditure and any start-up costs.

The department does not have an adopted standard on what constitutes an unreasonable impact on charges for health services. Medicare patients typically make up the largest percentage of patients

served in hospice care. For this project, the applicant projected that 91.0% of its patients would be eligible for Medicare while Medicaid is projected to be 1.0%, for a combined Medicare and Medicaid total at 92.0%. Gross revenue from Medicare and Medicaid is also projected to 92.0% of total revenues. Thus, standard reimbursement amounts and related discounts are not likely to increase with the approval of this project.

Based on the information reviewed and the applicant's previous sections' failures, the department cannot conclude that approval of this project would not have an unreasonable impact on the costs and charges of healthcare services in the planning area. Based on the information, the department concludes that AccentCare's Pierce County hospice project **does not meet this sub-criterion**.

EmpRes Healthcare Group, Inc. dba Eden Hospice at King County, LLC

EmpRes/Eden provided the following statements in response to this sub-criterion. [source: Application, pdfs 40-41]

"EmpRes Healthcare Group, Inc. is responsible for 100% of the capital costs. Eden Hospice at King County, LLC will collocate with EmpRes Home Health at Pierce County which will minimize start-up and continuing overhead costs associated with independent solo startups thus reducing breakeven levels. For example, there is no capital expenditure associated with the project because there is a sufficient supply of desk phone/computer setups, and the field clinicians have company-issued cell phone and table from our equipment inventory. That inventory is sufficient to support the addition of Eden Hospice at King County, LLC hospice staff. The co-shared office location has secure IT infrastructure.

Numerous studies on the cost-effectiveness of hospice, both federally and privately sponsored, provide strong evidence that hospice is a cost-efficient approach to care for the terminally ill.

An early study for CMS concluded that during the first three years of the hospice benefit, Medicare saved \$1.26 for every \$1.00 spent on hospice care. The study found that much of these savings accrue over the last month of life, which is due in large part to the substitution of home care days for inpatient days during this period.

In this application, Eden cites the Washington Department of Social & Health Services (DSHS) Fee for Service Dual-eligible Project that found through integrating hospice services with other home care, nursing home, assisted living and residential care that Medicare costs were reduced by 10% with savings amounting to \$2,000 per enrolled dual-eligible Medicare beneficiary. Eden also submitted further evidence that the integration model proposed through this project is well supported by other national studies.

Additional Providence Health system assertions described in its 2019 certificate of need cited a brief analysis identifying \$4,000 savings per beneficiary if Medicare hospice patients receive only 5 weeks of hospice care.

A national study showed savings in 'TotalHealthCareCosts' for Insurers and Families, 2002-2018 showed savings in total healthcare expenditures of \$10,908 per decedent for hospice patients receiving hospice services during the last 3 months of life. Families achieved savings of \$670 per decedent for services during the last month of life.

Start-up costs are estimated to be less than \$100,000 to cover the following:

- *Startup period is 0 months*
- *Initial Support from EmpRes Healthcare Group, Inc.*
- *Co-location reduces the costs of outreach and eliminates Medicare certification costs*
- *Compensation of Administrative and Director of Patient Care included for King County*
- *Allocation of 0 months rent*
- *Licensing addition fee*
- *Other – non anticipated at this time*

EmpRes Healthcare Group, Inc. is the responsible entity.”

No public comment was received related to this sub-criterion, applicant, and project.

Department Evaluation

EmpRes/Eden identified no capital expenditure for this project. EmpRes/Eden noted that it estimated start-up costs to be under \$100,000 and intended to cover necessary initial support from EmpRes Healthcare Group, Inc., certification and licensing costs, administrative and director of patient care compensation, and potential unanticipated costs. EmpRes/Eden provided a letter of financial commitment from Michael J. Miller, CFO of EmpRes Healthcare Management specific for those costs. [source: Application, Appendix P]

The department does not have an adopted standard on what constitutes an unreasonable impact on charges for health services. Medicare patients typically make up the largest percentage of patients served in hospice care. For Pierce County operations, the applicant projected that approximately 90% of its patients would be eligible for Medicare. Gross revenue from Medicare is projected to equal 93% of total revenues. Thus, standard reimbursement amounts and related discounts are not likely to increase with the approval of this project.

Based on the information reviewed and the applicant’s previous failure, the department cannot conclude that approval of this project would not have an unreasonable impact on the costs and charges of healthcare services in the planning area. Based on the information, the department concludes that Providence’s Pierce County project **does not meet this sub-criterion.**

(3) The project can be appropriately financed.

Chapter 246-310 WAC does not contain specific source of financing criteria as identified in WAC 246-310-200(2)(a)(i). There are also no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that directs how projects of this type and size should be financed. Therefore, using its experience and expertise the department compared the proposed projects’ source of financing to those previously considered by the department.

Wesley Homes Corporation

Wesley states that there are no capital costs or start-up associated with this project and explained why there are no costs. [source: March 31, 2023, screening response, pdfs 10 and 17]

“There were no capital or start-up costs for WHH to begin serving patients in Pierce County. As a licensed and Medicare certified hospice agency, WHH was able to accept referrals and send existing staff into Pierce County to serve patients without any additional costs.

Per the Program's Hospice CN application forms, start-up costs include:

*Any non-capital expenditure expenses incurred **prior to the facility opening or initiating the proposed service.***

By definition, then, startup costs are those costs related to activities prior to the opening of the facility or the initiation of proposed services. Since WHH is already providing services, by definition, there are no start-up costs. Any additional items needing to be purchased (laptops, cell phones) as volumes and staffing increase after CN approval, are not start-up costs, they are simply costs of operation.

Wesley's accounting of costs is reasonable; the Program has approved this approach to start-up costs in prior CN decisions, and our approach was found reasonable by Program staff during a technical assistance on March 30, 2023.

The audited financials provided are the latest available."

AccentCare/Seasons [source: Comment Packet, distributed June 1, 2023, pdf 65]

"On page 16 of its application, Wesley Homes states that 'WHH is simply expanding its current Medicare certified King County hospice agency permanently into adjacent Pierce County. There are no start-up costs.'

While the existing King hospice agency for Wesley Homes may have absorbed the cost of initially serving a few patients in response to the emergency proclamation for Pierce County, the proposal should allocate appropriate resources, including capitalized costs, in order to expand service as proposed over the first full three years. This is especially true given the wide gap between existing/historical hospice service in King and Pierce Counties and the projected hospice services, identified above and shown in Tables 2 & 3 of the application. Therefore, costs are understated and the proforma is unreliable.

Rather than identifying the equipment needed to expand into Pierce County in sufficient amounts to meet the projected utilization, Wesley redefines equipment as an 'asset with a cost of \$5,000 or more.' Not fully identifying the necessary equipment to serve a specific patient population shows lack of planning and results in understated costs. Therefore, the financial projections are not reliable and may not result in a financially feasible project once all equipment and start up costs are fully identified."

Wesley Homes [source: Rebuttal Packet, distributed July 3, 2023, pdfs 153-154]

*"Per the Program's Hospice CN application forms, start-up costs include **Any non-capital expenditure expenses incurred prior to the facility opening or initiating the proposed service.***

By definition, then, startup costs are those costs related to activities prior to the opening of the facility or the initiation of proposed services. Since Wesley is already a licensed and Medicare certified hospice provider and is providing services in King County, and because we do not propose a new office or new entity, there are no start-up costs. Any additional items needing to be purchased (laptops, cell phones) as volumes and staffing increase after CN approval, are not start-up costs, they are simply costs of operation.

WAC 246-310-010(10) defines 'capital expenditure' for CN purposes. An excerpt of the definition that is pertinent to Wesley's project is restated below:

...capital expenditure means an expenditure, including a force account expenditure (i.e., an expenditure for a construction project undertaken by a nursing home facility as its own contractor), which, under generally accepted accounting principles, is not properly chargeable as an expense of operation or maintenance...

Wesley defines equipment as a tangible asset with a cost of \$5,000 or more. Under this definition, and while it will purchase new laptops, cell phones etc., no new equipment, and hence, no capital expenditure, is proposed for this project.

Wesley's accounting of costs is reasonable; the Program has approved this approach to start-up costs and capital expenditures in prior CN decisions, and our approach was found reasonable by Program staff during a technical assistance on March 30, 2023. Importantly, the Department determined specific to Wesley in the 2022 Pierce County concurrent review decision that: *Based on the information above, the department concurs that there is no capital expenditure or startup costs associated with Wesley's hospice project.*"

Department's Evaluation

As previously stated, Wesley proposes to provide Medicare and Medicaid hospice services to the residents of Pierce County through its existing King County agency. Wesley had previously provided hospice services to residents of Pierce County under the Governor's waiver and currently operates its King County facility from which Pierce County services will operate. For these reasons, Wesley asserts there is no capital expenditure or startup costs associated with this project.

During public comment, AccentCare took exception to Wesley's assertion of no capital costs for the project. AccentCare asserts that Wesley's King County agency may have absorbed the costs of initially providing hospice services to a few patients under the Governor's waiver, but Wesley should allocate appropriate resources to expand as proposed over the first three full years.

In its rebuttal, Wesley asserts that it received, through technical assistance (TA) with the CN Program previously, *"that there are rightly, no start-up costs or capital expenditure for this project."* To clarify, during the screening process of Wesley's application, CN staff asked Wesley to identify any costs, capital expenditure or startup, incurred when the applicant began providing hospice services under the Governors proclamation. In response, Wesley confirmed that *"WHH was able to accept referrals and send existing staff into Pierce County to serve patients without any additional costs."* Wesley further stated *"Since WHH is already providing services, by definition, there are no start-up costs. Any additional items needing to be purchased (laptops, cell phones) as volumes and staffing increase after CN approval, are not start-up costs, they are simply costs of operation."*

Based on the information provided by Wesley during TA and in the application, the CN Program acknowledged Wesley's position that there is no capital expenditure or startup costs.

WAC 246-310-010(10) defines 'capital expenditure' for CN purposes. An excerpt of the definition that is pertinent to Wesley's project is restated below:

"...capital expenditure means an expenditure, including a force account expenditure (i.e., an expenditure for a construction project undertaken by a nursing home facility as its own

contractor), which, under generally accepted accounting principles, is not properly chargeable as an expense of operation or maintenance...”

Wesley’s complete statement in the application is: *“Wesley defines equipment as a tangible asset with a cost of \$5,000 or more. Under this definition, and while we will purchase new laptops, cell phones etc., no new equipment is proposed for this project.”*

Based on the information above, the department concludes that Wesley’s costs for laptops, cell phones, etc. is considered by it to be an expense of operation or maintenance, rather than a capital expenditure.

Start up costs are not defined in the CN Program’s rules. An accounting dictionary defines startup costs as *“all expenses incurred to plan, register, organize and launch a new business or social venture. It is the aggregated cost to bring any new business idea to the open market.”*²³ Another definition for startup costs is *“Start-up costs may consist of establishment costs such as legal and secretarial costs incurred in establishing a legal entity, expenditure to open a new facility or business (i.e. pre-opening costs) or expenditures for starting new operations or launching new products or processes (i.e. pre-operating costs).”*²⁴

Wesley’s explanation of the costs expended for laptops, cell phones, etc. does not appear to belong in the startup cost definition either. As a result, the department concludes there is no capital expenditure or startup costs for Wesley’s project. Based on the information above, the department concurs that there is no capital expenditure or startup costs associated with Wesley’s hospice project.²⁵

To further demonstrate financial health and ability to fund the project, audited financial statements for years 2020 and 2021 were submitted for Wesley Homes and subsidiaries. Those statements report the parent entity has over \$32 million in net assets, more than sufficient to finance the project. [source: Application, Appendix 1]

Given that there is no capital expenditure for this project, an audited financial statement for the applicant, Wesley Homes Corporation, was not necessary to complete this review, despite its demonstration of financial health. The submitted historical and projected balance sheet provided for Wesley Homes Hospice, the entity that operates the existing King County hospice agency, and is expanding into Pierce County, is most helpful to determine the impact on the financial health for this project. If this project is approved, the department would include a condition requiring the applicant to fund the project as described in the application. The department concludes **this sub-criterion is met.**

AccentCare, Inc. dba Seasons Hospice & Palliative Care of Pierce County Washington, LLC

The applicant identifies a total capital expenditure of \$106,700 and start-up costs of \$242,464 for establishing the new agency. Its pro forma income statements show initial losses of \$314,462 and \$269,910 in partial year one and full year one. All these costs and losses total \$933,536.

²³ Source: [What are Startup Costs? - Definition | Meaning | Example \(myaccountingcourse.com\)](https://www.myaccountingcourse.com/definition/startup-costs)

²⁴ Source: [Startup costs Definition | Law Insider](https://www.lawinsider.com/dictionary/startup-costs)

²⁵ It is important to note, however, that the approval or denial of a hospice application does not hinge on whether the applicant has capital expenditure or startup costs associated with the project.

AccentCare states all costs will be funded by the applicant, AccentCare, Inc. and provided the following statement regarding the funding. [source: Application, pdf 82]

“A letter from the Chief Financial Officer for AccentCare, Inc. commits \$2 million for Seasons Hospice & Palliative Care of Pierce County Washington, LLC. The CFO’s letter found in Exhibit 20 further provides the 2020 and 2021 audited financial statements for Horizon Acquisitions Co., Inc., and Subsidiaries, which demonstrates that sufficient reserves are available to fund the proposed project.”

Additionally, AccentCare provided a letter from AccentCare, Inc.’s Chief Financial Officer, Ryan Solomon, dated January 20, 2023, committing \$2,000,000 of its cash reserves to this project. [source: Application, Exhibit 20]

The applicant also provided its Consolidated Financial Statements for years ending December 31, 2020 and 2021. This statement shows \$21,579,000 in *Cash and cash equivalents* at the end of year 2021. [source: Application, Exhibit 20]

No public comment was received related to this sub-criterion, applicant, and project.

Department Evaluation

The combined total of capital expenditure and start-up costs for this project is \$349,164, initial years’ losses are estimated to total \$584,372. Combined costs and losses equal \$933,536. The applicant states all costs will be funded by the applicant, AccentCare, Inc. and provided a letter from its CFO demonstrating financial commitment to this project. This approach is appropriate because historical consolidated financial statements were provided to demonstrate assets are sufficient to cover these costs. If this project is approved, the department would include a condition requiring the applicant to fund the project as described in the application. Based on the information reviewed and the applicant’s agreement to the condition described above, the department concludes that this project **meets this sub-criterion**.

EmpRes Healthcare Group, Inc. dba Eden Hospice at King County, LLC

In response to this criterion, EmpRes/Eden provided the following statement. [source: Application, pdf 40]

Start-up costs are estimated to be less than \$100,000 to cover the following:

- *Startup period is 0 months*
- *Initial Support from EmpRes Healthcare Group, Inc.*
- *Co-location reduces the costs of outreach and eliminates Medicare certification costs*
- *Compensation of Administrative and Director of Patient Care included for King County*
- *Allocation of 0 months rent*
- *Licensing addition fee*
- *Other – non anticipated at this time*

EmpRes Healthcare Group, Inc. is the responsible entity.”

No public comment was received related to this sub-criterion, applicant, and project.

Department Evaluation

EmpRes/Eden identified no capital costs and the potential for up to \$100,000 for start-up costs. The applicant demonstrated that the funds are available for both capital and start-up costs and provided a letter of commitment to demonstrate the availability of funding. [source: Application, Appendix P]

To further demonstrate financial health and ability to fund the project, audited financial statements for years 2020 and 2021 were submitted for EmpRes Healthcare Group, Inc. and subsidiaries. Those statements report the parent entity has nearly \$10 million, more than sufficient to finance this project. [source: Application, Appendix Z]

If this project is approved, the department would include a condition requiring the applicant to fund the project as described in the application.

Based on the information reviewed and the applicant's agreement to the condition described above, the department concludes that this project **meets this sub-criterion.**

C. Structure and Process (Quality) of Care (WAC 246-310-230)

Based on the source information reviewed, the department determines the following applicants **met the applicable structure and process of care criteria in WAC 246-310-230:**

- Wesley Homes Corporation

Based on the source information reviewed, the department determines the following applicants **did not meet the applicable structure and process of care criteria in WAC 246-310-230:**

- AccentCare, Inc. dba Seasons Hospice & Palliative Care of Pierce County Washington, LLC
- EmpRes Healthcare Group, Inc. dba Eden Hospice at King County, LLC

(1) A sufficient supply of qualified staff for the project, including both health personnel and management personnel, are available or can be recruited.

Chapter 246-310 WAC does not contain specific WAC 246-310-230(1) criteria as identified in WAC 246-310-200(2)(a)(i). There are also no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that directs what specific staffing patterns or numbers of FTEs that should be employed for projects of this type or size. Therefore, using its experience and expertise the department assesses the materials in each application.

Wesley Homes Corporation

Wesley proposes to expand its existing King County agency to serve both King and Pierce County residents. Given this fact, the applicant provided three separate staffing tables. One table shows the dedicated staff for the King County agency; the second showing the proposed dedicated staff for the Pierce County agency, including shared staff; and the third table showing the combined King and Pierce County staff. The King County staffing table is not recreated below; however, it is considered in this evaluation.

The table below shows the dedicated Pierce County nursing staff. [source: March 31, 2023, screening response, Attachment 2, pdf 49]

Department's Table 22
Wesley Homes Dedicated Pierce County Nursing FTE Projections

FTE Type-Nursing Staff	Full Year 1 2024	Full Year 2 2025	Full Year 3 2026	Total FTEs
Director	0.35	0.36	0.10	1.08
Clinical Director RN	0.27	0.30	0.32	0.89
RN	1.34	1.48	1.62	4.44
LPN	0.34	0.37	0.41	1.12
Home Health Aid	0.54	0.59	0.65	1.78
MSW	0.37	0.41	0.45	1.23
Chaplain	0.37	0.41	0.45	1.23
Volunteer Coordinator	0.27	0.30	0.32	0.89
Admin Assistant	0.27	0.30	0.32	0.89
Total Nursing	4.12	4.52	4.91	13.55

The following table shows the combined King and Pierce nursing staff. [source: March 31, 2023, screening response, Attachment 2, pdf 49]

Department's Table 23
Wesley Homes Combined King and Pierce County Nursing FTE Projections

FTE Type-Nursing Staff	Full Year 1 2024	Full Year 2 2025	Full Year 3 2026	Total FTEs
Director	1.00	1.00	1.00	3.00
Clinical Director RN	0.76	0.82	0.86	2.44
RN	3.80	4.07	4.34	12.21
LPN	0.96	1.02	1.09	3.07
Home Health Aid	1.52	1.63	1.74	4.89
MSW	1.05	1.13	1.21	3.39
Chaplain	1.05	1.13	1.21	3.39
Volunteer Coordinator	0.76	0.82	0.86	2.44
Admin Assistant	0.76	0.82	0.86	2.44
Total Nursing	11.66	12.44	13.17	37.27

The table below shows the combined King and Pierce County shared administrative staff. [source: March 31, 2023, screening response, pdf 50]

Department's Table 24
Wesley Homes Combined King and Pierce County Shared Administrative FTE Projections

FTE Type Shared Administrative	Full Year 1 2024	Full Year 2 2025	Full Year 3 2026	Total FTEs
Executive Director	0.34	0.34	0.34	1.02
Billing Specialist	0.38	0.45	0.53	1.36
Liaison	0.50	0.50	0.60	1.60
On-call Coordinator	0.33	0.33	0.33	0.99
Intake	0.38	0.41	0.43	1.22
Total Shared Administrative	1.93	2.03	2.23	6.19

Wesley provided its historical FTEs for the combined Pierce and King County operations, as well as the following assumptions used to project the number and type of FTEs for the Pierce County operations. [source: March 31, 2023, screening response, pdf 50]

“The following assumptions are used in the above calculations:

- *34% of Wesley’s executive director’s salary is allocated to hospice and is allocated between King and Pierce Counties based on patient days.*
- *The billing specialist, liaison, and on-call coordinator FTEs will increase proportionately with the increase in admissions in Pierce County.*
- *The intake coordinator FTEs are calculated as .01 FTE per average daily census based on historical experience.”*

Focusing on staff to patient ratios, Wesley provided the following clarification and information. [source: March 31, 2023, screening response, pdfs 14 and 50]

**Department’s Table 25
Wesley Homes Combined King and Pierce County FTE Staffing Ratios**

FTE Type	Staffing Ratio
Director	Allocated Based on Days
Clinical Director RN	1 to 50 of ADC
RN	1 to 10 of ADC
LPN	1 to 40 of ADC
HHA	1 to 25 of ADC
MSW	1 to 36 of ADC
Chaplain	1 to 36 of ADC
Volunteer Coordinator	1 to 50 of ADC
Admin Assistant	1 to 50 of ADC

*Particularly for nursing, WHH has assumed a nursing to patient ratio that is on the “lower end” of the national averages, meaning **fewer patients per FTE. This is a positive, not a negative.***

WHH recognizes the need to be able to address the complex and changing needs of hospice patients and establishes our staffing ratios to ensure they are able to do this. Lower (better) nursing ratios allow for more time/patient and greater capacity to respond timely to referrals, especially important for urgent hospice admissions. We have admitted within hours of the referral when necessary to meet patient need.”

Wesley provided the following information regarding recruitment and retention of staff for the Pierce County services. [source: Application, pdfs 25-26 and March 31, 2023, screening response, pdf 12]

“The larger Wesley system has been providing high quality care that meets the spiritual, emotional and physical needs of King County’s elderly residents and their families since 1944. Today, Wesley operates on four campuses in King and Pierce Counties and offers independent, assisted and skilled nursing services, as well as range of other outpatient services.

Wesley also operates a Medicare certified home health and a home care agency. Each of Wesley’s services are operated in compliance with State licensing requirements, and where applicable with Medicare and Medicaid Conditions of Participation.

As noted in earlier sections of this application, many health care providers, including hospice agencies are challenged by staff shortages. WHH has also had challenges, but our Pierce County staffing will be shared with our King County agency. WHH also has home health nurses that are also cross trained in hospice and can be shared between its hospice and home health programs. This also helps with continuity of care as some patients can have the same caregiver regardless of if they are in home health or hospice. Wesley is a well-established, highly regarded long-term care provider.

The relatively small number of staff needed to expand into Pierce County, and our ability to recruit from both King and Pierce Counties, has led us to conclude that we will be able to recruit and retain the staff needed to support the Program.

As with nearly all providers in the state and nation; health care staffing is a challenge for Wesley. Despite these challenges, throughout the PHE, WHH demonstrated its ability to respond timely to referrals, according to patient need and preferences. We did this through the actions of a dedicated and supportive team, and systems designed to facilitate timely quality care delivery.

Specific processes in place include cross-training of our RN Clinical Director and RNs in case management, home health, palliative care, and hospice (all of the Programs under the Wesley Homes umbrella). This provides us with flexibility to “swing” staff to meet demands in each program. We also successfully navigated through staffing challenges during the pandemic by developing and implementing effective infection control policies (no staff was infected at work), innovative care delivery, such as making appropriate home visits for hands-on, eyes-on care, providing virtual visits, as approved by the Interdisciplinary Group (IDG) and the patient/family for support and instruction, and generally optimizing available IDG members and volunteers to maintain appropriate care and support to hospice patients and their families. We are continuing these practices post pandemic.

Additionally, Wesley Hospice already has staff providing services in its King County operations that live in Pierce County, that can immediately serve Pierce. The staffing need starts out small/low and the net addition of FTEs is less than five by the end of the third full year of operation.”

AccentCare/Seasons Public Comment [source: Comment Packet, distributed June 1, 2023, pdfs 66-67]

“Compared to Seasons Pierce County’s proposed hospice agency for Pierce County, Wesley Homes proposes a mediocre agency adding less than 6 additional staff and contracted positions by 2026. In contrast, Seasons Pierce County will establish over 18 new positions by 2026 to fully support the utilization projections to meet the high demand in Pierce County.

In fact, the following question (Question #2 on page 23 of the application) identifies 15.3 total FTEs for Wesley Homes’ Pierce and King service, still less than what Seasons Pierce County is proposing to serve Pierce County in 2026 (See page 43 of the Screening response from Seasons Pierce County.)

Question 4. Provide a detailed explanation of why the staffing for the agency is adequate for the number of patients and visits projected.

Wesley Homes states that it “proposes lower (better) staff to patient ratios for nursing and medical social work than the national average. This is based on our experience that carrying a higher

skilled nursing and social work staff is often necessary to address the complex and changing needs of hospice patients.” However, higher staffing ratios are better than lower ratios, or rather, a lower number of patients per staff is better for increased service to the patient. Comparing staffing of Wesley Homes to that of Seasons Pierce County, Seasons’ staffing is superior.

For 2026 Seasons Pierce County identifies 18.381 total FTEs, including 5.03 administrative staff, 0.051 therapy staff**, and the remaining 13.3 clinical care staff.1 With 207 patients projected for 2026, this equates to 15.56 patients per clinical care (nursing, aide, social services, volunteer & spiritual/bereavement care) staff (from page 43 of the screening response). In comparison, Wesley Homes identifies 3.9 nursing, aide, social services, volunteer & spiritual/bereavement care staff on page 22 (Table 6) of its application, and with 97 patients projected for 2026, results in 24.87 patients per staff. Therefore, Seasons Pierce County has more staff available to care for its patients, resulting in improving quality of care.*

Question 9. Describe your methods for staff recruitment and retention. If any barriers to staff recruitment exist in the planning area, provide a detailed description of your plan to staff this project.

Wesley Homes fails to identify its recruitment and retention strategies, simply stating, 'WHH has also had challenges, but our Pierce County staffing is shared with our King County agency. WHH also has home health nurses that are also cross trained in hospice and can be shared between its hospice and home health programs.' However, cross training existing staff is not a recruitment plan. It is a reaction to the inability to recruit.

Furthermore, Screening Question 24, below, is related to this question.

Screening Question 24. The department is aware of staffing shortages and the competitive demand for skilled labor across Washington State. In the event that this facility faces any barriers to recruiting staff, please outline the plan the applicant would use to ensure timely patient care.

Wesley responds by noting that responding timely to referrals is done “through the actions of a dedicated and supportive team, and systems designed to facility timely quality care delivery.” However, no clear plan or “system” is defined other than cross training staff in “case management, home health, palliative care, and hospice.” Sharing staff or diverting staff from one program to serve another does not increase staff, but rather dilutes one service at the expense of another. This does not address barriers to hiring new staff to fill positions in the face of a staffing shortage.

Screening Question 25. Question 2 on page 23 asks for FTEs for the three most recent full years of operations for existing agencies. Please provide the three most recent years of FTEs for the applicant’s King County hospice operation.

In its revised Table 7 Wesley Homes provides total FTEs for service to both King and Pierce Counties from 2019 to projected year 2026 without showing King County separately as requested. Therefore, the answer is not fully responsive. Furthermore, when the pandemic hit, care staffing went down (from 6.1 FTEs in 2019 to 5.9 and 5.8 FTEs, respectively during 2021 and 2022, during the height of the pandemic), rather than increasing, as would be expected when adding service to

Pierce County under the public health emergency provision and addressing the additional need for hospice as deaths increased.”

Wesley Rebuttal [source: Rebuttal Packet, distributed July 3, 2023, pdf 154-155]

“Wesley has a long history of growing, adding, and staffing programs, dating back to 1944. Specific to hospice, Wesley demonstrated throughout the PHE its ability to respond timely to referrals, patient need and preferences. We did this through the actions of a dedicated and supportive team, and systems designed to facilitate timely quality care delivery.

While Season’s attempts to suggest otherwise, Wesley’s lower staffing ratios for nursing and medical social work are better (lower=fewer patients per staff). If you ignore the “noise” in Seasons comments and focus instead on the actual numbers, it is clear that Wesley is proposing better RN to patient and MSW to patient ratios than Seasons.

Seasons combines total employed staff to create patient ratios, but this too is misleading as Wesley uses contracted clinical staff as well as employed. It also ignores the importance of the key clinical staff to patient ratios. A “we have more total staff” approach does not ensure that patients have the quality, one-on-one direct patient care that Wesley provides.

Again, it is important to note that everything that Seasons claims around staffing, recruitment, etc. is conjecture. They have yet to staff and operate an agency in Washington – despite multiple years of putting forth lengthy commitments to do so. Further, in its 2022 Pierce decision, the CN Program found Wesley’s staffing to meet all requirements.”

Department’s Evaluation

If approved, the applicant would be a new provider of Medicare and Medicaid hospice services for Pierce County residents. To ensure its staffing ratios are reasonable, the applicant based them on its experience in King County where it uses FTE per patient average daily census. This approach means fewer patients per FTE. Wesley uses this approach because it allows staff to address the complex and changing needs of hospice patients. Further, lower nursing ratios allows for longer patient/staff time, which is important for urgent hospice admissions. This approach by Wesley is acceptable.

During the review of this project, AccentCare provided comments asserting that Wesley failed to identify its recruitment and retention strategies. Further, AccentCare states that Wesley identified cross-training practices which give flexibility to swing staff to meet demands. However, sharing or diverting staff from one program to serve another does not increase staff, rather it dilutes staff.

In rebuttal, Wesley acknowledges the healthcare staff shortage and references its service of Pierce County hospice patients for more than two years under the Governor’s proclamation and its ability to respond timely to referrals throughout. Wesley further states that cross-training and/or sharing staff between programs provides the benefit of flexibility and the ability to respond to new or changing demands.

The department recognizes the current shortage of healthcare staff since the pandemic and encourages applicants to find resourceful ways to staff their healthcare facilities to ensure patient needs are met. Based on the information provided in the application, the department concludes that Wesley has the ability and expertise to recruit and retain a sufficient supply of qualified staff for this project. **This sub-criterion is met.**

AccentCare, Inc. dba Seasons Hospice & Palliative Care of Pierce County Washington, LLC

To demonstrate compliance with this sub-criterion, AccentCare provided its projected full-time equivalents (FTEs) for the Pierce County agency. Following is a table summarizing the projected staff. [source: Application, pdf 83]

**Department’s Table 26
Seasons Hospice & Palliative Care of Pierce County Washington, LLC
FTE Projections Partial Year 2024 and Full Years 2025 - 2027**

FTE Type Not Contracted	July - Dec 2024	Full Year 1 Year 2025	Full Year 2 Year 2026	Full Year 3 Year 2027
Admission Department	0.0	0.0	0.0	1.0
Business Development Department	2.0	3.0	3.0	3.0
Business Operations – Leadership	1.0	1.0	1.0	1.0
Chaplain	1.0	1.0	1.0	1.0
Executive Director	1.0	1.0	1.0	1.0
Hospice Aide	1.0	2.0	3.0	4.0
Music Therapy	1.0	1.0	1.0	1.0
Nursing	2.0	3.0	4.0	5.0
Social Work	1.0	1.0	1.0	1.0
Clinical Nutritionist	0.1	0.1	0.1	0.1
Team Assistant	1.0	1.0	1.0	1.0
Team Director	1.0	1.0	1.0	1.0
Volunteer Department	0.0	1.0	1.0	1.0
Total FTEs	12.1	16.1	18.1	21.1

Additionally, the applicant provided a table showing the number of contracted FTEs needed for the new Pierce County agency. Contracted staff include the Physician Team Leadership (Medical Director); Physician Team Support; and physical, occupational, and speech therapy positions. All combined, these contracted staff add to 0.28 FTE for all projection years. [source: Application, pdf 83]

The applicant provided the following assumptions to support its staffing projections. [source: Application, pdfs 83-84]

*“Where an FTE is not noted in year 1, other staff assume those responsibilities until census growth occurs to justify an FTE. The Medical Director position assumes administration duties, while the Physician Support Team refers to the individual physicians who lead hospice teams in providing direct patient care, e.g., making visits to patients. These services are separate and distinct from the medical administrative duties/services provided by the Medical Director. Physicians who provide direct patient care services will contract with Seasons Pierce County pursuant to a Physician Independent Contractor Agreement, a sample of which is found in **Exhibit 19**. The individual physician contracted as the Medical Director could also choose to provide patient care services and if so, he or she would enter into a Physician Independent Contract Agreement and be paid for these services over and above the Medical Director fee. Please refer to the Medical Director Agreement and sample Physician Independent Contractor Agreement in **Exhibit 19** for additional detail.”*

The applicant provided the following rationale for why the staffing identified above is adequate for the number of patients and visits projected. [source: Application, pdfs 84-85]

“Seasons Pierce County uses a staffing model based on census to ensure coverage of support and care functions at appropriate levels for program needs. A copy of the staffing ratios is provided in Exhibit 18. Seasons Pierce County's staffing ratios reflect similar ratios found among other hospices across the county, including other AccentCare Hospice programs and are consistent with the NHPCO Staffing Guidelines for Hospice Home Care Teams. That document also acknowledges the following:

No one ‘best standard’ in the literature regarding hospice staffing caseloads currently exists. Around the nation, hospices have evolved in various, directions, creating diverse models of care to serve hospice patients and families. The Staffing Guidelines for Hospice Home Care Teams is based on the recognition of the current diverse nature of hospice care and allows for individualization of staffing caseloads according to the organizational and environmental characteristics specific to each hospice, in much the same way hospices individualize patient care.

AccentCare adds staff as admissions increase, as shown in Table 29 above, which lists the type of number and category of staff for the first 3 full years of operation. Ratios vary based upon the numbers of patients in the program, the diseases represented, length of stay, and patients’ needs. The ratios above compare favorably with an overall ratio in the third year of operations of 0.42 staff to each patient. In addition, volunteers who provide augmented services increase the patient and hospice interactions and add to the actual FTE spent with patients. The training program for volunteers assures that they are active members of the care team and render services that patients experience at the end of life is compassionate and caring with support for the family.”

AccentCare, Inc. provided the following statement regarding barriers it sees for recruitment and retention of staff in Pierce County. [source: Application, pdf 90]

“Pierce County was designated as a Medically Underserved Area for Primary Care in 1982 and again updated in 1994 with a Medical Underservice Index Score of 61.2, just below the threshold of 62.0. It has three designated geographic Health Professional Shortage Areas (HPSAs), including Buckley, Eatonville/Roy, and Longbranch. Two primary care community health clinics with multiple locations, and two Indian Health Service/Tribal Health/Urban Indian Health Organizations also qualify as HPSA. The three geographic HPSA’s 2021 population of 43,582 account for less than 5% of the county’s 920,730 total population. (Reports generated from the Health Resources & Services Administration at www.data.hrsa.gov documenting the Pierce County MUA and HPSA are provided in Exhibit 23.) Seasons Pierce County will provide outreach and education to the community-based organizations throughout the entire county, including inner city communities that have limited access to healthcare.”

AccentCare provided extensive information, statistics, and documents related to its recruitment and retention research, process, barriers to staffing, education programs, internship programs, and employee benefits packages. The information is not repeated here but is considered in this review. [source: Application, pdfs 90-98, and Exhibits 17, 23, 24, 25, 26]

Public Comment

The department received some comments on AccentCare’s project related to this sub-criterion. The following are representative excerpts from comments.

Evelyn Stagnaro, MM, MT-BC, Life One Music, LLC, Seattle Children’s Hospital Music Therapist [source: Comment Packet, distributed June 1, 2023, pdf 28]

“I supported AccentCare (formerly Seasons Hospice) in their hospice CON application for King County and I am very pleased to hear that they received that license. I am looking forward to the

programs they will bring here to our community and possible ways to collaborate with them in the future with pediatrics.”

Stephanie Raghubeer, M.D., Medical Director, MultiCare Mary Bridge Children’s [source: Comment Packet, distributed June 1, 2023, pdf 29]

“We are pleased to hear that AccentCare is committed to providing a medical director who is pediatric certified, as well as a child life specialist and a music therapy program. Such comprehensive services are essential for meeting the unique needs of pediatric hospice patients and their families. We endorse AccentCare's CON application to become a pediatric hospice and palliative care provider in Pierce County.”

Department Evaluation

If approved, AccentCare would be a new provider of Medicare and Medicaid hospice services for Pierce County. To ensure its staffing ratios are reasonable, the applicant based them on ratios used in its other hospice agencies and NHPCO standards.

If approved, AccentCare proposes that its Pierce County agency would be operational in July 2024. As shown in the table above, 12.1 FTEs are needed in partial year one (2024) to serve an estimated average daily census of 6 patients. Beginning in full year one (2025), the number of FTEs increases to 16.1 to serve an estimated average daily census of 23 patients. By the end of full year three (2027), the FTEs increase to 21.1 to serve an estimated average daily census of 44 patients.

The applicant also clarified that its medical director, support physicians, and some of its therapy staff would be under contract and the department did not include these contracted staff in the table above. This approach is reasonable.

For recruitment and retention of staff, AccentCare intends to use the strategies its parent has successfully used in the past for recruitment and retention of staff for its out-of-state hospice agencies. The strategies identified by AccentCare in its application are consistent with those of other applicants reviewed and approved by the department.

Comment in support of this project was received by the department related to this sub-criterion. Several credentialed professionals provided comment that they would be interested in working with AccentCare and that AccentCare already has some key positions filled.

Based on the information provided in the application, the department concludes that AccentCare has the ability and expertise to recruit and retain a sufficient supply of qualified staff for this project. **This sub-criterion is met.**

EmpRes Healthcare Group, Inc. dba Eden Hospice at King County, LLC

EmpRes/Eden proposes to expand its existing King County agency to serve both King and Pierce County residents. Given this fact, the applicant provided a table of the proposed FTEs, by category/discipline, needed to serve Pierce County patients.

The table below shows the dedicated Pierce County nursing and administrative staff. [source: April 13, 2023, screening response, Attachment 7, pdf 86]

Department's Table 27
EmpRes/Eden Dedicated Pierce County FTE Projections

FTE Type	4 th Quarter 2023	Full Year 1 2024	Full Year 2 2025	Full Year 3 2026	Total FTEs
Registered Nurse	0.30	1.91	2.87	3.38	8.46
Medical Social Worker	0.10	0.64	0.96	1.13	2.83
Hospice Aide	0.30	1.91	2.87	3.38	8.46
Spiritual Care Coordinator	1.00	1.00	2.00	2.00	6.00
Administrator	0.33	0.33	0.33	0.33	1.32
Director of Patient Care	0.33	0.33	0.33	0.33	1.32
Clinical Manager	0.33	0.33	0.33	0.33	1.32
Business Office Manager	0.33	0.33	0.33	0.33	1.32
Clinical Support Specialist	1.00	1.00	1.00	1.00	4.00
Community Liaison	0.33	0.33	0.33	0.33	1.32
Total FTEs	4.35	8.11	11.35	12.54	36.35

The following table shows the combined King and Pierce nursing and administrative staff. [source: April 13, 2023, screening response, Attachment 8, pdfs 93-94]

Department's Table 28
EmpRes/Eden Combined King and Pierce County FTE Projections

FTE Type	4 th Quarter 2023	Full Year 1 2024	Full Year 2 2025	Full Year 3 2026	Total FTEs
Registered Nurse	2.57	6.54	8.10	8.82	26.03
Medical Social Worker	0.86	2.18	2.70	2.94	8.68
Hospice Aide	2.57	6.54	8.10	8.82	26.03
Spiritual Care Coordinator	1.00	1.00	2.00	2.00	6.00
Administrator	1.00	1.00	1.00	1.00	4.00
Director of Patient Care	1.00	1.00	1.00	1.00	4.00
Clinical Manager	1.00	1.00	1.00	1.00	4.00
Business Office Manager	1.00	1.00	1.00	1.00	4.00
Clinical Support Specialist	3.00	3.00	3.00	3.00	12.00
Community Liaison	1.00	1.00	1.00	1.00	4.00
Total FTEs	15.00	24.26	28.90	30.58	98.74

Focusing on staff to patient ratios, EmpRes/Eden provided the following clarification and table. [source: Application, pdfs 44-45, and April 13, 2023, screening response, pdfs 12, 14-15]

Applicant's Table

Table 17

Eden Hospice at King County Staff / Patient Ratio

Type of Staff	Eden Hospice at the Inland Northwest
	Staff / Patient Ratio
Skilled Nursing (RN & LPN)	1:10
Physical Therapist	Contract only
Occupational Therapist	Contract only
Medical Social Worker	1.30
Speech Therapist	Contract only
Home Health / Hospice Aide	1:10
Chaplain	1:40

“The column heading for staffing ratios should have been updated to Eden Hospice at King County.

Eden evaluated “approved” applications in the 2018 through 2021 cycles in preparing staffing ratios. Table 17 above provides staffing ratios that are consistent with a review of staffing tables and assumptions in the Certificate of Need applications that were evaluated. These ratios apply to Eden’s employed clinical staffing. Co-location also provides advantages to sharing peak workloads of 2 agencies. More generally, members of the Eden administrative staff work flexibly with each other to meet patient care needs. Eden’s Administrator and Director of Patient Care are qualified and prepared to provide direct patient care or other administrative functions. Thus, the team is readily able to respond to patient needs when the growing agency experiences peaks in census.

PDF page 44 and Table 17 on PDF page 44 provided the direct care staffing assumptions which addresses Question 3 from the Application Structure and Process questions.

To respond to Question 4 of Structure and Process and to screening question 23, Eden responds as follows. The most important introductory clarification point here is that Eden has extensive experience operating Medicare certified hospice agencies in the Western United States which includes one currently operating hospice in Washington State serving Whatcom County and Skagit County. In Table 24 from an earlier Certificate of Need application, e.g., Snohomish County CN 21-47, Eden provided a reference to other Washington hospice providers to demonstrate due diligence in its staffing assumptions. That Table with page reference is included below.

The short response to why Eden’s ratios are applicable is that they readily fall in the range of applications that have been submitted in prior application by providers with multiple agencies. Further, the Department accepted the ratios submitted by the Department. Eden believes that they were accepted as reasonable because they fell with the range of other credible applicants and providers.

Applicant's Table
Table 24
Comparative Staff : Patient Ratios on Recently Approved Hospice Agencies
(Eden Snohomish CoN 21-47, page 58)

Type of Staff	Olympic Medical Center 2019 CoN	Providence 2018 CoN	Envision 2019 Snohomish	Inspiring 2019 Snohomish
	Staff / Patient Ratio	Staff / Patient Ratio	Staff / Patient Ratio	Staff / Patient Ratio
Skilled Nursing (RN & LPN)	1: 10	1:11	1:10	1:8
Physical Therapist	Contract only	Contract only	Contract only	Contract only
Occupational Therapist	Contract only	Contract only	Contract only	Contract only
Medical Social Worker	1:35	1:25	1:35	1:03
Speech Therapist	Contract only	Contract only	Contract only	Contract only
Home Health / Hospice Aide	1:10	1:15	1:10	1:8
Chaplain	Contract per Visit	1:50	1:37	1:30

EmpRes/Eden provided the following information regarding recruitment and retention of staff for the Pierce County services. [source: Application, pdfs 45-46 and April 13, 2023, screening response, pdfs 12-13]

“Hospice services have been proven to reduce the demand for inpatient hospital services and the nursing and other ancillary staff needed to support hospital inpatients. As a result, hospice in general reduces the demand for hospital-based nursing staff by reducing hospital length of stay and reducing readmissions to acute care hospitals.

As a large multi-state organization, EmpRes and Eden have employees, visibility, and contacts across numerous job markets. Specific to Pierce County, EmpRes currently operates both a home health agency and a skilled nursing facility in Pierce County so it has local knowledge and established relationships within Pierce County for recruiting staff.

Beyond maintaining a competitive salary structure and a rating as a preferred employer, Eden is a large multi-state organization, EmpRes and Eden has employees, visibility, and contacts across numerous job markets. Specific to Pierce County, EmpRes currently operates a home health agency serving Pierce County and an agency serving King County as well as skilled nursing facilities serving King County. Eden also operates home health services in Snohomish County and will open hospice services shortly in King County. As a result, Eden has local knowledge and established relationships within Pierce County, King County and Snohomish County for recruiting staff.

Eden Hospice at King County is an employee-owned agency. This is an added recruitment advantage in several important aspects of staffing, recruitment, and retention:

- *EmpRes maintains a recruitment office to systematically recruit for employees*
- *Staff mobility within and between labor markets supports recruitment and enhances overall retention efforts for employees stay in the EmpRes and Eden organizations*
- *As an employee-owned organization, EmpRes and Eden experience lower turn-over rates than many other health care providers because employees have a stake in the success of Eden in carrying out its mission in the future.*

- *Co-location of Eden Hospice with EmpRes Home Health at Pierce, LLC will reduce the need for new employees particularly in the start-up years.*
- *The EmpRes commitment to Employees/Residents reflected in the company name is also reflected in management efforts to prioritize employees and residents as core to any success again reducing turnover and making EmpRes an attractive employer.*
- *EmpRes maintains an Employee Referral bonus program.*
- *Co-location of a suite of agencies – Home Health in King County and Pierce County and Hospice in King County and Snohomish County creates a hub for employees particularly for hard to recruit nursing and overall management managers in the start-up years.*

Attachment 4 provides Eden’s recruitment policy and practices to assure that Eden patients receive timely patient care. In terms of shorter term, episodic shortages related to overall labor shortages of licensed staff for Washington health care organizations, co-locating hospice and home health agency staff for King County, Pierce County and Snohomish County does expand the staff resource pool hours of care and improves staff retention, which in turn improves labor efficiency. With proper training support, the Eden Hospice at King County can utilize home health employees by expanding the hours for part-time and full-time employees to meet overall need. This improves continuity of care for the hospice patient who can continue in many cases to use the same personnel that served them in the home health agency; and it improves the care experience for both the patient and the staff throughout the difference phases of healthcare. Improved care experience for the staff directly translates into higher morale and lower staff turnover. This overall effort reduces the need for totally new hires, easing the staff shortage and smoothing temporary fluctuations in staffing to assure ongoing services to hospice patients.”

During screening, the department asked how EmpRes/Eden would respond to barriers to staff recruitment. In response, EmpRes/Eden provided its official recruitment policy. The policy outlines an established internal procedure for the recruitment and retention of personnel by the applicant. [source: April 13, 2023, screening response, Attachment 4, pdfs 78-80]

AccentCare/Seasons Public Comment [source: Comment Packet, distributed June 1, 2023, pdf 48]

“Screening Question 5: Regarding the table provided in response to question #6 on page 18, what steps are being taken between CN approval and Agency Prepared for Survey?”

*Eden responds by stating the hospice “will notify CMS and will add Pierce County to its hospice license.” The table identifies “CN approval” in September 2023 and “Agency Providing Medicare and Medicaid hospice services in Pierce County” in October 2023. However, in response to screening question 1, Eden states, “Staff of the King County based agency will support hospice services within King County and the agency will recruit additional licensed staff residing in Pierce County to serve the entire county.” **With a project commencement date of October 2023, Eden fails to plan for the recruiting of additional staff to serve Pierce County.”***

EmpRes/Eden Rebuttal source: Rebuttal Packet, distributed July 3, 2023, pdf 76]

“Pierce County will be added to the Eden Hospice at King County agency upon approval, which is responsive to the question reference, a staff recruitment plan is not required in response to this question. However, given that Eden will begin seeing patients from Pierce County upon modification of its home care license, a general recruitment plan will be implemented. Eden has the capability of providing additional recruitment elements to that plan given the dynamic state of the employment environment particularly for nurses in Pierce County.

Eden’s response to Screening Question 22 provides a robust description of the plan that is in place to fully support the addition of the Pierce County service area to the Eden Hospice at King County agency.”

Department’s Evaluation

If approved, the applicant would be a new provider of Medicare and Medicaid hospice services for Pierce County residents. To ensure its staffing ratios are reasonable, the applicant based them on staffing ratios from Certificate of Need applicants in previous review cycles. This approach by EmpRes/Eden is acceptable.

During the review of this project, AccentCare provided comments asserting that EmpRes/Eden failed to properly plan for recruitment based on its proposed start date.

In rebuttal, EmpRes/Eden indicated staff at the existing King County agency would be available to serve Pierce County initially, with its referenced recruitment plan in its application and screening responses capable of meeting staffing needs as it expanded into Pierce County.

The department recognizes the current shortage of healthcare staff since the pandemic and encourages applicants to find resourceful ways to staff their healthcare facilities to ensure patient needs are met. Based on the information provided in the application, the department concludes that EmpRes/Eden has the ability and expertise to recruit and retain a sufficient supply of qualified staff for this project. **This sub-criterion is met.**

- (2) *The proposed service(s) will have an appropriate relationship, including organizational relationship, to ancillary and support services, and ancillary and support services will be sufficient to support any health services included in the proposed project.*

Chapter 246-310 WAC does not contain specific WAC 246-310-230(2) criteria as identified in WAC 246-310-200(2)(a)(i). There are known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that an agency must meet when it is to be Medicare certified and Medicaid eligible. Therefore, using its experience and expertise the department assessed the applicant’s ability to establish and maintain appropriate relationships.

Wesley Homes Corporation

Wesley Homes provided the following information to demonstrate compliance with this sub-criterion. [source: Application, pdf 27]

“WHH’s CN approved agency in King County works closely with local physicians, hospitals, family and other providers to ensure patients’ comprehensive medical, social, and spiritual needs are met. We did the same during the nearly three-year timeframe we served Pierce under the Governor’s Proclamation. We work closely with the following ancillary and support providers:

Ancillary Services:

- *Bellevue Health Care, Bellevue, WA (DME)*
- *Medtrak Services dba Elixir Overland Park, KS (PBM)*
- *TriMed Ambulance, Kent, WA*
- *Medline (nursing supplies)*
- *Functional Integrative Training, Sumner, WA (Physical Therapy)*
- *Career Staff Unlimited, Tacoma, WA (OT and SLP)*
- *Matrixcare EMR*

In addition, Wesley has established the below working relationships in Pierce County:

Facilities:

- *MultiCare Good Samaritan Hospital*
- *MultiCare Tacoma General Hospital*
- *MultiCare Allenmore Hospital*
- *CHI Franciscan St Joseph Medical Center*
- *CHI Franciscan St Elizabeth*
- *CHI Franciscan St Anthony*
- *CHI Franciscan St Clare*
- *Kaiser Permanente*
- *Life Care Center- South Hill*
- *Wesley Bradley Park*
- *Wesley at Tehaleh*

Other Providers and Community Resources:

- *Primary care and specialty providers*
- *Home Health agencies*
- *Pierce County Health and Human Services Departments*
- *Other long-term care providers*
- *Local Churches*

None of the existing relationships or agreements are expected to change.”

In addition to the information above, Wesley provided a copy of the existing Medical Director Agreement between Wesley Homes at Home, LLC and Jude Verzosa, MD. The agreement was executed on December 14, 2016, and outlines necessary qualifications for the medical director and describes roles and responsibilities for both the medical director and the agency. The agreement is effective unless terminated by either entity with 30 days' notice. The applicant also provided an Addendum to the Medical Director Agreement clarifying compensation. The compensation for medical director services for King County is \$4,500 / monthly and \$54,000 annual. The compensation for the Pierce County services is \$2,500/monthly, which equates to \$30,000 annual. [source: March 31, 2023, screening responses, Attachment 2, pdfs 51-52, Attachment 3]

There were no public comments or rebuttal comments for the Wesley project related to this sub-criterion.

Department's Evaluation

As previously stated, Wesley proposes to serve Pierce County hospice patients by expanding the service area of its existing King County hospice agency. Wesley does not operate outside of Washington State, but it operates a number of healthcare facilities, including a home health and a hospice agency, in Washington State.

Wesley provided a listing of ancillary and support vendors currently used for the King County agency that would also be used for the expanded services in Pierce County.

Wesley also provided a copy of its executed Medical Director Agreement between Wesley Homes at Home, LLC and Jude Verzosa, MD. Wesley further detailed its existing area relationships and network.

Information provided in the application demonstrates that the applicant has access to all necessary hospice ancillary and support services that would be needed to expand into Pierce County. The department concludes **this sub criterion is met.**

AccentCare, Inc. dba Seasons Hospice & Palliative Care of Pierce County Washington, LLC

In response to this sub-criterion, the applicant provided the following policies and statements. [source: Application, pdfs 99-100 and Exhibit 17]

“Exhibit 17 includes three policies that describe how ancillary and support services function with the care team.

- *Standards of Practice, policy C 1.4*
- *Contracted Services, policy C 3.2*
- *Financial Management, policy C 3.3.5*

Seasons Pierce County uses employees to deliver services, and contract personnel to supplement the skills that may not be routinely available among the employees when the plan of care requires such services. Most often, these contract services include physical, respiratory, speech, and occupational therapists. A patient may also require acupuncture, massage, or other palliative treatments for which a licensed professional is required.

*Because ancillary personnel serve under contracts, they augment the plan of care by adding some additional services specified in the plan of care. At all times, AccentCare employees are in control of the delivery of care, and retain control, thus assuring that the contracted personnel can meet the service demand. Contract employees are also discussed in previously mentioned policies, appearing in **Exhibit 17.***

Some hospices consider music therapy and dieticians as ancillary services, but AccentCare identifies them as core team members; they are included in the interdisciplinary group.”

The applicant also provided a copy of its *Medical Director Agreement* as Exhibit 19 of the initial application. The agreement is between Seasons Hospice & Palliative Care of Pierce County Washington, LLC and Balakrishnan Natarajan, M.D. The agreement was effective January 1, 2021, outlines roles and responsibilities for both the agency and the physician, includes *Compensation and Benefits*, and its *Term and Termination* details. The agreement is effective for one year, with automatic annual renewals in perpetuity.

No public comment was received related to this sub-criterion, applicant, and project.

Department Evaluation

AccentCare is not currently a Medicare and Medicaid hospice provider in Washington State; however, the parent organization does operate hospice agencies in a number of other states.

AccentCare provided a listing of the types of ancillary and support agreements it would use for the new hospice agency. Given that the facility is not yet operational, the listing does not identify every entity and no agreements have been finalized.

AccentCare provided a copy of its executed Medical Director Agreement with Balakrishnan Natarajan, M.D. The agreement was executed January 1, 2021, identifies the entities associated with the agreement, outlines roles and responsibilities for both the physician and the agency, and specifies its terms.

AccentCare provided a copy of its Management Services Agreement between AccentCare, Inc. and its subsidiaries and joint ventures. The agreement was executed on October 20, 2022, identifies the entities associated with the agreement, outlines roles and responsibilities for both entities, and specifies its terms. The agreement is used to ensure the new agency would have consulting services available from its parent.

Based on the information reviewed in the application, the department concludes that AccentCare has the experience and expertise to establish appropriate ancillary and support relationships for the new hospice services in Pierce County. If this project is approved, the department would include conditions related to the listing of ancillary and support services. With agreement to the specific conditions, the department concludes **this sub criterion is met.**

EmpRes Healthcare Group, Inc. dba Eden Hospice at King County, LLC

EmpRes/Eden provided the following information to demonstrate compliance with this sub-criterion. [source: Application, pdfs 46-48]

“Relationships with healthcare facilities are service area and this case county-specific for the most part, so relationships will be established with Pierce County facilities

Inpatient contractors

For General Inpatient Care and for Respite Care, the proposed hospice will develop contracts with one or more local facilities.

General Inpatient Care

Eden will initiate relationships on approval of its Pierce County CON and anticipates developing “general inpatient care” contracts with local hospitals that serve Pierce County. In particular, Eden expects to develop GIP contracts with any Pierce County hospitals whose physicians and discharge planners refer patients to Eden’s Pierce Hospice. Eden will also develop relationships with the regional hospital systems operated by MultiCare and Providence that serve Pierce County.

Respite Care

Respite care is typically provided in a skilled nursing facility and nursing homes. Currently, Eden operates four nursing homes in King County and intends to use those facilities for respite care. On receipt of a Pierce County Certificate of Need, Eden will promptly reach out to local nursing facilities and determine the best options for contracting respite care services for hospice patients.

In-home care for nursing home residents

In addition to arranging for General Inpatient Care and Respite Care, Eden will also coordinate with area nursing homes so that long term residents, for whom the facility is home, are able to receive routine in-home hospice services there, beginning with:

Criteria for selection

In selecting inpatient providers with which to contract, Eden will apply the following criteria:

Of the potential hospital contracts available, Eden believes each provides high quality care. Eden plans to contract with each facility willing to do so. Criteria for contracting and referral of specific patients will include:

- a) availability of inpatient hospice beds appropriate to GIP admissions (i.e., least restrictive environment and/or availability of a home-like setting*
- b) availability of appropriate clinical resources and beds for Eden's patients*
- c) relative geographic access of the facility for the patient's primary care team and/or potential visitors.*
- d) availability of a palliative care in-patient team or a hospitalist team that includes individuals with palliative care expertise.*
- e) availability of a palliative care in-patient team or a hospitalist team that includes individuals with palliative care expertise.*
- f) cost containment*

Respite Care

- a) availability of inpatient hospice beds appropriate to 'respite care'*
- b) availability of clinical resources needed for Eden's patients*
- c) relative geographic access for the patient's primary care team and/or potential visitors.*
- d) compatibility with Eden's adopted policies honoring a patient's End of Life choices*
- e) cost containment*
- f) availability of a home-like setting*
- g) nursing facilities already contracting with Eden for it to provide in-home hospice visits to its long-term care residents*

These relationships would generally be relationships used for Eden Hospice at King County''

In addition to the information above, EmpRes/Eden provided a copy of the existing Medical Director Agreement between Eden Hospice at King County, LLC and Premier Hospice Physicians. The agreement was executed on December 21, 2022, and outlines necessary qualifications for the medical director and describes roles and responsibilities for both the medical director and the agency. The agreement is effective unless terminated by either entity with 30 days' notice. The compensation for medical director services for both Pierce and King County is 5% of net revenue. [source: March 31, 2023, screening responses, pdf 18, Attachment 2, pdfs 51-52, Attachment 3]

There were no public comments or rebuttal comments for the Wesley project related to this sub-criterion.

Department's Evaluation

As previously stated, EmpRes/Eden proposes to serve Pierce County hospice patients by expanding the service area of its existing King County hospice agency. EmpRes/Eden's parent organization operates several hospice agencies both within and outside of Washington State.

EmpRes/Eden provided a listing of ancillary and support agreements it would use for the proposed hospice agency. Given that the facility is not yet operational, the listing does not identify specific entities and no agreements have been finalized.

EmpRes/Eden also provided a copy of its executed Medical Director Agreement between Eden Hospice at King County, LLC and Premier Hospice Physicians.

Information provided in the application demonstrates that the applicant has access to all necessary hospice ancillary and support services that would be needed to expand into Pierce County. If this project is approved, the department would include conditions related to the listing of ancillary and support services. With agreement to the specific conditions, the department concludes **this sub criterion is met.**

- (3) *There is reasonable assurance that the project will be in conformance with applicable state licensing requirements and, if the applicant is or plans to be certified under the Medicaid or Medicare program, with the applicable conditions of participation related to those programs.*

Chapter 246-310 WAC does not contain specific WAC 246-310-230(3) criteria as identified in WAC 246-310-200(2)(a)(i). There are known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that a facility must meet when it is to be Medicare certified and Medicaid eligible. Therefore, using its experience and expertise the department assessed each applicant's history in meeting these standards at other facilities owned or operated by each applicant.

As a part of this review, the department must conclude that the proposed services provided by an applicant would be provided in a manner that ensures safe and adequate care to the public.²⁶ For in-home services agencies, the department reviews two different areas when evaluating this sub-criterion. One is a review of the Centers for Medicare and Medicaid Services (CMS) *Terminated Provider Counts Report* covering years 2020 through current. The department uses this report to identify facilities that were involuntarily terminated from participation in Medicare reimbursement.

The department also reviews an applicant's conformance with Medicare and Medicaid standards, with a focus on Washington State facilities. The department uses the CMS *Survey Activity Report* to identify Washington State facilities with a history of condition level findings. For CMS surveys, there are two levels of deficiencies: standard and condition.²⁷

- **Standard Level**

A deficiency is at the Standard level when there is noncompliance with any single requirement (or several requirements) within a particular standard that is not of such character as to substantially limit a facility's capacity to furnish adequate care, or which

²⁶ WAC 246-310-230(5).

²⁷ Definitions of standard and condition level surveys: <https://www.compass-clinical.com/deciphering-tjc-condition-level-findings/>

would not jeopardize or adversely affect the health or safety of patients if the deficient practice recurred.

- **Condition Level**

Deficiency at the Condition level may be due to noncompliance with requirements in a single standard that, collectively, represent a severe or critical health or safety breach, or it may be the result of noncompliance with several standards within the condition. Even a seemingly small breach in critical actions, or at critical times, can kill or severely injure a patient, and such breaches would represent a serious or severe health or safety threat.

Although some of the applicants in this review own and/or operate post-acute facilities,²⁸ none are without in-home services²⁹ operations. Since the proposed projects are for hospice services, the focus of this review will be historical hospice and home health operations as they are either the same or functionally the most similar to the services proposed in these projects.

Wesley Homes Corporation

The applicant provided the following statements in response to this sub-criterion. [source: Application, pdf 30 and March 31, 2023, screening response, pdf 14]

“No facility or agency owned or operated by Wesley has a pattern of condition level findings.

Our response was intended to address facilities, providers, and staff. To confirm, neither Wesley nor WHH’s owned/operated/managed facilities nor any persons associated/employed/contracted by Wesley or WHH have any history with respect to the actions noted in CN regulation WAC 246-310-230.”

There were no public comments or rebuttal comments submitted for the Wesley project related to this sub-criterion.

Department’s Evaluation

As stated in the Applicant Description section of this evaluation, Wesley Homes Corporation owns 100% of Wesley Homes Community Health Services which owns 100% of both Wesley Home at Home LLC and Wesley Homes Hospice, LLC. Both Wesley Home at Home LLC and Wesley Home Hospice, LLC are Washington State corporations. [source: Application, pdf 4, Exhibit 1, and Washington State Secretary of State website] For this project, Wesley Homes Corporation is the applicant.

Wesley Homes Corporation does not operate outside of Washington State. The corporation offers a variety of healthcare services through its total of 9 healthcare facilities: homecare (1), home health (1) and hospice (1) agencies, assisted living facilities (4), and nursing homes (2).

Terminated Provider Counts Report for Wesley Homes Corporation

Focusing on full years 2020 through 2022 and partial year 2023, neither the hospice nor the home health agency was involuntarily terminated from participation in Medicare reimbursement.³⁰ [source: CMS Quality, Certification, and Oversight Reports as of September 12, 2023]

²⁸ Nursing homes and assisted living facilities

²⁹ Home health or hospice

³⁰ Assisted Living Facilities are not included in the CMS Quality, Certification, and Oversight Reports.

Conformance with Medicare and Medicaid Standards for Wesley Home Corporation.

Using the Center for Medicare and Medicaid Services (CMS) Quality, Certification & Oversight Reports (QCOR) website, the department's review included full years 2020 through 2022 and partial year 2023 each of the applicant's in-home service agencies.

Washington State Healthcare Facilities

Both the home health and the hospice agency were surveyed in 2021. Both the hospice agency's survey and the home health agency resulted in minor deficiencies that did not require follow up surveys.

Homecare agencies are not included in the CMS Quality, Certification, and Oversight Reports, therefore, the department relied on its own database for this facility.

In summary, since year 2020, none of Wesley Homes Corporation's healthcare surveys resulted in termination from participation; and all deficiencies were resolved through plans of correction and/or follow-up survey.

Wesley provided a copy of the executed Hospice Medical Director's Agreement between Wesley Homes at Home, LLC and Jude G.D. Verzosa, MD. Using data from the Medical Quality Assurance Commission, the department found that Dr. Verzosa is compliant with state licensure and has no enforcement actions on their license.

As an existing agency, Wesley also provided its current staffing listing that includes five registered nurses and one physician who will fill the role of both *hospice physician* and *alternate physician medical director*. A review of data from the Medical Quality Assurance Commission demonstrates that all current staff are compliance with state licensure and hold no enforcement actions on the license.

In review of this sub-criterion, the department considered the total compliance history of the Wesley Home Corporation by reviewing healthcare facilities owned and operated by its subsidiaries. The department also considered the compliance history of the current staff that would be associated with the Pierce County services.

Based on the information reviewed, the department concludes that Wesley has been operating in compliance with applicable state and federal licensing and certification requirements. The department also concludes there is reasonable assurance that the applicant's proposed Pierce County operations would be operated in compliance with state and federal requirements and not cause a negative effect on the compliance history of Wesley Homes Corporation. This project **meets this sub-criterion.**

AccentCare, Inc. dba Seasons Hospice & Palliative Care of Pierce County Washington, LLC

The applicant provided the following statements to demonstrate compliance with this sub-criterion and the sub-criterion under WAC 246-310-230(5).

"Seasons Hospice & Palliative Care of Pierce County Washington, LLC has no history. The entity is a newly created limited liability company formed for the purpose of obtaining a certificate of need for a hospice entity that will operate in the state, serving residents of Pierce County. No healthcare agency nor any principle or officer affiliated with the Applicant have had any denials or revocations of licenses nor criminal convictions." [source: Application, pdf 101]

“Seasons Pierce County confirms there have been no recently divested agencies that are affiliates of the applicant that have a history of the actions listed below (Question 18).” [source: March 31, 2023, screening response, pdf 8]

“...Although the Applicant entity, Seasons Hospice & Palliative Care of Pierce County Washington, LLC is a new legal entity that will hold its own license and operate independently from other healthcare agencies of the owner entity, a quality review of all AccentCare, Inc. healthcare agencies for 2019-2021 did not disclose any patterns of conditional-level findings.

...

Licensing and accreditation surveys for 2020-2022 reveal adherence to quality standards and timely implementation of corrective action plans followed by satisfactory compliance survey when necessary. One AccentCare hospice agency received condition-level citations in 2020, followed by three agencies receiving condition-level findings in 2021 and in 2022. Although the results do not rise to the level of a pattern of condition-level findings, for transparency, copies of the surveys are provided in **Exhibit 27.**” [source: Application, pdf 104]

Additionally, AccentCare provided its *Quality Assurance and Performance Improvement Policy* as part of Exhibit 17 in its initial application.

Stated purpose: *To establish an effective Quality Assurance/Performance Improvement (QAPI) Program, outline roles, and responsibilities, and establish patient outcomes as the primary focus of the organization’s performance improvement activities.*

This policy includes its regulatory references, purpose, procedure, objectives, activities, individual leadership, staff, and contractors’ responsibilities, and state-specific information.

There were no public comments or rebuttal comments for the AccentCare project related to this sub-criterion.

Department Evaluation

AccentCare, Inc. owns and operates a total of 117 in home services agencies in 25 states and the District of Columbia. The table below shows the breakdown of count by state. [source: Application, Exhibit 3]

**Department’s Table 29
AccentCare, Inc. Hospice or Home Health Agencies by State**

State	# of Agencies	State	# of Agencies	State	# of Agencies
California	21	Massachusetts	4	Ohio	1
Colorado	3	Maryland	1	Oklahoma	1
Connecticut	1	Michigan	2	Oregon	2
D.C.	1	Minnesota	3	Pennsylvania	5
Delaware	1	Missouri	1	Tennessee	5
Florida	9	Mississippi	4	Texas	39
Georgia	4	Nebraska	1	Virginia	1
Illinois	2	New Jersey	1	Wisconsin	1
Indiana	2	New Mexico	1		

If this project is approved for Pierce County, it would be the applicant's third approved hospice agency in Washington State. However, none of the previous projects that were approved have yet been completed. Below is a summary of the two areas reviewed for AccentCare and its healthcare facilities.

Terminated Provider Counts Report

Focusing on years 2020 through 2022 and partial year 2023, none of AccentCare's healthcare facilities were involuntarily terminated from participation in Medicare reimbursement. [source: CMS Quality, Certification, and Oversight Reports as of September 3, 2023]

Conformance with Medicare and Medicaid Standards

The department reviewed the survey history for the applicant using the Center for Medicare and Medicaid Services (CMS) Quality, Certification & Oversight Reports (QCOR) website. The review included full years 2020 through 2022 and partial year 2023. The following table summarizes the department's findings.

**Department's Table 30
Summary of AccentCare's Hospice Surveys**

State	# of Agencies	Standard Surveys	Complaint Surveys	Number of Surveys with Specific Types of Deficiencies		
				No Deficiencies	Standard Only	Condition & Standard
California	8	5	4 ³¹	8	1	0
Colorado	2	0 ³²	0	0	0	0
Connecticut	1	0	0	0	0	0
D.C.	1	0	0	0	0	0
Delaware	1	0	0	0	0	0
Florida	5	3 ³³	4 ³⁴	4	3	0
Georgia	1	1	1 ³⁵	0	2	0
Illinois	1	0	1 ³⁶	0	1	0
Indiana	1	0	1	1	0	0
Massachusetts	3	1	0	1	0	0
Maryland	1	0	1	1	0	0
Michigan	1	0	1	1	0	0
Minnesota	1	0	0 ³⁷	0	0	0
Missouri	1	1	2	2	0	1
Mississippi	1	0	4	4	0	0
New Jersey	1	0	0	0	0	0
Oregon	1	0	0	0	0	0
Pennsylvania	2	0	0	0	0	0
Tennessee	2	0	0	0	0	0
Texas	13	7	10 ³⁸	16	1	0
Wisconsin	1	0	3	2	1	0
Hospice Totals	49	22	28	40	9	1

[source: CMS Quality, Certification, and Oversight Reports as of September 3, 2023]

³¹ One California hospice, CCN 551550 had three complaint surveys in year 2020, but they all occurred before AccentCare ownership; and are not included here.

³² One Colorado hospice, CCN 061593 had one complaint survey in year 2020, but occurred before AccentCare ownership; and is not included here.

³³ One Florida hospice, CCN 101561 had one standard survey in year 2020, but it occurred before AccentCare ownership; and is not included here.

³⁴ One Florida hospice, CCN 101543 had one complaint survey in year 2020, but it occurred before AccentCare ownership; and is not included here.

³⁵ One Georgia hospice, CCN 111640 had four complaint surveys in year 2020, but they both occurred before AccentCare ownership; and are not included here.

³⁶ One Illinois hospice, CCN 141582 had one complaint survey in year 2020, but it occurred before AccentCare ownership; and is not included here.

³⁷ One Minnesota hospice, CCN 241514 had one complaint survey in year 2020, but it occurred before AccentCare ownership; and is not included here.

³⁸ One Texas hospice, CCN 671578 had two complaint surveys in year 2020, but they both occurred before AccentCare ownership; and are not included here.

**Department's Table 31
Summary of AccentCare's Home Health Surveys**

State	# of Agencies	Standard Surveys	Complaint Surveys	Number of Surveys with Specific Types of Deficiencies		
				No Deficiencies	Standard Only	Condition & Standard
California	13	5	3	6	2	0
Colorado	1	1	0	1	0	0
Florida	4	3	0	2	1	0
Georgia	3	0	0	0	0	0
Illinois	1	1	2 ³⁹	0	3	0
Indiana	1	0	2	0	2	0
Massachusetts	1	2	0	2	0	0
Michigan	1	0	0	0	0	0
Minnesota	2	0	0	0	0	0
Mississippi	3	0	0	0	0	0
Nebraska	1	0 ⁴⁰	0	0	0	0
New Mexico	1	1	0	1	0	0
Ohio	1	1	2	3	0	0
Oklahoma	1	0	0	0	0	0
Oregon	1	1	0	1	0	0
Pennsylvania	3	0 ⁴¹	0 ⁴²	0	0	0
Tennessee	3	0	0	0	0	0
Texas	26	6	11	15	2	0
Virginia	1	1	1	0	2	0
Home Health Totals	68	22	21	31	12	0

[source: CMS Quality, Certification, and Oversight Reports as of September 3, 2023]

The following table summarizes all of AccentCare's in-home service agencies' survey history for the last three full calendar years that was available to access.

³⁹ One Illinois home health agency, CCN 147811 had one complaint survey in year 2020, but it occurred before AccentCare ownership; and is not included here.

⁴⁰ One Nebraska home health agency, CCN 287151 had one standard survey in year 2020, but it occurred before AccentCare ownership; and is not included here.

⁴¹ Two Pennsylvania home health agencies, CCNs 397472 & 398062 had one standard survey each in year 2020, but they both occurred before AccentCare ownership; and are not included here.

⁴² One Pennsylvania home health agency, CCN 398062 had two complaint surveys in year 2020, but they both occurred before AccentCare ownership; and are not included here.

Department’s Table 32
Summary of AccentCare’s In-Home Service Agencies’ Surveys
For Full Years 2020 through Partial Year 2023

Type of Agency	# of Agencies	Standard Surveys	Complaint Surveys	Number of Surveys with Specific Types of Deficiencies		
				No Deficiencies	Standard Only	Condition & Standard
Hospice	49	22	28	40	9	1
Home Health	68	22	21	31	12	0
Total	117	44	49	71	21	1
				76%	23%	1%

[source: CMS Quality, Certification, and Oversight Reports as of September 3, 2023]

All of the AccentCare agencies the department could locate survey information on are in conformance with CMS standards as of September 3, 2023.

AccentCare identified the physician that would provide medical director services: Balakrishnan Natarajan, M.D.⁴³ Using data from the Medical Quality Assurance Commission, the department confirmed that the physician holds an active medical license with no enforcement actions.

Given that AccentCare, Inc. would be establishing a new agency, no other staff have been identified. If this project is approved, the department would attach a condition requiring the applicant to provide the name and professional license number to the CN program prior to providing Medicare and Medicaid hospice services in Pierce County.

In review of this sub-criterion, the department considered the total compliance history of the AccentCare organization’s in-home service agencies. The department also considered the compliance history of the proposed Medical Director who would be associated with the agency.

Based on the information reviewed, the department concludes that AccentCare has been operating in compliance with applicable state and federal licensing and certification requirements. The department also concludes there is reasonable assurance that the applicant’s establishment of a hospice agency in Washington State would not cause a negative effect on the compliance history of AccentCare. With the acceptance to the staffing condition referenced above, this project **meets this sub-criterion.**

EmpRes Healthcare Group, Inc. dba Eden Hospice at King County, LLC

In response to this sub-criterion, Eden provided the following statements. [source: Application, p42]

“There is no such history.”

Regarding the department’s routine quality-of-care analysis, Eden provided the following statement. [Source: Application p50]

“There is no pattern of condition-level findings among facilities owned by EmpRes/Eden. Appendix V lists 77 healthcare facilities owned or operated by EmpRes/Eden. There is no pattern of

⁴³ MD61027396

condition-level findings among facilities owned by EmpRes/Eden as noted in the November 2021 assessment by the Department...”

There was no public comments or rebuttal comments submitted for this sub-criterion.

Department Evaluation

As stated in the Applicant Description section of this evaluation, EmpRes Healthcare Group, Inc. owns EmpRes Home Health and Hospice, LLC, which in turn owns EmpRes Hospice, LLC. EmpRes Hospice, LLC owns Eden Hospice at King County, LLC, the applying entity. Based on the ownership structure, EmpRes is the applicant for this project.

CMS Survey Data

Using the Center for Medicare and Medicaid Services Quality, Certification & Oversight Reports (QCOR) website, the department reviewed the historical survey information for all operational Eden Hospice at King County and affiliated in-home services agencies and nursing homes. The following table summarizes the department’s findings.

**Department’s Table 33
Eden Hospice at King County and Affiliated In-Home Services
Federal Survey Summary Record Year 2020 to Current**

Service Type	State	# of Agencies / Facilities	Standard Surveys	Complaint Surveys	Deficiency Information
Home Health	Arizona	2	0	0	No deficiencies
	California	1	0	0	No deficiencies
	Idaho	2	0	0	No deficiencies
	Montana	1	0	0	No deficiencies
	Nevada	1	1	0	No deficiencies
	Oregon	1	0	0	No deficiencies
	Washington	4	1	0	No deficiencies
	Wyoming	1	0	0	No deficiencies
Hospice	Arizona	1	1	0	No deficiencies
	Idaho	2	1	0	No deficiencies
	Montana	1	1	0	No deficiencies
	Nevada	1	1	0	No deficiencies
	Oregon	2	1	0	No deficiencies
	Washington	3	1	0	No deficiencies
	Wyoming	1	0	0	No deficiencies
		24	8	0	0 deficiencies

Terminated Provider Counts Report for EmpRes Healthcare Group, Inc.

Focusing on full years 2020 through 2022 and partial year 2023, none of EmpRes’ hospice or home health agencies were involuntarily terminated from participation in Medicare reimbursement. [source: CMS Quality, Certification, and Oversight Reports as of September 7, 2023]

Conformance with Medicare and Medicaid Standards for EmpRes Healthcare Group, Inc.

Using the Center for Medicare and Medicaid Services (CMS) Quality, Certification & Oversight Reports (QCOR) website, the department's review included full years 2020 through 2022 and partial year 2023 for all eight states.

Of the 24 agencies, eight received standard survey during the timeframe identified above. None of the agencies surveyed in this period showed any deficiencies or required follow up visits.

In summary, since year 2020, none of EmpRes' home health or hospice agency surveys resulted in termination from participation and no surveys reported any deficiencies.

EmpRes provided a copy of the executed Medical Director Contractor Agreement between Kelle Brogan, MD of Premier Hospice Physicians and EmpRes Healthcare Management, LLC. Using data from the Washington State Medical Commission, the department found that Dr. Brogan is compliant with state licensure and has no enforcement actions on his license. The Director of Patient Care Services is Sophie Campbell, RN. Using data from the Nursing Commission, the department found that Sophie Campbell is compliant with state licensure and has no enforcement actions on her license.

At the time of this application's submission, Eden Hospice at King County had yet to begin service and no current staffing list was available. If this project is approved, the department would attach a condition requiring EmpRes/Eden to provide the name and professional license number for its licensed/credentialed staff prior to providing hospice services to residents of Pierce County.

In review of this sub-criterion, the department considered the total compliance history of EmpRes Healthcare Group, Inc. by reviewing healthcare facilities owned and operated by its subsidiaries. The department also considered the compliance history of the current staff that would be associated with the Pierce County services.

Based on the information reviewed, the department concludes that EmpRes/Eden has been operating in compliance with applicable state and federal licensing and certification requirements. The department also concludes there is reasonable assurance that the applicant's proposed Pierce County operations would be operated in compliance with state and federal requirements and not cause a negative effect on the compliance history of EmpRes Healthcare Group, Inc. With the applicant's agreement to the conditions identified above, this project **meets this sub-criterion.**

- (4) The proposed project will promote continuity in the provision of health care, not result in an unwarranted fragmentation of services, and have an appropriate relationship to the service area's existing health care system.

Chapter 246-310 WAC does not contain specific WAC 246-310-230(4) criteria as identified in WAC 246-310-200(2)(a)(i). There are also no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that directs how to measure unwarranted fragmentation of services or what types of relationships with a services area's existing health care system should be for projects of this type and size. Therefore, using its experience and expertise the department assessed the materials in each application.

Wesley Homes Corporation

Wesley provided the following statement to demonstrate compliance with this sub-criterion. [source: Application, pdf 29]

“Wesley is already a well-respected provider of long-term care services in Pierce and King Counties and collaborates closely with local physicians, hospitals, and other providers to ensure patients’ comprehensive medical, social, and spiritual needs are met. Extending Wesley’s King County Hospice operations into Pierce County will enhance and promote continuity in care delivery in Pierce County and support the needs of hospice patients and their families overall. It will also specifically promote continuity of care for Pierce County patients currently served by Wesley in its Pierce County facilities. This comprehensive continuum of care ensures the provision of excellent, high quality, comprehensive and compassionate care.”

The proposed project will not result in duplication of services or unwarranted fragmentation of care for all of the reasons outlined in the Need section of this application. WHH will address the unmet need for hospice services in Pierce County. WHH’s focus on dementia, Parkinson’s and traditionally underserved groups will also address the additional unmet need for these populations. The recently published Hospice Numeric Need Methodology shows a need for 1 additional hospice agency in Pierce County in 2023. WHH will work closely, and in partnership with existing providers to improve access and provide services to underserved populations.”

Wesley provided the following information regarding its intended hours of operation. [source: Application, pdf 26]

“WHH’s hospice business hours are Monday through Friday from 8:30 a.m. to 5:00 p.m. In addition, we have a Hospice nurse available 24 hours a day/7 days per week.”

AccentCare/Seasons Public Comment [source: Comment Packet, distributed June 1, 2023, pdf 67]

***“ Question 10. Identify your intended hours of operation and explain how patients will have access to services outside the intended hours of operation.*”**

Wesley indicates it has a hospice nurse available 24/7, but does not explain how patients have access to this nurse outside the business hours of operation which is from 8:30 a.m. to 5:00 p.m. If more than one patient has an urgent need while the nurse is busy serving another patient, the hospice cannot respond. With no program to properly provide service 24/7, access is limited. People are often reluctant to leave a message with an after-hours messaging agency, preferring to seek care elsewhere such as through hospital emergency departments. This does not improve quality care nor access to hospice services.”

Wesley Rebuttal Comment to AccentCare/Seasons Public Comments [source: Rebuttal Packet, distributed July 3, 2023, pdf 149]

“Wesley has one phone number for patients to use day or night that will always get them a response from someone familiar with their specific situation, usually immediately and always in less than ten minutes (and this is the worst-case scenario). Each patient is provided with this information at admission and is well aware that Wesley’s staff and nurses are accessible and available to them 24/7. Wesley’s assertion that they have a hospice nurse available 24/7 was not to suggest that they have one nurse to answer the phone and provide services. Instead, that assertion meant that any time, day or night, patients will have direct access to a hospice nurse familiar with their specific situation. Wesley has no history of inappropriate use of the ED by hospice patients. Wesley’s system is local, personal, community specific, and responsive. This is in sharp contrast to

Seasons, which operates a general, out-of-state call center to field all calls, including after-hours calls.”

Department’s Evaluation

Given that Wesley proposes to expand the service area of its existing King County hospice agency into Pierce County, the applicant has established relationships for King County that could translate to Pierce County. This approach is acceptable for an existing provider in an adjacent county.

In public comment, AccentCare expressed concerns with Wesley’s after-hours coverage stating *“If more than one patient has an urgent need while the nurse is busy serving another patient, the hospice cannot respond. With no program to properly provide service 24/7, access is limited.”*

In rebuttal, Wesley clarified that after-hours calls are reached via a phone number provided at the time of admission. Through this number patients are then connected to an available hospice nurse. This coverage approach described by Wesley is acceptable.

To evaluate this sub-criterion, the department also considers its own analysis and conclusions of this project as related to WACs 246-310-210 and 220. The department concluded this application was compliant with the need criterion under WAC 246-310-210 and the financial feasibility criterion under WAC 246-310-220. The application is also consistent with the previous sub-criterion addressed in the structure and process of care under WAC 246-310-230. Based on the information above, the department concludes that approval of the Wesley project would likely not result in unwarranted fragmentation of hospice services in the planning area. **This sub-criterion is met.**

AccentCare, Inc. dba Seasons Hospice & Palliative Care of Pierce County Washington, LLC

AccentCare provided a list of common types of referral sources and facilities. Additionally, Exhibit 30 of the initial application includes a list of assisted living facilities, nursing homes, and hospitals in Pierce County. The applicant also provided the following statements regarding this sub-criterion.

“In order to assure access and availability of general inpatient care close to the patients’ homes, AccentCare proposes contractual agreements with nursing homes and hospitals throughout Pierce County... As a new hospice, Seasons Pierce County will work toward establishing relationships with these and other health care facilities and practitioners throughout the service area. Letters of support will be provided during the public comment period identifying individuals and facilities with which the Applicant will establish working relationships.

...

Seasons Pierce County intends to work with nursing homes and assisted living facilities that are residences of patients enrolled in the hospice program. These facility residences also have staff that provide services to those who reside within them. Seasons Pierce County’s training program for nursing home and assisted living facilities’ employees explains the roles and responsibilities, the accountability for care, and defines the roles of the facility staff and that of the hospice staff. The result in cooperation and avoidance of duplication while ensuring care for the hospice patients.” [source: Application, pdfs 101-102]

“Seasons Pierce County engages the health care system by becoming a partner in care, working with a patient’s primary care physician and the staff of the assisted living or nursing home in which the patient resides. This partnership requires that the hospice provide support to the staff through education and accountability, clearly stated expectations, and defined services.

Specifically, the enrollment of elders in nursing homes and assisted living facilities requires the employees possess the skills to augment the facilities' staff with that of the hospice care team, and together, enhance rather than duplicate services at end of life." [source: Application, pdf 103]

Following is a list of referral contacts and partnerships atypical for hospice, that AccentCare discusses in relation to serving some of its proposed underserved populations.

- Fire departments
 - Police departments
 - Community meetings
 - Churches
- [source: Application, pdf 102]

Further, the applicant lists the following strategies to ensure timely care and continuity of services.

- Hospice staff patient assessment visits 24 hours a day, seven days a week.
 - Contracting with nursing homes to serve as short-term placement when needed.
 - Getting community physicians information and resources to communicate openly about end-of-life care.
- [source: Application, pdfs 102-103]

AccentCare provided the following information regarding its intended hours of operation. [source: Application, pdf 98]

"Seasons Pierce County's hours of operation are 24 hours a day, seven days a week. The administrative office will be open Monday-Friday 8:30-5:00 p.m. with the clinical team working and available 24 hours a day, seven days a week. A call center and clinical team respond to patient/family and referral source needs 24 hours a day, seven days a week, year-round, even during times of administrative office closings due to inclement weather or emergencies."

In addition to the information above, AccentCare also provided a copy of its *Medical Aid in Dying Policy*. Following are specifics regarding the draft policy. [source: Application, Exhibit 8]

Stated purpose: To guide staff on the specific state-approved Medical Aid-in-Dying laws, which allow terminally ill, mentally capable state residents who are adults, 18 years or older, with a prognosis of six months or less the option to request from a medical or osteopathic physician or nurse practitioner (where applicable by law) medication that they can choose to self-administer to shorten their dying process. Each law generally outlines a process a person must legally follow and includes significant safeguards to protect persons from coercion. Information related to specific states can be found on SharePoint on the Physician Aid-in-Dying (P.A.D.) Hub: Physician Aid-in-Dying Hub (sharepoint.com).

Stated Policy: This agency's policy is to provide reasonable and necessary care to patients, comply with the state requirements as they apply to end-of-life care, and support patients who may wish to avail themselves of their legal right to pursue medical aid-in-dying (MAID) as their end-of-life option.

Public Comment

The department received many comments on AccentCare's project. Following are representative excerpts from comments related to this sub-criterion.

Emily Godette, Administrator in Training, Acadia Medical Resorts [source: Comment Packet, distributed June 1, 2023, pdf 25]

“...Please consider AccentCare for the licenses in Pierce County, [sic] WA. If they are awarded the license we would be happy to work with them and share them as an option to our patients and families at Arcadia.”

Christine Miller, Administrator, Avamere at Pacific Ridge [source: Comment Packet, distributed June 1, 2023, pdf 26]

“...Some of the biggest challenges I see are lack of follow through, consistency and also continuity of care. There is a lack of hospice providers in Pierce County and it would be a great benefit to see more services available. I met with a representative from AccentCare and they explained their special programs that would be available to our community... They also have a home health program that can provide a continuity of care for patients as well as personal care services. Utilizing all of their programs under one roof could be a great benefit to our patients and residents. In addition, should AccentCare become a licensed provider I would be open to discussing a GIP contract.

I care greatly about the work that I do and for the people we serve at Avamere. I believe that other providers would be an extension of the care we provide...”

Chris Peoples, M.D., One Medical [source: Comment Packet, distributed June 1, 2023, pdf 30]

“I am writing this letter on behalf of AccentCare for their efforts to be a licensed hospice provider in Pierce County, Washington. My name is Chris Peoples and I am a family medicine specialist in Tacoma with over 15 years [sic] experience in the medical field. I am currently serving as a physician for One Medical as a provider with a focus in geriatrics. A large number of my patients are transition into hospice care and there are countless referrals a week to home health, hospice providers, as well as assisted living and skilled nursing facilities.

...

With the large number of referrals we are making to hospice providers I would feel confident referring my patients to a program like AccentCare that offers music therapy...”

Department Evaluation

To evaluate this sub-criterion, the department also considers its own analysis and conclusions of this project as related to WACs 246-310-210 and 220. The department concluded this application was not compliant with the need criterion under WAC 246-310-210 nor the financial feasibility criterion under WAC 246-310-220. For this sub-criterion, the department cannot conclude that the project promotes continuity in the provision of healthcare services for Pierce County residents.

Based on the information reviewed, the department concludes that AccentCare’s project would likely result in unwarranted fragmentation of hospice services in the planning area and **does not meet this sub-criterion.**

EmpRes Healthcare Group, Inc. dba Eden Hospice at King County, LLC

EmpRes/Eden provided the following statements regarding hours of operation and patient access to services outside of the hours of operation. [source: Application, pdf 46]

“The office hours will be 8 a.m. to 5 p.m. Monday through Fridays.

At all other times, Eden will have paid staff on call and accessible by telephone via a phone call to a main number. Finally, hospice patients who elect to participate in the tele-medicine option will have 24/7 access through their own dedicated electronic tele-medicine device.”

Additionally, EmpRes/Eden also named inpatient contractors, general inpatient care, and respite care as the types of existing healthcare facilities it anticipated developing working relationships with. They also provided the criteria that would be used in selecting these partners, clarifying that the relationship would generally be the same as those used for its King County agency as well. [source: Application, pdfs 46-48]

Department Evaluation

To evaluate this sub-criterion, the department also considers its own analysis and conclusions of this project as related to WACs 246-310-210 and 220. The department concluded this application was not compliant with the need criterion under WAC 246-310-210 nor the financial feasibility criterion under WAC 246-310-220. For this sub-criterion, the department cannot conclude that the project promotes continuity in the provision of healthcare services for Pierce County residents.

Based on the information reviewed, the department concludes that EmpRes/Eden's project would likely result in unwarranted fragmentation of hospice services in the planning area and **does not meet this sub-criterion.**

- (5) There is reasonable assurance that the services to be provided through the proposed project will be provided in a manner that ensures safe and adequate care to the public to be served and in accord with applicable federal and state laws, rules, and regulations.

This sub-criterion is addressed in sub-section (3) above and **is met for** following applicant(s).

- AccentCare, Inc. dba Seasons Hospice & Palliative Care of Pierce County Washington, LLC
- EmpRes Healthcare Group, Inc. dba Eden Hospice at King County, LLC
- Wesley Homes Corporation

D. Cost Containment (WAC 246-310-240)

Based on the source information reviewed, the department determines the following applicants **met the applicable cost containment criteria in WAC 246-310-240:**

- Wesley Homes Corporation

Based on the source information reviewed, the department determines the following applicants **did not meet the applicable cost containment criteria in WAC 246-310-240:**

- AccentCare, Inc. dba Seasons Hospice & Palliative Care of Pierce County Washington, LLC
- EmpRes Healthcare Group, Inc. dba Eden Hospice at King County, LLC

- (1) Superior alternatives, in terms of cost, efficiency, or effectiveness, are not available or practicable.
To determine if a proposed project is the best alternative, in terms of cost, efficiency, or effectiveness, the department takes a multi-step approach. First, the department determines if each application has met the other criteria of WAC 246-310-210 through 230. If a project has failed to meet one or more of these criteria then the project cannot be considered to be the best alternative in terms of cost, efficiency, or effectiveness as a result the application would fail this sub-criterion.

If the project has met the applicable criteria in WAC 246-310-210 through 230 criteria, the department then assesses the other options considered by the applicant. If the department determines the proposed project is better or equal to other options considered by the applicant, and

the department has not identified any other better options, this criterion is determined to be met unless there are multiple applications.

WAC 246-310-290(10) provides the following direction for review this sub-criterion of applications for hospice agencies. It states:

In addition to demonstrating numeric need under subsection (7) of this section, applicants must meet the following certificate of need requirements:

- (a) Determination of need under WAC [246-310-210](#);*
- (b) Determination of financial feasibility under WAC [246-310-220](#);*
- (c) Criteria for structure and process of care under WAC [246-310-230](#); and*
- (d) Determination of cost containment under WAC [246-310-240](#).*

If there are multiple applications, the department’s assessment is to apply any service or facility superiority criteria in WAC 246-310-290(11), which includes the superiority criteria used to compare competing projects and make the determination of the best alternative between two or more approvable projects.

Wesley Homes Corporation

For this project, Wesley met the applicable review criteria, therefore the department moves to step two below.

Step Two

In response to this sub-criterion, Wesley identified three alternatives considered prior to submission of this application and a discussion of the alternatives. [source: Application, pdf 31-34, March 31, 2023, screening response, pdfs 14-15]

“Create a new Pierce County Agency:

Establishing a new agency in Pierce County, was rejected. The timeline for licensure and certification for a brand-new agency is estimated at 6-8 months longer, and it is also more costly than expanding an existing agency, and the need in Pierce County is immediate.

Expand our current King County Agency into Pierce County:

The chosen option, expanding our existing King County agency is the preferred choice in terms of:

- *Access: An expansion agency will be able to immediately meet unmet need upon CN approval. Because our existing King agency already served Pierce for nearly three years through the waivers allowed due to the COVID PHE, we know this is a doable and efficient means or providing services in Pierce County.*
- *Staffing impacts: Providing services to two counties through one agency will allow for the highest level of staff coordination.*
- *Cost/Operational Efficiency: Through our existing King County agency, administrative and clinical staff are already in place and duplication of costs can be avoided by covering both counties from a single agency.*

Doing nothing was deemed an unacceptable alternative because this would mean that WHH would be foregoing an opportunity to provide our hospice care in a neighboring County where Wesley Homes has a growing presence, where we enjoy strong working relationship, where there is a documented need, and where we are contacted regularly to serve.

In our nearly two years of providing hospice in Pierce County during the PHE, we experienced firsthand the significant unmet need for hospice. For us this has most commonly been experienced as delays in admission and patients entering hospice late. We have also experienced the impacts that late hospice has on the patient and family.

While we recognize that there are recently approved providers in Pierce County that are not yet fully operational, the Program has accounted for these providers in their updated methodology and have still identified additional unmet need. As described in our CN application and in response to screening questions above; WHH brings to Pierce County a unique set of services and a commitment to specific populations and the underserved that will address the documented lower hospice penetration and underserved populations in the County. As provided in our CN, data demonstrates lower Medicare penetration in Pierce County than Statewide and even lower rates of hospice use by traditionally underserved groups.

WHH has concluded that not seeking permanent CN approval for Pierce County would result in a continued lack of immediate access to hospice care for the community and also has the potential to impact the quality of life of our growing and aging retirement communities in Pierce County. For these reasons, this option was rejected.”

There were no public comments or rebuttal comments submitted for the Wesley project related to this sub-criterion.

Department’s Evaluation

Wesley considered and rejected two options prior to submission of this application. The two options were do nothing or establish a new hospice agency within Pierce County. Wesley provided sound rationale for rejection of those two options. The department did not identify any other alternatives in terms of cost, efficiency, or effectiveness that is available or practicable for the applicant.

Since there is no capital expenditure, start-up costs, or construction costs necessary to expand the King County agency’s hospice services into Pierce County, the department acknowledges that the applicant’s hospice services can be provided with no financial impact to the applicant or the community.

Wesley also provided comprehensive rationale regarding the operational efficiency and appropriateness of hospice care for patients who request it. Further, the information provided by the applicant related to system impacts and hospice care is accurate and reasonable.

The department concludes approval of Wesley’s application can be considered an available alternative for Pierce County. **This sub-criterion is met.**

AccentCare, Inc. dba Seasons Hospice & Palliative Care of Pierce County Washington, LLC

For this project, AccentCare did not meet the applicable review criteria in need (WAC 246-310-210), financial feasibility (WAC 246-310-220), and structure and process of care (WAC 246-310-230). Therefore, the department concludes that this project is not the best alternative for the residents of Pierce County. **This sub-criterion is not met.**

EmpRes Healthcare Group, Inc. dba Eden Hospice at King County, LLC

For this project, EmpRes/Eden did not meet the applicable review criteria in need (WAC 246-310-210), financial feasibility (WAC 246-310-220), and structure and process of care (WAC 246-310-230). Therefore, the department concludes that this project is not the best alternative for the residents of Pierce County. **This sub-criterion is not met.**

- (2) In the case of a project involving construction:
 - (a) The costs, scope, and methods of construction and energy conservation are reasonable;
 - (b) The project will not have an unreasonable impact on the costs and charges to the public of providing health services by other persons.

None of the three applicants' projects include construction. Therefore, this sub-criterion does not apply to any of the three projects.

- (3) The project will involve appropriate improvements or innovations in the financing and delivery of health services which foster cost containment and which promote quality assurance and cost effectiveness.

Wesley Homes Corporation

The applicant provided the following information in response to this sub-criterion. [source: Application, pdf 32]

“WHH is already authorized to provide the full range of hospice services to patients in King County. Expanding WHH’s ability to provide services in Pierce County will, first and foremost, allow WHH to better address the identified need for hospice service in Pierce County. Importantly, it will also promote both staff and system efficiency, making WHH’s hospice agency more efficient and effective. As a CN approved agency, the Pierce County operations will be able to market and invest in the staffing and outreach that will allow a higher patient census than was able during the PHE; thereby better addressing the significant unmet need and supporting operational efficiencies.

From a system and health care delivery perspective, Hospice is a very efficient way of providing care to persons at end of life. It reduces the total costs of care by reducing hospitalizations and emergency room use. Research has documented that persons not enrolled in hospice were more likely to die in the hospital or a skilled nursing facility than hospice beneficiaries, and costs in these settings are, of course, higher. In addition, hospice has also demonstrated savings to patients in terms of reduced out of pocket expenses through coverage of medication related to the hospice diagnosis (particularly for pain controlling medications) and medical equipment and supplies.”

There were no public comments or rebuttal comments submitted for the Wesley project related to this sub-criterion.

Department’s Evaluation

Wesley provided sound and reasonable rationale for expanding its King County Medicare and Medicaid-certified services into Pierce County. If approved, this project has the potential to improve delivery of necessary in-home services to Pierce County residents.

For the reasons stated above, the department concludes that this project has the potential to improve delivery of necessary in-home services to Pierce County residents. **This sub-criterion is met.**

AccentCare, Inc. dba Seasons Hospice & Palliative Care of Pierce County Washington, LLC

The applicant provided the following statements related to this sub criterion. [source: Application, pdf 107]

*“Increasing availability and access to hospice care through the introduction of a new hospice agency or agencies within the planning area has a positive effect on cost containment. As the majority of hospice care is reimbursed by Medicare and Medicaid, charges are limited by the reimbursement rates and program limits. As discussed previously in response to **Section B, Financial Feasibility, Question #8**, cost efficiencies and improved quality of life are demonstrated with increased hospice use. The cited articles documenting cost containment and quality assurance appear in **Exhibit 21** in the Appendix.*

*The numerous programs and services of Seasons Pierce County described in detail in Section II, Project Description, and in response to **Question #7**, demonstrate the innovative ways in the delivery of hospice service. The Applicant’s commitment to seeking CHAP or Joint Commission accreditation and adherence to conditions of participation in the Medicare and Medicaid programs demonstrate the program’s ability to deliver quality care. Therefore, quality, choice, and cost-effective care results with approval of Seasons Pierce County. The new hospice agency will increase the number of hospice enrollments and provide a diverse array of services to improve quality of life for terminally ill residents of Pierce County.”*

Department Evaluation

As noted earlier in this evaluation, the AccentCare project does not meet several of the previous sub-criteria, therefore it cannot be viewed as likely to improve delivery of hospice services to the residents of Pierce County. The department concludes that **this sub-criterion is not met.**

EmpRes Healthcare Group, Inc. dba Eden Hospice at King County, LLC

The applicant provided the following information in response to this sub-criterion. [source: Application, pdfs 19-20]

*“Hospice services will be provided to patients requiring end-of-life care terminally ill patients with a life expectancy of 6 months or less. The proposed hospice will provide care to patients regardless of the source or availability of payment for care. **Hospice services will be provided to all patients consistent with all provisions of the Death with Dignity Act.***

The Eden Hospice at King County will provide Pediatric hospice services for residents of the service area consistent with the Department memorandum of November 29, 2022. The estimated annual deaths for the Pierce County Pediatric population is approximately 20 patients – with natural deaths for the ages 1–14 population estimated at 18 patients. This represents the maximum potential population base for hospice services. Given that not all families will select a hospice option, hospice referrals are estimated to be less than 1 referral per month to any hospice.

Table 1 estimates the number of natural deaths (excluding accident, suicide, and homicide deaths) occurring in the Pierce Pediatric age cohort, ages 1 – 17. Pediatric hospice services are not usually applicable for infants under age 1. 2020 is the most recent year for reported Pediatric deaths. Actual deaths are suppressed for all Pierce ages 1 – 17 because each age group has less than 10 deaths (Suppression is due to the national and state confidentiality policies). Table 1 calculation estimates are based on the Department of Health’s 2020 estimated population for each age group in Pierce County. The DOH uses the statewide death rate per 100,000 persons for each age cohort. With this information provided by the State, Eden generates the total deaths per age.

Eden also estimates for each cohort, ages 1 through age 17; and a natural death estimate for each age cohort from age 1 through age 14. Accident, suicide, and homicide deaths for the Pierce population are consolidated for age groups 15 – 17, and age group 18 – 19. As such, the information provided by the Department of Health regarding Pediatric deaths to age cohorts (including the population age 1 through age 14) is imprecise and therefore limits accuracy for all Certificate of Need hospice applicants. Table 1 provides a summary of the analysis.

Applicant’s Table

Table 1
Estimated Pierce County Pediatric Deaths in 2020

	2020 State Population	Total Deaths	Total Death Rate	Natural Death Rate	Pierce 2020 Population	Pierce Total Deaths	Pierce Natural Deaths
Age 1 - 4	360,890	57	15.8	15.8	48,030	8	7.6
Age 5 - 9	461,674	41	8.9	8.9	62,542	6	5.6
Age 10- 14	486,751	77	15.8	7.4	61,539	10	4.6
Age 15 - 17*	279,862	99	35.4		33,782	12	
Total						35	17.7

* Accident, Suicide and Homicide category is Age 15 - 19 and is not comparable

(Data Source: WA Department of Health Vital Statistics)

Many of the Pierce patients will be end-stage cancer patients. The remainder of the patients will have terminal conditions related to a variety of diagnoses as documented in Table 2. Unique to the Eden Hospice in Pierce County will be the emphasis and outreach to dual-eligible Medicare patients. While the majority of patients will be over age 75, outreach to dual-eligible patients will likely result in a somewhat younger population that cannot be quantified at this time. Many dual-eligible patients qualify for Medicare based on specified disabilities and are younger than age 65. Dual eligibility for those under 65 is in part due to work-related disabilities which in many cases triggers destitution, poverty, and a host of other complex health issues.

Table 2 below provides the percentage breakdown of estimated diagnostic mix for Pierce County. Eden will adhere to its Patient Admission Criteria that commits to serving all patients that can benefit from hospice regardless of their age. Patients receiving in-home care will include not only those still living in their own private homes but also those who are residents of nursing homes, adult family homes and assisted living facilities. Care will be provided to patients regardless of culture, language, or sensory disability. Where needed, interpretive services and assistive communication technologies will be used. Table 2 shows the national average case mix for 2019 published by the National Hospice and Palliative Care Organization. A later report, prepared in October 2021, focused on the 2019 diagnostic mix but with greater detail. Given that Covid-19 has had such a material effect on overall death rates that may persist into the future, Eden has elected to use the 2019 data.”

Applicant's Table

Table 2

Expected Diagnostic Mix of Hospice Patients

Diagnosis	Percent
Cancer	30
Heart/Cardiac/Circulatory	18
Dementia	16
Lung/Respiratory	11
Stroke/Coma	9
Other	14
Chronic Kidney Disease	2
Total	100%

Department Evaluation

As noted earlier in this evaluation, the EmpRes/Eden project does not meet several of the previous sub-criteria, therefore it cannot be viewed as likely to improve delivery of hospice services to the residents of Pierce County. The department concludes that **this sub-criterion is not met.**

APPENDIX A

Department of Health
2022-2023 Hospice Numeric Need Methodology
Methodology By County

COUNTY: **Pierce** *Select from drop down menu

Pierce County Only													
Population information (OFM)													
Ages	County	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2019-2021 Average
0 - 64	Pierce	721,137	729,937	738,738	747,538	756,339	765,139	769,918	774,696	779,475	784,253	789,032	763,798
Ages	County	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2019-2021 Average
65 +	Pierce	108,983	114,409	119,836	125,262	130,688	136,114	142,422	148,729	155,037	161,344	167,652	136,408

WAC 246-310-290(8)(a) Step 1:						
		2019	2020	2021	Average	Use Rate
Ages 0 - 64	Hospice unduplicated admissions	3,712	3,680	3,893	3,762	23.16%
	Total deaths	14,047	16,663	18015	16,242	

		2019	2020	2021	Average	Use Rate
Ages 65 +	Hospice unduplicated admissions	26,175	27,957	27,884	27,339	58.07%
	Total deaths	44,159	46,367	50,717	47,081	

WAC 246-310-290(8)(a) Steps 2-8:									
Ages 0-64	Step	Result	2019	2020	2021	2022	2023	2024	
Planning area historical resident deaths (OFM)	2		1,911	2,364	2,574				Ages 0 - 64
Average deaths (2019-2021)	2	2,283							
Projected patient deaths: 23.16%	3	529							
Average population (OFM)	4	763,798							Steps 2-4
Projected population	N/A		756,339	765,139	769,918	774,696	779,475	784,253	
Potential volume	N/A		524	530	533	536	540	543	

Ages 65+	Step	Result	2019	2020	2021	2022	2023	2024	
PA historical resident deaths (OFM)	2		5,002	5,608	6,264				Ages 65+
Average deaths (2019-2021)	2	5,625							
Projected patient deaths: 58.07%	3	3,266							
Average population (OFM)	4	136,408							Steps 2-4
Projected population	N/A		130,688	136,114	142,422	148,729	155,037	161,344	
Potential volume	N/A		3,129	3,259	3,410	3,561	3,712	3,863	

All Ages	Step	Result	2019	2020	2021	2022	2023	2024	
Combined age cohorts	5		3,653	3,789	3,943	4,097	4,252	4,406	All Ages
Current capacity (DOH survey)	N/A	4,157							
Unmet need	5		(504)	(368)	(214)	(59)	95	249	
Unmet need patient days (statewide ALOS)	6	61.89	(31,193)	(22,775)	(13,224)	(3,672)	5,880	15,432	Steps 5-8
Unmet Average Daily Census (ADC)	7		(85)	(62)	(36)	(10)	16	42	
Agency needed (ADC > 35)	8	35	FALSE	FALSE	FALSE	FALSE	FALSE	1	

Sources:
Self-Report Provider Utilization Surveys for Years 2019-2021
Vital Statistics Death Data for Years 2019-2021
Prepared by DOH Program Staff

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WAC246-310-290(8)(a) Step 1:

Calculate the following two statewide predicted hospice use rates using department of health survey and vital statistics data:

WAC 246-310-290(8)(a)(i) The percentage of patients age sixty-five and over who will use hospice services. This percentage is calculated by dividing the average number of unduplicated admissions over the last three years for patients sixty five and over by the average number of past three years statewide total deaths age sixty-five and over.

WAC246-310-290(8)(a)(ii) The percentage of patients under sixty-five who will use hospice services. This percentage is calculated by dividing the average number of unduplicated admissions over the last three years for patients under sixty-five by the average number of past three years statewide total of deaths under sixty-five.

Hospice admissions ages 0-64	
Year	Admissions
2019	3,712
2020	3,680
2021	3,893
average: 3,762	

Deaths ages 0-64	
Year	Deaths
2019	14,047
2020	16,663
2021	18015
average: 16,242	

Use Rates	
0-64	23.16%
65+	58.07%

Hospice admissions ages 65+	
Year	Admissions
2019	26,175
2020	27,957
2021	27,884
average: 27,339	

Deaths ages 65+	
Year	Deaths
2019	44,159
2020	46,367
2021	50,717
average: 47,081	

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WAC246-310-290(8)(b) Step 2:

Calculate the average number of total resident deaths over the last three years for each planning area by age cohort.

0-64				
County	2019	2020	2021	2019-2021 Average Deaths
Adams	35	20	23	26
Asotin	54	56	43	51
Benton	346	555	536	479
Chelan	137	224	256	206
Clallam	186	195	185	189
Clark	887	1,043	1,078	1,003
Columbia	7	7	11	8
Cowlitz	294	314	401	336
Douglas	63	42	45	50
Ferry	20	19	21	20
Franklin	123	100	110	111
Garfield	5	5	4	5
Grant	197	186	208	197
Grays Harbor	251	209	236	232
Island	167	110	116	131
Jefferson	72	68	54	65
King	3,275	4,456	4,892	4,208
Kitsap	557	454	489	500
Kittitas	90	78	88	85
Klickitat	46	42	50	46
Lewis	210	205	186	200
Lincoln	25	15	24	21
Mason	167	143	168	159
Okanogan	119	88	92	100
Pacific	66	55	59	60
Pend Oreille	31	41	55	42
Pierce	1,911	2,364	2,574	2,283
San Juan	20	18	24	21
Skagit	229	269	334	277
Skamania	19	26	25	23
Snohomish	1,533	1,587	1,563	1,561
Spokane	1,143	1,634	1,842	1,540
Stevens	112	86	114	104
Thurston	525	628	763	639
Wahkiakum	11	10	7	9
Walla Walla	118	150	138	135
Whatcom	394	457	443	431
Whitman	47	51	59	52
Yakima	555	653	699	636

65+				
County	2019	2020	2021	2019-2021 Average Deaths
Adams	93	59	92	81
Asotin	222	186	188	199
Benton	1,154	1,522	1,610	1,429
Chelan	626	785	870	760
Clallam	955	777	906	879
Clark	2,987	3,205	3,705	3,299
Columbia	52	43	43	46
Cowlitz	951	968	1,100	1,006
Douglas	270	160	174	201
Ferry	64	58	63	62
Franklin	313	263	261	279
Garfield	21	11	24	19
Grant	508	455	523	495
Grays Harbor	659	558	590	602
Island	642	505	504	550
Jefferson	338	273	295	302
King	10,213	11,186	11,896	11,098
Kitsap	1,811	1,714	1,832	1,786
Kittitas	266	241	241	249
Klickitat	160	113	164	146
Lewis	722	653	723	699
Lincoln	89	75	76	80
Mason	548	408	461	472
Okanogan	358	277	324	320
Pacific	265	177	239	227
Pend Oreille	125	101	119	115
Pierce	5,002	5,608	6,264	5,625
San Juan	127	94	91	104
Skagit	1,018	1,068	1,190	1,092
Skamania	87	47	56	63
Snohomish	4,081	4,278	4,478	4,279
Spokane	3,545	4,322	4,810	4,226
Stevens	345	248	304	299
Thurston	1,908	2,007	2,285	2,067
Wahkiakum	53	18	25	32
Walla Walla	450	522	595	522
Whatcom	1,461	1,481	1,674	1,539
Whitman	219	226	278	241
Yakima	1,451	1,675	1,644	1,590

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WAC246-310-290(8)(c) Step 3.

Multiply each hospice use rate determined in Step 1 by the planning areas' average total resident deaths determined in Step 2, separated by age cohort.

0-64		
County	2019-2021 Average Deaths	Projected Patients: 23.16% of Deaths
Adams	26	6
Asotin	51	12
Benton	479	111
Chelan	206	48
Clallam	189	44
Clark	1,003	232
Columbia	8	2
Cowlitz	336	78
Douglas	50	12
Ferry	20	5
Franklin	111	26
Garfield	5	1
Grant	197	46
Grays Harbor	232	54
Island	131	30
Jefferson	65	15
King	4,208	975
Kitsap	500	116
Kittitas	85	20
Klickitat	46	11
Lewis	200	46
Lincoln	21	5
Mason	159	37
Okanogan	100	23
Pacific	60	14
Pend Oreille	42	10
Pierce	2,283	529
San Juan	21	5
Skagit	277	64
Skamania	23	5
Snohomish	1,561	362
Spokane	1,540	357
Stevens	104	24
Thurston	639	148
Wahkiakum	9	2
Walla Walla	135	31
Whatcom	431	100
Whitman	52	12
Yakima	636	147

65+		
County	2019-2021 Average Deaths	Projected Patients: 58.07% of Deaths
Adams	81	47
Asotin	199	115
Benton	1,429	830
Chelan	760	442
Clallam	879	511
Clark	3,299	1,916
Columbia	46	27
Cowlitz	1,006	584
Douglas	201	117
Ferry	62	36
Franklin	279	162
Garfield	19	11
Grant	495	288
Grays Harbor	602	350
Island	550	320
Jefferson	302	175
King	11,098	6,445
Kitsap	1,786	1,037
Kittitas	249	145
Klickitat	146	85
Lewis	699	406
Lincoln	80	46
Mason	472	274
Okanogan	320	186
Pacific	227	132
Pend Oreille	115	67
Pierce	5,625	3,266
San Juan	104	60
Skagit	1,092	634
Skamania	63	37
Snohomish	4,279	2,485
Spokane	4,226	2,454
Stevens	299	174
Thurston	2,067	1,200
Wahkiakum	32	19
Walla Walla	522	303
Whatcom	1,539	893
Whitman	241	140
Yakima	1,590	923

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WAC246-310-290(8)(d) Step 4:

Using the projected patients calculated in Step 3, calculate a use rate by dividing projected patients by the three-year historical average population by county. Use this

0-64								
County	Projected Patients	2019-2021 Average Population	2022 projected population	2023 projected population	2024 projected population	2022 potential volume	2023 potential volume	2024 potential volume
Adams	6	18,303	18,622	18,787	18,953	6	6	6
Asotin	12	16,655	16,540	16,485	16,429	12	12	12
Benton	111	169,475	172,638	174,249	175,861	113	114	115
Chelan	48	62,401	62,562	62,611	62,661	48	48	48
Clallam	44	52,389	52,027	51,821	51,615	43	43	43
Clark	232	416,817	426,529	431,158	435,786	238	240	243
Columbia	2	2,782	2,710	2,675	2,640	2	2	2
Cowlitz	78	85,859	85,769	85,695	85,621	78	78	78
Douglas	12	35,487	36,080	36,356	36,633	12	12	12
Ferry	5	5,582	5,506	5,470	5,435	5	5	5
Franklin	26	90,186	94,784	97,124	99,465	27	28	28
Garfield	1	1,561	1,522	1,502	1,483	1	1	1
Grant	46	87,144	89,322	90,403	91,485	47	47	48
Grays Harbor	54	57,008	56,401	56,122	55,844	53	53	53
Island	30	63,219	63,296	63,312	63,328	30	30	30
Jefferson	15	20,688	20,550	20,463	20,377	15	15	15
King	975	1,903,445	1,930,192	1,941,913	1,953,635	988	994	1000
Kitsap	116	219,729	221,192	221,771	222,349	117	117	117
Kittitas	20	38,918	39,556	39,827	40,097	20	20	20
Klickitat	11	15,572	15,304	15,168	15,033	10	10	10
Lewis	46	62,955	63,327	63,491	63,654	47	47	47
Lincoln	5	7,807	7,698	7,644	7,591	5	5	5
Mason	37	51,050	51,672	51,946	52,221	37	38	38
Okanogan	23	32,211	31,991	31,896	31,800	23	23	23
Pacific	14	14,424	14,242	14,161	14,081	14	14	14
Pend Oreille	10	9,813	9,727	9,684	9,642	10	10	10
Pierce	529	763,798	774,696	779,475	784,253	536	540	543
San Juan	5	10,782	10,707	10,684	10,661	5	5	5
Skagit	64	101,410	102,236	102,586	102,935	65	65	65
Skamania	5	9,238	9,205	9,186	9,168	5	5	5
Snohomish	362	714,698	726,273	731,019	735,765	367	370	372
Spokane	357	425,148	428,033	429,326	430,619	359	360	361
Stevens	24	34,006	33,841	33,766	33,690	24	24	24
Thurston	148	241,186	246,235	248,602	250,970	151	152	154
Wahkiakum	2	2,448	2,368	2,332	2,295	2	2	2
Walla Walla	31	50,924	51,075	51,121	51,168	31	31	31
Whatcom	100	187,499	190,722	192,178	193,633	102	102	103
Whitman	12	43,282	43,322	43,330	43,337	12	12	12
Yakima	147	224,364	227,147	228,473	229,798	149	150	151

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WAC246-310-290(8)(d) Step 4:

Using the projected patients calculated in Step 3, calculate a use rate by dividing projected patients by the three-year historical average population by county. Use this rate to determine the potential volume of hospice use by the projected population by age cohort using Office of Financial Management (OFM) data.

65+								
County	Projected Patients	2019-2021 Average Population	2022 projected population	2023 projected population	2024 projected population	2022 potential volume	2023 potential volume	2024 potential volume
Adams	47	2,317	2,424	2,466	2,507	49	50	51
Asotin	115	5,997	6,344	6,514	6,683	122	125	129
Benton	830	32,170	34,597	35,820	37,044	892	924	955
Chelan	442	16,445	17,695	18,339	18,982	475	492	510
Clallam	511	22,323	23,535	24,168	24,802	538	553	567
Clark	1,916	82,139	89,247	92,807	96,368	2,081	2,164	2,248
Columbia	27	1,264	1,304	1,322	1,339	28	28	28
Cowlitz	584	22,945	24,470	25,220	25,971	623	642	661
Douglas	117	8,334	8,974	9,283	9,591	126	130	135
Ferry	36	2,233	2,337	2,386	2,434	37	38	39
Franklin	162	9,627	10,557	11,030	11,504	178	186	194
Garfield	11	658	680	692	703	11	11	12
Grant	288	15,469	16,665	17,258	17,852	310	321	332
Grays Harbor	350	16,636	17,612	18,092	18,571	370	380	390
Island	320	20,809	22,047	22,682	23,317	339	348	358
Jefferson	175	11,945	12,722	13,121	13,520	187	193	198
King	6,445	324,334	350,881	363,992	377,102	6,972	7,232	7,493
Kitsap	1,037	55,965	60,492	62,800	65,107	1,121	1,164	1,206
Kittitas	145	7,952	8,589	8,911	9,234	156	162	168
Klickitat	85	6,062	6,448	6,627	6,807	90	92	95
Lewis	406	17,241	18,175	18,652	19,130	428	439	451
Lincoln	46	2,963	3,119	3,200	3,280	49	50	51
Mason	274	16,524	17,836	18,504	19,173	296	307	318
Okanogan	186	10,862	11,519	11,827	12,136	197	202	207
Pacific	132	6,897	7,159	7,284	7,408	137	139	142
Pend Oreille	67	4,090	4,371	4,504	4,636	71	74	76
Pierce	3,266	136,408	148,729	155,037	161,344	3,561	3,712	3,863
San Juan	60	5,978	6,357	6,541	6,724	64	66	68
Skagit	634	29,121	31,460	32,607	33,753	685	710	735
Skamania	37	2,797	3,048	3,172	3,297	40	42	43
Snohomish	2,485	125,510	138,737	145,495	152,254	2,747	2,880	3,014
Spokane	2,454	91,294	97,979	101,288	104,597	2,633	2,722	2,811
Stevens	174	11,804	12,591	12,969	13,346	185	191	196
Thurston	1,200	52,830	56,967	59,035	61,102	1,294	1,341	1,388
Wahkiakum	19	1,549	1,595	1,611	1,626	19	19	19
Walla Walla	303	11,141	11,632	11,915	12,197	317	324	332
Whatcom	893	42,586	45,794	47,372	48,949	961	994	1,027
Whitman	140	5,783	6,201	6,395	6,588	150	155	159
Yakima	923	38,465	40,559	41,643	42,727	974	1,000	1,026

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WAC246-310-290(8)(e) Step 5:

Combine the two age cohorts. Subtract the average of the most recent three years hospice capacity in each planning area from the projected volumes calculated in Step 4 to determine the number of projected admissions beyond the planning area capacity.

County	2022 potential volume	2023 potential volume	2024 potential volume	Current Supply of Hospice Providers	2022 Unmet Need Admissions*	2023 Unmet Need Admissions*	2024 Unmet Need Admissions*
Adams	56	56	57	51.33	4	5	6
Asotin	134	137	140	96.33	37	41	44
Benton	1,005	1,038	1,070	994.00	11	44	76
Chelan	523	540	557	741.41	(219)	(201)	(184)
Clallam	582	596	610	492.75	89	103	118
Clark	2,319	2,405	2,490	2,751.75	(433)	(347)	(261)
Columbia	29	30	30	38.33	(9)	(9)	(8)
Cowlitz	701	720	739	855.33	(154)	(135)	(116)
Douglas	138	142	147	195.33	(58)	(53)	(49)
Ferry	42	43	44	33.00	9	10	11
Franklin	205	213	222	190.33	14	23	32
Garfield	12	12	13	7.00	5	5	6
Grant	357	368	380	277.33	79	91	102
Grays Harbor	423	433	443	363.08	60	70	80
Island	369	379	388	443.67	(75)	(65)	(55)
Jefferson	202	207	213	201.33	0	6	12
King	7,960	8,227	8,493	8,727.96	(768)	(501)	(235)
Kitsap	1,237	1,280	1,323	1,305.08	(68)	(25)	18
Kittitas	176	182	188	161.33	15	21	27
Klickitat	100	103	105	158.80	(58)	(56)	(54)
Lewis	475	486	497	439.67	35	46	58
Lincoln	54	55	56	23.33	30	32	33
Mason	333	345	356	512.08	(179)	(167)	(156)
Okanogan	220	225	230	199.33	20	26	31
Pacific	151	153	155	66.00	85	87	89
Pend Oreille	81	83	85	67.33	14	16	18
Pierce	4,097	4,252	4,406	4,156.74	(59)	95	249
San Juan	69	71	73	92.00	(23)	(21)	(19)
Skagit	750	775	800	764.67	(15)	10	35
Skamania	45	47	49	38.67	7	8	10
Snohomish	3,114	3,250	3,386	4,288.02	(1,174)	(1,038)	(902)
Spokane	2,992	3,082	3,172	3,120.75	(128)	(38)	52
Stevens	209	215	220	145.67	64	69	74
Thurston	1,445	1,493	1,542	1,829.19	(384)	(336)	(287)
Wahkiakum	21	21	22	13.67	8	8	8
Walla Walla	348	356	364	283.00	65	73	81
Whatcom	1,062	1,096	1,130	1,317.08	(255)	(221)	(187)
Whitman	162	167	172	139.67	23	27	32
Yakima	1,123	1,149	1,176	1,214.67	(92)	(65)	(38)

*a negative number indicates existing hospice service capacity exceeds the projected utilization based on the statewide use rate.

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WAC246-310-290(8)(f) Step 6:

Multiply the unmet need from Step 5 by the statewide average length of stay as determined by CMS to determine unmet need patient days in the projection years.

County	2022 Unmet Need Admissions*	2023 Unmet Need Admissions*	2024 Unmet Need Admissions*	Step 6 (Admits * ALOS) = Unmet Patient Days			
				Statewide ALOS	2022 Unmet Need Patient Days*	2023 Unmet Need Patient Days*	2024 Unmet Need Patient Days*
Adams	4	5	6	61.89	260	316	372
Asotin	37	41	44	61.89	2,317	2,516	2,716
Benton	11	44	76	61.89	692	2,710	4,728
Chelan	(219)	(201)	(184)	61.89	(13,529)	(12,457)	(11,385)
Clallam	89	103	118	61.89	5,506	6,393	7,280
Clark	(433)	(347)	(261)	61.89	(26,780)	(21,480)	(16,181)
Columbia	(9)	(9)	(8)	61.89	(550)	(528)	(507)
Cowlitz	(154)	(135)	(116)	61.89	(9,552)	(8,374)	(7,195)
Douglas	(58)	(53)	(49)	61.89	(3,569)	(3,295)	(3,022)
Ferry	9	10	11	61.89	560	606	652
Franklin	14	23	32	61.89	887	1,422	1,956
Garfield	5	5	6	61.89	326	337	347
Grant	79	91	102	61.89	4,907	5,625	6,343
Grays Harbor	60	70	80	61.89	3,735	4,343	4,951
Island	(75)	(65)	(55)	61.89	(4,624)	(4,020)	(3,416)
Jefferson	0	6	12	61.89	19	378	737
King	(768)	(501)	(235)	61.89	(47,516)	(31,022)	(14,528)
Kitsap	(68)	(25)	18	61.89	(4,193)	(1,528)	1,136
Kittitas	15	21	27	61.89	936	1,308	1,681
Klickitat	(58)	(56)	(54)	61.89	(3,612)	(3,463)	(3,313)
Lewis	35	46	58	61.89	2,170	2,874	3,578
Lincoln	30	32	33	61.89	1,884	1,960	2,036
Mason	(179)	(167)	(156)	61.89	(11,059)	(10,360)	(9,661)
Okanogan	20	26	31	61.89	1,265	1,587	1,909
Pacific	85	87	89	61.89	5,232	5,375	5,517
Pend Oreille	14	16	18	61.89	851	982	1,113
Pierce	(59)	95	249	61.89	(3,672)	5,880	15,432
San Juan	(23)	(21)	(19)	61.89	(1,425)	(1,311)	(1,197)
Skagit	(15)	10	35	61.89	(921)	637	2,196
Skamania	7	8	10	61.89	420	521	622
Snohomish	(1,174)	(1,038)	(902)	61.89	(72,664)	(64,234)	(55,804)
Spokane	(128)	(38)	52	61.89	(7,943)	(2,371)	3,200
Stevens	64	69	74	61.89	3,931	4,271	4,611
Thurston	(384)	(336)	(287)	61.89	(23,774)	(20,777)	(17,780)
Wahkiakum	8	8	8	61.89	468	477	486
Walla Walla	65	73	81	61.89	4,030	4,507	4,984
Whatcom	(255)	(221)	(187)	61.89	(15,763)	(13,667)	(11,571)
Whitman	23	27	32	61.89	1,394	1,684	1,973
Yakima	(92)	(65)	(38)	61.89	(5,700)	(4,036)	(2,372)

*a negative number indicates existing hospice service capacity exceeds the projected utilization based on the statewide use rate.

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WAC246-310-290(8)(g) Step 7:

Divide the unmet patient days from Step 6 by 365 to determine the unmet need ADC.

County	2022 Unmet Need Patient Days*	2023 Unmet Need Patient Days*	2024 Unmet Need Patient Days*	Step 7 (Patient Days / 365) = Unmet ADC		
				2022 Unmet Need ADC*	2023 Unmet Need ADC*	2024 Unmet Need ADC*†
Adams	260	316	372	1	1	1
Asotin	2,317	2,516	2,716	6	7	7
Benton	692	2,710	4,728	2	7	13
Chelan	(13,529)	(12,457)	(11,385)	(37)	(34)	(31)
Clallam	5,506	6,393	7,280	15	18	20
Clark	(26,780)	(21,480)	(16,181)	(73)	(59)	(44)
Columbia	(550)	(528)	(507)	(2)	(1)	(1)
Cowlitz	(9,552)	(8,374)	(7,195)	(26)	(23)	(20)
Douglas	(3,569)	(3,295)	(3,022)	(10)	(9)	(8)
Ferry	560	606	652	2	2	2
Franklin	887	1,422	1,956	2	4	5
Garfield	326	337	347	1	1	1
Grant	4,907	5,625	6,343	13	15	17
Grays Harbor	3,735	4,343	4,951	10	12	14
Island	(4,624)	(4,020)	(3,416)	(13)	(11)	(9)
Jefferson	19	378	737	0	1	2
King	(47,516)	(31,022)	(14,528)	(130)	(85)	(40)
Kitsap	(4,193)	(1,528)	1,136	(11)	(4)	3
Kittitas	936	1,308	1,681	3	4	5
Klickitat	(3,612)	(3,463)	(3,313)	(10)	(9)	(9)
Lewis	2,170	2,874	3,578	6	8	10
Lincoln	1,884	1,960	2,036	5	5	6
Mason	(11,059)	(10,360)	(9,661)	(30)	(28)	(26)
Okanogan	1,265	1,587	1,909	3	4	5
Pacific	5,232	5,375	5,517	14	15	15
Pend Oreille	851	982	1,113	2	3	3
Pierce	(3,672)	5,880	15,432	(10)	16	42
San Juan	(1,425)	(1,311)	(1,197)	(4)	(4)	(3)
Skagit	(921)	637	2,196	(3)	2	6
Skamania	420	521	622	1	1	2
Snohomish	(72,664)	(64,234)	(55,804)	(199)	(176)	(152)
Spokane	(7,943)	(2,371)	3,200	(22)	(6)	9
Stevens	3,931	4,271	4,611	11	12	13
Thurston	(23,774)	(20,777)	(17,780)	(65)	(57)	(49)
Wahkiakum	468	477	486	1	1	1
Walla Walla	4,030	4,507	4,984	11	12	14
Whatcom	(15,763)	(13,667)	(11,571)	(43)	(37)	(32)
Whitman	1,394	1,684	1,973	4	5	5
Yakima	(5,700)	(4,036)	(2,372)	(16)	(11)	(6)

*a negative number indicates existing hospice service capacity exceeds the projected utilization based on the statewide use rate.

Department of Health
2022-2023 Hospice Numeric Need Methodology
Distributed November 1, 2022

WAC246-310-290(8)(h) Step 8:

Determine the number of hospice agencies in the planning area that could support the unmet need with an ADC of thirty-five.

Application Year

County	Step 7 (Patient Days / 365) = Unmet ADC			Step 8 - Numeric Need	
	2022 Unmet Need ADC*	2023 Unmet Need ADC*	2024 Unmet Need ADC*†	Numeric Need?	Number of New Agencies Needed?***
Adams	1	1	1	FALSE	FALSE
Asotin	6	7	7	FALSE	FALSE
Benton	2	7	13	FALSE	FALSE
Chelan	(37)	(34)	(31)	FALSE	FALSE
Clallam	15	18	20	FALSE	FALSE
Clark	(73)	(59)	(44)	FALSE	FALSE
Columbia	(2)	(1)	(1)	FALSE	FALSE
Cowlitz	(26)	(23)	(20)	FALSE	FALSE
Douglas	(10)	(9)	(8)	FALSE	FALSE
Ferry	2	2	2	FALSE	FALSE
Franklin	2	4	5	FALSE	FALSE
Garfield	1	1	1	FALSE	FALSE
Grant	13	15	17	FALSE	FALSE
Grays Harbor	10	12	14	FALSE	FALSE
Island	(13)	(11)	(9)	FALSE	FALSE
Jefferson	0	1	2	FALSE	FALSE
King	(130)	(85)	(40)	FALSE	FALSE
Kitsap	(11)	(4)	3	FALSE	FALSE
Kittitas	3	4	5	FALSE	FALSE
Klickitat	(10)	(9)	(9)	FALSE	FALSE
Lewis	6	8	10	FALSE	FALSE
Lincoln	5	5	6	FALSE	FALSE
Mason	(30)	(28)	(26)	FALSE	FALSE
Okanogan	3	4	5	FALSE	FALSE
Pacific	14	15	15	FALSE	FALSE
Pend Oreille	2	3	3	FALSE	FALSE
Pierce	(10)	16	42	TRUE	1
San Juan	(4)	(4)	(3)	FALSE	FALSE
Skagit	(3)	2	6	FALSE	FALSE
Skamania	1	1	2	FALSE	FALSE
Snohomish	(199)	(176)	(152)	FALSE	FALSE
Spokane	(22)	(6)	9	FALSE	FALSE
Stevens	11	12	13	FALSE	FALSE
Thurston	(65)	(57)	(49)	FALSE	FALSE
Wahkiakum	1	1	1	FALSE	FALSE
Walla Walla	11	12	14	FALSE	FALSE
Whatcom	(43)	(37)	(32)	FALSE	FALSE
Whitman	4	5	5	FALSE	FALSE
Yakima	(16)	(11)	(6)	FALSE	FALSE

*a negative number indicates existing hospice service capacity exceeds the projected utilization based on the statewide use rate.

Department of Health
2022-2023 Hospice Numeric Need Methodology
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**The numeric need methodology projects need for whole hospice agencies only - not partial hospice agencies.
Therefore, the results are rounded down to the nearest whole number.

Department of Health
2022-2023 Hospice Numeric Need Methodology
 290(7)(b) Agencies

Release Year **2022**
 Supply year 1 2019
 Supply year 3 2021
 Statewide ALOS **61.89**
 Default Admits = 35 ADC 206.4

Provider	County	Certificate Year	Supply Years						Notes
			2019		2020		2021		
			Survey	# Used	Survey	# Used	Survey	# Used	
Wesley Homes Hospice	King	2017	91	206.4					Third year 2019
Heart of Hospice	Klickitat	2017	26	206.4					Third year 2019
Envision Hospice	Thurston	2018	24	206.4	25	206.4			Third year 2020
Olympic Medical Center	Clallam	2019	none	206.4	none	206.4	none	206.4	Third year 2021
Providence Health & Services	Clark	2019	none	206.4	none	206.4	18	206.4	Third year 2021
Envision Hospice	King	2019	none	206.4	77	206.4	74	206.4	Third year 2021
Continuum Care of Snohomish	Snohomish	2019	none	206.4	143	206.4	342	342.0	Third year 2021
Envision Hospice	Snohomish	2019	none	206.4	none	206.4	1	206.4	Third year 2021
Glacier Peak Healthcare (Alpha)	Snohomish	2019	none	206.4	31	206.4	117	206.4	Third year 2021
Heart of Hospice	Snohomish	2019	none	206.4	none	206.4	none	206.4	Third year 2021
Symbol Healthcare (Puget Sound Hospice)	Thurston	2019	none	206.4	6	206.4	19	206.4	Third year 2021
Continuum Care of King	King	2020	none	206.4	none	206.4	none	206.4	Third year 2022
Envision Hospice	Kitsap	2020	none	206.4	none	206.4	61	206.4	Third year 2022
EmpRes Healthcare Group	Whatcom	2020	none	206.4	none	206.4	26	206.4	Third year 2022
The Pennant Group (Puget Sound Hospice)	Grays Harbor	2021	none	206.4	none	206.4	6	206.4	Third year 2023
EmpRes Healthcare Group	King	2021	none	206.4	none	206.4	none	206.4	Third year 2023
Seasons	King	2021	none	206.4	none	206.4	none	206.4	Third year 2023
The Pennant Group (Puget Sound Hospice)	Mason	2021	none	206.4	none	206.4	none	206.4	Third year 2023
Providence Health & Services	Pierce	2021	none	206.4	none	206.4	2	206.4	Third year 2023
Envision Hospice	Pierce	2021	none	206.4	none	206.4	121	206.4	Third year 2023
EmpRes Healthcare Group	Snohomish	2021	none	206.4	none	206.4	none	206.4	Third year 2023
Seasons	Snohomish	2021	none	206.4	none	206.4	none	206.4	Third year 2023
MultiCare Health	Thurston	2021	none	206.4	none	206.4	none	206.4	Third year 2023
Bristol Hospice	Thurston	2021	none	206.4	none	206.4	none	206.4	Third year 2023
Stride Health Care	Chelan	2022	none	206.4	none	206.4	none	206.4	Third year 2024
The Pennant Group	King	2022	none	206.4	none	206.4	none	206.4	Third year 2024
Y.B.G. Healthcare	King	2022	none	206.4	none	206.4	none	206.4	Third year 2024
Continuum Care of Snohomish	Pierce	2022	none	206.4	none	206.4	none	206.4	Third year 2024
The Pennant Group	Pierce	2022	none	206.4	none	206.4	none	206.4	Third year 2024
Seasons	Pierce	2022	none	206.4	none	206.4	none	206.4	Third year 2024
Seasons	Spokane	2022	none	206.4	none	206.4	none	206.4	Third year 2024

Department of Health
2022-2023 Hospice Numeric Need Methodology
Hospice Capacity Admission Calculations

0-64 Total Admissions by County				65+ Total Admissions by County				Actual Survey Admits Not Adjusted For Newly Approved All Agencies				Actual Survey Admits Only Under Default 290(7)(b) Newly Approved Only				Count of Newly Approved Agencies Only Under Default 290(7)(b) Newly Approved Only			Default Adjustments Only Under Default 290(7)(b) Newly Approved Only			Adjusted Admits Includes Adjustment for 290(7)(b) Agencies All Agencies				
Sum of 0-1 Column Labels				Sum of 65 Column Labels				County	2019	2020	2021	County	2019	2020	2021	2019	2020	2021	2019	2020	2021	County	2019	2020	2021	Average
Adams	8	4	4	Adams	54	48	36	Adams	62	52	40	Adams				-	-	-	Adams	62.00	52.00	40.00		51.33		
Asotin	9	24	9	Asotin	71	84	92	Asotin	80	108	101	Asotin				-	-	-	Asotin	80.00	108.00	101.00		96.33		
Benton	103	132	107	Benton	837	973	830	Benton	940	1,105	937	Benton				-	-	-	Benton	940.00	1,105.00	937.00		994.00		
Chelan	28	32	53	Chelan	385	421	686	Chelan	413	453	739	Chelan				1	1	1	Chelan	619.41	659.41	945.41		741.41		
Clallam	23	24	24	Clallam	234	283	271	Clallam	257	307	295	Clallam	0	0	0	1	1	1	Clallam	463.41	513.41	501.41		492.75		
Clark	287	297	308	Clark	2060	2238	2464	Clark	2,347	2,535	2,772	Clark	0	0	18	1	1	1	Clark	2,553.41	2,741.41	2,960.41		2751.75		
Columbia	3	3	3	Columbia	25	50	31	Columbia	28	53	34	Columbia				-	-	-	Columbia	28.00	53.00	34.00		38.33		
Cowlitz	121	94	116	Cowlitz	735	707	793	Cowlitz	856	801	909	Cowlitz				-	-	-	Cowlitz	856.00	801.00	909.00		855.33		
Douglas	19	17	23	Douglas	130	170	227	Douglas	149	187	250	Douglas				-	-	-	Douglas	149.00	187.00	250.00		195.33		
Ferry	5	3	6	Ferry	25	28	32	Ferry	30	31	38	Ferry				-	-	-	Ferry	30.00	31.00	38.00		33.00		
Franklin	26	34	17	Franklin	166	194	134	Franklin	192	228	151	Franklin				-	-	-	Franklin	192.00	228.00	151.00		190.33		
Garfield	1	3	0	Garfield	4	7	6	Garfield	5	10	6	Garfield				-	-	-	Garfield	5.00	10.00	6.00		7.00		
Grant	45	40	27	Grant	236	254	230	Grant	281	294	257	Grant				-	-	-	Grant	281.00	294.00	257.00		277.33		
Grays Harl	41	27	2	Grays Harl	212	186	8	Grays Harbor	253	213	10	Grays Harbor			6	1	1	1	Grays Harbor	459.41	419.41	210.41		363.08		
Island	43	54	68	Island	341	375	450	Island	384	429	518	Island				-	-	-	Island	384.00	429.00	518.00		443.67		
Jefferson	26	17	15	Jefferson	181	194	171	Jefferson	207	211	186	Jefferson				-	-	-	Jefferson	207.00	211.00	186.00		201.33		
King	765	889	812	King	6315	7131	6592	King	7,080	8,020	7,404	King	91	77	74	7	6	6	King	8,433.90	9,181.49	8,568.49		8727.96		
Kitsap	173	96	389	Kitsap	1074	921	704	Kitsap	1,247	1,017	1,093	Kitsap		0	61	1	1	1	Kitsap	1,453.41	1,223.41	1,238.41		1305.08		
Kittitas	16	12	15	Kittitas	169	157	115	Kittitas	185	169	130	Kittitas				-	-	-	Kittitas	185.00	169.00	130.00		161.33		
Klickitat	12	12	13	Klickitat	90	87	82	Klickitat	102	99	95	Klickitat	26			1			Klickitat	282.41	99.00	95.00		158.80		
Lewis	50	47	38	Lewis	362	401	421	Lewis	412	448	459	Lewis				-	-	-	Lewis	412.00	448.00	459.00		439.67		
Lincoln	3	6	5	Lincoln	22	22	12	Lincoln	25	28	17	Lincoln				-	-	-	Lincoln	25.00	28.00	17.00		23.33		
Mason	34	43	37	Mason	193	263	347	Mason	227	306	384	Mason		0		1	1	1	Mason	433.41	512.41	590.41		512.08		
Okanogan	27	31	19	Okanogan	171	167	183	Okanogan	198	198	202	Okanogan				-	-	-	Okanogan	198.00	198.00	202.00		199.33		
Pacific	15	12	2	Pacific	98	69	2	Pacific	113	81	4	Pacific				-	-	-	Pacific	113.00	81.00	4.00		66.00		
Pend Oreil	4	17	12	Pend Oreil	65	49	55	Pend Oreille	69	66	67	Pend Oreille				-	-	-	Pend Oreille	69.00	66.00	67.00		67.33		
Pierce	556	425	322	Pierce	3170	2714	2310	Pierce	3,726	3,139	2,632	Pierce			123	5	5	5	Pierce	4,758.07	4,171.07	3,541.07		4156.74		
San Juan	6	8	5	San Juan	73	89	95	San Juan	79	97	100	San Juan				-	-	-	San Juan	79.00	97.00	100.00		92.00		
Skagit	77	70	85	Skagit	705	607	750	Skagit	782	677	835	Skagit				-	-	-	Skagit	782.00	677.00	835.00		764.67		
Skamania	1	3	4	Skamania	33	37	38	Skamania	34	40	42	Skamania				-	-	-	Skamania	34.00	40.00	42.00		38.67		
Snohomish	342	361	514	Snohomish	2214	2636	3580	Snohomish	2,556	2,997	4,094	Snohomish	0	174	118	6	6	5	Snohomish	3,794.49	4,061.49	5,008.07		4288.02		
Spokane	342	362	368	Spokane	2333	2648	2690	Spokane	2,675	3,010	3,058	Spokane				1	1	1	Spokane	2,881.41	3,216.41	3,264.41		3120.75		
Stevens	20	21	31	Stevens	126	128	111	Stevens	146	149	142	Stevens				-	-	-	Stevens	146.00	149.00	142.00		145.67		
Thurston	115	129	107	Thurston	947	1070	923	Thurston	1,062	1,199	1,030	Thurston	24	31	19	4	4	3	Thurston	1,863.66	1,993.66	1,630.24		1829.19		
Wahkiaku	0	3	3	Wahkiaku	7	11	17	Wahkiakum	7	14	20	Wahkiakum				-	-	-	Wahkiakum	7.00	14.00	20.00		13.67		
Walla Wal	41	41	41	Walla Wal	242	242	242	Walla Walla	283	283	283	Walla Walla				-	-	-	Walla Walla	283.00	283.00	283.00		283.00		
Whatcom	138	80	113	Whatcom	995	978	1054	Whatcom	1,133	1,058	1,167	Whatcom		0	26	1	1	1	Whatcom	1,339.41	1,264.41	1,347.41		1317.08		
Whitman	12	12	15	Whitman	77	128	175	Whitman	89	140	190	Whitman				-	-	-	Whitman	89.00	140.00	190.00		139.67		
Yakima	175	195	161	Yakima	998	1190	925	Yakima	1,173	1,385	1,086	Yakima				-	-	-	Yakima	1,173.00	1,385.00	1,086.00		1214.67		

35 ADC * 365 days per year = 12,775 default patient days
12,775 patient days/61.89 ALOS = 206.4 default admissions
206.4 Default

For affected counties, the actual volumes from these recently approved agencies will be subtracted, and default values will be added.

Includes one or more proxies for new agencies, survey year predates approval.

Department of Health
2022-2023 Hospice Numeric Need Methodology
Survey Data

Agency Name	License Number	County	Year	0-64	65+
Alpha Home Health	IHS.FS.61032013	Snohomish	2019	0	0
Alpowa Healthcare Inc. d/b/a Elite Home Health and Hospice	IHS.FS.60384078	Garfield	2019	1	4
Alpowa Healthcare Inc. d/b/a Elite Home Health and Hospice	IHS.FS.60384078	Asotin	2019	9	71
Central Washington Homecare Services	IHS.FS.00000250	Douglas	2019	19	125
Central Washington Homecare Services	IHS.FS.00000250	Chelan	2019	28	385
Chaplaincy Health Care 2018	IHS.FS.00000456	Franklin	2019	26	164
Chaplaincy Health Care 2018	IHS.FS.00000456	Benton	2019	96	700
Community Home Health/Hospice	IHS.FS.00000262	Wahkiakum	2019	0	7
Community Home Health/Hospice	IHS.FS.00000262	Clark	2019	60	453
Community Home Health/Hospice	IHS.FS.00000262	Cowlitz	2019	98	636
Continuum Care of King LLC	IHS.FS.61058934	King	2019	0	0
Continuum Care of Snohomish LLC	IHS.FS.61010090	Snohomish	2019	0	0
Envision Hospice of Washington	IHS.FS.60952486	Thurston	2019	2	22
EvergreenHealth	IHS.FS.00000278	Island	2019	1	11
EvergreenHealth	IHS.FS.00000278	Snohomish	2019	53	471
EvergreenHealth	IHS.FS.00000278	King	2019	225	2025
Franciscan Hospice	IHS.FS.00000287	King	2019	92	921
Franciscan Hospice	IHS.FS.00000287	Kitsap	2019	118	757
Franciscan Hospice	IHS.FS.00000287	Pierce	2019	364	2236
Frontier Home Health & Hospice	IHS.FS.60379608	Douglas	2019	0	5
Frontier Home Health & Hospice	IHS.FS.60379608	Grant	2019	4	8
Frontier Home Health & Hospice	IHS.FS.60379608	Okanogan	2019	27	171
Harbors Home Health and Hospice	IHS.FS.00000306	Pacific	2019	15	98
Harbors Home Health and Hospice	IHS.FS.00000306	Grays Harbor	2019	41	212
Heartlinks	IHS.FS.00000369	Franklin	2019	0	2
Heartlinks	IHS.FS.00000369	Benton	2019	7	137
Heartlinks	IHS.FS.00000369	Yakima	2019	21	180
Horizon Hospice	IHS.FS.00000332	Spokane	2019	30	393
Hospice of Jefferson County, Jefferson Healthcare	IHI.FS.00000349	Jefferson	2019	26	172
Hospice of Spokane	IHS.FS.00000337	Pend Oreille	2019	4	65
Hospice of Spokane	IHS.FS.00000337	Ferry	2019	5	25
Hospice of Spokane	IHS.FS.00000337	Stevens	2019	20	126
Hospice of Spokane	IHS.FS.00000337	Spokane	2019	289	1692
Hospice of the Northwest	IHS.FS.00000437	Snohomish	2019	5	58
Hospice of the Northwest	IHS.FS.00000437	San Juan	2019	6	73
Hospice of the Northwest	IHS.FS.00000437	Island	2019	14	56
Hospice of the Northwest	IHS.FS.00000437	Skagit	2019	77	705
Inspiring Hospice Partners of Oregon dba Heart of Hospice	IHS.FS.60741443	Skamania	2019	0	17
Inspiring Hospice Partners of Oregon dba Heart of Hospice	IHS.FS.60741443	Clark	2019	0	3
Inspiring Hospice Partners of Oregon dba Heart of Hospice	IHS.FS.60741443	Snohomish	2019	0	0
Inspiring Hospice Partners of Oregon dba Heart of Hospice	IHS.FS.60741443	Klickitat	2019	2	24
Kaiser Continuing Care Services Hospice	IHS.FS.00000353	Clark	2019	43	387
Kaiser Permanente Home Health and Hospice	IHS.FS.00000305	Snohomish	2019	7	62
Kaiser Permanente Home Health and Hospice	IHS.FS.00000305	Kitsap	2019	18	123
Kaiser Permanente Home Health and Hospice	IHS.FS.00000305	Pierce	2019	25	176
Kaiser Permanente Home Health and Hospice	IHS.FS.00000305	King	2019	37	489
Kindred Hospice	IHS.FS.60330209	King	2019	6	217
Kindred Hospice	IHS.FS.60308060	Spokane	2019	23	248
Kindred Hospice	IHS.FS.60308060	Whitman	2019	12	77
Kittitas Valley Healthcare Home Health and Hospice	IHS.FS.00000320	Kittitas	2019	16	169
Klickitat Valley Hospice	IHS.FS.00000361	Klickitat	2019	1	44
Kline Galland Community Based Services	IHS.FS.60103742	King	2019	35	345
Memorial Home Care Services	IHS.FS.00000376	Yakima	2019	148	730
MultiCare Hospice	IHS.FS.60639376	King	2019	27	149
MultiCare Hospice	IHS.FS.60639376	Kitsap	2019	37	194
MultiCare Hospice	IHS.FS.60639376	Pierce	2019	167	758
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Jefferson	2019	0	9
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Mason	2019	6	45
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Lewis	2019	17	244
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Thurston	2019	22	240
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Clallam	2019	23	234
Olympic Medical Hospice	IHS.FS.00000393	Clallam	2019	0	0
PeaceHealth Hospice	IHS.FS.60331226	Skamania	2019	0	1
PeaceHealth Hospice	IHS.FS.60331226	Cowlitz	2019	23	99
PeaceHealth Hospice	IHS.FS.60331226	Clark	2019	184	1217
PeaceHealth Whatcom	IHS.FS.00000471	Whatcom	2019	138	995
Providence Hospice	IHS.FS.60201476	Clark	2019	0	0
Providence Hospice	IHS.FS.60201476	Skamania	2019	1	15
Providence Hospice	IHS.FS.60201476	Klickitat	2019	9	22
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	Island	2019	1	29
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	Snohomish	2019	272	1613

Sources:
Self-Report Provider Utilization Surveys for Years 2019-2021
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Agency Name	License Number	County	Year	0-64	65+
Providence Hospice of Seattle	IHS.FS.00000336	Snohomish	2019	5	10
Providence Hospice of Seattle	IHS.FS.00000336	King	2019	338	2083
Providence Sound HomeCare and Hospice	IHS.FS.00000420	Mason	2019	28	148
Providence Sound HomeCare and Hospice	IHS.FS.00000420	Lewis	2019	33	118
Providence Sound HomeCare and Hospice	IHS.FS.00000420	Thurston	2019	91	685
Puget Sound Hospice	IHS.FS.61032138	Thurston	2019	0	0
Walla Walla Community Hospice	IHS.FS.60480441	Columbia	2019	3	25
Walla Walla Community Hospice	IHS.FS.60480441	Walla Walla	2019	41	242
Washington HomeCare and Hospice of Central Basin, LLC d/b/a Assured Hospice	IHS.FS.60092413	Lincoln	2019	3	22
Washington HomeCare and Hospice of Central Basin, LLC d/b/a Assured Hospice	IHS.FS.60092413	Adams	2019	8	54
Washington HomeCare and Hospice of Central Basin, LLC d/b/a Assured Hospice	IHS.FS.60092413	Grant	2019	41	228
Wesley Homes	IHS.FS.60276500	King	2019	5	86
WhidbeyHealth Home Health, Hospice	IHS.FS.00000323	Island	2019	27	245
Yakima HMA Home Health, LLC	IHS.FS.60097245	Yakima	2019	6	88
Alpha Hospice	IHS.FS.61032013	Snohomish	2020	1	30
Alpowa Healthcare, Inc. d/b/a Elite Home Health & Hospice	IHS.FS.60384078	Garfield	2020	3	7
Alpowa Healthcare, Inc. d/b/a Elite Home Health & Hospice	IHS.FS.60384078	Asotin	2020	24	84
Astria Hospice	IHS.FS.60097245	Yakima	2020	0	56
Central Washington Home Care Service	IHS.FS.00000250	Douglas	2020	13	159
Central Washington Home Care Service	IHS.FS.00000250	Chelan	2020	32	421
Chaplaincy Health Care	IHS.FS.00000456	Franklin	2020	30	192
Chaplaincy Health Care	IHS.FS.00000456	Benton	2020	118	821
Community Home Health/Hospice	IHS.FS.00000262	Pacific	2020	1	3
Community Home Health/Hospice	IHS.FS.00000262	Wahkiakum	2020	3	11
Community Home Health/Hospice	IHS.FS.60547198	Clark	2020	61	430
Community Home Health/Hospice	IHS.FS.00000262	Cowlitz	2020	78	616
Continuum Care of King LLC	IHS.FS.61058934	King	2020	0	0
Continuum Care of Snohomish	IHS.FS.61010090	King	2020	2	40
Continuum Care of Snohomish	IHS.FS.61010090	Snohomish	2020	12	131
Eden Hospice at Whatcom County, LLC	IHS.FS.61117985	Whatcom	2020	0	0
Envision Hospice of Washington LLC	IHS.FS.60952486	Kitsap	2020	0	0
Envision Hospice of Washington LLC	IHS.FS.60952486	Snohomish	2020	0	0
Envision Hospice of Washington LLC	IHS.FS.60952486	King	2020	1	76
Envision Hospice of Washington LLC	IHS.FS.60952486	Pierce	2020	1	20
Envision Hospice of Washington LLC	IHS.FS.60952486	Thurston	2020	1	24
EvergreenHealth	IHS.FS.00000278	Island	2020	0	6
EvergreenHealth	IHS.FS.00000278	Snohomish	2020	70	672
EvergreenHealth	IHS.FS.00000278	King	2020	316	2451
Frontier Home Health & Hospice	IHS.FS.60379608	Grant	2020	0	3
Frontier Home Health & Hospice	IHS.FS.60379608	Douglas	2020	4	11
Frontier Home Health & Hospice	IHS.FS.60379608	Okanogan	2020	30	167
Harbors Home Health and Hospice	IHS.FS.00000306	Pacific	2020	11	66
Harbors Home Health and Hospice	IHS.FS.00000306	Grays Harbor	2020	27	186
HEART OF HOSPICE	IHS.FS.60741443	Clark	2020	0	3
HEART OF HOSPICE	IHS.FS.60741443	Snohomish	2020	0	0
HEART OF HOSPICE	IHS.FS.60741443	Klickitat	2020	2	21
HEART OF HOSPICE	IHS.FS.60741443	Skamania	2020	2	18
Heartlinks	IHS.FS.00000369	Franklin	2020	4	2
Heartlinks	IHS.FS.00000369	Benton	2020	14	152
Heartlinks	IHS.FS.00000369	Yakima	2020	20	181
Horizon Hospice & Palliative Care	IHS.FS.00000332	Spokane	2020	28	456
Hospice of Jefferson County	IHS.FS.00000349	Jefferson	2020	17	178
Hospice of Spokane	IHS.FS.00000337	Whitman	2020	0	1
Hospice of Spokane	IHS.FS.00000337	Lincoln	2020	1	1
Hospice of Spokane	IHS.FS.00000337	Okanogan	2020	1	0
Hospice of Spokane	IHS.FS.00000337	Ferry	2020	3	28
Hospice of Spokane	IHS.FS.00000337	Pend Oreille	2020	17	49
Hospice of Spokane	IHS.FS.00000337	Stevens	2020	21	128
Hospice of Spokane	IHS.FS.00000337	Spokane	2020	302	1895
Kaiser Permanente Continuing Care Services	IHS.FS.00000353	Clark	2020	42	433
Kaiser Permanente Home Health & Hospice	IHS.FS.00000305	Snohomish	2020	3	84
Kaiser Permanente Home Health & Hospice	IHS.FS.00000305	Kitsap	2020	13	114
Kaiser Permanente Home Health & Hospice	IHS.FS.00000305	Pierce	2020	30	181
Kaiser Permanente Home Health & Hospice	IHS.FS.00000305	King	2020	49	446
Kindred Hospice	IHS.FS.60330209	King	2020	9	200
Kindred Hospice	IHS.FS.60308060	Whitman	2020	12	127
Kindred Hospice	IHS.FS.60308060	Spokane	2020	32	297
Kittitas Valley Home Health and Hospice	IHS.FS.00000320	Kittitas	2020	12	157
Klickitat Valley Health Home Health & Hospice	IHS.FS.00000361	Klickitat	2020	4	38
Kline Galland Hospice	IHS.FS.60103742	King	2020	83	896
Memorial Home Care Services	IHS.FS.00000376	Yakima	2020	175	953
Multicare Home Health, Hospice	IHS.FS.60639376	Kitsap	2020	12	126

Sources:
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Agency Name	License Number	County	Year	0-64	65+
Multicare Home Health, Hospice	IHS.FS.60639376	King	2020	36	137
Multicare Home Health, Hospice	IHS.FS.60639376	Pierce	2020	161	866
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Jefferson	2020	0	16
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Pierce	2020	0	1
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Mason	2020	8	70
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Lewis	2020	15	226
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Thurston	2020	22	268
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Clallam	2020	24	283
Olympic Medical Hospice	IHS.FS.00000393	Clallam	2020	0	0
PeaceHealth Hospice Southwest	IHS.FS.60331226	Skamania	2020	0	3
PeaceHealth Hospice Southwest	IHS.FS.60331226	Cowlitz	2020	16	91
PeaceHealth Hospice Southwest	IHS.FS.60331226	Clark	2020	194	1372
Providence Hospice	IHS.FS.60201476	Clark	2020	0	0
Providence Hospice	IHS.FS.60201476	Skamania	2020	1	16
Providence Hospice	IHS.FS.60201476	Klickitat	2020	6	28
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	Island	2020	5	36
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000418	Snohomish	2020	267	1645
Providence Hospice of Seattle	IHS.FS.00000336	Snohomish	2020	0	0
Providence Hospice of Seattle	IHS.FS.00000336	King	2020	338	2059
Providence Sound HomeCare and Hospice	IHS.FS.00000420	Lewis	2020	32	175
Providence Sound HomeCare and Hospice	IHS.FS.00000420	Mason	2020	35	193
Providence Sound HomeCare and Hospice	IHS.FS.00000420	Thurston	2020	106	772
Puget Sound Hospice	IHS.FS.61032138	Thurston	2020	0	6
Skagit Hospice Services dba Hospice of the Northwest	IHS.FS.00000437	San Juan	2020	8	89
Skagit Hospice Services dba Hospice of the Northwest	IHS.FS.00000437	Snohomish	2020	8	74
Skagit Hospice Services dba Hospice of the Northwest	IHS.FS.00000437	Island	2020	20	81
Skagit Hospice Services dba Hospice of the Northwest	IHS.FS.00000437	Skagit	2020	70	607
Virginia Mason Franciscan Hospice & Palliative Care	IHS.FS.00000287	King	2020	52	716
Virginia Mason Franciscan Hospice & Palliative Care	IHS.FS.00000287	Kitsap	2020	71	681
Virginia Mason Franciscan Hospice & Palliative Care	IHS.FS.00000287	Pierce	2020	232	1630
Walla Walla Community Hospice	IHS.FS.60480441	Columbia	2020	3	50
Walla Walla Community Hospice	IHS.FS.60480441	Walla Walla	2020	41	242
Washington HomeCare and Hospice of Central Basin, LLC d/b/a Assured Hospice	IHS.FS.60092413	Adams	2020	4	48
Washington HomeCare and Hospice of Central Basin, LLC d/b/a Assured Hospice	IHS.FS.60092413	Lincoln	2020	5	21
Washington HomeCare and Hospice of Central Basin, LLC d/b/a Assured Hospice	IHS.FS.60092413	Grant	2020	40	251
Wesley Homes Hospice, LLC	IHS.FS.60276500	Pierce	2020	1	16
Wesley Homes Hospice, LLC	IHS.FS.60276500	King	2020	3	110
Whatcom Hospice	IHS.FS.00000471	Whatcom	2020	80	978
WhidbeyHealth Hospice	IHS.FS.00000323	Island	2020	29	252
Alpha Hospice	IHS.FS.61032013	Snohomish	2021	6	111
Alpowa Healthcare, Inc. d/b/a Elite Home Health & Hospice	IHS.FS.60384078	Asotin	2021	9	92
Alpowa Healthcare, Inc. d/b/a Elite Home Health & Hospice	IHS.FS.60384078	Garfield	2021	0	6
Astria Hospice	IHS.FS.60097245	Yakima	2021	3	52
Bristol Hospice - Thurston, LLC	IHS.FS.61211200	Thurston	2021	0	0
Central Washington Home Care Services	IHS.FS.00000250	Chelan	2021	53	686
Central Washington Home Care Services	IHS.FS.00000250	Douglas	2021	19	209
Community Home Health/Hospice	IHS.FS.00000262	Cowlitz	2021	73	558
Community Home Health/Hospice	IHS.FS.00000262	Wahkiakum	2021	1	14
Community Home Health/Hospice	IHS.FS.60547198	Clark	2021	57	425
Continuum Care of King LLC	IHS.FS.61058934	King	2021	0	0
Continuum Care of Snohomish, LLC	IHS.FS.61010090	Snohomish	2021	36	306
Continuum Care of Snohomish, LLC	IHS.FS.61010090	King	2021	9	309
Eden Hospice at Whatcom County	IHS.FS.61117985	Whatcom	2021	2	24
Eden Hospice at Whatcom County	IHS.FS.61117985	Skagit	2021	0	1
Enhabit Hospice	IHS.FS.61165576	Douglas	2021	4	18
Enhabit Hospice	IHS.FS.61165576	Grant	2021	2	5
Enhabit Hospice	IHS.FS.61165576	Okanogan	2021	19	183
Enhabit Hospice	IHS.FS.61165576	Lincoln	2021	0	0
Enhabit Hospice	IHS.FS.61165576	Ferry	2021	0	0
Enhabit Hospice	IHS.FS.61165576	Chelan	2021	0	0
Envision Hospice of Washington LLC	IHS.FS.60952486	Snohomish	2021	0	1
Envision Hospice of Washington, LLC	IHS.FS.60952486	King	2021	1	73
Envision Hospice of Washington, LLC	IHS.FS.60952486	Kitsap	2021	6	55
Envision Hospice of Washington, LLC	IHS.FS.60952486	Pierce	2021	8	113
Envision Hospice of Washington, LLC	IHS.FS.60952486	Thurston	2021	1	22
EvergreenHealth	IHS.FS.00000278	King	2021	259	2082
EvergreenHealth	IHS.FS.00000278	Snohomish	2021	67	627
EvergreenHealth	IHS.FS.00000278	Island	2021	0	4
Franciscan Hospice and Palliative Care	IHS.FS.00000287	Kitsap	2021	356	371
Franciscan Hospice and Palliative Care	IHS.FS.00000287	Pierce	2021	141	1081
Franciscan Hospice and Palliative Care	IHS.FS.00000287	King	2021	31	387
Harbors Home Health & Hospice	IHS.FS.00000306	Grays Harbor	2021	2	2

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Agency Name	License Number	County	Year	0-64	65+
Harbors Home Health & Hospice	IHS.FS.00000306	Pacific	2021	2	2
HEART OF HOSPICE	IHS.FS.60741443	Clark	2021	0	0
HEART OF HOSPICE	IHS.FS.60741443	Klickitat	2021	3	20
HEART OF HOSPICE	IHS.FS.60741443	Skamania	2021	2	22
HEART OF HOSPICE	IHS.FS.60741443	Snohomish	2021	0	0
Heartlinks	IHS.FS.00000369	Benton	2021	17	205
Heartlinks	IHS.FS.00000369	Yakima	2021	15	224
Heartlinks	IHS.FS.00000369	Franklin	2021	1	9
Horizon Hospice	IHS.FS.00000332	Spokane	2021	36	520
Hospice of Jefferson County	IHS.FS.00000349	Jefferson	2021	14	162
Hospice of Spokane	IHS.FS.00000337	Spokane	2021	317	1899
Hospice of Spokane	IHS.FS.00000337	Stevens	2021	31	111
Hospice of Spokane	IHS.FS.00000337	Ferry	2021	6	32
Hospice of Spokane	IHS.FS.00000337	Pend Oreille	2021	12	55
Hospice of Spokane	IHS.FS.00000337	Lincoln	2021	1	2
Kaiser Permanente	IHS.FS.00000353	Clark	2021	37	408
Kaiser Permanente	IHS.FS.00000353	Cowlitz	2021	4	7
Kaiser Permanente Home Health & Hospice	IHS.FS.00000305	King	2021	42	281
Kaiser Permanente Home Health & Hospice	IHS.FS.00000305	Kitsap	2021	11	138
Kaiser Permanente Home Health & Hospice	IHS.FS.00000305	Pierce	2021	21	156
Kaiser Permanente Home Health & Hospice	IHS.FS.00000305	Snohomish	2021	5	63
Kittitas Valley Healthcare Hospice	IHS.FS.00000320	Kittitas	2021	15	115
Klickitat Valley Health - Hospice	IHS.FS.00000361	Klickitat	2021	3	28
Kline Galland Hospice	IHS.FS.60103742	King	2021	42	410
Memorial Home Care Services	IHS.FS.00000376	Yakima	2021	143	649
Multicare Hospice	IHS.FS.60639376	King	2021	21	141
Multicare Hospice	IHS.FS.60639376	Pierce	2021	145	914
Multicare Hospice	IHS.FS.60639376	Kitsap	2021	16	140
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Clallam	2021	24	271
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Jefferson	2021	1	9
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Lewis	2021	19	221
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Mason	2021	12	47
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Pierce	2021	0	1
Northwest Healthcare Alliance, Inc. d/b/a Assured Home Health & Hospice	IHS.FS.00000229	Thurston	2021	31	282
Odyssey HealthCare Operating B, LP	IHS.FS.60308060	Spokane	2021	15	271
Odyssey HealthCare Operating B, LP	IHS.FS.60308060	Whitman	2021	15	175
Odyssey HealthCare Operating B, LP	IHS.FS.60330209	King	2021	1	116
Olympic Medical Hospice	IHS.FS.00000393	Clallam	2021	0	0
PeaceHealth Southwest Hospice	IHS.FS.60331226	Clark	2021	213	1614
PeaceHealth Southwest Hospice	IHS.FS.60331226	Cowlitz	2021	39	228
PeaceHealth Southwest Hospice	IHS.FS.60331226	Skamania	2021	0	1
PeaceHealth Southwest Hospice	IHS.FS.60331226	Wahkiakum	2021	2	3
Providence Hospice	IHS.FS.60201476	Klickitat	2021	7	34
Providence Hospice	IHS.FS.60201476	Skamania	2021	2	15
Providence Hospice	IHS.FS.60201476	Clark	2021	1	17
Providence Hospice of Seattle	IHS.FS.00000336	King	2021	402	2664
Providence Hospice of Seattle	IHS.FS.00000336	Pierce	2021	1	1
Providence Hospice Snohomish	IHS.FS.00000418	Island	2021	7	36

Sources:
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Department of Health
2022-2023 Hospice Numeric Need Methodology
*Preliminary Death Data Updated October 3, 2022**

County	0-64			65+		
	2019	2020	2021	2019	2020	2021
ADAMS	35	20	23	93	59	92
ASOTIN	54	56	43	222	186	188
BENTON	346	555	536	1154	1522	1610
CHELAN	137	224	256	626	785	870
CLALLAM	186	195	185	955	777	906
CLARK	887	1043	1078	2987	3205	3705
COLUMBIA	7	7	11	52	43	43
COWLITZ	294	314	401	951	968	1100
DOUGLAS	63	42	45	270	160	174
FERRY	20	19	21	64	58	63
FRANKLIN	123	100	110	313	263	261
GARFIELD	5	5	4	21	11	24
GRANT	197	186	208	508	455	523
GRAYS HARBOR	251	209	236	659	558	590
ISLAND	167	110	116	642	505	504
JEFFERSON	72	68	54	338	273	295
KING	3,275	4456	4892	10213	11186	11896
KITSAP	557	454	489	1811	1714	1832
KITTITAS	90	78	88	266	241	241
KLICKITAT	46	42	50	160	113	164
LEWIS	210	205	186	722	653	723
LINCOLN	25	15	24	89	75	76
MASON	167	143	168	548	408	461
OKANOGAN	119	88	92	358	277	324
PACIFIC	66	55	59	265	177	239
PEND OREILLE	31	41	55	125	101	119
PIERCE	1,911	2364	2574	5002	5608	6264
SAN JUAN	20	18	24	127	94	91
SKAGIT	229	269	334	1018	1068	1190
SKAMANIA	19	26	25	87	47	56
SNOHOMISH	1,533	1587	1563	4081	4278	4478
SPOKANE	1,143	1634	1842	3545	4322	4810
STEVENS	112	86	114	345	248	304
THURSTON	525	628	763	1908	2007	2285
WAHKIAKUM	11	10	7	53	18	25
WALLA WALLA	118	150	138	450	522	595
WHATCOM	394	457	443	1461	1481	1674
WHITMAN	47	51	59	219	226	278
YAKIMA	555	653	699	1451	1675	1644

Department of Health
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0-64 Population Projection

County	2019-2021											
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Average Population
Adams	17,637	17,768	17,899	18,029	18,160	18,291	18,456	18,622	18,787	18,953	19,118	18,303
Asotin	16,969	16,906	16,842	16,779	16,715	16,652	16,596	16,540	16,485	16,429	16,373	16,655
Benton	162,262	163,693	165,123	166,554	167,984	169,415	171,026	172,638	174,249	175,861	177,472	169,475
Chelan	61,284	61,520	61,755	61,991	62,227	62,463	62,512	62,562	62,611	62,661	62,710	62,401
Clallam	52,716	52,661	52,605	52,550	52,494	52,439	52,233	52,027	51,821	51,615	51,409	52,389
Clark	387,296	393,291	399,287	405,282	411,278	417,273	421,901	426,529	431,158	435,786	440,414	416,817
Columbia	2,988	2,947	2,905	2,863	2,822	2,780	2,745	2,710	2,675	2,640	2,605	2,782
Cowlitz	85,417	85,517	85,617	85,717	85,817	85,917	85,843	85,769	85,695	85,621	85,547	85,859
Douglas	33,540	33,938	34,335	34,732	35,130	35,527	35,803	36,080	36,356	36,633	36,909	35,487
Ferry	5,834	5,782	5,731	5,680	5,628	5,577	5,541	5,506	5,470	5,435	5,399	5,582
Franklin	79,651	81,742	83,832	85,922	88,012	90,102	92,443	94,784	97,124	99,465	101,806	90,186
Garfield	1,665	1,644	1,623	1,602	1,581	1,560	1,541	1,522	1,502	1,483	1,464	1,561
Grant	81,535	82,660	83,784	84,909	86,033	87,158	88,240	89,322	90,403	91,485	92,567	87,144
Grays Harbor	59,105	58,675	58,246	57,817	57,387	56,958	56,679	56,401	56,122	55,844	55,565	57,008
Island	62,514	62,664	62,814	62,964	63,114	63,264	63,280	63,296	63,312	63,328	63,344	63,219
Jefferson	20,636	20,653	20,670	20,688	20,705	20,722	20,636	20,550	20,463	20,377	20,291	20,688
King	1,798,581	1,820,215	1,841,848	1,863,482	1,885,115	1,906,749	1,918,470	1,930,192	1,941,913	1,953,635	1,965,356	1,903,445
Kitsap	212,548	214,045	215,543	217,040	218,538	220,035	220,614	221,192	221,771	222,349	222,928	219,729
Kittitas	36,206	36,768	37,330	37,892	38,453	39,015	39,286	39,556	39,827	40,097	40,368	38,918
Klickitat	16,208	16,082	15,955	15,828	15,702	15,575	15,439	15,304	15,168	15,033	14,897	15,572
Lewis	61,494	61,796	62,097	62,398	62,700	63,001	63,164	63,327	63,491	63,654	63,817	62,955
Lincoln	8,101	8,042	7,982	7,923	7,864	7,805	7,751	7,698	7,644	7,591	7,537	7,807
Mason	48,672	49,162	49,652	50,142	50,632	51,122	51,397	51,672	51,946	52,221	52,496	51,050
Okanogan	33,087	32,906	32,726	32,545	32,364	32,183	32,087	31,991	31,896	31,800	31,704	32,211
Pacific	15,115	14,972	14,830	14,688	14,545	14,403	14,322	14,242	14,161	14,081	14,000	14,424
Pend Oreille	10,045	9,998	9,952	9,905	9,859	9,812	9,769	9,727	9,684	9,642	9,599	9,813
Pierce	721,137	729,937	738,738	747,538	756,339	765,139	769,918	774,696	779,475	784,253	789,032	763,798
San Juan	11,305	11,194	11,084	10,974	10,863	10,753	10,730	10,707	10,684	10,661	10,638	10,782
Skagit	97,885	98,616	99,346	100,076	100,807	101,537	101,887	102,236	102,586	102,935	103,285	101,410
Skamania	9,272	9,266	9,260	9,254	9,248	9,242	9,223	9,205	9,186	9,168	9,149	9,238
Snohomish	661,812	672,806	683,800	694,793	705,787	716,781	721,527	726,273	731,019	735,765	740,511	714,698
Spokane	414,493	416,684	418,875	421,066	423,256	425,447	426,740	428,033	429,326	430,619	431,912	425,148
Stevens	34,576	34,459	34,343	34,226	34,109	33,992	33,917	33,841	33,766	33,690	33,615	34,006
Thurston	224,951	228,261	231,571	234,880	238,190	241,500	243,867	246,235	248,602	250,970	253,337	241,186
Wahkiakum	2,726	2,669	2,612	2,555	2,498	2,441	2,405	2,368	2,332	2,295	2,259	2,448
Walla Walla	49,893	50,111	50,328	50,546	50,763	50,981	51,028	51,075	51,121	51,168	51,215	50,924
Whatcom	175,840	178,234	180,629	183,023	185,418	187,812	189,267	190,722	192,178	193,633	195,088	187,499
Whitman	42,880	42,965	43,051	43,137	43,222	43,308	43,315	43,322	43,330	43,337	43,344	43,282
Yakima	215,882	217,605	219,328	221,051	222,774	224,497	225,822	227,147	228,473	229,798	231,123	224,364

Sources:
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Department of Health
2022-2023 Hospice Numeric Need Methodology
65+ Population Projection

County	2019-2021											Average Population
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Adams	1,773	1,887	2,000	2,114	2,227	2,341	2,383	2,424	2,466	2,507	2,549	2,317
Asotin	5,041	5,233	5,426	5,619	5,812	6,005	6,175	6,344	6,514	6,683	6,853	5,997
Benton	26,328	27,492	28,657	29,821	30,986	32,150	33,373	34,597	35,820	37,044	38,267	32,170
Chelan	13,746	14,279	14,811	15,343	15,876	16,408	17,052	17,695	18,339	18,982	19,626	16,445
Clallam	19,934	20,401	20,867	21,334	21,800	22,267	22,901	23,535	24,168	24,802	25,436	22,323
Clark	64,524	68,044	71,564	75,085	78,605	82,125	85,686	89,247	92,807	96,368	99,929	82,139
Columbia	1,102	1,135	1,169	1,202	1,236	1,269	1,287	1,304	1,322	1,339	1,357	1,264
Cowlitz	18,863	19,684	20,505	21,326	22,148	22,969	23,719	24,470	25,220	25,971	26,721	22,945
Douglas	6,450	6,831	7,213	7,595	7,976	8,358	8,666	8,974	9,283	9,591	9,899	8,334
Ferry	1,876	1,949	2,022	2,095	2,168	2,241	2,289	2,337	2,386	2,434	2,482	2,233
Franklin	7,499	7,921	8,343	8,765	9,188	9,610	10,083	10,557	11,030	11,504	11,977	9,627
Garfield	595	607	620	633	645	658	669	680	692	703	714	658
Grant	12,395	13,011	13,628	14,244	14,861	15,477	16,071	16,665	17,258	17,852	18,446	15,469
Grays Harbor	14,005	14,535	15,064	15,594	16,123	16,653	17,133	17,612	18,092	18,571	19,051	16,636
Island	18,086	18,625	19,163	19,701	20,239	20,777	21,412	22,047	22,682	23,317	23,952	20,809
Jefferson	10,244	10,580	10,916	11,252	11,588	11,924	12,323	12,722	13,121	13,520	13,919	11,945
King	254,219	268,307	282,395	296,484	310,572	324,660	337,771	350,881	363,992	377,102	390,213	324,334
Kitsap	45,652	47,697	49,743	51,788	53,833	55,878	58,185	60,492	62,800	65,107	67,414	55,965
Kittitas	6,464	6,760	7,055	7,351	7,647	7,943	8,266	8,589	8,911	9,234	9,557	7,952
Klickitat	4,792	5,051	5,310	5,570	5,829	6,088	6,268	6,448	6,627	6,807	6,987	6,062
Lewis	15,166	15,576	15,987	16,398	16,808	17,219	17,697	18,175	18,652	19,130	19,608	17,241
Lincoln	2,619	2,687	2,755	2,823	2,891	2,959	3,039	3,119	3,200	3,280	3,360	2,963
Mason	13,528	14,123	14,717	15,311	15,905	16,499	17,167	17,836	18,504	19,173	19,841	16,524
Okanogan	8,773	9,198	9,624	10,050	10,475	10,901	11,210	11,519	11,827	12,136	12,445	10,862
Pacific	6,095	6,258	6,421	6,584	6,747	6,910	7,035	7,159	7,284	7,408	7,533	6,897
Pend Oreille	3,195	3,378	3,560	3,742	3,925	4,107	4,239	4,371	4,504	4,636	4,768	4,090
Pierce	108,983	114,409	119,836	125,262	130,688	136,114	142,422	148,729	155,037	161,344	167,652	136,408
San Juan	4,876	5,099	5,322	5,545	5,768	5,991	6,174	6,357	6,541	6,724	6,907	5,978
Skagit	22,735	24,021	25,308	26,595	27,881	29,168	30,314	31,460	32,607	33,753	34,899	29,121
Skamania	2,158	2,286	2,414	2,542	2,670	2,798	2,923	3,048	3,172	3,297	3,422	2,797
Snohomish	95,788	101,674	107,560	113,447	119,333	125,219	131,978	138,737	145,495	152,254	159,013	125,510
Spokane	73,817	77,325	80,834	84,343	87,852	91,361	94,670	97,979	101,288	104,597	107,906	91,294
Stevens	9,454	9,930	10,407	10,884	11,360	11,837	12,214	12,591	12,969	13,346	13,723	11,804
Thurston	42,459	44,534	46,608	48,683	50,757	52,832	54,900	56,967	59,035	61,102	63,170	52,830
Wahkiakum	1,254	1,316	1,379	1,441	1,503	1,565	1,580	1,595	1,611	1,626	1,641	1,549
Walla Walla	10,757	10,819	10,881	10,944	11,006	11,068	11,350	11,632	11,915	12,197	12,479	11,141
Whatcom	33,950	35,688	37,426	39,164	40,902	42,640	44,217	45,794	47,372	48,949	50,526	42,586
Whitman	4,370	4,659	4,948	5,237	5,526	5,815	6,008	6,201	6,395	6,588	6,781	5,783
Yakima	34,088	34,949	35,809	36,670	37,530	38,391	39,475	40,559	41,643	42,727	43,811	38,465

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