



STATE OF WASHINGTON  
DEPARTMENT OF HEALTH

May 21, 2012

CERTIFIED MAIL # 7008 1300 0000 7202 9638

Tom Tomasino, CEO  
Whidbey General Hospital  
101 North Main  
Coupeville, Washington 98239

Dear Mr. Tomasino:

RE: CN11-06

We have completed review of Whidbey General Hospital Hospice application to establish a Medicare certified/Medicaid eligible hospice in Coupeville within Island County. For the reasons stated in the enclosed decision, the department has concluded that the project as described below is consistent with the applicable review criteria. The Department is prepared to issue a Certificate of Need for this project provided Whidbey General Hospital agrees to the following in its entirety:

**Project Description:**

This project approves the establishment of a Medicare certified and Medicaid eligible hospice agency to be known as Home Health Care & Hospice of Whidbey to serve the residents of Island County. The hospice agency is to be co-located with the hospital's home health agency at Whidbey General Hospital located at 101 North Main, Coupeville WA. Hospice services to be provided include nursing care, medical social services, speech, physical, and occupational therapies, palliative care, and pastoral and spiritual care.

**Conditions:**

1. Whidbey Island Public Hospital District #1 agrees with the project description stated above.
2. Whidbey Island Public Hospital District #1s Medicare certified and Medicaid eligible hospice agency shall be available to residents of Island County, including Camano Island.

**Approved Costs:**

There is no capital expenditure associated with this project.



Tom Tomasino, CEO  
Whidbey General Hospital  
May 21, 2012  
Page 2 of 2

You have two options, either accept or reject the above in its entirety. If you accept the above in its entirety, your application will be approved and a Certificate of Need sent to you. If you reject any provision of the above, you must identify that provision, and your application will be denied because approval would not be consistent with applicable Certificate of Need review criteria. Please notify the Department of Health within 20 days of the date of this letter whether you accept the above in its entirety.

Your written response should be sent to the Certificate of Need Program, at one of the following addresses.

Mailing Address:

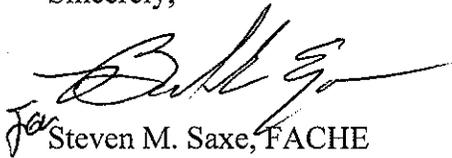
Department of Health  
Certificate of Need Program  
Mail Stop 47852  
Olympia, WA 98504-7852

Other Than By Mail:

Department of Health  
Certificate of Need Program  
310 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 Janis Sigman with the Certificate of Need Program at (360) 236-2955.

Sincerely,



For Steven M. Saxe, FACHE  
Director, Health Professions and Facilities

Enclosure

**EVALUATION DATED May 21, 2012 OF THE CERTIFICATE OF NEED  
APPLICATION FROM WHIDBEY ISLAND PUBLIC HOSPITAL DISTRICT #1 DBA  
WHIDBEY GENERAL HOSPITAL PROPOSING TO ESTABLISH A MEDICARE  
CERTIFIED/MEDICAID ELIGIBLE HOSPICE AGENCY IN ISLAND COUNTY**

**APPLICANT DESCRIPTION**

Whidbey General Hospital (WGH) is an acute care hospital located at 101 North Main Street in the city of Coupeville, within Island County. WGH is owned by Whidbey Island Public Hospital District #1. WGH has a Critical Access Hospital designation under 42 U.S.C. 1395i-4. WGH currently provides inpatient and outpatient services at the following three locations in Island County. [source: Application, pp4-5]

<b>Name</b>	<b>Type of facility</b>	<b>Services/FTEs</b>
Whidbey General Hospital 101 North Main Street Coupeville, Washington 98239	25 bed acute care hospital and a designated Critical Access Hospital	78 providers 693 employees
Whidbey General South 11245 State Route 525 Clinton, Washington 98236	Rural Health Clinic	Primary care outpatient Less than 3 FTEs
Whidbey General North 1300 Goldie Road Oak Harbor, Washington 98277	Rural Health Clinic	Primary care outpatient Less than 5 FTEs

WGH also operates a Medicare certified/Medicaid eligible<sup>1</sup> home health agency and a state licensed hospice agency as a department of the hospital. The home health agency provides home health services to the residents of Whidbey Island, which includes the cities and surrounding areas of Oak Harbor, Coupeville, Greenbank, Freeland, Langley, and Clinton<sup>2</sup>. The hospice agency is not Medicare certified, and cannot provide the overall medical direction or the range of essential hospice services for which its patients are financially eligible under Medicare reimbursement.<sup>3</sup> [source: Application, p7-8]

**PROJECT DESCRIPTION**

This application proposes that WGH’s licensed only hospice agency would become Medicare certified and provide the hospice services to residents of Island County as a whole, including Camano Island. The proposed agency would remain in its current location as a department of the hospital. Services to be provided by the Medicare certified hospice agency include nursing care, medical social services, speech, physical, and occupational therapies, palliative care, and pastoral and spiritual care.

---

<sup>1</sup> A Medicare certified agency is also Medicaid eligible, therefore, the term “Medicaid eligible” will not be repeated throughout this evaluation.

<sup>2</sup> The home health agency does not serve Camano Island consistent with its Certificate of Need issued July 13, 1982

<sup>3</sup> In 1990 WGH applied for and received a Certificate of Need for the establishment of a Medicare-certified hospice agency. Although the hospice agency became licensed, Medicare certification was never sought.

Since the agency would be co-located with the Medicare certified home health agency, there is no capital expenditure associated with this project. [source: Application, p1]

If this project is approved, WGH anticipates commencement and completion within six months. Under this timeline, while the agency would become operational in year 2012, year 2013 would be the facility's first full calendar year of operation and year 2015 would be year three. [source: February 4, 2011 Response to Screening Questions, Appendix S1C]

### **APPLICABILITY OF CERTIFICATE OF NEED LAW**

The project is subject to Certificate of Need review as the establishment of a new healthcare facility under provisions of Revised Code of Washington RCW 70.38.105(4) (a) and Washington Administrative Code (WAC) 246-310-020(1)(a).

### **CRITERIA EVALUATION**

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. It states:

*“Criteria contained in this section and in WAC 246-310-210, 246-310-220, 246-310-230, and 246-310-240 shall be used by the department in making the required determinations.*

*(a) In the use of criteria for making the required determinations, the department shall consider:*

- (i) The consistency of the proposed project with service or facility standards contained in this chapter;*
- (ii) In the event the standards contained in this chapter do not address in sufficient detail for a required determination the services or facilities for health services proposed, the department may consider standards not in conflict with those standards in accordance with subsection (2)(b) of this section; and*
- (iii) The relationship of the proposed project to the long-range plan (if any) of the person proposing the project.”*

In the event the WAC 246-310 does not contain service or facility standards in sufficient detail to make the required determinations, WAC 246-310-200(2)(b) identifies the types of standards the department may consider in making its required determinations. Specifically WAC 246-310-200(2)(b) states:

*“The department may consider any of the following in its use of criteria for making the required determinations:*

- (i) Nationally recognized standards from professional organizations;*
- (ii) Standards developed by professional organizations in Washington State;*
- (iii) Federal Medicare and Medicaid certification requirements;*
- (iv) State licensing requirements;*
- (v) Applicable standards developed by other individuals, groups, or organizations with recognized expertise related to a proposed undertaking; and*
- (vi) The written findings and recommendations of individuals, groups, or organizations with recognized expertise related to a proposed undertaking, with whom the department consults during the review of an application.”*

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, the 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).<sup>4</sup>

**CONCURRENT REVIEW AND APPLICATION CHRONOLOGY**

The concurrent review process promotes the expressed public policy goal of RCW 70.38 that the development or expansion of health care services is accomplished in a planned, orderly fashion and without unnecessary duplication. For hospice services, concurrent review allows the department to review applications proposing the serve the same planning area as defined in WAC 246-310-290 and simultaneously to reach a decision that serves the best interests of the planning area’s residents. Whidbey Hospice is located in the Island County hospice planning area.<sup>5</sup> As directed under WAC 246-310-290(3) the department accepted this project under the year 2010 Concurrent Review Cycle. No other hospice applications were submitted for the Island County planning area during the 2010 review cycle. As allowed under WAC 246-310-290(5), this application was converted to a regular review. A chronologic summary of the review is shown below:

<b>Action</b>	<b>WGH Hospice</b>
Letter of Intent Submitted	September 30, 2010
Application Submitted	October 29, 2010
Department’s Pre-Review Activities including first and second screening and responses	October 30, 2010 through March 8, 2011
Beginning of Review <ul style="list-style-type: none"> <li>• public comments accepted throughout review</li> <li>• No public hearing requested</li> </ul>	March 9, 2011
End of Public Comment	April 13, 2011
Rebuttal Comments Due <sup>6</sup>	April 27, 2011
PUI declared	July 19, 2011
PUI Response Received	October 11, 2011

<sup>4</sup> Each criterion contains certain sub-criteria. The following sub-criteria are not discussed in this evaluation because they are not relevant to this project: WAC 246-310-210(3), (4), (5), and (6); WAC 246-310-220(2) and (3); and WAC 246-310-240(2) and (3).

<sup>5</sup> Hospice rules adopted in April 2003 identify the individual counties as the smallest planning/service area for Hospice. Island County, as a whole, is a single hospice planning/service area which includes Camano Island.

<sup>6</sup> No letters of opposition were submitted. WGH chose not to provide rebuttal statements to the letters of support submitted during public comment.

<b>Action</b>	<b>WGH Hospice</b>
End of Public Comment	October 24, 2011
Rebuttal Comments Due <sup>7</sup>	November 8, 2011
Department's Anticipated Decision Date	December 8, 2011
Department's Actual Decision Date	May 21, 2012

### **AFFECTED PERSONS**

Washington Administrative Code 246-310-010(2) defines “*affected person*” as:

“...an “*interested person*” who:

- (a) *Is located or resides in the applicant's health service area;*
- (b) *Testified at a public hearing or submitted written evidence; and*
- (c) *Requested in writing to be informed of the department's decision.”*

Throughout the review of this project, no entities sought and received affected person status under WAC 246-310-010(2).

### **SOURCE INFORMATION REVIEWED**

- Whidbey General Hospital’s Certificate of Need application submitted October 29, 2010
- Whidbey General Hospital’s supplemental information submitted February 4, 2011, and March 4, 2011
- Public comment received during the review
- June 9, 2009, Hospice Surveys
- Washington 246-310-290 Hospice Services Standards and Forecasting Method based on 2007, 2008, and 2009 data
- Licensing and/or survey data provided by the Department of Health’s Investigations and Inspections Office
- Population data obtained from the Office of Financial Management based on year 2000 census and published November 2007
- Financial Feasibility and cost containment evaluation prepared by the Department of Health’s Hospital and Patient Data Systems dated May 2, 2011
- Patient Data obtained from Department of Social and Health Services Medicaid Purchasing Administration
- Whidbey General Hospital’s October 11, 2011, response to pivotal unresolved issue (PUI)
- Certificate of Need historical files
- Data obtained from the Department of Health’s Integrated Licensing & Regulatory System (ILRS)

### **CONCLUSION**

For the reasons stated in this evaluation, the application submitted by Whidbey Island Public Hospital District #1 dba Whidbey General Hospital to establish a new Medicare certified/Medicaid eligible hospice to serve the residents of Island County is consistent with

<sup>7</sup> No comments were provided related to the PUI documents; therefore WGH did not provide rebuttal statements.

applicable criteria of the Certificate of Need Program, provided Whidbey General Hospital agrees to the following in its entirety.

**Project Description:**

This project approves the establishment of a Medicare certified and Medicaid eligible hospice agency to be known as Home Health Care & Hospice of Whidbey to serve the residents of Island County. The hospice agency is to be co-located with the hospital's home health agency at Whidbey General Hospital located at 101 North Main, Coupeville WA. Hospice services to be provided include nursing care, medical social services, speech, physical, and occupational therapies, palliative care, and pastoral and spiritual care.

**Conditions:**

1. Whidbey Island Public Hospital District #1 agrees with the project description stated above.
2. Whidbey Island Public Hospital District #1s Medicare certified and Medicaid eligible hospice agency shall be available to residents of Island County, including Camano Island.

**Approved Costs:**

There is no capital expenditure associated with this project.

**A. Need (WAC 246-310-210) and WAC 246-310-290(6) and (7)**

Based on the source information reviewed and provided that the applicant agrees to the conditions identified in the “conclusion” section of this evaluation, the department concludes that Whidbey General Hospital’s project has met the need criteria.

- (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 contains specific WAC 246-310 need criteria as identified in WAC 246-310-200(2)(a)(i). WAC 246-310-290 contains a numeric need methodology and it will be used for this evaluation.

**Hospice Numeric Methodology WAC 246-310-290(7)**

The determination of numeric need for hospice services is performed using the hospice services need forecasting method contained in the WAC 246-310-290. The methodology is a six-step process of information gathering and mathematical computation. The first step examines historical hospice utilization rates at the statewide level. The remaining five steps apply that utilization to current and future populations at the service area level and are intended to determine total baseline hospice services need and compare that need to the capacity of existing providers. Below is a summary of the applicant’s numeric methodology.

**Whidbey General Hospital’s methodology**

Although Whidbey General submitted several different numeric need methodologies, none of those provided were consistent with WAC 246-310-290(7). Therefore, the need methodologies provided by Whidbey will not be discussed further in this analysis.

**Department’s Methodology WAC 246-310-290(7)**

This portion of the evaluation will describe, in summary, the calculations made at each step and the assumptions and changes made in that process. The titles for each step are excerpted from the WAC. The completed methodology is presented as an appendix to this evaluation.

*Step 1: Calculate the following four statewide predicted hospice use rates using CMS and department of health data or other available sources.*

- (i) The predicted percentage of cancer patients sixty-five and over who will use hospice services. This percentage is calculated by dividing the average number of hospice admissions over the last three years for patients the age of sixty-five and over with cancer by the average number of past three years statewide total deaths sixty-five and over from cancer.*
- (ii) The predicted percentage of cancer patients under sixty-five who will use hospice services. This percentage is calculated by dividing the average number of hospice admissions over the last three years for patients under the age of sixty-five with cancer by the current statewide total of deaths under sixty-five with cancer.*
- (iii) The predicted percentage of non-cancer patients sixty-five and over who will use hospice services. This percentage is calculated by dividing the average number of hospice admissions over the last three years for patients age sixty-*

*five and over with diagnoses other than cancer by the current statewide total of deaths over sixty-five with diagnoses other than cancer.*

*(iv) The predicted percentage of non-cancer patients under sixty-five who will use hospice services. This percentage is calculated by dividing the average number of hospice admissions over the last three years for patients under the age of sixty-five with diagnoses other than cancer by the current statewide total of deaths under sixty-five with diagnoses other than cancer.*

For these sub-steps within Step 1, the department obtained utilization data for 2007 through 2009 from the licensed and Certificate of Need approved hospice providers throughout the state. The department asked providers to report their admissions by age group (under 65 and 65 and over) and diagnosis (cancer/non-cancer) for each of the most recent three years. This information was to be provided by county of residence. The results of this survey were compared with data provided by the Department of Health's Center for Health Statistics and Cancer Registry office to determine the percentages of deaths due to cancer and non-cancer causes for the two age groups. Although not all hospice providers in the state responded to the program's surveys, all providers serving Island County provided responses.

*Step 2: Calculate the average number of total resident deaths over the last three years for each planning area.*

This step was completed using death statistics from the Department of Health's Center for Health Statistics. The total deaths in each of the planning areas for 2007-2009 were averaged for each planning area.<sup>8</sup>

*Step 3: Multiply each hospice use rate determined in Step 1 by the planning area's average total resident deaths determined in Step 2.*

In this step, the use rates from Step 1 are multiplied by the applicable age group's death rate for each planning area to determine the number of likely hospice patients for each of the four age/diagnosis categories.

*Step 4: Add the four subtotals derived in Step 3 to project the potential volume of hospice services in each planning area.*

The numbers of likely hospice patients from each of the four categories derived in Step 3 are added together for each planning area. This number is described as the "potential volume" of hospice services in the area. This represents the number of patients expected to elect hospice services in the area.

*Step 5: Inflate the potential volume of hospice service by the one-year estimated population growth (using OFM data).*

---

<sup>8</sup> In applying Step 2, the department reads "total" to mean the total number of death for each of the four categories of patients identified in Step 1. The department adopts this reading because the various steps in the methodology build on each other and should be read together.

The values derived in Step 4, above, were inflated by the expected populations for each planning area. The age-specific population projections for each county were obtained from the state's Office of Financial Management. The most recent age-specific data set is the "Population Projections developed for Growth Management Act (Released November 2007)". This age-specific data is available for 5-year intervals only. The department has used these 5-year interval values to estimate population projections for the interstitial years. The department applied the one-year estimated population growth to the potential volume of hospice services derived in Step 4 to estimate potential hospice volume in 2010, the first year following the three-year data range.

*Step 6: Subtract the current hospice capacity in each planning area from the above projected volume of hospice services to determine unmet need. Determine the number of hospice agencies in the proposed planning area which could support the unmet need with an ADC [average daily census] of thirty-five.*

Current hospice capacity is defined in the rule as the average number of admissions for the most recent three years of operation for those agencies that have operated or have been approved to operate in the planning area for three years or more. For the remaining agencies that have not operated in the planning area for at least three years, an average daily census (ADC) of thirty-five is assumed for that agency.

Hospice of the Northwest (formerly Skagit Hospice) is the only hospice agency identified as CoN approved for Island County.<sup>9</sup> This agency has been in operation at least three years. The department calculated the ADC for the Hospice of the Northwest by multiplying the CMS 2009 average length of stay (ALOS) for Washington State<sup>10</sup>, times proposed unmet admissions and divided that total by three hundred sixty-five (days per year). The result of this calculation is an unmet ADC of 32 for Island County. Step 6 requires an unmet need of at least 35 before a new agency may be approved. Island County's unmet need of 32 does not meet this requirement.

In conclusion, the numeric methodology is a population-based assessment to determine the projected need for hospice services in a county (planning area). Based solely on the numeric methodology applied by the department there is no need demonstrated for an additional hospice agency to serve Island County.

The applicant asserted that even if their calculations showed no need for another agency in Island County, their application demonstrates that Whidbey Island is underserved and the project should be approved under the 'exception' outlined in WAC 246-310-290(6). To demonstrate compliance with this sub-criterion, WGH provided the statements below. [source: Application, p10]

---

<sup>9</sup> Providence Hospice serves only Camano Island, consistent with its hospice grandfathering. At that time, Camano Island was part of Snohomish County. Therefore, Providence Hospice is not CoN approved for Island County under the current rules adopted in 2003.

<sup>10</sup> CMS Website, 2010 Edition Compendium, Table VII 15b, State data.

*“If approved under the exception criteria in WAC 246-310-290, Whidbey General Hospital (Whidbey Hospice) agreed to the following:*

- *Commits to maintain Medicare certification; Whidbey General Hospital commits unalterably to achieving and maintaining Medicare certification. Whidbey General’s home health agency has been Medicare-certified for over 20 years and there is no question that the hospital will successfully obtain and keep such certification for hospice.*
- *Commits to serve one or more counties that do not have any Medicare certified providers; Whidbey General Hospital commits to serving the entirety of Island County or Whidbey Island planning area as defined by the CON program. We have demonstrated elsewhere that no provider is currently serving the entire area.*
- *Can document overall financial feasibility; Because the new WGH hospice will be part of a long-standing community hospital, [it] will share administrative resources with the existing home health agency and already has a substantial base of potential hospice patients; the financial feasibility will be readily demonstrated”.*

In addition to the statements above, WGH provided two additional analyses to demonstrate that the existing providers are not available or accessible.

- Comparison of 2009 Island County use rates to the state wide average for 2009.
- Comparison of 2009 statewide hospice penetration rates with hospice penetration rates for Island County.

Use Rate Comparison

For the 2009 statewide and Island County use rate comparison, WGH used the four use rates it calculated in Step 1 of the methodology. Rather than adding the use rates as directed in Step 4, WGH continued using the four separate rates throughout the method. This comparison shows the four separate use rates by age and diagnoses for Washington State, compared with the four separate use rates by age and diagnoses for Island County. Based on this comparison, WGH concluded Island County could have as many as 179 un-served hospice patients. [source: Application, p 15-16]

Penetration Rate Comparison

For the 2009 statewide and Island County hospice penetration rate comparison, WGH provided an estimate of the number of hospice eligible patients from Island County that were served by WGH’s home health agency for years 2006 through 2009. A summary of that comparison is shown in Table 1 below.

**Table 1  
2006-2009 Home Health Patients Eligible for Hospice Services**

	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Number of Patients</b>	103	125	96	88
<b>Number of Patient Days</b>	9,400	10,505	7,310	9,933
<b>Average Length of Stay</b>	91	84	76	113
<b>Average Daily Census</b>	26	29	20	27

WGH asserts that the information in Table 1 above demonstrates that there is a historical base of patients served by the home health agency that would have been potential patients for its Medicare certified hospice agency. The patient days, average length of stay, and average daily census shown above is actual data for the admission that used its home health agency rather than hospice services. [source: Application, p20]

### Public Comment

During the review of this project, the department received over 100 letters of support for this project. Comments were received from both providers and non-providers. A more detailed discussion of these comments will be provided later in this analysis. The department did not receive any comments in opposition to the project.

### Department's Evaluation

Even if the department were to agree with Whidbey General that the hospice exception of WAC 246-310-290(6) applied to the need section, it would not apply in this case. Island County has a CoN approved hospice (Hospice of the Northwest). Therefore, Whidbey's application fails to meet WAC 246-310-290(6)(b) which specifically states:

"...;

*(b) Commits to serve one or more counties that do not have any Medicare certified providers; and [Emphasis added]*

The department reviewed Whidbey's use rate argument. The department is very familiar with this argument and the parallel argument that this approach should be applied to the hospice methodology in rule. This argument has been rejected through the adjudicative appeal process and the department finds no reason to take a position in this analysis contrary to that decision.

The department also evaluated WGH's penetration rate comparison. WGH estimated between 88 and 125 home health patients were actually hospice eligible patients. These patients represented an average daily census of 20 to 29 patients. The department would agree with WGH that some number of hospice eligible home health patients would choose hospice instead of home health if hospice were offered. However, how many is an unknown.

To assist in its review of whether residence of Whidbey Island had access to hospice services, the department first determined how many providers are serving the county. According to department records, there is one Medicare certified hospice agency (Hospice of the Northwest (HON)) authorized to serve Island County.<sup>11</sup> This agency is located at 819 South 13<sup>th</sup> Street in Mount Vernon, within Skagit County, and its Medicare certified hospice service area includes the counties of Skagit, Snohomish, San Juan, and Island. HON submitted utilization data to the department in the 2007, 2008 and 2009 Hospice Methodology surveys. The data submitted by HON for Island County is shown in Table 2 below.

---

<sup>11</sup> Providence Hospice serves only Camano Island, consistent with its hospice grandfathering. At that time, Camano Island was part of Snohomish County. Therefore, Providence Hospice is not CoN approved for Island County under the current rules adopted in 2003.

**Table 2**  
**2007 – 2009 Utilization Data for Island County Providers**

<b>Agency</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Hospice of the Northwest	133	97	109

Based on the information in Table 2 HON appears to be providing Medicare certified hospice services in Island County.

After reviewing the information provided in Table 2 above, WGH asserts that HON’s Island County admissions are primarily provided to residents of Camano Island, consistent with its Snohomish County approval. To help evaluate the assertion by WGH, the department obtained patient resident data from DSHS for Medicaid patients served by HON. [source: DSHS Medicaid Purchasing Administration] Table 3 below shows the total Medicaid patients living in the Whidbey Island zip codes served by this provider for the calendar years 2008 and 2009 broken down by city of residence.

**Table 3**  
**Hospice of the Northwest**  
**Medicaid Patients for 2008 and 2009**

<b>Zip Code</b>	<b>City</b>	<b>Island Location</b>	<b>2008</b>	<b>2009</b>
98277	Oak Harbor	North	8	7
98278	Oak Harbor	North	0	0
98239	Coupeville	North	8	15
98253	Green Bank	South	0	0
98249	Freeland	South	1	0
98260	Langley	South	1	0
98236	Clinton	South	1	0
	<b>Totals</b>		<b>10</b>	<b>22</b>

Table 3 shows that Medicaid patients living on Whidbey Island are being served by HON. However this data suggests that potential hospice patients living in South Whidbey Island are not accessing the Medicare hospice agency serving Island County. This data indicates that these hospice services are not available and accessible to patients in the South Whidbey Island community.

During the review of this application the department received over 100 letters of support for the proposed hospice. There were no letters of opposition to proposed project. When the department does not receive comments from a CoN approved agency serving the applicant’s proposed service area the department concludes the CoN approved agency has determined that approval of the proposed project would not adversely impact them. The department did not receive any comments from HON on this application. Therefore the department concludes HON will not be unreasonably impacted by WGH’s project. The department’s review of the support letters revealed the following:

- Ten provider letters commented they had experienced problems with the availability and accessibility of Medicare certified hospice services on the island.

- Two MDs with oncology practices commented on the importance of having a hospice locally for improved communication, continuity of care, and ability to provide hospitalization locally for respite care.
- Three nurse practitioners (ARNP) working with oncology patients expressed the need for a local agency to provide improved access to ancillary services and continuity of care between hospital care, home health care and hospice care. They also emphasized the stress of having to change providers when needing a Medicare certified agency.
- Most of these providers also expressed the cost of care to the patient and the health care system when hospice care can't be accessed by patients.
- Three in home service providers expressed the need for a local hospice agency in providing services for the residents. They currently rely on the Whidbey Home Health agency when it can be used to provide services.
- Several of the volunteer agencies expressed the need for a local Medicare certified hospice agency to improve access to services. Medicare clients often qualify for Medicaid services and access to a distant agency can be a problem for these patients and their families.
- Finally, letters were also received from community members expressing general concerns about availability and accessibility of the hospice services and providing personal experiences with the lack of services in the county.
- Many letters commented on the lack of coordination with local agencies.

Additionally, one letter from a volunteer bereavement counselor with experience working with hospice agencies in other states provided the following comments regarding hospice services provided from a distant agency:

- "Nursing visits are scheduled once a week, and are not increased in frequency as the patient deteriorates. My nurses would sometimes visit 2 to 3 times a day in the last 24 to 48 hours prior to death, or the patients level of care would be changed to continuous care to have a professional care provider in the home at the time of death.
- Patient care volunteers are not available.
- Social workers make one visit on admission to assess the patient family situation and never return.
- Spiritual care is almost non-existent.
- Bereavement care requires elderly family members to travel long distances to receive counseling, which many of them are unable to do."

Based on the above information submitted by Whidbey Island residents, the department concludes the existing Medicare approved hospice agency is not reasonably available and accessible to Island County residents.

The department generally does not consider transportation issues when it reviews proposals. However, in this instant the department does believe some consideration of transportation

issues is warranted. Island and San Juan counties are the only two counties of Washington's 39 counties that are islands. Transportation to and from the islands are limited. Not only are the residents dependent on ferries and their schedules or a single main access road, but so are off island care givers. It appears to the department that these factors may, in part, explain the public comments regarding the lack of access to hospice services. It may also explain why the existing Medicare certified hospice agency did not oppose or submit comments about Whidbey's application. Although the department's numerical need methodology does not support the need for an additional agency in Island County, these unique transportation challenges and comments from community health providers, community residence providers, volunteer agencies, and community members the department concludes that there is need for a Medicare certified hospice agency located on the island. **This sub-criterion is met.**

- (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.

WGH is currently a provider of healthcare services to residents of Washington State including low income, racial and ethnic minorities, handicapped and other underserved groups. As a provider of hospital and home health services, WGH also currently participates in the Medicare and Medicaid programs. To determine whether all residents of the service area would have access to WGH's proposed services, the department requires applicants to provide a copy of its current or proposed admission policy. 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 any assurances regarding access.

To demonstrate compliance with this sub-criterion, WGH provided its current Admission Policy used by the licensed only hospice agency and the Medicare certified home health agency. The policy demonstrates that patients would be admitted to the facility for treatment without regard to age, color, religion, sex national origin, or handicap, and will be treated with respect and dignity. [source: Application, Appendix I]

To determine whether the elderly would have access to services, the department uses Medicare certification as the measure to make that determination. WGH currently provides services to Medicare eligible patients. Documents provided in the application demonstrate that WGH intends to maintain this status with its Medicare certified hospice agency. For this project a review of the data provided for WGH hospice agency identifies the facility's financial resources as including Medicare revenues. [source: February 4, 2011 Response to Screening Questions, Appendix S1C]

To determine whether low income residents would have access to the proposed services, the department uses the facility's Medicaid eligibility or contracting with Medicaid as the measure to make that determination. WGH currently provides services to Medicaid eligible patients. Documents provided in the application demonstrate that it intends to maintain this status. For this project a review of the data provided for WGH's hospice agency identifies the financial resources as including Medicaid revenues. [source: Application, p30; February 4, 2011 Response to Screening Questions, Appendix S1C]

A facility's charity care policy should confirm that all residents of the service area including low-income, racial and ethnic minorities, handicapped and other underserved groups have, or would have, access to healthcare services of the applicant. The policy should also include the process one must use to access charity care at the facility.

WGH states that its charity care policy, like the admission policy, would not change if this project is approved. WGH submitted a copy of its charity care policy dated December 2006. After this application was submitted, WGH submitted an update to its charity care policy to the department's Hospital and Patient Data Systems office for review and approval. According to the department's website, the updated policy was approved November 2010. This updated policy outlines the process and level of charity care as required. The applicant's pro forma revenue and expense statements indicate that the hospital will provide charity care at approximately 1.08% of gross revenue, or 2.37% of adjusted. The department concludes that all residents, including low income, racial and ethnic minorities, handicapped, and other under-served groups would continue to have access to the services provided by WGH. **This sub-criterion is met.**

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

Based on the source information reviewed, the department determines that Whidbey General Hospital has met the financial feasibility criteria in WAC 246-310-220.

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

WAC 246-310 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 directs what the operating revenues and expenses should be for a project of this type and size. Therefore, using its experience and expertise the department evaluates if the applicant's pro forma income statements reasonably project the proposed project is meeting its immediate and long-range capital and operating costs by the end of the third complete year of operation.

If this project is approved, WGH anticipates it would begin providing Medicare certified hospice services within six months. Under this timeline, year 2013 is projected to be the first full calendar year of operation and 2015 is projected to be year three.

Using the financial information provided by WGH, Table 5 illustrates the projected revenue, expenses, and net income for the first three years of operation of the proposed Medicare certified hospice agency. [source: February 4, 2011 Response to Screening Questions, AppendixS1C]

**Table 5  
Whidbey Hospice Projected Revenues Years 2013 through 2015**

	<b>Full Calendar Year 1-2013</b>	<b>Full Calendar Year 2-2014</b>	<b>Full Calendar Year 3-2015</b>
Projected # Patients	152	184	214
Projected # Patient Days	9,120	11,040	12,840

	Full Calendar Year 1-2013	Full Calendar Year 2-2014	Full Calendar Year 3-2015
Average Daily Census	25	30	35
Net Revenues	\$1,745,369	\$2,113,456	\$2,454,175
Total Operating Expense	\$1,577,425	\$1,795,406	\$2,036,002
Net Profit/Loss	\$167,944	\$318,050	\$418,173
Operating Revenue per Pt. Day	\$191.00	\$191.00	\$191.00
Operating Expense per Pt. Day	\$173.00	\$163.00	\$159.00
Net Profit per Pt. Day	\$18.00	\$29.00	\$33.00

The 'Net Revenue' line item in Table 5 is the result of gross patient revenue minus any deductions for contractual allowances and charity care. The 'total operating expenses' line item includes staff salaries/wages other direct expenses and all cost allocations. The expense line item also includes any bad debt.

As shown in Table 5 above, the inclusion of the hospice agency does not affect the overall financial viability of WGH. If WGH meets its patient projections, its revenue would exceed its expenses through the third year of operation. The department concludes that WGH would be able to meet its short and long term costs of the hospice agency. **This sub-criterion is met.**

**C. Structure and Process (Quality) of Care (WAC 246-310-230)**

Based on the source information reviewed, the department concludes that Whidbey General Hospital has met the structure and process of care criteria in WAC 246-310-230.

- (1) A sufficient supply of qualified staff for the project, including both health personnel and management personnel, are available or can be recruited.

WAC 246-310 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 concludes that the planning would allow for the required coverage.

Currently, WGH is operating as a hospital and has a Medicare certified home health agency. Whidbey Hospice will be sharing healthcare, management and support staff with the existing home health agency. The hospice and home health agency will be a department of the hospital. WGH anticipates that the hospice agency's staff would increase, and the home health agency's staff would decrease. Tables 6A and 6B below show the increase and decrease of each. Table 6A shows that Whidbey Hospice is expecting to start with 6.67 FTEs in 2012 and are expecting to add 6.93 FTEs by 2015.

**Table 6A  
Whidbey Hospice Projected FTEs 2012 to 2015**

Category	Current	2012	2013	2014	2015	Total
Operations						
Medical Director.	0.00	0.25	0.0	0.0	0.0	0.25

Category	Current	2012	2013	2014	2015	Total
Bereavement	0.00	0.50	0.0	0.0	0.0	0.50
Pastoral Care	0.00	0.42	0.08	0.0	0.0	0.50
Volunteer Coordinator *	0.00					
Dietician	0.00	0.04	0.01	0.02	0.03	0.10
Director	0.00	0.50	0.0	0.0	0.0	0.50
HHA's	0.00	0.75	1.75	0.53	0.49	3.52
PT/OT/SLP	0.00	0.08	0.0	0.07	0.05	0.20
Med. Social Worker	0.00	0.21	0.51	0.15	0.14	1.01
Clinical Care Mgr.	0.00	1.00	0.0	0.0	0.0	1.00
RN's	0.00	0.75	1.75	0.53	0.49	3.52
<b>Subtotal</b>	<b>0.00</b>	<b>4.50</b>	<b>4.10</b>	<b>1.30</b>	<b>1.20</b>	<b>11.10</b>
<b>Administrative</b>						
Business/Clerical	0.00	0.50	0.00	0.00	0.00	0.50
Billing-Field Corr.	0.00	0.50	0.00	0.005	0.00	0.50
Medical Records	0.00	0.50	0.00	0.00	0.00	0.50
Manager CQI	0.00	0.38	0.12	0.00	0.00	0.50
Receptionist	0.00	0.29	0.21	0.00	0.00	0.50
<b>Subtotal</b>	<b>0.00</b>	<b>2.17</b>	<b>0.33</b>	<b>0.00</b>	<b>0.00</b>	<b>2.50</b>
<b>Total FTEs</b>	<b>0.00</b>	<b>6.67</b>	<b>4.43</b>	<b>1.30</b>	<b>1.20</b>	<b>13.60</b>

\*In the Director's position until census reaches 40 ADC

Table 6B shows that the home health agency is projected to start with 18.50 FTEs currently and reduce by 5.67 FTEs by 2015. [source: October 11, 2011 Response to PUI Letter]

**Table 6b**  
**Whidbey Home Health Projected FTEs 2012 to 2015**

Category	Current	2012	2013	2014	2015	Total
Operations						
Medical Director	0.00	0.00	0.00	0.00	0.00	0.00
Bereavement						
Pastoral Care	0.60	(0.10)	0.00	0.00	0.00	0.50
Volunteer Coordinator	0.00	0.00	0.00	0.00	0.00	0.00
Dietician						
Director	1.00	(0.50)	0.0	0.0	0.0	0.50
HHA's	0.00	0.00	0.00	0.00	0.00	0.00
PT/OT/SLP	2.60	(0.10)	(0.10)	(0.10)	(0.10)	2.20
Med. Social Worker	0.80	(0.21)	(0.09)	0.00	0.00	0.50
Clinical Care Mgr.	1.00	0.00	0.0	0.0	0.0	1.00
RN's	8.60	(0.66)	(1.52)	(0.46)	(0.43)	5.53
<b>Subtotal</b>	<b>14.60</b>	<b>(1.57)</b>	<b>(1.71)</b>	<b>(0.56)</b>	<b>(0.53)</b>	<b>10.23</b>
<b>Administrative</b>						
Business/Clerical	1.00	0.00	0.00	0.00	0.00	1.00

Category	Current	2012	2013	2014	2015	Total
Billing-Field Corr.	0.40	0.00	0.00	0.00	(0.10)	0.30
Medical Records	0.50	0.00	(0.10)	0.00	(0.10)	0.30
Manager CQI	1.00	(0.38)	(0.12)	0.00	0.00	0.50
Receptionist	1.00	(0.29)	(0.21)	0.00	0.00	0.50
<b>Subtotal</b>	<b>3.90</b>	<b>(0.67)</b>	<b>0.43</b>	<b>0.00</b>	<b>0.20</b>	<b>2.60</b>
<b>Total FTEs</b>	<b>18.50</b>	<b>(2.24)</b>	<b>(2.14)</b>	<b>(0.56)</b>	<b>(0.73)</b>	<b>12.83</b>

When compared, Tables 6A and 6B demonstrate that home health agency will not reduce its FTEs as much as the hospice agency expects to increase FTEs because the hospice agency has some additional staff needs that are not required for the home health agency.

WGH has had experience recruiting staff for their existing healthcare facilities and has a reputation for staff longevity. WGH state it has already recruited key staff for the hospice agency without any difficulty. [source: February 4, 2011 Response to Screening Questions, Appendix, S1D]

The medical director for Whidbey Hospice will be Jerry Sanders, MD. The hospital provided his physician license number for the department. Dr. Sanders is a board certified family practice physician and is a full time employee of WGH. Dr. Sanders has extensive experience in palliative care and pain management. The hospital provided a summary of Dr. Sanders experience and training.

WGH also provided a copy of a draft addendum to the current employment agreement which covers the costs associated with the hospice medical director. Documentation describing the roles and responsibilities of the medical director was included in the application. Additionally, the pro forma revenue and expense statements include compensation for the medical director services.

The department concludes that staffing for the proposed hospice agency is available or can be recruited by the applicant. **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.

WAC 246-310 does not contain specific WAC 246-310-230(2) criteria as identified in WAC 246-310-200(2)(a)(i). There are no 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 the applicant's history in meeting these standards at other facilities owned or operated by the applicant.

Whidbey Hospice will be a part of the hospital's department that also operates the Medicare certified home health agency. The hospice agency will share medical, administrative, and support staff with the home health service. The hospice agency will expand the services

funded by Medicare and complement the services currently provided by the home health service. The applicant also provided a list of existing vendors to provide the necessary ancillary and support services. [source: Application, p35] **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.*

WAC 246-310 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 the applicant's history in meeting these standards at other facilities owned or operated by the applicant.

As stated in the project description of this evaluation, the applicant currently operates a critical access hospital and a Medicare certified home health service. The department reviewed the quality of care history for the hospital and the home health service. Within the last two years, the Department of Health's Investigations and Inspections Office, which surveys hospitals within Washington State, has completed one compliance Survey for the hospital. The hospital survey revealed minor non-compliance issues typical of a hospital, and WGH submitted a plan of correction for the non-compliance issues within the allowable response time. Documentation provided by the applicant and DOH's Investigations and Inspections Office indicates there is reasonable assurance that the project will be in conformance with applicable licensing and certification requirements.

Specific to hospice services, Whidbey Hospice provided the following:

- name and credential number for hospice director;
- a copy of the hospice in service training plan; and
- a copy of customer satisfaction survey materials.

WGH provided the name of the medical director for the hospice agency to allow the department to confirm compliance history. Also the compliance history for the other licensed staff provided by the applicant has also been confirmed.

Given Whidbey General Hospital's compliance history and the compliance history of WGH's other facilities, the department concludes that there is reasonable assurance that the project will be in conformance with applicable state licensing requirements and with the applicable conditions of Medicare and Medicaid. **This sub-criterion is met.**

- (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.*

WAC 246-310 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 a project of this type and size. Therefore, using its experience and expertise the department assessed the materials in the application.

WGH currently provides acute care hospital services and primary care services in rural health clinics in North Whidbey Island and South Whidbey Island. The hospital also currently operates a Medicare certified home health agency. The hospital is licensed to provide hospice services, but can only be reimbursed by private pay and insurances that do not require Medicare certification. The applicant is proposing this project will improve continuity of services based on patients transferred within their organization rather than being transferred to an existing off island hospice provider.

As noted in the need section of this evaluation, the department received over 100 letters of support for WGH's application. These letters raised concerns about accessibility and availability of the existing off island provider to island residents. Approval of the proposed WGH project would address those concerns. **This sub-criterion is met.**

- (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 subsection is addressed in subsections (2) and (3). The department concludes that there is reasonable assurance that the services to be provided ensure safe and adequate care to the public and those applicable federal and state laws, rules, and regulations would be adhered to. **This sub-criterion is met.**

#### **D. Cost Containment (WAC 246-310-240)**

Based on the source information reviewed, the department concludes Whidbey General Hospital has met the cost containment criteria in WAC 246-310-240.

- (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, the department takes a multi-step approach. Step one determines if the application has met the other criteria of WAC 246-310-210 through 230. If it has failed to meet one or more of these criteria then the project is determined not to be the best alternative and would fail this sub-criterion. If the project met WAC 246-310-210 through 230 criteria, the department would move to step two in the process and assess the other options the applicant or applicants considered prior to submitting the application under review. If the department determines the proposed project is better or equal to other options the applicant considered before submitting their application, the determination is either made that this criterion is met (regular or expedited reviews), or in the case of projects under concurrent review, move on to step three.

Step three of this assessment is to apply any service or facility specific criteria (tie-breaker) contained in WAC 246-310. The tiebreaker criteria are objective measures used to compare competing projects and make the determination between two or more approvable projects

which is the best alternative. If WAC 246-310 does not contain any service or facility criteria as directed by WAC 246-310-200(2)(a)(i), then the department would look to WAC 246-310-240(2)(a)(ii) and (b) for criteria to make the assessment of the competing proposals. If there are no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b), then using its experience and expertise, the department would assess the competing projects and determine which project should be approved.

### **Step One**

For this project, WGH met the review criteria under WAC 246-310-210, 220, and 230. Therefore, the department moves to step two of this evaluation.

### **Step Two**

Before submitting this project WGH considered three alternatives to the proposed application. These included:

- Acquisition
- Postponing
- No action

An acquisition was rejected because no hospice agency with CoN approval for Island County was available and the cost of an acquisition was estimated to be more than the existing proposal. Postponing action was rejected by WGH because of the number of its existing home health patients, eligible for hospice care and its belief that this would continue if another Medicare certified hospice was not available. Finally the no action option was rejected because this project directly one of the major goals of “Whidbey General Hospital’s Vision for 2014.” The department did not identify any other alternatives. The department concludes this project is the best available alternative for the community. **This sub-criterion is met**, and the department did not need to review step three for this project.

# APPENDIX



**Department of Health  
Hospice Numeric Need Methodology-Preliminary Results**

Step 1. Calculate the following four statewide predicted hospice use rates using CMS and department of health data or other available data sources.									
(i) The predicted percentage of cancer patients sixty-five and over who will use hospice services. This percentage is calculated by dividing the average number of hospice admissions over the last three years for patients the age of sixty-five and over with cancer by the average number of past three years statewide total deaths sixty-five and over from cancer.									
(ii) The predicted percentage of cancer patients under sixty-five who will use hospice services. This percentage is calculated by dividing the average number of hospice admissions over the last three years for patients under the age of sixty-five with cancer by the current statewide total of deaths under sixty-five with cancer.									
(iii) The predicted percentage of noncancer patients sixty-five and over who will use hospice services. This percentage is calculated by dividing the average number of hospice admissions over the last three years for patients age sixty-five and over with diagnoses other than cancer by the current statewide total of deaths over sixty-five with diagnoses other than cancer.									
(iv) The predicted percentage of noncancer patients under sixty-five who will use hospice services. This percentage is calculated by dividing the average number of hospice admissions over the last three years for patients under the age of sixty-five with diagnoses other than cancer by the current statewide total of deaths under sixty-five with diagnoses other than cancer.									
i.	Hospice Admissions 65+ w/cancer			# of deaths 65+ w/cancer			Hospice Use Rates by age and diagnosis		
	2007	6129	Average	2007	8027	Average	65+ w/Cancer	77.97%	
	2008	6425	6348.33	2008	8094	8142.33	<65 w/Cancer	68.32%	
	2009	6491		2009	8306		65+ w/o Cancer	41.98%	
							<65 w/o Cancer	11.50%	
ii.	Hospice Admissions <65 w/cancer			# of deaths <65 w/cancer			Rates of Cancer as cause of death		
	2007	2376	Average	2007	3498	Average	65+	23.02%	
	2008	2271	2411.67	2008	3497	3530.00	<65	28.04%	
	2009	2588		2009	3595				
							Hospice use rate by age only		
iii.	Hospice Admissions 65+ w/o cancer			# of deaths 65+ w/o cancer			<65	27.43%	
	2007	10939	Average	2007	26847	Average	65+	50.27%	
	2008	11137	11427.67	2008	27747	27221.33			
	2009	12207		2009	27070				
iv.	Hospice Admissions <65 w/o cancer			# of deaths <65 w/o cancer					
	2007	948	Average	2007	8742	Average			
	2008	1048	1041.67	2008	9212	9061.33			
	2009	1129		2009	9230				
Sources: Vital Statistics reports for 2009									



**Department of Health  
Hospice Numeric Need Methodology-Preliminary Results**

Step 2. Calculate the average number of total resident deaths over the last three years for each planning area.									
0-64						65+			
County	2007	2008	2009	Average	County	2007	2008	2009	Average
Adams	32	39	40	37	Adams	79	82	84	82
Asotin	46	52	52	50	Asotin	165	176	184	175
Benton	278	298	307	294	Benton	887	883	881	884
Chelan	101	121	116	113	Chelan	496	536	506	513
Clallam	192	187	218	199	Clallam	748	728	702	726
Clark	737	733	808	759	Clark	1,911	2,027	2,039	1,992
Columbia	7	10	11	9	Columbia	43	27	30	33
Cowlitz	262	256	246	255	Cowlitz	739	747	737	741
Douglas	67	63	63	64	Douglas	190	215	217	207
Ferry	34	22	32	29	Ferry	59	44	41	48
Franklin	88	114	112	105	Franklin	214	243	254	237
Garfield	2	3	3	3	Garfield	20	26	24	23
Grant	169	170	187	175	Grant	399	430	416	415
Grays Harbor	214	231	229	225	Grays Harbor	610	546	538	565
Island	137	121	127	128	Island	493	522	476	497
Jefferson	69	77	67	71	Jefferson	229	267	252	249
King	3,044	3,071	3,031	3,049	King	8,586	8,888	8,523	8,666
Kitsap	457	486	515	486	Kitsap	1,440	1,427	1,467	1,445
Kittitas	47	70	48	55	Kittitas	201	207	211	206
Klickitat	65	38	52	52	Klickitat	118	111	127	119
Lewis	171	161	178	170	Lewis	571	557	607	578
Lincoln	22	29	25	25	Lincoln	82	103	96	94
Mason	163	145	168	159	Mason	441	433	397	424
Okanogan	94	126	109	110	Okanogan	259	291	305	285
Pacific	71	79	77	76	Pacific	232	221	252	235
Pend Oreille	39	36	37	37	Pend Oreille	118	112	105	112
Pierce	1,635	1,814	1,715	1,721	Pierce	3,981	4,038	4,045	4,021
San Juan	21	28	34	28	San Juan	101	106	82	96
Skagit	204	255	264	241	Skagit	785	875	846	835
Skamania	21	27	36	28	Skamania	44	48	50	47
Snohomish	1,200	1,195	1,258	1,218	Snohomish	3,105	3,185	3,196	3,162
Spokane	932	1,052	1,024	1,003	Spokane	2,874	3,022	2,971	2,956
Stevens	112	106	118	112	Stevens	291	290	286	289
Thurston	467	461	453	460	Thurston	1,379	1,367	1,374	1,373
Wahkiakum	14	18	5	12	Wahkiakum	38	42	33	38
Walla Walla	120	130	118	123	Walla Walla	445	450	464	453
Whatcom	354	330	333	339	Whatcom	1,065	1,086	1,055	1,069
Whitman	50	39	50	46	Whitman	173	190	185	183
Yakima	502	516	559	526	Yakima	1,263	1,293	1,318	1,278



**Department of Health  
Hospice Numeric Need Methodology-Preliminary Results**

Step 3. Multiply each hospice use rate determined in Step 1 by the planning areas average total resident deaths determined in Step 2.										
0-64	2007-2009		Cancer	Non-Cancer		65+			Cancer	Non-Cancer
County	Average Deaths		Projected	Projected		County	Average		Projected	Projected
Adams	37		7	3		Adams	82		15	26
Asotin	50		10	4		Asotin	175		31	57
Benton	294		56	24		Benton	884		159	286
Chelan	113		22	9		Chelan	513		92	166
Clallam	199		38	16		Clallam	726		130	235
Clark	759		145	63		Clark	1992		358	644
Columbia	9		2	1		Columbia	33		6	11
Cowlitz	255		49	21		Cowlitz	741		133	239
Douglas	64		12	5		Douglas	207		37	67
Ferry	29		6	2		Ferry	48		9	16
Franklin	105		20	9		Franklin	237		43	77
Garfield	3		1	0		Garfield	23		4	8
Grant	175		34	15		Grant	415		74	134
Grays Hart	225		43	19		Grays Hart	565		101	182
Island	128		25	11		Island	497		89	161
Jefferson	71		14	6		Jefferson	249		45	81
King	3049		584	252		King	8666		1556	2800
Kitsap	486		93	40		Kitsap	1445		259	467
Kittitas	55		11	5		Kittitas	206		37	67
Klickitat	52		10	4		Klickitat	119		21	38
Lewis	170		33	14		Lewis	578		104	187
Lincoln	25		5	2		Lincoln	94		17	30
Mason	159		30	13		Mason	424		76	137
Okanogan	110		21	9		Okanogan	285		51	92
Pacific	76		14	6		Pacific	235		42	76
Pend Oreil	37		7	3		Pend Oreil	112		20	36
Pierce	1721		330	142		Pierce	4021		722	1299
San Juan	28		5	2		San Juan	96		17	31
Skagit	241		46	20		Skagit	835		150	270
Skamania	28		5	2		Skamania	47		8	15
Snohomish	1218		233	101		Snohomish	3162		568	1022
Spokane	1003		192	83		Spokane	2956		531	955
Stevens	112		21	9		Stevens	289		52	93
Thurston	460		88	38		Thurston	1373		247	444
Wahkiakur	12		2	1		Wahkiakur	38		7	12
Walla Wall	123		23	10		Walla Wall	453		81	146
Whatcom	339		65	28		Whatcom	1069		192	345
Whitman	46		9	4		Whitman	183		33	59
Yakima	526		101	43		Yakima	1278		229	413



**Department of Health  
Hospice Numeric Need Methodology-Preliminary Results**

Step 4. Add the four subtotals derived in Step 3 to project the potential volume of hospice services in each planning area.							
County	Average Deaths	<65 w/Cancer Projected	<65 w/o Cancer Projected	65+ w/Cancer Projected	65+ w/o Cancer Projected	Total Projected Patients	
Adams	119	7	3	15	26	51	
Asotin	225	10	4	31	57	102	
Benton	1178	56	24	159	286	525	
Chelan	625	22	9	92	166	289	
Clallam	925	38	16	130	235	420	
Clark	2752	145	63	358	644	1210	
Columbia	43	2	1	6	11	19	
Cowlitz	996	49	21	133	239	442	
Douglas	272	12	5	37	67	122	
Ferry	77	6	2	9	16	32	
Franklin	342	20	9	43	77	148	
Garfield	26	1	0	4	8	12	
Grant	590	34	15	74	134	257	
Grays Hart	789	43	19	101	182	345	
Island	625	25	11	89	161	285	
Jefferson	320	14	6	45	81	145	
King	11714	584	252	1556	2800	5192	
Kitsap	1931	93	40	259	467	859	
Kittitas	261	11	5	37	67	119	
Klickitat	170	10	4	21	38	74	
Lewis	748	33	14	104	187	337	
Lincoln	119	5	2	17	30	54	
Mason	582	30	13	76	137	256	
Okanogan	395	21	9	51	92	173	
Pacific	311	14	6	42	76	139	
Pend Oreil	149	7	3	20	36	66	
Pierce	5743	330	142	722	1299	2493	
San Juan	124	5	2	17	31	56	
Skagit	1076	46	20	150	270	486	
Skamania	75	5	2	8	15	31	
Snohomish	4380	233	101	568	1022	1923	
Spokane	3958	192	83	531	955	1761	
Stevens	401	21	9	52	93	176	
Thurston	1834	88	38	247	444	817	
Wahkiakur	50	2	1	7	12	22	
Walla Wall	576	23	10	81	146	261	
Whatcom	1408	65	28	192	345	630	
Whitman	229	9	4	33	59	105	
Yakima	1804	101	43	229	413	787	

Step 5. Inflate the potential volume of hospice service by the one-year estimated population growth (using OFM data).															
County	Projected Patients	2007-2009 average population	2010	2011	2012	2013	2014	2015	2010 Potential volume	2011 Potential volume	2012 Potential volume	2013 Potential volume	2014 Potential volume	2015 Potential volume	
Adams	51	17,826	18,376	18,614	18,853	19,091	19,330	19,568	53	53	54	55	56	56	
Asotin	102	21,734	22,290	22,480	22,670	22,861	23,051	23,241	104	105	106	107	108	109	
Benton	525	164,543	168,839	170,442	172,045	173,648	175,251	176,854	539	544	549	554	559	564	
Chelan	289	72,736	75,093	76,081	77,068	78,056	79,043	80,031	298	302	306	310	314	318	
Clallam	420	68,125	69,008	69,588	70,169	70,749	71,330	71,910	425	429	432	436	439	443	
Clark	1210	418,435	436,391	444,483	452,575	460,666	468,758	476,850	1262	1285	1308	1332	1355	1379	
Columbia	19	4,102	4,103	4,102	4,100	4,099	4,097	4,096	19	19	19	19	19	19	
Cowlitz	442	103,144	107,974	109,790	111,606	113,421	115,237	117,053	463	471	479	486	494	502	
Douglas	122	37,413	39,222	39,830	40,438	41,046	41,654	42,262	128	130	132	134	136	138	
Ferry	32	7,830	8,117	8,203	8,289	8,375	8,461	8,547	33	34	34	34	35	35	
Franklin	148	66,223	70,038	72,100	74,162	76,224	78,286	80,348	156	161	166	170	175	179	
Garfield	12	2,407	2,412	2,428	2,445	2,461	2,478	2,494	12	13	13	13	13	13	
Grant	257	84,673	88,389	89,255	90,121	90,987	91,853	92,719	268	271	273	276	278	281	
Grays Harbor	345	71,087	71,945	72,498	73,051	73,604	74,157	74,710	350	352	355	358	360	363	
Island	285	78,822	80,703	82,029	83,355	84,682	86,008	87,334	292	297	301	306	311	316	
Jefferson	145	29,587	30,912	31,537	32,161	32,786	33,410	34,035	151	154	157	160	164	167	
King	5192	1,883,794	1,934,124	1,953,110	1,972,096	1,991,081	2,010,067	2,029,053	5331	5383	5435	5488	5540	5592	
Kitsap	859	245,590	249,050	251,650	254,251	256,851	259,452	262,052	872	881	890	899	908	917	
Kittitas	119	38,510	39,783	40,312	40,840	41,369	41,897	42,426	123	124	126	128	129	131	
Klickitat	74	20,784	21,640	21,922	22,204	22,485	22,767	23,049	77	78	79	80	81	82	
Lewis	337	75,166	77,544	78,270	78,996	79,723	80,449	81,175	348	351	355	358	361	364	
Lincoln	54	10,276	10,393	10,513	10,633	10,754	10,874	10,994	55	55	56	57	57	58	
Mason	256	55,946	58,643	59,704	60,765	61,825	62,886	63,947	269	274	279	283	288	293	
Okanogan	173	41,483	42,739	43,176	43,613	44,049	44,486	44,923	179	180	182	184	186	188	
Pacific	139	21,283	21,271	21,358	21,445	21,531	21,618	21,705	139	139	140	141	141	142	
Pend Oreille	66	13,090	13,683	13,886	14,089	14,291	14,494	14,697	69	70	71	72	73	75	
Pierce	2493	804,373	836,688	849,188	861,689	874,189	886,690	899,190	2594	2632	2671	2710	2749	2787	
San Juan	56	16,596	17,327	17,692	18,056	18,421	18,785	19,150	58	60	61	62	63	65	
Skagit	486	118,693	123,888	126,228	128,568	130,909	133,249	135,589	507	517	526	536	546	555	
Skamania	31	10,765	11,075	11,204	11,333	11,462	11,591	11,720	32	33	33	34	34	34	
Snohomish	1923	697,898	725,963	738,066	750,168	762,271	774,373	786,476	2001	2034	2067	2101	2134	2167	
Spokane	1761	454,554	466,724	472,682	478,640	484,597	490,555	496,513	1808	1831	1854	1877	1900	1923	
Stevens	176	44,450	46,616	47,703	48,791	49,878	50,966	52,053	185	189	193	197	202	206	
Thurston	817	243,308	256,113	262,126	268,140	274,153	280,167	286,180	860	880	900	920	940	960	
Wahkiakum	22	4,063	4,172	4,218	4,264	4,310	4,356	4,402	23	23	23	24	24	24	
Walla Walla	261	59,504	60,840	61,300	61,760	62,219	62,679	63,139	267	269	271	273	275	277	
Whatcom	630	189,700	195,633	199,116	202,598	206,081	209,563	213,046	650	661	673	685	696	708	
Whitman	105	42,851	43,151	43,376	43,600	43,825	44,049	44,274	105	106	106	107	107	108	
Yakima	787	236,588	241,446	244,730	248,014	251,299	254,583	257,867	803	814	825	835	846	857	



Department of Health  
Hospice Numeric Need Methodology-Preliminary Results

Step 6. Subtract the current hospice capacity in each planning area from the above projected volume of hospice services to determine unmet need.																												
(g) Determine the number of hospice agencies in the proposed planning area which could support the unmet need with an ADC of thirty-five.																												
	2010 Potential volume	2011 Potential volume	2012 Potential volume	2013 Potential volume	2014 Potential volume	2015 Potential volume	Current Capacity	2010 Unmet Need admits	2011 Unmet Need admits	2012 Unmet Need admits	2013 Unmet Need admits	2014 Unmet Need admits	2015 Unmet Need admits	Statewide ALOS **	2010 Unmet Need Patient Days	2011 Unmet Need Patient Days	2012 Unmet Need Patient Days	2013 Unmet Need Patient Days	2014 Unmet Need Patient Days	2015 Unmet Need Patient Days	2010 Unmet Need ADC	2011 Unmet Need ADC	2012 Unmet Need ADC	2013 Unmet Need ADC	2014 Unmet Need ADC	2015 Unmet Need ADC	Need for Add'l Agency	# of Add'l Agencies Needed
Adams	53	53	54	55	56	56	18.67	34	35	35	36	37	38	56.70	1,934	1,973	2,012	2,050	2,089	2,128	5	5	6	6	6	6	FALSE	FALSE
Asotin	104	105	106	107	108	109	33.67	71	72	72	73	74	75	56.70	4,004	4,054	4,105	4,155	4,205	4,256	11	11	11	11	12	12	FALSE	FALSE
Benton	539	544	549	554	559	564	570.00	(31)	(26)	(21)	(16)	(11)	(6)	56.70	(1,780)	(1,490)	(1,200)	(910)	(620)	(330)	(5)	(4)	(3)	(2)	(2)	(1)	FALSE	FALSE
Chelan	298	302	306	310	314	318	225.33	73	77	80	84	88	92	56.70	4,118	4,340	4,562	4,784	5,006	5,229	11	12	12	13	14	14	FALSE	FALSE
Clallam	425	429	432	436	439	443	336.33	89	92	96	99	103	106	56.70	5,025	5,227	5,430	5,633	5,835	6,038	14	14	15	15	16	17	FALSE	FALSE
Clark	1,262	1,285	1,308	1,332	1,355	1,379	1,617.67	(356)	(333)	(309)	(286)	(262)	(239)	56.70	(20,187)	(18,860)	(17,534)	(16,207)	(14,881)	(13,555)	(55)	(52)	(48)	(44)	(41)	(37)	FALSE	FALSE
Columbia	19	19	19	19	19	19	13.33	6	6	6	6	6	6	56.70	340	339	339	339	338	338	1	1	1	1	1	1	FALSE	FALSE
Cowlitz	463	471	479	486	494	502	615.33	(152)	(145)	(137)	(129)	(121)	(113)	56.70	(8,635)	(8,194)	(7,752)	(7,311)	(6,869)	(6,428)	(24)	(22)	(21)	(20)	(19)	(18)	FALSE	FALSE
Douglas	128	130	132	134	136	138	101.67	26	28	30	32	34	36	56.70	1,479	1,591	1,704	1,816	1,928	2,040	4	4	5	5	5	6	FALSE	FALSE
Ferry	33	34	34	34	35	35	26.00	7	8	8	8	9	9	56.70	417	437	457	477	497	517	1	1	1	1	1	1	FALSE	FALSE
Franklin	156	161	166	170	175	179	168.00	(12)	(7)	(2)	2	7	11	56.70	(660)	(399)	(138)	123	384	645	(2)	(1)	(0)	0	1	2	FALSE	FALSE
Garfield	12	13	13	13	13	13	4.00	8	9	9	9	9	9	56.70	481	486	491	496	500	505	1	1	1	1	1	1	FALSE	FALSE
Grant	268	271	273	276	278	281	74.17	194	196	199	202	204	207	56.70	10,988	11,137	11,285	11,434	11,583	11,732	30	31	31	31	32	32	FALSE	FALSE
Grays Harbor	350	352	355	358	360	363	150.67	199	202	204	207	210	212	56.70	11,281	11,433	11,585	11,738	11,890	12,043	31	31	32	32	33	33	FALSE	FALSE
Island	292	297	301	306	311	316	113.00	179	184	188	193	198	203	56.70	10,139	10,411	10,683	10,955	11,227	11,499	28	29	29	30	31	32	FALSE	FALSE
Jefferson	151	154	157	160	164	167	141.33	10	13	16	19	22	25	56.70	565	738	911	1,085	1,258	1,431	2	2	2	3	3	4	FALSE	FALSE
King *	5,331	5,383	5,435	5,488	5,540	5,592	5,316.33	14	67	119	171	224	276	56.70	818	3,785	6,752	9,719	12,686	15,653	2	10	18	27	35	43	TRUE	1.23
Kitsap *	872	881	890	899	908	917	922	-50	-41	-32	-23	-14	-5	56.70	-2859	-2343	-1827	-1311	-795	-279	-8	-6	-5	-4	-2	-1	FALSE	FALSE
Kittitas	123	124	126	128	129	131	71.67	51	53	54	56	58	59	56.70	2895	2987	3080	3172	3265	3357	8	8	8	9	9	9	FALSE	FALSE
Klickitat	77	78	79	80	81	82	58.00	19	20	21	22	23	24	56.70	1069	1126	1183	1240	1296	1353	3	3	3	3	4	4	FALSE	FALSE
Lewis	348	351	355	358	361	364	287.67	60	64	67	70	73	77	56.70	3421	3606	3790	3975	4160	4345	9	10	10	11	11	12	FALSE	FALSE
Lincoln	55	55	56	57	57	58	10.00	45	45	46	47	48	48	56.70	2531	2567	2603	2639	2675	2711	7	7	7	7	7	7	FALSE	FALSE
Mason	269	274	279	283	288	293	191.67	77	82	87	92	97	101	56.70	4376	4651	4927	5203	5479	5754	12	13	13	14	15	16	FALSE	FALSE
Okanogan	179	180	182	184	186	188	45.67	133	135	137	138	140	142	56.70	7536	7640	7743	7847	7950	8054	21	21	21	21	22	22	FALSE	FALSE
Pacific	139	139	140	141	141	142	61.67	77	78	78	79	79	80	56.70	4373	4406	4438	4470	4502	4534	12	12	12	12	12	12	FALSE	FALSE
Pend Oreille	69	70	71	72	73	75	41.33	28	29	30	31	32	33	56.70	1590	1649	1707	1765	1824	1882	4	5	5	5	5	5	FALSE	FALSE
Pierce	2594	2632	2671	2710	2749	2787	2,639.00	-45	-7	32	71	110	148	56.70	-2572	-374	1823	4020	6217	8414	-7	-1	5	11	17	23	FALSE	FALSE
San Juan	58	60	61	62	63	65	19.33	39	40	42	43	44	45	56.70	2220	2289	2359	2429	2499	2569	6	6	6	7	7	7	FALSE	FALSE
Skagit	507	517	526	536	546	555	526.67	-19	-10	0	9	19	28	56.70	-1101	-557	-14	529	1073	1616	-3	-2	0	1	3	4	FALSE	FALSE
Skamania *	32	33	33	34	34	34	267.33	-235	-235	-234	-234	-233	-233	56.70	-13322	-13300	-13279	-13258	-13236	-13215	-36	-36	-36	-36	-36	-36	FALSE	FALSE
Snohomish	2,001	2,034	2,067	2,101	2,134	2,167	2,200.17	(199)	(166)	(133)	(99)	(66)	(33)	56.70	(11,308)	(9,417)	(7,526)	(5,635)	(3,744)	(1,852)	(31)	(26)	(21)	(15)	(10)	(5)	FALSE	FALSE
Spokane	1,808	1,831	1,854	1,877	1,900	1,923	1,912.67	(105)	(82)	(59)	(36)	(13)	11	56.70	(5,944)	(4,636)	(3,327)	(2,019)	(710)	598	(16)	(13)	(9)	(6)	(2)	2	FALSE	FALSE
Stevens	185	189	193	197	202	206	97.67	87	91	96	100	104	108	56.70	4,927	5,171	5,415	5,659	5,903	6,147	13	14	15	16	16	17	FALSE	FALSE
Thurston	860	880	900	920	940	960	777.00	83	103	123	143	163	183	56.70	4,681	5,825	6,969	8,114	9,258	10,402	13	16	19	22	25	28	FALSE	FALSE
Wahkiakum	23	23	23	24	24	24	18.00	5	5	5	6	6	6	56.70	279	293	307	322	336	350	1	1	1	1	1	1	FALSE	FALSE
Walla Walla	267	269	271	273	275	277	227.00	40	42	44	46	48	50	56.70	2,280	2,395	2,509	2,624	2,738	2,853	6	7	7	7	8	8	FALSE	FALSE
Whatcom	650	661	673	685	696	708	724.00	(74)	(63)	(51)	(39)	(28)	(16)	56.70	(4,204)	(3,548)	(2,892)	(2,236)	(1,580)	(924)	(12)	(10)	(8)	(6)	(4)	(3)	FALSE	FALSE
Whitman	105	106	106	107	107	108	72.33	33	33	34	35	35	36	56.70	1,867	1,898	1,929	1,960	1,991	2,022	5	5	5	5	5	6	FALSE	FALSE
Yakima	803	814	825	835	846	857	798.33	4	15	26	37	48	59	56.70	249	868	1,487	2,107	2,726	3,345	1	2	4	6	7	9	FALSE	FALSE
							21,495																					
* County contains one hospice in first three years of service																												
Each hospice in first three years is assumed 35 adc at statewide ALOS or 246 admits																												
** Washington State ALOS as reported by CMS for 2009 as of June 2010																												