Amedisys Hospice Care, LLC
Comments in Opposition to Competing Applications for
A New Hospice Home Care Agency in Rowan County
October 1, 2020 CON Review Cycle

INTRODUCTION

The 2020 State Medical Facilities Plan ("2020 SMFP") recognized a need for one new hospice home care office in Rowan County. Eight total applicants have filed Certificate of Need ("CON") applications in response to the identified need including Project I.D. F-011945-20 Amedisys Hospice Care, LLC ("Amedisys"). The other seven applicants include:

- BAYADA Home Health Care, Inc. ("BAYADA") - Project ID F-011943-20
- Hospice and Palliative Care of Rowan County ("HPC") - Project ID F-011948-20
- Adoration Home Health & Hospice, Inc. ("Adoration") - Project ID F-01149-20
- PruittHealth Hospice, Inc. ("PruittHealth") - Project ID F-011952-20
- Continuum Care of North Carolina, LLC ("Continuum") - Project ID F-011955-20
- Carolina Caring, Inc. ("Carolina Caring") - Project ID F-011956-20
- PHC Hospice ("PHC") - Project ID F-011957-20

Amedisys has completed a detailed review of each project and found that multiple applicants fail to meet one or more of the applicable review criteria and cannot be approved. Amedisys also completed a comparative review based on factors that the CON Section has previously considered in the review of hospice applications. This comparison clearly reveals that Amedisys is the best applicant to meet the identified need Rowan County based on the following factors:

- Amedisys is one of the few applicants that has significant experience in providing hospice care both in North Carolina and nationally as opposed to applicants such as PCH and Adoration that have never offered hospice care and those that have limited or no experience in serving North Carolina such as Continuum and BAYADA.
- Amedisys is the only applicant that documents specific experience in developing new hospice agencies through its de Novo program.
- Amedisys projects one of the shortest time frames to initiate operations and ramp up utilization based on its presence in the market and experience in establishing new hospice offices.
- Amedisys documents a sound methodology for projected utilization balanced with actual experience in ramping up new agencies as opposed to theoretical market share projections. For example, only Amedisys projects a reasonable year 1 ALOS based on a ramp up of census in the early months of operation.

- Amedisys documents support through a wide variety of letters from individuals within the service area to validate its projected utilization.
- Amedisys documents high quality of care both standing alone and comparatively meeting or exceeding national averages in all HIS measures across all North Carolina hospice locations.
- Amedisys has a history of providing accessible hospice services including services to Medicaid and charity care patients and is comparatively superior to the competing applicants regarding this issue.
- Amedisys' financial projections are reasonable and conservative based on actual experience with new startup hospice agencies, based on conservative reimbursement rates.
- Amedisys projects reasonable staffing assumptions and staffing ratios both standing alone and comparatively, ensuring patients will have sufficient access to direct care givers.
- Amedisys fully documents all resources to establish the proposed new home hospice service based on existing relationships in North Carolina and locally, including through existing Amedisys resources.

For these reasons and the reasons documented below, Amedisys is the best applicant to meet the need identified for a new hospice home care office in Rowan County.

COMMENTS ON INDIVIDUAL APPLICATIONS

N.C. Gen. Stat. §131E-183(a) sets forth criteria that must be considered in the review of all CON applications. The following discussion identifies the instances in the competing applicants do not demonstrate conformity with these criteria. The Amedisys application is conforming with all statutory and regulatory review criteria and the applicable SMFP policies.

BAYADA Home Health Care, Inc. - Project ID F-011943-20

General Comments

While BAYADA claims to be the largest national non-profit in-home health care and support services provider, its experience providing hospice care at the national level, let alone in the state of North Carolina is limited. Of its more than 300 offices nationwide, only 11 of those offices provide hospice care; one of which is in North Carolina. BAYADA's North Carolina home hospice care office received CON approval in 2018, however the office recently began offering services in January 2020. That signifies that it took BAYADA two years to bring hospice services to market after CON approval. In comparison, Amedisys has 6 hospice offices in the state of North Carolina alone. In addition, Amedisys has provided quality hospice care to North Carolina residents since 2008 with a proven track record as evidenced by its HIS scores. BAYADA claims it can increase hospice utilization in underutilized service areas, however, no such data was provided to support BAYADA's claim. In fact, though BAYADA has been providing hospice

services in Cumberland and surrounding counties since 2019, no data was provided to show BAYADA's utilization up to the point of submitting its current CON application to establish home hospice care in Rowan County.

Furthermore, BAYADA received very little written support for its CON application. Three of its letters of support were provided by area physicians, with the other three letters of support being written by its own employees. None of BAYADA's letters came from local skilled nursing facilities ("SNFs") or retirement communities committing to establishing a working relationship. In contrast, Amedisys received numerous letters of support from community members and leaders, as well as local SNFs and retirement communities. Without adequate, documented support for its proposed project, it is not clear that BAYADA would in fact provide increased access to hospice care in the service area. The lack of written support for the proposed project, combined with BAYADA's lack of experience providing hospice care in North Carolina is reason enough to deny BAYADA's CON application for home hospice care. BAYADA's application should not be approved as proposed. Amedisys identified specific issues which contribute to BAYADA's non-conformity with Criteria (1), (3), (4), (5), (6), (8), and (18a) which will be discussed below.

Non-Conformity with Review Criteria

Criterion (1) and Policy GEN-3 – BAYADA's Project is Not Consistent With the 2020 SMFP

As will be shown, BAYADA's proposed project has unsupported projected utilization, does not suffice as an alternative to existing hospice providers in the service area or to Amedisys' proposed project, is not financially feasible, and does not demonstrate coordination with the existing healthcare system. For these reasons, BAYADA does not conform to Criterion (1) and Policy GEN-3 and therefore should be denied.

Criterion (3) – BAYADA's Projected Utilization is Unsupported

BAYADA hangs its hat on its supposed referral sources within the community and relationships with existing SNFs, retirement homes, and area healthcare facilities. However, the only written support provided by BAYADA for said relationships are 3 physician letters by physicians from the same practice located in Stanly County, and 3 letters of support from BAYADA home health directors. The physicians that provided letters are located in Albemarle, Stanly County, North Carolina; roughly 45 minutes from Salisbury, Rowan County, North Carolina where the proposed home hospice office will be located. These physicians could certainly speak to providing referrals within Stanly County, but it is unlikely that these physicians would be referring patients located 45 minutes away in Rowan County, the county with the published need.

Furthermore, BAYADA lacks any written support from various facilities with which it claims to have referral relationships with. With BAYADA having only one home hospice care office in the

state of North Carolina, to be discussed further below, and no concrete support for its proposed project, it is difficult to determine if its projected utilization is feasible. If the feasibility of BAYADA's projected utilization is in question, subsequently the financial feasibility of the proposed project is in question. Therefore, BAYADA's CON application does not conform with Criteria (3), (4), and (5).

Criterion (4) – BAYADA is Not an Effective Alternative to Existing Hospice Providers or Amedisys' Proposed Project

Prior to its current CON application for home hospice care, BAYADA was recently approved to provide home hospice care in Cumberland County, North Carolina in 2018 as part of Project ID #M-11357-17. Despite receiving approval in 2018, BAYADA did not bring its Cumberland County hospice office to market until January 2020, almost 2 years after its approval. Furthermore, nationally, BAYADA's experience as a hospice care provider is limited as it only possesses 11 total hospice offices amongst its more than 300 offices. In short, BAYADA is a home health provider, not a recognized hospice provider. The two services are very different.

Additionally, BAYADA claims that it will be able to increase low utilization in underserved service area's while also positively impacting competition with existing providers. No evidence of this claim was provided in its current CON application, especially in regard to its recently operable, and only hospice home care office in the state. Since BAYADA is proposing to establish a brand new hospice home care office in Rowan County instead of expanding off of its Cumberland County location, it can safely be assumed that BAYADA will be delayed bringing its proposed project to market if approved just as it was with its Cumberland County location. BAYADA should refrain from opening any additional hospice home care offices until it determines how its Cumberland County location will perform.

Based on BAYADA's unsupported projected utilization, lack of experience providing hospice care nationally and in the state of North Carolina, failure to provide data demonstrating the impact it has on competition, and failure to provide in its application demonstrating whether it is capable of increasing home hospice care utilization, BAYADA does not conform with Criterion (4).

Criterion (5) – BAYADA's Project is Not Financially Feasible

As discussed with regard to Criterion (3), BAYADA failed to support the reasonability of its utilization projections. Without reasonable utilization projections, the financial feasibility of the project is called into question.

In its Form F.1a, BAYADA did not provide any allocation of its capital cost to legal or consulting fees. BAYADA's total capital cost came to $100,000 with allocations going to medical equipment,

non-medical equipment, furniture, phones, and "other." If all project costs are not accounted for upfront, it is difficult to determine the financial feasibility of the project.

Additionally, in its Form F.2 and Form F.3, BAYADA presents similar and/or identical charges and reimbursement rates across payors. It is a stretch to assume identical charges across different payor sources and it is inconceivable to assume identical reimbursement rates across payors. At the least, because BAYADA misrepresents its reimbursement rates, its Form F.4 Revenues are patently incorrect. Payment rates among varying providers are never the identical. If BAYADA's reimbursement rates are misrepresented, then it cannot be determined if the proposed project will be profitable by the third full fiscal year as presented. Therefore, for the reasons discussed above, BAYADA's CON application does not conform with Criterion (5).

Criterion (6) - BAYADA Represents a Duplication of Services

Given that BAYADA does not have the demonstrated experience to develop a new, effective hospice agency that will serve the unmet need in Rowan County based on its unsupported utilization and flawed financial projections along with its lack of experience, BAYADA will simply represent a duplication of existing services. BAYADA should be found non-conforming with Criterion (6).

Criterion (8) – BAYADA Fails to Demonstrate Coordination with Existing Healthcare System

As previously mentioned, BAYADA lacked any support letters from existing healthcare facilities and healthcare providers within Rowan County. Of the six letters of support that BAYADA provided, three were from a physician group in Stanly County and three were from BAYADA employed home care directors. In fact, in an attempt to show coordination with the existing healthcare system, BAYADA submitted 71 letters that it wrote to area healthcare facilities, healthcare providers, educational institutions, etc. asking for letters of support. This effort did not result in any responsive letters at all. BAYADA has failed to demonstrate coordination with the existing healthcare system and therefore BAYADA's CON application does not conform with Criterion (8).

Criterion (18a) – BAYADA's Proposed Project Will Not Positively Impact Competition in the Proposed Service Area

As discussed above, BAYADA's proposed project is not consistent with the 2020 SMFP, has unsupported projected utilization, is not a reasonable alternative to existing hospice providers in the service area or Amedisys' proposed project, is not financially feasible, and fails to demonstrate coordination with the existing healthcare system. Without fulfilling Criteria (1), (3), (4), (5), and (8), BAYADA cannot reasonably show that its proposed project will positively impact competition

in the service area. For the reasons discussed above, BAYADA does not conform to Criterion (18a).

Concluding Comments on BAYADA's Hospice Home Care CON Application

In conclusion, Amedisys has identified four instances where BAYADA's CON application does not conform with several of the review criteria: Criteria (3), (4), (5), (6), and (8). Non-conformity with these criteria subsequently impacts BAYADA's ability to conform to other review criteria, most importantly Criterion (1) and Criterion (18a), consistency with the SMFP, and impact of the proposed project on service area competition (adverse impact). Given its non-conformity with the aforementioned criteria, BAYADA's proposed project is not consistent with the SMFP and BAYADA failed to show that its project will ultimately have a positive impact on the existing providers in the service area. Therefore, BAYADA's CON application to establish home hospice care in Rowan County should be denied.

Hospice and Palliative Care of Rowan County - Project ID F011948-20

General Comments

HPC has been a provider of hospice care in Iredell County, an adjacent county to Rowan County, for 36 years. Despite its long history as a hospice provider in Iredell County and its presence as a palliative support provider in Rowan County, HPC has little to no experience offering hospice care to Rowan County residents let alone any other residents from surrounding counties outside of Iredell County. In fact, HPC's experience offering hospice services in the state of North Carolina is primarily limited to Iredell County. In comparison, Amedisys has 6 hospice offices in the state of North Carolina across 6 different counties. In addition, Amedisys has provided quality hospice care to North Carolina residents since 2008 with a proven track record as evidenced by its HIS scores. Unlike HPC, Amedisys has experience providing hospice care to a very diverse patient pool. HPC claims it can increase hospice utilization and provide greater access to care in Rowan County. However, no such data was provided to support HPC's claim. With HPC primarily serving only Iredell County for the last 36 years, there is no way to analyze its impact on existing providers in other markets that it may enter.

Furthermore, HPC's lack of data to support its projected patient origin and projected utilization is very telling. HPC cannot simply take the approach of "what worked for Iredell County will work for Rowan County." HPC did not consider the specific needs of Rowan County, in particular the population demographics and the leading causes of death. Without identifying these important factors, HPC cannot claim that it will be able to adequately provide hospice care to Rowan County residents and increase access. HPC's lack of market experience and lack of research on the market it proposes to serve is reason enough to deny its CON application for home hospice care. HPC's

application should not be approved as proposed. Amedisys identified specific issues which contribute to HPC's non-conformity with Criteria (1), (3), (4), (5), (6), (7), (13), and (18a) which will be discussed below.

Non-Conformity with Review Criteria

Criterion (1) and Policy GEN-3 – HPC's Proposed Project is Not Consistent With the 2020 SMFP

As will be shown, HPC's proposed project is quantitatively flawed and has unsupported projected utilization, does not suffice as an alternative to existing hospice providers in the service area or to Amedisys' proposed project, is not financially feasible, is not adequately staffed, and does not promote a positive impact on the existing competition in the proposed service area. For these reasons, HPC does not conform to Criterion (1) and Policy Gen-3 and therefore should be denied.

Criterion (3) – HPC's Projected Patient Origin and Projected Utilization is Unsupported

In its CON application, HPC claims that 100 percent of its projected patient origin will come from Rowan County. However, the projected patient origin table on page 16 of its application states that 27 percent of patient admissions will come from Rowan County. This inconsistency is an error that impacts HPC's need analysis. Furthermore, HPC did not conduct any independent need analysis and solely relied on the SMFP and its experience in Iredell County to project its utilization. This is wrong for many reasons. First, all CON applicants must demonstrate the need for their proposed project independently of the need calculation published in the 2020 SMFP. The CON Section's historical approach to analyzing conformity with review Criterion 3 requires a 2-part analysis by each applicant based both on the SMFP published need and a demonstration of the need independently calculated by the applicant and an explanation of how it plans to meet that need. Second, in terms of providing hospice care, what worked in one county is not guaranteed to work in another county. Third, when ignoring patient demographics such as age, race, gender, and cause of death, it cannot be determined if the projected utilization is truly meeting the needs of the proposed service area. Given the way HPC calculated its projected utilization, its projected utilization could be overstated, or worst yet, could be discounted and missing the needs of the population it proposes to serve.

Additionally, HPC failed to properly answer question C.6 on page 18 of its CON application. This question asks for the applicant to provide the estimated percentage of new admissions it expects to serve for Low Income Persons, Racial and Ethnic Minorities, Women, Handicapped Persons, The Elderly, Medicare Beneficiaries, and Medicaid Recipients. HPC did not provide those numbers so it is unclear how it will increase access to home hospice care for these underserved group. HPC's application lacks quantitative analyses to support its projected utilization and does not adequately explain how its proposed project will increase access to care for underserved

groups. For the reasons discussed above, HPC's CON application does not conform with Criteria (3), (4), and (5).

Criterion (4) – HPC is Not an Effective Alternative to Existing Hospice Providers or Amedisys' Proposed Project

Prior to its current CON application for home hospice care, HPC has only provided hospice care in Iredell County. HPC's experience bringing home hospice care to a new market is non-existent. HPC underestimates the work that goes into starting up a new hospice program and this shows in its estimated project timeline and estimated capital cost. Given HPC's inexperience providing hospice care in any market other than Iredell County, it is not a viable alternative to existing hospice providers in the service area or Amedisys' proposed project.

Additionally, HPC claims that it will be able to increase low utilization among the underserved groups in the service area while also positively impacting competition with existing providers by reducing the cost of service to patients. No evidence in support of this claim was provided in its current CON application, especially in regard to the number of patients it projects to serve from underserved groups.

Due to HPC's unsupported projected utilization, lack of experience providing hospice care nationally and in the state of North Carolina, lack of data on the impact it has on competition, and lack of evidence demonstrating whether it is capable of increasing home hospice care utilization, HPC does not conform with Criterion (4).

Criterion (5) – HPC's Project is Not Financially Feasible

As discussed with regard to Criterion (3), HPC failed to quantitatively support the reasonableness of its utilization projections. Without reasonable utilization projections, the financial feasibility of the project is called into question.

HPC only allocated roughly $25,000 towards its capital cost and a total of approximately $196,000 towards total working capital. Also, HPC claims to have $3 million in cash or cash equivalents, accumulated reserves, or owner's equity to fund the working capital. However, HPC did not provide any backup for its ability to fund the project; there is no internal funding letter or financial statement to show HPC's readiness to fund the project. The financial feasibility of the project comes into question given that HPC provided no evidence that it can truly fund the proposed project.

Additionally, HPC did not provide a Form F.2 depicting its projected charges. Furthermore, HPC's Form F.3, presents identical reimbursement rates across payors within the various types of

care. It is not feasible at all to assume that each payor will have identical reimbursement rates. At the least, with HPC misrepresenting its reimbursement rates, its Form F.4 Revenues are questionable. If HPC's reimbursement rates are misrepresented, then it cannot be determined if the proposed project will be profitable by the third full fiscal year as presented. Therefore, for the reasons discussed above, HPC's CON application does not conform with Criterion (5).

Criterion (6) - HPC Represents a Duplication of Services

Given that HPC does not have experience outside of Iredell County in developing a new, effective hospice agency, its failure to document that it will serve the unmet need in Rowan County based on its unsupported utilization and flawed financial projections, HPC will simply represent a duplication of existing services. HPC should be found non-conforming with Criterion (6).

Criterion (7) – HPC's Project is Not Adequately Staffed

HPC failed to adequately staff its proposed project and therefore failed to provide adequate projected staffing and salaries. In its Form H.2, HPC shows salaries for the Administrator, Office/Support, Finance/Accounting, and Palliative Care Admin Staff roles, but did not include any accompanying FTEs to go with those roles and salaries. Without the FTEs being in the table for these roles, the overall staffing and calculation of the salaries cannot be accurately calculated or verified. Subsequently, the calculation of the total operating expenses in Form F.5 then comes into question, which then leads to doubt about the profitability of the proposed project as it is presented. Therefore, for the reasons above, HPC's CON application does not conform with Criterion (7).

Criterion (13) – HPC's Proposed Payor Mix is Disproportionate

As previously mentioned, HPC lacked any quantitative support for its projected utilization and also failed to explain how its proposed projected will increase access to home hospice care for underserved groups. Similarly, HPC presented a disproportionate payor mix as it pertains to Hospice Medicare and Hospice Medicaid recipients. HPC suggests that 94 percent of its admissions in the third full fiscal year will come from Hospice Medicare patients and that 1 percent of admissions will come from Medicaid patients. While it is common to see hospice care originating from at least 90 percent of Medicare admissions, 1 percent Medicaid admissions is too low. HPC's proposed payor mix is further indication that it failed to conduct any meaningful research on the population it intends to serve and lacked any substantial quantitative analysis to back up its projected utilization and payor mix. Therefore, for the reasons above, HPC's CON application does not conform with Criterion (13).

Criterion (18a) – HPC's Proposed Project Will Not Positively Impact Competition in Proposed Service Area

As discussed above, HPC's proposed project is not consistent with the 2020 SMFP, has unsupported projected utilization, will not expand access to home hospice care, is not a reasonable alternative to existing hospice providers in the service area or Amedisys' proposed project, is not financially feasible, is not adequately staffed, and does not propose a reasonable projected payor mix. Without fulfilling Criteria (1), (3), (4), (5), (6), (7) and (13), HPC cannot reasonably show that its proposed project will positively impact competition in the service area. For the reasons discussed above, HPC's application does not conform to Criterion (18a).

Concluding Comments on HPC's Hospice Home Care CON Application

In conclusion, Amedisys has identified five instances where HPC's CON application does not conform with several of the review criteria: Criteria (3), (4), (5), (6), (7), and (13). Non-conformity with these criteria subsequently impacts HPC's ability to conform to other review criteria, most importantly Criterion (1) and Criterion (18a), consistency with the SMFP, and impact of the proposed project on service area competition (adverse impact). Given its non-conformity with the aforementioned criteria, HPC's proposed project is not conforming to the applicable review criteria and SMFP policies. Therefore, HPC's CON application to establish home hospice care in Rowan County should be denied.

Adoration Home Health & Hospice, Inc. - Project ID F-01149-20

General Comments

Adoration Home Health & Hospice, Inc. is a subsidiary of Res-Care, Inc. d/b/a BrightSpring Health Services ("BrightSpring"). BrightSpring also wholly owns Advanced Home Health, an existing Home Health agency in North Carolina, which is the only home health or hospice service it operates in North Carolina. (CON pgs. 8-9). With support from BrightSpring, Adoration proposes to develop its first North Carolina hospice office in Salisbury, Rowan County, proposing a service area of Rowan and Stanly counties. Advanced Home Health currently serves home health patients from Adoration's proposed service area. Adoration claims that introducing hospice services will expand its continuum of services available to service area residents (CON pg. 10).

As discussed in the section below, Adoration's ability to bring hospice services to new communities is untested, which is apparent in the flawed and unsupported claims made throughout its application. Specifically, there are flaws in Adoration's application related to Criteria (1), (3), (4), (5), (6), (8), (12), and (18a) which will be discussed below.

Non-Conformity with Review Criteria

Criterion (1) – Adoration's Proposed Project is Not Consistent With the 2020 SMFP

As discussed below, Adoration's application presents utilization projections that are unsupported, provides unreasonable and inconsistent financial projections, fails to provide evidence that it is a reasonable alternative, and does not adequately demonstrate coordination with the existing healthcare delivery system. For these reasons, Adoration's application is not consistent with the overall goals of the SMFP and Criterion (1) and, as such, should be denied.

Criterion (3) – Adoration's Projected Utilization is Unsubstantiated

Adoration fails to demonstrate the need for its proposed project by providing unsupported and unrealistic utilization projections, with no documented support from referral sources. These flaws include:

- Adoration re-works the state's methodology for projecting hospice need. Instead of using the state median percent of deaths served by hospice, Adoration calculates a new median based on 7 counties surrounding Rowan.[1] However, Adoration only proposes to serve Rowan and Stanly counties. It is unclear why other counties would be included to calculate its projected utilization but not included as part of its projected patient origin other than to disguise true need in Rowan. (CON pgs. 82-91).
- After calculating the unmet need, Adoration then applied random percentages to determine its share of these underserved patients (CON pg. 94). With no actual experience entering a new hospice market with a new agency, it is unclear how Adoration determined these percentages, and it is unlikely that they are realistic.
- Adoration calculates the number of patients it expects to serve originating from Rowan and Stanly counties. (CON pg. 97). It is apparent that from PY 1 to PY 3 that an increasingly larger percentage of its patients will originate from Stanly County. It is unclear if this upward trend of Stanly County patients will continue to increase and if, in turn, Rowan County will be served properly.
- Adoration projects to serve more Stanly county residents than there is a published need for according to the proposed 2021 SMFP – serving 76 projected patients in PY 2, compared to a need for 43 patients. (CON pg. 87, 96). This indicates that Adoration will either impact market share of existing Stanly County providers or will not meet its projections.
- Adoration does not consider its existing Advanced Home Health locations, which it claims will work in concert with the proposed hospice program to ensure patients are being served, nor the 20 referring physicians mentioned (CON pg. 62) when projecting patients served.

[1] Defines "surrounding counties" as Cabarrus, Davidson, Gaston, Iredell, Mecklenburg, Rowan, Stanly, Union. (CON pg. 88.)

Instead, discussed in more detail in response to Criterion (8), Adoration provides minimal letters of support from referral sources to support its projections.

For each of the reasons detailed herein, it is clear that Adoration provides no concrete evidence or support for the need for its proposed project, making its projected utilization unreasonable. Adoration does not conform with Criterion (3) and should be denied.

Criterion (4) - Adoration is Not an Effective Alternative to Existing Providers or Amedisys' Proposed Project

Adoration makes claims throughout its application that it will benefit the community through expanded access to hospice services, will be cost-effective for payors, and will support patients and their families during a difficult time in life. However, all applicants propose to, and will, meet this need. Adoration does not document any reasons proving that it will do a better job of meeting these needs than any other applicant. Further, Adoration claims that it has a "proven track record" of increasing hospice utilization without impacting existing providers. (CON pgs. 76-77). Adoration provides zero evidence supporting these claims. As such, there is no way to determine Adoration's ability to provide the benefits to Rowan County hospice patients that it claims it will and that it ensures will make it the best applicant.

Additionally, Adoration's parent company, BrightSpring, has no experience operating new hospice agencies. As documented in the application, BrightSpring began acquiring hospice and home health agencies throughout several states in 2018, never once starting a new agency, only taking over existing ones. (CON pg. 9). In fact, the only agency it operates in North Carolina, Advanced Home Health, was just acquired in March of 2020, meaning that BrightSpring has zero experience starting a new home health or hospice agency within the state of North Carolina. Adoration does not discuss or address the challenges of entering a market with established providers and provided zero evidence that it will be able to do so successfully.

For these reasons, Adoration is not the best alternative for expanding access to hospice services in Rowan County, does not confirm with Criterion (4), and should be denied.

Criterion (5) – Adoration's Project is Not Financially Feasible

As discussed under Criterion (3), Adoration failed to provide reasonable and supported utilization projections. This raises doubts about the feasibility of its financial projections. Further, Adoration's Section Q workbook contains many errors; these are detailed below.

- The capital expenditure provided in Form F1.a (CON pg. 101) does not tie out to either the response to Section A (CON pg. 6) or the funding letter provided in the exhibits (Exhibit

F-2, pg., 1). Similarly, the working capital provided in Section F (CON pg.54) does not tie out to the provided funding letter.

- Adoration failed to include consulting fees in its capital cost, even though it is apparent that a consultant prepared the application, as evidenced by the contact information provided for a consulting firm (CON pg. 6).
- Adoration failed to provide an audited financial statement, instead only providing a bank statement ending July 2020, with no evidence that the balance is still available several months later. Further, because it is unclear and undocumented what the actual capital costs are and whether Adoration can provide those funds.
- Adoration holds charges constant for all payors in Form F.2 charges. (CON pg. 102). It is unrealistic to assume that all charges will be the same across payors. This also contradicts Adoration's own assumptions that charges are different between payors (CON pg. 106).
- Adoration assumes that Medicaid will reimburse at the highest rate of all payors in Form F.3. (CON pg. 103). It is highly unlikely that Medicaid, with historically the lowest reimbursement rate, will reimburse at a higher rate than Medicare or Private Insurance.
- With unreasonable charges and reimbursement rates, revenues presented in Form F.4 cannot be reasonable.

For the reasons stated above, Adoration is not conforming with Criterion (5), and as such, should be denied.

Criterion (6) - Adoration Represents a Duplication of Services

Given that Adoration does not have the experience to develop a new, effective hospice agency that will serve the unmet need in Rowan County based on its flawed utilization, staffing, and financial projections along with its lack of experience, Adoration will simply represent a duplication of existing services. Adoration should be found non-conforming with Criterion (6).

Criterion (8) – Adoration Does Not Demonstrate Coordination with the Existing Healthcare Delivery System

Adoration makes several claims that it will coordinate with existing providers and leverage existing relationships through its sister agency, Advanced Home Health, to bring expanded access to hospice services for its proposed service area. (CON pgs. 17, 37, 62, 64). However, none of these claims are supported. Adoration provides only six letters of support for its project, one of which is a physician group out of Guilford County and another which is from a durable medical equipment company. Adoration provides no documented support from any of its proposed referral sources, including Advanced Home Health. In fact, Advanced Home Health wrote a letter of support for a competing applicant. (See Carolina Caring application letters of support). Adoration's project is not even supported by its own sister company, making its claims about

coordinating with the rest of the existing health care delivery system in Rowan questionable. Adoration is non-conforming with Criterion (8).

Criterion (18a) – Adoration's Project Will Not Positively Impact Competition

Adoration claims that it will enhance competition, increase patient choice, and expand access to hospice services, all without diminishing the utilization for existing providers. As described above, Adoration claims it has a proven track record of doing this. This is a completely unfounded claim. Adoration has failed to document its experience operating hospice agencies or support any of its claims regarding competition and expanded access. As such, Adoration does not conform with Criterion (18a) and should be denied.

Concluding Comments on Adoration's Hospice Home Care CON Application

In conclusion, Amedisys has identified many discrepancies with Adoration's application that do not conform with Review Criteria (3), (4), (5), (8), and (12). Each of the reasons for non-conformity detailed in these criteria also affect Adoration's conformity with Review Criteria (1) and (18a), consistency with the SMFP, and the impact of the proposed project on service area competition. For the reasons discussed above, Adoration's proposed project is not consistent with the SMFP, does not present reasonable utilization or financial projections, and ultimately will not have a positive impact on the utilization of hospice services for the service area. As such, CON application should be denied.

PruittHealth Hospice, Inc. Summary - Project ID F-011952-20

General Comments

PruittHealth Hospice, Inc. ("PruittHealth") is an existing provider of hospice services in North Carolina and proposes to develop a new hospice program in Salisbury, Rowan County. In addition to Rowan County, PruittHealth claims that this new hospice program will serve patients from Cabarrus, Forsyth, Guilford, Mecklenburg, and Union Counties. PruittHealth currently provides hospice services to these counties and states that its leadership believes that hospice patients from these counties can be more efficiently served from the PruittHealth Hospice - Salisbury location as compared to PruittHealth Hospice locations further away (PruittHealth CON Application, Page 13).

While PruittHealth is an existing hospice provider in North Carolina, South Carolina, and Georgia, its application is riddled with issues that render it un-approvable. Specifically, there are flaws in PruittHealth's application related to Criteria (1), (3), (4), (5), (6), (7), (13), and (18a). These flaws will be discussed in detail below.

Non-Conformity with Review Criteria

Criterion (1) and Policy GEN-3 – PruittHealth Fails to Document Quality Hospice Care

PruittHealth should be found non-conforming with Criterion (1) because:

- It appears that PruittHealth is not, and does not intend to be, accredited by any accrediting body. While PruittHealth highlights its internal quality assessment methods, accreditation by a reputable accrediting body ensures that the hospice program meets the industry's highest standards.
- According to the Centers for Medicare and Medicaid Services (CMS), Hospice Item Set (HIS) scores are subpar for several of its existing hospice programs in North Carolina.
- PruittHealth does not adequately explain how its projected utilization incorporates the concept of maximum value for resources expended. More detailed discussion of each of these factors can be found below in Amedisys' comments concerning PruittHealth's non-conformity with Criterion (3). These same factors relate to PruittHealth's failure to meet Criterion (1).
- PruittHealth does not adequately demonstrate the need for the proposed project. More detailed discussion regarding failure to establish need can be found below in Amedisys' comments concerning PruittHealth's non-conformity with Criterion (3). These same factors relate to PruittHealth's failure to meet Criterion (1).

PruittHealth Entities Have Documented Quality of Care Issues

PruittHealth highlights its internal quality assessment programs as documentation of its quality of care (PruittHealth CON Application, Page 19). Further, PruittHealth argues that its extensive experience and "reputation in the community" speaks to its quality of care. However, quality metrics as published by CMS tell a different story. PruittHealth's HIS quality scores from CMS Compare for its NC hospice agencies show a number of measures that are below national averages. Please see details in the comparative section of this document.

PruittHealth's subpar HIS scores and apparent lack of accreditation, calls into question the effectiveness of PruittHealth's "internal quality assessments" implemented throughout its continuum of services, including hospice services. In light of these facts, PruittHealth has failed to document how the proposed project will promote safety and quality in the delivery of hospice services.

The proposed project does not maximize healthcare value for resources expended, is not an efficient use of healthcare resources, and does not promote safety and quality in the delivery of hospice services and thus is not consistent with Policy GEN-3: Basic Principles and is non-conforming with Criterion (1).

Criterion (3) – PruittHealth Fails to Document Need and Reasonable Utilization Projections

PruittHealth fails to demonstrate the need for its proposed project as required by Criterion (3) for several reasons, including unsupported projections and important factors that have been disregarded or misrepresented in its application. These flaws include:

- Quality of care issues as detailed in Amedisys' Written Comments related to PruittHealth's non-conformity with Criterion (1). These same factors relate to PruittHealth's failure to meet Criterion (3).
- Lack of Community Support and Documented Referral Source.
- Failure to Improve Access to Care.
- Unsupported Projected Utilization Assumptions.
- Failure to Meet the Unmet Need in Rowan County.
- Failure to Establish Outreach to Underserved Populations.

For these and other reasons detailed herein, PruittHealth fails to clearly document the specific need for the proposed project and provide reasonable and clearly documented utilization projections.

Lack of Community Support and Documented Referral Sources

PruittHealth fails to document community support or relationships necessary to not only generate the projected utilization but also ensure all levels of care are provided. On Page 28 of its Application, PruittHealth states that it will "develop contracts with existing IP hospice facilities, SNFs, and hospitals to provide IP care for hospice patients whose illness require inpatient ("IP") care." and that "PruittHealth Hospice will also enter into agreements with facilities to ensure availability of respite care and residential care for patients who need a residence to receive services." Yet, PruittHealth does not document any attempts to do so. PruittHealth operates almost two dozen SNFs/ALFs in North Carolina, including one located in Salisbury, and offers no General Inpatient (GIP) agreements or letters of support from its SNF/ALF affiliates.

More importantly, PruittHealth emphasizes its relationships in North Carolina as an existing provider already serving the market, yet PruittHealth provides no physician letters documenting its referral sources in order to meet its projected utilization. In fact, PruittHealth provides no letters of support for its project at all, only letters documenting its purported attempt to contact existing organizations.

Accordingly, it is unclear how PruittHealth will meet the projected utilization it claims with no documented positive relationships in Rowan County and the surrounding communities, no contracts with or letters of support from existing IP facilities, and no physician referral support.

Failure to Improve Access to Care

PruittHealth proposes to serve not only patients in Rowan County but also patients in Cabarrus, Forsyth, Guilford, Mecklenburg, and Union Counties. PruittHealth acknowledges that it currently already serves patients from these counties through its existing hospice programs, but that these patients can be more efficiently served by the proposed Rowan County location. While there is nothing inherently wrong with serving such a broad service area through the Rowan County office, PruittHealth's projections fail to meet the existing unmet need of Rowan County through sufficient incremental patient volume. Instead, PruittHealth proposes to serve, in part, patients that are already served by existing hospice locations. Shifting patients from being served by one hospice location to another hospice location does not improve access to care.

Unsupported Projected Utilization Assumptions

PruittHealth bases its projected utilization in part on the existing base of patients it serves in Rowan and the other service area counties through PruittHealth Hospice - Wilkes. It should be noted that in four of the six counties that PruittHealth proposes to serve, based on PruittHealth Hospice – Wilkes' LRAs, the patient volume has declined significantly from 2017 to 2019 (Rowan, Cabarrus, Union, and Guilford Counties). See the table below.

PruittHealth Proposed Service Area Patients Served: 2017 to 2019

County	2017	2018	2019	% Change
Primary Service Area				
Rowan	**40**	**25**	**30**	**-25.0%**
Secondary Service Area				
Cabarrus	41	25	20	-51.2%
Mecklenburg	10	17	14	40.0%
Union	33	13	4	-87.9%
Forsyth	20	23	35	75.0%
Guilford	40	34	12	-70.0%
Total SSA	**144**	**112**	**85**	**-41.0%**
Total Service Area	**184**	**137**	**115**	**-37.5%**

Source: PruittHealth CON Application, Form C Utilization Step 9; PruittHealth - Wilkes License Renewal Application

PruittHealth hospice admissions from Rowan County have declined by 25 percent from 2017 to 2019. Overall, PruittHealth's admissions from the total service area have declined by 37.5 percent from 2017 to 2019. The fact that historically there has been a decline in hospice admissions from the service area coupled with no documented support for its project from referral sources and

community linkages make it is unrealistic for PruittHealth to project that its utilization will increase at such a high rate. Thus, PruittHealth's projections are unreasonable and unsupported.

In Step 6 of its projected utilization, PruittHealth assumes a 50 percent increase in market share from Year 1 to Year 2. Then, PruittHealth assumes market share will stay constant from Year 2 to Year 3. First, while its projection of Year 1 market share is supported mathematically, there is no support for the underlying assumption. There is no basis for PruittHealth's assumption of a 50 percent increase in market share in Year 2, especially considering PruittHealth's lack of documented support from the Rowan County community and referral sources and its historical decline in utilization from service area counties. Second, it is not realistic to assume that PruittHealth will serve the part of the "unmet" need in Year 2 and then simply stop serving additional patients once that need is met in Year 3. The only reasonable explanation for this baseless assumption is PruittHealth's attempt to minimize adverse impact on existing providers so it appears that the application complies with that applicable CON review criterion when it does not. However, this assumption is not at all based on the reality of how markets function.

Failure to Meet the Unmet Need in Rowan County

PruittHealth proposes to serve 227 patients in Year 1, 295 patients in Year 2, and 308 patients in Year 3. Of these patients, 113 patients are projected to reside in Rowan County in Year 1, and 170 patients are projected to reside in Rowan County in both Year 2 and Year 3, respectively. According to the 2020 SMFP, the unmet need in Rowan County is 159. Thus, at first glance it would appear that PruittHealth meets this need. However, it must be considered that PruittHealth has historically served patients from the service area that it proposes will shift to the Rowan County location. See the table below.

PruittHealth's Corrected Incremental New Patient Projections

County	Patients Historically Served by PruittHealth	Year 1 Incremental New Patients	Year 2 Incremental New Patients	Year 3 Incremental New Patients
Rowan	32	81	138	138
Cabarrus	29	0	3	6
Mecklenburg	14	0	1	3
Union	17	0	1	3
Forsyth	26	0	3	5
Guilford	29	0	3	6
Total	**147**	**81**	**149**	**162**

Source: PruittHealth CON Application, Form C Utilization Step 9 and 10

In summary:

- PruittHealth will only serve 81 incremental new patients in Year 1 and 138 in Year 2 and 3 respectively from Rowan County.
- PruittHealth projects to serve no incremental new patients from Cabarrus, Mecklenburg, Union, Forsyth, and Guilford Counties in Year 1.
- PruittHealth projects to serve very few incremental new patients from Cabarrus, Mecklenburg, Union, Forsyth, and Guilford Counties in Year 2 (11 total patients) and Year 3 (23 total patients).
- The unmet need in Rowan County is 159. With only 138 projected patients from Rowan County in Year 3 who were not historically served by PruittHealth, it is clear that PruittHealth's projected utilization in Rowan County falls short of meeting the identified need.

PruittHealth fails to demonstrate the need for its proposed project as required by Criterion (3) for several reasons, including unsupported and unrealistic utilization projections and other factors as detailed herein. Thus, its project should be denied.

Criterion (4) – PruittHealth is Not the Most Effective Alternative

PruittHealth claims there is no alternative to the proposed project. This is simply not true. PruittHealth has not shown that this project is the most cost-effective alternative. Despite the fact that it already serves some Rowan County patients and operates multiple home health agencies and SNFs/ALFs, PruittHealth did not submit any letters of support from potential referral sources. PruittHealth also fails to document any community relationships. As previously established, PruittHealth projects to serve very few incremental new patients. The proposed project makes no meaningful impact on the unmet need in Rowan County.

Based on these issues, PruittHealth should be found non-conforming with Criterion (4).

Criterion (5) – PruittHealth's Project is Not Financially Feasible

As previously discussed, PruittHealth's utilization projections are not supported, and the assumptions are not reasonably documented. This calls into question the reasonableness of PruittHealth's utilization projections, which in turn raises concerns about the reasonability of PruittHealth's financial projections. Further, PruittHealth's financial projections have multiple inconsistencies, unclear assumptions, and missing information as will be discussed below.

First, PruittHealth did not provide assumptions for initial operating expenses, so it is unclear how the initial operating expenses were determined. (See PruittHealth CON Application, Page 58). Second, PruittHealth provides no capital cost for medical equipment. (See PruittHealth CON Application, Form F.1a). It is unreasonable to project that PruittHealth will not stock its office

prior to opening with medical equipment, especially considering that it has its own medical supply affiliate. PruittHealth also does not project an increase in its charges or reimbursement rates year over year. (See PruittHealth CON Application, Form F.2 and Form F.3) Again, it is unrealistic to assume that charges and reimbursements will not change from year to year, even at a standard inflation rate of 2 to 3 percent.

Further, as it relates to charges and reimbursement, PruittHealth only projected Medicare charges/reimbursement for inpatient care; however, on page 28 of its application, PruittHealth states that it will serve patients in multiple inpatient settings. This implies that PruittHealth will serve more than just Medicare-eligible patients and therefore should have reflected such in its projected charges and reimbursement rates for inpatient care:

> "PruittHealth Hospice will develop contracts with existing IP hospice facilities, SNFs, and hospitals to provide IP care for hospice patients whose illness require IP care. PruittHealth Hospice will also enter into agreements with facilities to ensure availability of respite care and residential care for patients who need a residence to receive services."
>
> PruittHealth CON Application, Page 28

As noted with respect to Criterion (3), PruittHealth projects to serve far fewer incremental patients than the total patients it has included in its utilization projections and financial pro forma. PruittHealth has not demonstrated whether the proposed new agency would be financially viable with just the incremental patient volume.

In summary, PruittHealth's lack of detailed explanations for some of its financial assumptions, apparent inconsistencies, capital expenditures unaccounted for, unrealistic assumptions, and unsupported projected utilization call into question the validity of the financial assumptions and financial feasibility of the proposed project.

Based on these issues, PruittHealth should be found non-conforming with Criterion (5).

Criterion (6) – PruittHealth Represents a Duplication of Services

As described above, the proposed project will inevitably result in unnecessary duplication of existing health service capabilities. PruittHealth will not meet the unmet need in Rowan County, as it proposes to serve very few patients that are not already served by PruittHealth. PruittHealth does not adequately demonstrate that it has the relationships, quality of care, and resources necessary to meet the hospice care needs of Rowan County. Thus, it is clear that PruittHealth's project is a duplication of existing services and should be found non-conforming with Criterion (6).

Criterion (13) – PruittHealth's Payor Mix is Disproportionate

In response to Question 3, Section L of the application where the applicant is required to provide the assumptions for its projected payor mix, PruittHealth state that it "used its historical experience and adjusted according to PruittHealth Hospice's desire to promote hospice home care services to the medically underserved and medically indigent" (See PruittHealth CON Application, Page 80). In fact, PruittHealth will not be financially accessible. PruittHealth projects just 1 percent Medicaid admissions and patient days and 1.62 percent self-pay including charity. Overall, PruittHealth projects less than 4 percent non-Medicare admissions and days demonstrating that it will not meet the needs of non-Medicare patients including Medicaid and charity care.

Accordingly, PruittHealth should be found non-conforming with Criterion (13).

Criterion (18a) – PruittHealth's Project Will Not Positively Impact Competition

PruittHealth's CON application will not enhance competition in the service area nor will it have a positive impact upon cost-effectiveness, quality, and access. PruittHealth has documented quality issues and appears not to be accredited by a reputable accrediting body. PruittHealth's projections are unsupported with no documentation of relationships within the Rowan community nor with local referral sources.

Further, PruittHealth does not meet the unmet need of Rowan County and is simply shifting patients from one hospice location to another and serving very few incremental new patients. Thus, the true purpose of PruittHealth's application appears to be to defend its position against competitors as an existing hospice provider serving the market rather than expanding access to care and meeting the true needs of Rowan County.

Accordingly, PruittHealth should be found non-conforming with Criterion (18a).

Concluding Comments on PruittHealth's Hospice Home Care CON Application

In conclusion, Amedisys has identified many discrepancies with PruittHealth's application that render it nonconforming with Review Criteria (3), (4), (5), (6), and (13). Each of the reasons for non-conformity detailed in these criteria also affect PruittHealth's conformity with Review Criteria (1) and (18a), consistency with the SMFP, and the impact of the proposed project on service area competition. For the reasons discussed above, PruittHealth's proposed project is not consistent with the SMFP, does not present reasonable utilization or financial projections, and ultimately will not have a positive impact on the utilization of hospice services for the service area. As such, PruittHealth's CON application should be denied.

Continuum Care of North Carolina, LLC Summary - Project ID 011955-20

General Comments

Continuum Care of North Carolina, LLC proposes a hospice service in Rowan County serving both Rowan and Stanly Counties. Continuum currently provides hospice services in five states in the far west and far east corners of the country. Continuum is a new entity that appears to operate under Continuum Care and currently does not offer any hospice or other healthcare services in North Carolina.

It is clear that Continuum's application is not approvable, as the application has several fatal flaws related to Criteria (1), (3), (4), (5), (6), (7), and (18a). These flaws will be discussed in detail below.

Non-Conformity with Review Criteria

Criterion (1) and Policy GEN-3 – Continuum Fails to Document Quality Hospice Care

Continuum should be found non-conforming with Criterion (1) because:

- Continuum has not documented its experience providing high quality care.
- Continuum does not adequately explain how its projected utilization incorporates the concept of maximum value for resources expended. More detailed discussion of each of these factors can be found below in Amedisys' comments concerning Continuum's non-conformity with Criterion (3). These same factors relate to Continuum's failure to meet Criterion (1).
- Continuum does not adequately demonstrate the need for the proposed project. More detailed discussion regarding Continuum's failure to establish need can be found below in Amedisys' comments concerning Continuum's non-conformity with Criterion (3). These same factors relate to Continuum's failure to meet Criterion (1).

Quality of Care Issues

For reasons unknown, Continuum chooses to be evasive with the details concerning its existing hospice programs. In response to Section A, Question 1(e), Continuum does not list a parent organization (Continuum CON Application, Page 8). Further, in response to Section A, Question 9 (b), Continuum states that, "The applicant's Member has developed multiple successful hospice programs across the country. Continuum and its affiliate hospice programs operate under a common governing authority" (Continuum CON Application, Page 12). While failing to identify its parent organization, Continuum vaguely describes "multiple successful hospice programs" it calls its affiliates. No other detail is provided concerning Continuum and its affiliates' hospice care experience.

A quick internet search reveals that Continuum operates eight hospice programs in both CON-regulated and non-regulated states: one in Rhode Island (CON-regulated), one in New Hampshire (non-CON regulated), two in Massachusetts (non-CON regulated), one in Washington (CON-regulated), and three in California (non-CON regulated). Continuum makes no mention of these programs in its application.

Beginning on page 15 of its application, Continuum supports its application, describes its proposed programs, and attempts to condition its application on offering such programs which holds no merit in the state of North Carolina. Conditioning an application is a common feature of Florida CON applications, and this shows Continuum's inexperience in the North Carolina market, specifically with North Carolina CON review criteria. More importantly, without any background information on Continuum's existing hospice programs, it is unclear whether or not Continuum has been successful in implementing such programs or its quality of care record in them.

Because Continuum fails to fully describe its experience providing high quality hospice services, it cannot be determined that the proposed project will promote safety and quality in the delivery of hospice.

Lastly, Amedisys found that Samuel Stern, CEO, and member of Continuum, apparently also has ownership or is affiliated with several Accordius Health facilities, some of which are in North Carolina.[2] Accordius Health owns several long-term skilled nursing in North Carolina and other states. Accordius Health representatives wrote approximately half of the stock letters of support Continuum collected. Importantly, Accordius Health has had documented quality of care issues for many years. Notably, the Accordius Health location in Salisbury is rated 1 star by CMS and has been identified as a candidate for status as a special focus facility.[3] A special focus facility according to CMS is a center that "has a history of persistent poor quality of care, as indicated by the findings of state or Federal inspection teams." Mr. Stern's apparent affiliation with Accordius Health, quality issues documented by CMS, and Continuum's lack of detail as it relates to its experience starting high quality hospice programs call into question the ability of Continuum's owner(s) to provide a high quality hospice program serving Rowan County.

For the reasons described above, the proposed project does not maximize healthcare value for resources expended and does not promote safety and quality in the delivery of hospice services and thus is not consistent with Policy GEN-3: Basic Principles and is non-conforming with Criterion (1).

[2] https://www.nursinghomedatabase.com/owner/SAM%20STERN
[3] https://www.northcarolinahealthnews.org/2019/06/17/feds-identify-nc-special-focus-nursing-homes/

Criterion (3) – Continuum Fails to Document Need and Reasonable Utilization Projections

Continuum makes lofty promises of services to be offered to Rowan County and promises to improve community education and outreach but offers no plan or proof of execution. For example, on page 50 of its application, Continuum writes "Specific to Rowan County, Continuum intends to work with the Rowan Helping Ministries to help obtain housing options for any homeless hospice patients. And, through this outreach, Continuum expects that homeless individuals in need of hospice may also be referred for other services." However, Continuum does not provide a letter from Rowan Helping Ministries documenting an existing relationship. Continuum goes on to say it will "work directly with community organizations, places of worship and gathering, trusted physicians, and other health care providers to deploy strategies and outreach mechanisms that address populations with unmet needs." (Continuum CON Application, Page 33). Again, Continuum provides no proof of any of these claims. That is, Continuum provides no letters of support and no documentation of historical experience working with these communities or specific programs in place to reach these demographics. Additionally, Rowan Helping Ministries provided a strong letter of support for Amedisys' CON application for a hospice home care office in Rowan County.

As it relates to outreach to minority populations who are underserved by existing hospice programs serving Rowan County, Continuum says it will reach minority populations because "a large percentage of Continuum's present workforce are members of minority populations" (Continuum CON Application, Page 33). First, Continuum has no existing entities anywhere near North Carolina let alone Rowan County from which it will draw minority staff members. Second, Continuum never provides supporting documents concerning its workforce demographics, rendering this statement is unsupported and undocumented.

In regard to support for its project, Continuum submits 30 total stock letters of support, 14 of which are from Accordius Health which, as previously established, appears to be at least partially owned by Samuel Stern, the CEO and part owner of Continuum. Although Continuum does not disclose this relationship, it could be motivation for the number of SNF/ALF letters from Accordius Health and its affiliates. Additionally, several letters from Accordius Health were stock letters signed by the same person on behalf of more than one Accordius Health location, making it appear that Continuum had more letters than it really did.

Continuum also had other community letters from individuals who are outside of Rowan County and therefore, are not aware of the needs of the county. For example:

- Letter of support from a Department of Veterans Affairs Chaplain who is based in California, and

- Letter of support from HealthReach Community Clinic located in Mooresville (Iredell County).

Continuum had a total of 4 physician letters: two from its proposed medical directors - Dr. Abaqueta, a primary care physician located in Charlotte, NC, and Dr. Haque, an internal medicine physician with offices in Asheboro, Ramseur, and High Point. Dr. Abaqueta's letter of support explicitly states that he "just recently learned about Continuum" which contradicts the template medical director letter. Thus, with no clear ties to Rowan County and the writer's limited knowledge of Continuum, the relevance of these letters is questionable.

The remaining two letters were from:

- Dr. William Long who works at Medical Plaza Family & Geriatric Physicians where Dr. Abaqueta also practices in Charlotte, NC; and
- Dr. George Hall with Eventus WholeHealth which is located in Cabarrus County 20+ miles south of Salisbury.

Continuum has very few letters from community organizations who serve Rowan County and/or physicians who practice in Rowan County. With no experience serving North Carolina residents, little to no community linkage, and very little support from reputable, quality care referral sources who also serve Rowan County, it is unlikely that Continuum will be able to meet the projected utilization it proposes.

Projected Utilization Assumptions are Unfounded and/or Unreasonable

Amedisys has identified the following issues with Continuum's projected utilization:

- On page 106 of Continuum's application, Form C Utilization. Continuum projects that the number of deaths plus the number of non-death discharges are equal to the number of new (unduplicated) admissions. In other words, Continuum projects that all patients admitted in one Fiscal Year will be discharged prior to the beginning of the next Fiscal Year. This is not realistic and calls into question the validity of Continuum's projections.

- On page 109 of its application, Continuum presents its market share assumptions which reach 95 percent of the underserved hospice deaths by Project Year 3. Considering that there are two other existing providers in the market, these assumptions leave little to no room for existing providers to grow to meet the unmet needs of Rowan County residents. Further, Continuum's market share assumptions are unfounded. With no existing presence in Rowan County, or North Carolina for that matter, and without any proof of establishing

relationships within the Rowan County communities, it is not clear how Continuum will meet these lofty market share assumptions.

- Continuum focuses on its extensive experience with outreach as support for its projections yet provides very few letters of support which document "success" in building these relationships. Continuum has no hospice presence in North Carolina which is reflected by its lack of unique support letters and no letters from Rowan County-based physicians.

These issues render Continuum's projections unsupported and unreasonable.

Continuum fails to demonstrate the need for its proposed project as required by Criterion (3) for several reasons, including unsupported and unrealistic utilization projections and other factors as detailed herein. Thus, its application should be denied.

Criterion (4) – Continuum is Not the Most Effective Alternative

Continuum's lack of experience with hospice services in North Carolina coupled with its flawed utilization and financial projections clearly demonstrate that it is not the most effective alternative to develop a new hospice agency in Rowan County. Continuum does not have any presence in North Carolina and has not shown how it will create community linkages and relationships with local referral sources.

Based on this issue alone, Continuum should be found non-conforming with Criterion (4).

Criterion (5) – Continuum's Project is Not Financially Feasible

Continuum's project is not financially feasible for the following reasons:

- Vague and unclear financial assumptions.
- Unsupported or unreasonable projected utilization assumptions as described in Amedisys' Written Comments in regard to Criterion (3).

On Form F.1a Capital Cost, Continuum provides no medical equipment cost. It is unreasonable to believe that a hospice program would start with no medical equipment stocked in the office location to support its operations.

On Form F.4 under "other revenue", Continuum writes, "Other revenue includes service intensity add-on (SIA) payments and physician visits. CMS provides a service intensity add-on (SIA) payment for routine home care visits by a registered nurse or social worker to meet the increased clinical and emotional needs of patients in the last 7 days of life and their families. SIA payments are reflective of a high-quality, service-intense hospice provider." (Continuum CON Application,

Page 122). However, the Form F.4 instructions for "other revenue" requires that the applicant identify each source of revenue included on this line and explain how the total amount was determined. Continuum does not explain how its other revenue amount was determined.

Lastly, on Form F.5, Continuum provides very vague information and unconventional assumptions:

- Consultant services estimate and Computer and Internet expenses are based on a dollar amount per census per month. These sorts of expenses are typically fixed, and it is not standard practice to present these costs as a variable based on census. These assumptions are unsupported and unreasonable. There is no way to determine if these expenses are underestimated.
- Continuum does not provide any management fees in its operating expenses nor does it provide any documentation concerning who will manage the hospice program. With no existing presence in North Carolina, it is unclear how the day-to-day operations of the program will be managed.

Based on these issues, Continuum should be found non-conforming with Criterion (5).

Criterion (6) – Continuum Represents a Duplication of Services

Continuum's proposed project is a duplication of existing services. Continuum has not shown how it will meet its projected utilization nor has it established that it has the resources to develop extensive outreach programs and community and clinical relationships necessary to meet the unmet needs of Rowan and Stanly Counties. Continuum should be found non-conforming with Criterion (6).

Criterion (7) – Continuum Does Not Provide Adequate Support of its Ability to Staff its Proposed Project

As it relates to staffing, Continuum provides very little proof of support from referring physicians who have a presence in or near Rowan and Stanly Counties. The validity of the letters that Continuum does provide is questionable. Further, as previously established, Continuum provides no discussion of who will manage the hospice program. Continuum does provide the information for two medical directors who are practicing physicians in communities at least 35 to 45 miles away from Rowan County. While there is not anything inherently wrong with the medical director not being present in Rowan County, Continuum has not established any local leadership or direction that will oversee the day-to-day operations of the hospice program. Continuum provides no management agreements or citation any management entity.

With no presence in North Carolina and no established or documented relationships within the medical community that serves Rowan County, Continuum has not shown adequate evidence of the availability of resources, including health manpower and management personnel, for the provision of the services proposed to be provided as required by Criterion (7). Thus, Continuum must be found non-conforming with Criterion (7).

Criterion (18a) – Continuum's Project Will Not Positively Impact Competition

Continuum will not have a positive impact on competition, cost effectiveness, or quality. As previously described, Continuum has no presence in North Carolina currently and has failed to establish any relationships within the Rowan community. Additionally, Continuum has not established adequate local referral sources to support its projected utilization. Most importantly, Continuum's utilization and financial projections are unsupported. For these reasons, Continuum is non-conforming with Criterion (18a).

Concluding Comments on Continuum's Hospice Home Care CON Application

In conclusion, Amedisys has identified many discrepancies with Continuum's application that do not conform with Review Criteria (3), (4), (5), (6), and (7). Each of the reasons for non-conformity detailed in these criteria also affect Continuum's conformity with Review Criteria (1) and (18a), consistency with the SMFP, and the impact of the proposed project on service area competition. For the reasons discussed above, Continuum's proposed project is not consistent with the SMFP, does not present reasonable utilization or financial projections, and ultimately will not have a positive impact on the utilization of hospice services for the service area. As such, Continuum's CON application should be denied.

Carolina Caring, Inc. – Project ID F-011956-20

General Comments

Carolina Caring, Inc. is an existing home hospice agency operating out of Catawba County, and proposes to develop a new hospice program in China Grove, Rowan County. Carolina Caring's service area also includes neighboring Stanly County. Carolina Caring currently provides hospice services to these counties and states that with its documented track record of service to these counties, it will be better positioned to serve Rowan County patients (CON pg. 30). Though Carolina Caring is an existing hospice provider, it does not propose to provide adequate service to underserved and medically indigent populations, is untested in opening new hospice agencies, and lacks support from the Rowan healthcare community for its proposed project. Specifically, there are flaws in Carolina Caring's application related to Criteria (1), (3), (4), (5), (7), (8), (13), and (18a). These flaws are described below.

Non-Conformity with Review Criteria

Criterion (1) – Carolina Caring's Proposed Project is Not Consistent with the 2020 SMFP

As will be discussed below, Carolina Caring's proposed project will not expand access to underserved groups, is not supported by the existing healthcare delivery system in Rowan County and presents unsupported utilization and financial projections. For these reasons, Carolina Caring's application is not consistent with the overall goals of the SMFP and Criterion (1) and should be denied.

Criterion (3) – Carolina Caring's Projected Utilization is Unsupported

Carolina Caring fails to adequately demonstrate the need for its proposed project because it relies upon unsupported and unfounded utilization projections, with no documented support from referral sources. Importantly, Carolina Caroling has not started a new home hospice agency since 1980 and only has experience being the dominant provider in a county. As such, Carolina Caring lacks the necessary experience in starting a new home hospice agency, which is apparent in the assumptions it uses to justify its projections. Specifically:

- Carolina Caring assumes that its proposed market share in Rowan County is reasonable because it is smaller than the market share it has in Catawba County. (CON pg. 116). This is in no way a reasonable or realistic way to determine market share and utilization in a new market. Carolina Caring cannot compare its existing market share in a different county that it has served for 30 years as the dominant provider to a different county and a different market.
- Carolina Caring claims its projections are reasonable because it has contacted many providers in the county, and many have responded saying that there is a need for greater access to services. Need does not equate to support for a specific applicant. Further, Carolina Caring supplied no provider letters of support from within Rowan County to back these claims.

As such, it is clear that Carolina Caring's assumptions are not based in fact or on reasonable expectations. Further, Carolina Caring provides a large number of letters of support for its proposed project from outside of Rowan County, making them irrelevant. Specifically, Carolina Caring provided the following:

- Carolina Caring provided 5 physician letters of support. Every single letter is from a practice in Catawba County, where its existing home hospice agency operates. These are not relevant to the Rowan County market.
- Carolina Caring provided 38 letters from provider organizations. Out of these 38, a total of 30 originate from outside of Rowan County, with most coming from a county which

Carolina Caring currently serves with its existing Catawba agency. Again, these are irrelevant to the Rowan County market.

- Carolina Caring provides 3 letters from Clergyman, one of which is from a Carolina Caring board member and is therefore immaterial.
- Carolina Caring provided 29 letters from the community with many being from outside of Rowan County and instead from a county currently served by Carolina Caring's existing hospice agency.

It is clear that Carolina Caring relied on its existing relationships from its Catawba County agency to provide support for the proposed project in Rowan County which calls into question its ability to enter a new market and gain support. As such, Carolina Caring's projected utilization, and thus its project as a whole, is not well supported and should be found non-conforming with Criterion (3).

Criterion (4) – Carolina Caring Is Not the Best Alternative for a New Hospice Agency in Rowan County

Throughout its application, Carolina Caring claims that it is the best option for expanding access to hospice services for Rowan County residents because it is cost-effective, accommodates underserved groups, and has extensive programming and experience serving hospice patients. These arguments are contradictory and untrue for the following reasons:

- All hospice providers have the benefit of providing cost-savings. Carolina Caring is not unique in this benefit.
- Carolina Caring is not accessible to underserved and minority groups, as shown in its response to Section L, its 2020 LRA, and its lack of documentation demonstrating access to the medically underserved.
- Carolina Caring provides zero data or documentation linking its outreach and disease-specific programs to increased use rates and expanded access to hospice care for the groups it targets.

Importantly, Carolina Caring has no experience entering a new market with larger, established providers. Carolina Caring opened its only existing home hospice agency 30 years ago and did so when hospice was a new service. It was one of the first agencies of its kind and built its program in a minimally competitive market. This lack of experience is documented by Carolina Caring's projected 10/1/2021 start date, three months behind Amedisys, despite already having an existing palliative care office running out of the same office from which it proposes to offer hospice care. If Carolina Caring had any experience entering a new market, it would be able to easily leverage its existing program and roll out hospice services quickly. This is not the case. Carolina Caring is clearly unprepared to open a new hospice agency in Rowan County, and for this reason, along with

those detailed above, Carolina Caring is not the best alternative for a new provider in Rowan County. Carolina Caring should be found non-conforming with Criterion (4).

Criterion (5) – Carolina Caring's Project is Not Financially Feasible

As discussed under Criterion (3), Carolina Caring fails to support the reasonableness of its projections. Without reasonable utilization projections, the financial projections cannot be reasonable. In addition, there are numerous errors within Carolina Caring's Section Q workbook. These include:

- The capital costs included in Form F1.a are unsupported. Carolina Caring provides no supporting documentation to confirm these costs. Further, the assumptions included say that the costs are based on Carolina Caring's "experience with similar projects." Since Carolina Caring has not started a new home hospice agency since 1980, it is unclear what "similar projects" Carolina Caring is referring to.
- In Form 2, Carolina Caring presents unrealistic charges. It is unreasonable to assume that Medicaid, providing historically the lowest payments, will have higher charges than Medicare.
- In Form 3, Carolina Caring presents equal reimbursement and charge amounts for both Medicare and Medicaid. No documentation is provided to support this proposal that charges would match reimbursement. This also implies that Carolina Caring expects Medicaid to reimburse for services at a higher rate than Medicare, which is historically not the case.
- With unreasonable charges and reimbursement rates, revenues presented in Form F.4 cannot be reasonable.

For the reasons stated above, Carolina Caring's proposed project is not financially feasible should be found non-conforming with Criterion (5).

Criterion (7) – Carolina Caring Does Not Adequately Demonstrate Manpower Availability for its Proposed Project

As discussed in response to Criterion (3) above, Carolina Caring does not provide adequate supporting documentation from physicians within Rowan County who will refer patients to the proposed project. Carolina Caring even states in its application that it does not know how many physicians will refer to the proposed project but instead only "anticipates that many physicians" will refer to the agency. (CON pg. 74). In addition to minimal physician support, Carolina Caring projects low FTEs for nurses and aides in Form H of its application, which calls into question Carolina Caring's ability to serve its projected patient volume. Further, Carolina Caring's salary expense is the lowest of all applicants. (See Comparative Review below.) For these reasons, it is

unclear whether Carolina Caring can adequately support its projected patient volume and therefore should be found non-conforming with Criterion (7).

Criterion (8) – Carolina Caring Does Not Sufficiently Demonstrate Coordination with the Existing Healthcare Delivery System Within Rowan County

As previously discussed regarding Criterion (3), Carolina Caring provides zero letters of support from physicians practicing in Rowan County, and 30 letters from healthcare organizations outside of Rowan County. It is clear that Carolina Caring has relied on its existing relationships in other counties to provide the bulk of its support letters. Additionally, Carolina Caring claims that it has "reached out to the local health provider community" in relation to the development of the palliative care office it operates in China Grove and that "any licensed physician…may" refer patients to the proposed agency but does not discuss the specific relationships formed with its palliative care office, or how these relationships will also support its hospice services. (CON pg. 77). Instead, Carolina Caring discusses its coordination with Rowan County EMS in depth and goes into detail about other educational programming it offers, none of which prove that Carolina Caring has support from physicians or other referral sources. Carolina Caring even calls out specific organizations that it claims it will contract with (ex. CON pg. 25) but provides no letters of support to back these claims. Carolina Caring has failed to demonstrate coordination with the existing healthcare system and therefore the Carolina Caring's CON application should be found non-conforming with Criterion (8).

Criterion (13) – Carolina Caring's Proposed Project is Not Accessible to Underserved Groups

In its application, Carolina Caring states that it accepts a "diverse population of patients" (CON pg.14) in need of hospice care and that it has designed specific programs to increase utilization of its services by minority and underserved populations. These statements are unproven and completely contradictory to its actual documented experience. In fact, according to Carolina Caring's Section L demographic table (CON pg. 89) and its 2020 LRA, 90 percent of the patients it served last year were white. Further, when discussing needs of minority groups and hospice care, Carolina Caring only specifically calls out the needs of African Americans, never mentioning Hispanic or low-income patients as underserved groups, and goes into detail on its extensive programming for the African American population. However, Carolina Caring's actual experience serving this population is not consistent with that statement. Last year, Carolina Caring served a lower percentage of African American patients than the two existing providers in Rowan County. Specifically, on page 27 and 48 of its application, Carolina Caring notes that the two existing providers in the county provided 15.2 and 12.6 percent of their care to African Americans. Carolina Caring's own data shows that only 7.4 percent of its care, across a twelve-county service area, was provided to African Americans. That is less than half of the experience of existing Rowan providers. If Carolina Caring is not even accessible to an underserved group that it has specific programming for, it cannot possibly presume to be accessible to other groups for which it does not

even mention in its application. Carolina Caring has proven that it is in no way accessible to underserved groups and, as such, is non-conforming with Criterion (13).

Criterion (18a) – Carolina Caring's Project Will Not Positively Impact Competition

In response to the questions posed in Section N of the application, Carolina Caring vaguely states that it will enhance competition by bringing a high-quality provider into the county. Many of the other applicants also promise to offer high-quality and cost-effective care to the residents of Rowan County. Carolina Caring is not unique in these promises. Carolina Caring is unique, however, in promising to expand access to underserved groups, while having no experience actually doing so. For the reasons discussed throughout these comments, Carolina Caring is not the best applicant to enhance competition in Rowan County and should be found non-conforming with Criterion (18a).

Concluding Comments on Carolina Caring's Hospice Home Care CON Application

In conclusion, Amedisys has identified many discrepancies with Carolina Caring's application that make it nonconforming with Review Criteria (3), (4), (5), (6), (7), (8) and (13). Each of the reasons for non-conformity detailed in these criteria also affect Carolina Caring's conformity with Review Criteria (1) and (18a), consistency with the SMFP, and the impact of the proposed project on service area competition. For the reasons discussed above, Carolina Caring's proposed project is not the best alternative to meet the needs of Rowan County hospice patients. As such, Carolina Caring's CON application should not be approved.

PHC of North Carolina, LLC - Project ID F-011957-20

General Comments

PHC of North Carolina, LLC ("PHC") proposes a hospice office in Rowan County serving both Rowan and Stanly Counties. PHC is an existing, locally owned, home health agency currently serving the Charlotte and Raleigh areas. PHC does not have any experience in providing hospice services. While PHC may be an excellent home health agency, its lack of experience in providing hospice is readily apparent in its plans to provide hospice services in Rowan County. With this lack of experience, PHC will not have the extensive resource and experience that an established provider such as Amedisys would bring to Rowan County. Rowan County residents would face a delay in the ramp up of hospice services and increase in hospice use rates as PHC learns the hospice business. As a result, PHC's application is not approvable, as the application has several fundamental flaws and as a result the project does not conform to Criterion (1), (3), (4), (5), (6), (7), and (18a). These flaws will be discussed in detail below.

Non-Conformity with Review Criteria

Criterion (1) and Policy GEN-3 - PHC Fails to Document Quality Hospice Care

PHC's application fails to conform with Criterion (1) and Policy GEN-3. This is primarily because PHC has no demonstrated a track record of providing hospice care that demonstrates its ability to promote safety and quality in the delivery of hospice services. PHC provides a variety of policies and procedures related to quality of care but these are for home health services. There is not a meaningful acknowledgement by PHC that hospice services are not the same as home health and that significant changes in their operating methodology and policies and procedures will have to be implemented.

With no experience in the provision of hospice services, the only quality indicators available for PHC are for that of its home health agency. According to CMS Compare, PHC's home health agency rates overall as a three-star agency (out of a possible 5 stars) with multiple quality measures ranking below the North Carolina average. With only moderate home health quality of care, it is questionable whether PHC would be able to develop a high-quality hospice program with no experience.

PHC should be found non-conforming with Criterion (1) and Policy GEN-3.

Criterion (3) - PHC Fails to Document Need and Reasonable Utilization Projections

As a starting point for projected utilization PHC begins with its referral sources for its home health services from the service area. This alone is hardly a basis for ramping up hospice services. PHC shows 4 patients in Rowan and 3 patients in Stanly in Exhibit C-3 on page 32.

PHC provides a simplistic narrative generally describing hospice services without describing any detailed programs, services, or outreach/education methods they will use for hospice services. Borrowing programmatic language from the National Hospice and Palliative Care Organization does not demonstrate that an applicant has the ability to implement these programs.

PHC's lack of understanding of hospice programs and services are shown in its discussion of Speech Language Pathology ("SLP") services, which are typically a very minor service offering for hospice patients. (See p. 31). Just because PHC has a strong SLP program for home health, this does not meaningfully translate into hospice services.

Section Q assumptions detail a 20-step methodology patient utilization including admissions and days by level of care. This methodology is unnecessarily complex and contains a number of flaws including:

- PHC did not appropriately provide the first three years of operation as directed by the Agency, but instead provided a partial three-month period and then three full years. This is incorrect and does not allow the Agency to review the feasibility of the project in the appropriate first full three fiscal year time period as it requests.
- This timeframe is further confused by the fact that the three-month period appears to run October through December 2021 (page 100) but the utilization for this partial period is listed as January 2021 to March 2021 (page 112, Table 12).
- Even if this time frame was presented consistently, this startup period is unreasonable for a new agency with no experience to achieve full licensure and Medicare certification.
- This same ramp up schedule does not correctly link to Form C (page 102), where the prior period caseload at the end of the period must be carried over to reflect total patients served. It is clear that PHC does not understand how hospice census with long term patients carry over from year to year.
    - For example, in the first full year (2022) PHC projects 152 new admissions and 156 total patients served but all 5 patients from the prior year were discharged, so there is no census to carry over from the interim three months to result in 156 total patients served.
    - In the first full year, PHC also projects to discharge 158 patients (138 to death and 20 live discharges). This is more discharges than admissions or patients served. The ending census with these discharges would be -2.
    - Despite no carry-over census, PHC projects 36 more patients served in 2023 than the number of admissions.
    - A corrected Form C with accurately considered discharges would result in the following significantly lower patients served and, using PHC's ALOS, significantly fewer patient days.

Form C Utilization Criterion (3)	**Interim Year** From: 01/01/2021 To: 12/31/2021	**1st Full FY** From: 01/01/2022 To: 12/31/2022	**2nd Full FY** From: 01/01/2023 To: 12/31/2023	**3rd Full FY** From: 01/01/2024 To: 12/31/2024
# of New (Unduplicated) Admissions	5	152	222	227
# of Patients Served *(Beginning Census + Admissions)*	**5**	**152**	**216**	**211**
# of Deaths	4	138	202	207
# of Non-Death Discharges	1	20	30	30
Patients Served Less Deaths and Discharges (Ending Census)	**0**	**-6**	**-16**	**-26**
Projected ALOS	34.8	68.4	68.3	68.1
Revised patient Days	174	10,393	14,757	14,376
Shortfall from Projected Days		**(273)**	**(2,869)**	**(4,088)**

- Page 123-129 provides a lengthy and unnecessary analysis of visit by month, which is completely irrelevant given that hospice services are billed for daily and not on a visit basis

like home health. This analysis further demonstrates PHC's lack of understanding of hospice services. As discussed below, this lack of understanding of hospice utilization results in a project that is not financially feasible.

Even if PHC's utilization projections were reasonable, which they are not, they have limited letters of support from providers and referral sources within the service area to support referral volumes. Referral sources from Charlotte and Raleigh do not support a new agency in Rowan County.

PHC has not demonstrated that it understands how to offer the services needed in Rowan and Stanly Counties and thus, any need it has identified cannot be reasonably be met by PHC. PHC is non-conforming with Criterion 3.

Criterion (4) - PHC is Not the Most Effective Alternative

PHC's lack of experience and understanding of hospice services coupled with its flawed utilization and financial projections clearly demonstrate that it is not the most effective alternative to develop a new hospice agency in Rowan County. PHC should be found non-conforming with Criterion (4).

Criterion (5) – PHC's Project is Not Financially Feasible

PHC is not financially feasible. Its financial pro forma flaws start with its flawed utilization projections and extend to revenue, expenses, and staffing.

As noted above, PHC does not accurately calculate patients served and associated patient days on Form C. With fewer patients served and patient days, which would result from using corrected patients serviced and patient days, the revenue associated with the proposed project would be significantly lower. By the third full year of operation, PHC would have a shortfall of over 4,000 patient days from that presented in the application. Using PHC's average charge per day and percent adjustments to revenue, this shortfall of patient days would result in a downward adjustment of over $875,000 in net revenue by year three, which would completely eliminate the profitability of the proposed agency.

	Interim Year	First Full FY	Second Full FY	Third Full FY
Gross Revenue per Day	$ 223.017	$ 222.563	$ 227.764	$ 233.213
Shortfall of Patient Days	0	-273	-2,869	-4,088
Shortfall of Gross	$ -	$ (60,868)	$ (653,533)	$ (953,366)
Shortfall of Net Revenue	$ -	$ (55,922)	$ (600,433)	$ (875,904)

As noted above, PHC also fails to link its unnecessarily complex and irrelevant projection of patient visits to its staffing projections. For example, regardless of census, PHC projects 9 SLP visits per year. (See page 139.) To provide these 9 Speech Therapy visits, PCH projects 0.006

FTEs needed. (See page 142.) However on Form H, PHC projects 1 FTE, 1.5 FTEs, and 2 FTE s for Speech Therapists on Form H for the first three full years of operation, respectively. Not only is this illogical, is it not cost effective. PCH projects salaries ranging from $85,475, $130,778, and $177,858 in salaries for Speech Therapists in the first three full years of operation, respectively, to provide 9 patient visits.

This is just one example of the complete disconnect between the utilization projections, staffing and other parts of the pro forma financial projection such as .25 FTE for Physical Therapy to provide just 6 visits per year. Moreover, PHC does not provide sufficient capital costs to establish a new hospice office and does not provide any backup for its costs represented on Form F.1.a. For instance, PHC does not account for any medical equipment in its capital cost.

It is clear that PHC's projections are riddled with errors demonstrating its lack of understanding of the utilization patterns, staffing patterns, and other appropriate financial assumptions for the operation of a hospice agency. PHC's application is non-confirming with Criterion (5).

Criterion (6) - PHC Represents a Duplication of Services

Given that PHC does not have the experience to develop a new effective hospice agency that will serve the unmet need in Rowan County based on its flawed utilization, staffing, and financial projections along with its lack of experience, PHC will simply represent a duplication of existing services. PHC should be found non-conforming with Criterion (6).

Criterion (7) - PHC Does Not Document Adequate Resources and Manpower

As discussed previously, PHC does not reasonably link its staffing projection to its utilization projections and its staffing resources do not align with its projected patient demand. PHC's job descriptions are generic, borrowed one-page summaries, borrowed from other sources. No actual training programs for hospice staff are documented. PHC should be found non-conforming with Criterion (7).

Criterion (18a) – PHC's Project Will Not Positively Impact Competition

Given PHC's lack of experience and flawed presentation of both utilization and financial projections, its proposed project would not have a positive impact on competition in the service area. PHC has not demonstrated that it would be cost effective as it is not financially viable as projected. PHC's quality is questionable based on its complete lack of hospice experience and only moderate quality scores at its existing home health agency. PHC should be found non-conforming with Criterion (18a).

Concluding Comments on PHC's Home Hospice Care CON Application

In conclusion, Amedisys has identified many discrepancies with PHC's application that render it non-conforming with Review Criteria (3), (4), (5), (6), and (7). Each of the reasons for non-conformity detailed in these criteria also affect PHC's conformity with Review Criteria (1) and (18a), consistency with the SMFP, and the impact of the proposed project on service area competition. Given the number of flaws throughout its application, PHC has not presented a viable hospice application. Throughout the application there are policies, references, and assumptions that demonstrate that PHC is simply trying to take its home health agency and become a hospice agency without an understanding of the differences between these two programs from staffing to admission criteria, to utilization patterns. PHC's application is simply not approvable.

COMPARATIVE REVIEW

Conformity with CON Review Criteria

The following applicants do not conform with multiple CON Review Criteria and are therefore not approvable: BAYADA, HPC, Adoration, PruittHealth, Continuum, Carolina Caring, and PHC.

In contrast, Amedisys meets all required Review Criteria. As shown below, Amedisys is comparatively superior to the competing applicants. The table below provides a comparison of the competing applications in the context of the applicable CON review criteria:

Comparative Conformity with Review Criteria

	Amedisys	Bayada	HPC	Adoration	PruittHealth	Continuum	Carolina Caring	PHC
Criterion (1)	X							
Criterion (3)	X							
Criterion (4)	X							
Criterion (5)	X							
Criterion (6)	X							
Criterion (7)	X	X		X	X			
Criterion (8)	X		X		X	X		X
Criterion (9)	X	X	X	X	X	X	X	X
Criterion (12)	X	X	X		X	X	X	X
Criterion (13)	X	X		X		X		X
Criterion (14)	X	X	X	X	X	X	X	X
Criterion (18a)	X							
Criterion (20)	X	X	X	X	X	X	X	X

X - Conforms with criterion.

Services to Rowan County

Each applicant projected a varying level of care that it would provide to Rowan County residents. As previously discussed, of particular interest is the projected utilization of PruittHealth. There is an unmet need for home hospice service of 159 in Rowan County. Taking into consideration its historical patients served from Rowan County, in reality PruittHealth will only serve 81 incremental new patients in Year 1, 138 incremental new patients in Year 2, and 138 incremental new patients in Year 3. This means that PruittHealth's proposed project will not meet the unmet need in Rowan County.

Furthermore, both PruittHealth and Adoration have a projected patient origin with nearly half of the patients coming from outside of Rowan County. In the case of Adoration, it projects 149 of its 263 unduplicated patient admissions to come from Rowan County in Year 3. With an unmet need of 159, Adoration's proposed project will not meet the unmet need in Rowan County. Amedisys on the other hand will not only meet the unmet need in Rowan County, but also provide exemplary care to the other counties that are part of its proposed service area.

Documentation of Support

An important piece of establishing a new healthcare service of any kind is documenting support for the project from local healthcare providers and healthcare facilities. Amedisys displayed strong relationships with Rowan County facilities, community leaders, and former clients in its CON application. Applicants such as BAYADA, Adoration, PruittHealth, Continuum, Carolina Caring, and PHC failed to document strong community linkage through letters of support.

BAYADA provided six letters of support which included letters from three Stanly County physicians and three letters from BAYADA employees. It is unlikely that physicians located over 40 minutes away from the proposed project would be referring patients to Rowan County. Adoration claimed to have extensive community linkage through its sister organization but failed to provide any documentation to support its claims. PruittHealth did not provide any letters of support at all, let alone document any community linkage in Rowan County. Continuum provided little support of its community linkage in Rowan County. In fact, Continuum misleadingly provided 14 letters from Accordius Health, a company sharing the same owner as Continuum, as letters of support. Likewise, PHC's letters of support for community linkage came from outside of Rowan County.

Amedisys and HPC were the only two applicants to satisfactorily demonstrate and support purported community linkage within Rowan County.

Time to Market

Of the eight applicants for home hospice care in Rowan County, Amedisys is the only applicant that can realistically come to market first to meet the needs of Rowan County residents. If approved, Amedisys proposes to come to market in July of 2021. Given Amedisys' national experience with establishing de novo home hospice care offices and its experience with North Carolina home hospice care offices, it is entirely reasonable that it can come to market within the proposed timeframe. The only other applicant that proposes to come to market before Amedisys is HPC in April of 2021. Given that HPC has no experience opening and running a home hospice care office outside of Iredell County, it is unlikely that it can meet its proposed time to market estimate. All of the other applicants do not propose coming to market until late 2021, or in the case of BAYADA, early 2022. Additionally, BAYADA's previously approved Cumberland County home hospice care project took a significant amount of time to come to market. That project was approved in 2018 and did not begin service until January 2020, hence BAYADA's extended estimated time to market for its Rowan County project. Amedisys is the superior applicant to come to market in a timely manner and provide much needed hospice services to Rowan County residents.

Access to Underserved Groups

Projected Access by Medicare Recipients

Medicare patients typically comprises the largest percentage of hospice patients in any market. Medicare recipients are generally considered underserved; however, projecting a larger percentage of Medicare patients may indicate a lower level of service to Medicaid and charity care patients who are typically more significantly underserved. Nonetheless, the following table compares the percent of Medicare days of care projected by each applicant in the third fiscal year. More importantly the total Medicare days of care indicate not only a focus on access for Medicare patients but also a higher projected number of admissions and a longer ALOS ensuring patients have earlier admission to hospice care as opposed to be admitted within the last few days of life. Amedisys has the second highest projected total Medicare days of care.

Projected Year 3
Access by Medicare Recipients

Applicant	Total Days of Care	Total Medicare Days of Care	Medicare Patients as % of Total Days of Care
PruittHealth Hospice	23,100	22,267	96.4%
Amedisys	20,342	18,568	91.3%
HPC	18,564	17,451	94.0%
BAYADA	18,830	16,947	90.0%
PHC Hospice	18,464	16,504	89.4%
Adoration	16,515	15,336	92.9%
Carolina Caring	16,093	14,451	89.8%
Continuum Care	15,073	13,265	88.0%

Projected Access by Medicaid Recipients

Access to care for Medicaid patients is important to ensuring that patients who are low income have access to care as well as patients under age 65. The following table compares the projected Medicaid patient days projected by each applicant and the percentage of Medicaid days. Note that among the 8 applicants, Amedisys has the second highest proposed total days of care and the third highest proposed total Medicaid days of care and percentage of Medicaid days.

Projected Year 3
Access by Medicaid Recipients

Applicant	Total Days of Care	Total Medicaid Days of Care	Medicaid Patients as % of Total Days of Care
BAYADA	18,830	1,158	6.1%
Continuum Care	15,073	1,055	7.0%
Amedisys	20,342	1,017	5.0%
PHC Hospice	18,464	911	4.9%
Carolina Caring	16,093	762	4.7%
Adoration	16,515	329	2.0%
PruittHealth Hospice	23,100	231	1.0%
HPC	18,564	185	1.0%

Projected Access by Charity Care Patients

In Section L of each application, applicants projected care for self-pay and charity care patients slightly different. Some projected self-pay patients as a payor class and only showed charity care write-offs in Form F.5. Others projected charity care patient days. Amedisys and HPC projected both self-pay and charity care patients. For this reason, a comparison of just charity care days would show many applicants with none. To achieve a more equal comparison, the following tables

combine self-pay and charity care patient days. However, for those applicants projecting only self-pay, it is not clear how many charity care patients' days they actually project to provide (BAYADA, PruittHealth, Continuum, Carolina Caring, and PHC). Though it is unclear the number of charity care patient days, Continuum and Adoration projected to provide the most charity care/self-pay patients as a percent of total days of care, followed by HPC.

Projected Year 3
Access by Charity Care/Self Pay Patients

Applicant	Total Days of Care	Total Charity/ Self Pay Days of Care	Charity Care/Self Pay Patients as % of Total Days of Care
Continuum Care	15,073	452	3.0%
Adoration	16,515	437	2.6%
HPC*	18,564	371	2.0%
PruittHealth Hospice	23,100	370	1.6%
Carolina Caring	16,093	223	1.4%
Amedisys*	20,342	248	1.2%
BAYADA	18,830	207	1.1%
PHC Hospice	18,464	59	0.3%

**Project both self-pay and charity care patients separately.*

Projected Combined Access to Medicaid/Charity Care Patients (Low Income)

Services to both Medicaid patients and charity care patients reflects overall care to low income individuals and collectively represents service to an underserved population. The following table compares the combined Medicaid, self-pay and charity care patient days projected for each applicant. Again, for some applicants it is not clear the percent of self-pay patients that may be written off as charity care including BAYADA, PruittHealth, Continuum, Carolina Caring, and PHC. This combined measure best reflects comparative access for low income individuals. Continuum Care, BAYADA, and Amedisys best meet this underserved population.

Projected Year 3
Access by Charity Care/Self-Pay/Medicaid Patients

Applicant	Total Days of Care	Total Charity/ Self Pay/Medicaid Days of Care	Charity/ Self Pay/ Medicaid Patients as % of Total Days of Care
Continuum Care	15,073	1,507	10.0%
BAYADA	18,830	1,365	7.2%
Amedisys	20,342	1,265	6.2%
Carolina Caring	16,093	985	6.1%
PHC Hospice	18,464	970	5.3%
Adoration	16,515	766	4.6%
HPC	18,564	556	3.0%
PruittHealth Hospice	23,100	601	2.6%

To re-emphasize, there is no one way to calculate the amount of charity care that an applicant proposes to provide, and each applicant for home hospice services in Rowan County took a different approach for projecting its level of charity care. For this reason, Amedisys combined self-pay and charity care days to achieve as equal of a comparison as possible.

Historic Access to Underserved Groups by Applicants with Existing Hospice Offices

To further emphasize its commitment to serving underserved groups, Amedisys conducted a comparative for the provision of care by demographic for the applicants with existing hospice offices in North Carolina for FY 2019 as seen in the table below. Amedisys, HPC, PruittHealth, and Carolina Caring all have existing hospice offices in North Carolina in 2019 and reported data via LRAs. Based on 2019 data, Amedisys served more women than any other applicant with an existing hospice office in North Carolina and served the second highest amount of minority individuals at 30.84 percent. Given its proposed access to low income individuals and its historic provision of care for underserved demographic groups, Amedisys will best serve low income and minority groups.

2019 Comparative Provision of Care by Demographic Cohort

	Amedysis	HPC	PruittHealth	Carolina Caring
Female	57.41%	55.37%	48.04%	55.83%
Male	42.59%	44.63%	51.96%	44.17%
Unknown	0.00%	0.00%	0.00%	0.00%
64 and Younger	13.40%	13.03%	13.13%	13.94%
65 and Older	86.60%	86.97%	86.87%	86.06%
American Indian	1.72%	0.16%	0.28%	0.51%
Asian	0.53%	0.33%	0.42%	0.88%
Black or African-American	25.44%	10.26%	28.63%	7.41%
Native Hawaiian or Pacific Islander	0.24%	0.00%	0.00%	0.07%
White or Caucasian	70.70%	88.27%	69.27%	89.80%
Other Race	1.36%	0.98%	1.40%	1.32%
Declined / Unavailable	0.00%	0.00%	0.00%	0.00%
Hispanic	1.54%	0.98%	1.12%	1.32%
Non-Hispanic	98.46%	99.02%	98.88%	98.68%

Sources: 2020 LRAs, FY 2019 data

Includes: Hospice of Iredell (HOS0387 and 1338), Pruitt Hospice (HOS 3269,4413, 3347, 4746, 3345), and Carolina Caring (HOS0367)

Amedysis - CON Application Section L.

Staffing Comparison

Demonstration of Adequate Staffing for the Proposed Service

As evidenced by previous home hospice care review cycles, it is important to demonstrate that a proposed home hospice care project will be adequately staffed. When determining if a proposed project is adequately staffed, caseload per FTE is one of the measures that is closely looked at. The table below displays a comparative of the third full fiscal year of patient days, average daily census, total FTEs, and important breakout analysis of Form H for each applicant. Of note is that BAYADA, HPC, Adoration, and Carolina Caring display some caseload issues. Adoration seems to be light on its aide FTEs, displaying a high aide caseload per FTE in relation to the other applicants. Likewise, BAYADA seems to be light on its social worker FTEs, displaying a significantly higher social worker caseload per FTE. BAYADA again shows a significantly higher caseload per FTE when it comes to the chaplain caseload per FTE, followed by HPC, Adoration and Carolina Caring. Overall, in relation to total proposed patient days and FTEs, BAYADA, Adoration, and Carolina Caring do not propose adequate staffing as presented. Amedisys relied on its extensive experience staffing de novo home hospice care offices nationally as well as its North Carolina hospice offices when projecting staffing for its proposed project. Amedisys is the superior applicant when it comes to staffing the proposed home hospice care office for Rowan County.

Form H - Third Fiscal Year Patient Days, FTEs, and Caseload Comparative

	Amedisys	BAYADA	HPC	Adoration	Pruitt	Continuum	Carolina Caring	PHC
Patient Days	20,341	18,830	18,564	16,473	23,100	15,074	16,092	18,464
ADC	55.7	51.6	50.9	45.1	63.3	41.3	44.1	50.6
Total FTEs	26.2	19.4	23.1	19.3	24.4	21.9	16.6	25.3
RN & Nurse Practioner FTEs	7.3	6.6	4.9	4.0	5.7	4.7	5.2	6.6
RN & NP Hours	15,080	13,728	10,192	8,320	11,856	9,734	10,816	13,645
RN & NP Hours PPD	0.741	0.729	0.549	0.505	0.513	0.646	0.672	0.739
Aide FTE	6.0	6.2	5.5	3.5	6.4	5.2	5.0	5.9
Aide Caseload per FTE	9.29	8.32	9.25	12.89	9.89	8.00	8.82	8.57
SW FTE	1.8	1.1	2.2	1.4	2.2	1.7	1.3	2.5
SW Caseload per FTE	31.85	46.90	23.12	32.24	28.77	25.03	35.27	20.23
Chaplain FTEs	1.5	0.4	1.0	0.9	1.6	1.7	0.6	1.7
Chaplain Caseload per FTE	38.2	129.0	50.9	50.1	39.6	25.0	73.5	29.8

Provision of Ancillary and Support Services

The following table compares how each applicant documents its ability to provide ancillary and support services once its proposed hospice home care office is established. As previously noted, many of the applicants without experience providing hospice care in Rowan County primarily only have proposed agreements in place to offer ancillary and support services (Adoration, PruittHealth, and Continuum). One of the many reasons Amedisys can come to market quickly and fill the void

of hospice home care services in Rowan County is due to the fact that much of its ancillary and support services are provided in-house, or Amedisys already has existing national contracts in place with vendors. Furthermore, for services such as GIP and residential, Amedisys has received strong letters of support from existing SNF and assisted living facilities within Salisbury, Rowan County, North Carolina. With its corporate backing, existing hospice offices in North Carolina, and existing footprint within and around the proposed service area, Amedisys is the superior applicant to offer ancillary and support services.

Comparative Ancillary and Support Services

	Amedisys	BAYADA	HPC	Adoration	PruittHealth	Continuum	Carolina Caring	PHC
CNA/Aide	X	X	X	X	X	X		X
PT	X	X	#	+	X	+	X	X
OT	X	X	#	+	X	+	X	X
ST	X	X	#	+	X	+	X	X
Inpatient (GIP)	+	+	#	+	+	+	X/#	#
Respite	+	+	#	+	+	+	X/#	X
Residential	+	+	#	+	+	+	X/#	#
Dietary	X	X	unknown	+	X	+	X	#
Pharmacy	#	#	#	+	X/+	+	#	#
DME	#	#	#	+	+	+	#	#
Medical Supplies	#	#	#	+	X	+	#	#

X - Provided directly or through corporate affiliate

- Provided through existing service agreement

+ - Provided through proposed agreement (* letter provided)

Utilization and Financial Comparison

Average Length of Stay

One of the positive impacts of increasing access to hospice home care services is that patients are able to be treated in place (their home, SNF, assisted living, etc.), and readmission rates to the hospital are also positively impacted. One way to monitor a hospice providers' performance in increasing access to hospice home care services is its trending average length of stay ("ALOS"). If a provider is truly increasing access to hospice home care services, its 3-year projected ALOS should be trending upward. The table below clearly shows that several of the applicants projected declining or stagnant ALOS (HPC, Adoration, PruittHealth, Continuum, Carolina Caring, and PHC). Projecting a declining ALOS calls into question whether the applicants' proposed project will truly increase access to hospice home care services for service area patients and their families. Furthermore, as previously discussed in relation to Medicare access, a higher ALOS provides the greatest benefit to hospice care recipients, as it is indicative that these individuals are being admitted earlier to hospice care as opposed to the last few days of life. As it pertains to ALOS, only Amedisys and BAYADA project increased access to hospice home care services.

Projected Average Length of Stay

	Amedisys	BAYADA	HPC	Adoration	PruittHealth	Continuum	Carolina Caring	PHC*
Year 1	43.35	60.03	72.16	56.91	66.96	78.24	71.49	68.37
Year 2	47.07	63.63	71.54	52.45	63.26	61.94	65.17	68.32
Year 3	65.22	70.79	69.01	52.97	63.11	61.78	65.15	68.13

**PHC projects a partial first year making equivalent comparison difficult. The third full year is provided here for comparison.*

Projected Days by Level of Care

The idea of hospice home care is to provide hospice care services to patients within their homes. The table below shows the patient days by level of care (i.e., at home, in SNFs, in respite care or hospitals) as a percentage. As expected, all of the applicants project to provide the majority of patient days as routine home care -- that is, care provided in the patient's home. Of all the applicants, Amedisys proposes to provide the most routine home (in home) care by Year 3.

Year 3 - Days by Level of Care as a Percentage

	Amedisys	BAYADA	HPC	Adoration	PruittHealth	Continuum	Carolina Caring	PHC*
Routine	99.4%	98.0%	95.0%	99.1%	98.0%	97.8%	95.9%	96.4%
Inpatient	0.2%	1.0%	4.6%	0.7%	1.0%	1.8%	3.4%	3.1%
Respite	0.4%	1.0%	0.4%	0.2%	1.0%	0.4%	0.7%	0.5%
Continous Care Hours	20	54	24	44	32	32	240	96

**PHC projects a partial first year making equivalent comparison difficult. The third full year is provided here for comparison.*

Project Costs

When planning new health services, it is important to consider the capital costs that will be involved. Carefully and comprehensively documenting the capital cost for a project ultimately allows for the determination of whether a project is financially feasible. Only Amedisys and Carolina Caring provided a comprehensive Form F.1a Capital Cost. BAYADA, HPC, and Adoration all failed to provide consulting and legal fees in their respective capital cost. Unless these applications were prepared internally, it is unlikely that no consulting or legal fees would be incurred. Furthermore, neither HPC, Adoration, PruittHealth, Continuum, and PHC provided any costs for medical equipment. Given that each applicant mentions an existing or proposed service agreement for medical equipment, or internally provides those supplies, there should be some cost accounted for on this line item. Additionally, the only capital cost that HPC listed is for hiring and training expenses. HPC has an existing office space in Rowan County, but did not take into consideration any additional furniture, supplies, etc. that may be needed to accommodate additional staff in the office space. Without having a full grasp of the capital costs involved, the financial feasibility of the proposed projects of BAYADA, HPC, Adoration, PruittHealth, Continuum, and PHC cannot be determined.

Proposed Charges and Reimbursement Rates

Form F.2 of the CON application is where applicants lay out the proposed charges per payor, per level of care. As previously mentioned, it is immediately apparent that HPC did not provide its proposed charges in Form F.2 at all. Subsequently, this calls into question HPC's projected reimbursement and revenues. BAYADA and Adoration took a "one size fits all" approach with their respective charges by proposing the same charge rates per payor, per level of care. PruittHealth proposed the same charge rates for self-pay, Medicare, private insurance, and "other." Continuum, Carolina Caring, and PHC all proposed higher charge rates for Medicaid than Medicare. This approach does not make much sense given that historically Medicare traditionally pays at higher rates than Medicaid.

Form F.3 of the CON application is where applicants set forth the proposed reimbursement rates per payor, per level of care. It is difficult to give much credence to HPC proposed reimbursement rates given it did not provide proposed charges and did not appropriately provide proposed reimbursement rates per payor for Routine Home Care. BAYADA proposed the same reimbursement rates per payor, per level of care for Medicare, private insurance, and other which is unlikely. For Respite Care, BAYADA even proposed a higher reimbursement rate for Medicaid than Medicare, despite the fact that Medicare is the better payor. The proposed reimbursement rates for Adoration, PruittHealth, Continuum, Carolina Caring, and PHC all are questionable because each of the applicants proposing higher reimbursement rates for Medicaid than Medicare. Historically, Medicare pays a higher rate for hospice services than Medicaid, and it is unlikely that Medicaid would pay a higher reimbursement rate.

From a comparative stance, Amedisys is the only applicant to present plausible proposed charges and reimbursement rates, and therefore projected revenues for its proposed project. Amedisys is comparatively superior when presenting proposed charges and proposed reimbursement rates.

Direct Patient Care Expenses vs. Indirect Patient Care Expenses

In an effort to determine the applicants' efforts to dedicate operating expenses towards direct patient care, Amedisys conducted a comparative analysis of Form F.5, Operating Cost in relation to total patient days, direct care expenses, and indirect care expenses. As seen in the table below, Amedisys proposes to offer the second most total patient care days but proposes to offer the most direct patient care as a percentage of operating cost, followed by HPC. Of note, while BAYADA proposes to have the third lowest operating cost per patient day, it proposes to offer the least amount of direct patient care as a percentage of operating cost. Meanwhile, Amedisys has the second lowest operating cost per patient day while proposing to offer the highest amount of direct patient care as a percentage of operating cost. It is clear that Amedisys displays the most dedication

to providing the most direct patient care as it pertains direct and indirect expenses while remaining economically feasible.

Form F.5 - Third Fiscal Year Comparison Direct Patient Care Expenses vs. Indirect Patient Care Expenses

	Amedisys	BAYADA	HPC	Adoration	PruittHealth	Continuum	Carolina Caring	PHC
Total Patient Days	20,341	18,830	18,564	16,473	23,100	15,074	16,092	14,376
Direct Care PPD	$ 127.23	$ 121.03	$ 161.31	$ 109.98	$ 125.68	$ 156.09	$ 136.58	$ 217.16
Indirect Care PPD	$ 9.35	$ 26.88	$ 13.35	$ 18.48	$ 24.30	$ 18.72	$ 20.39	$ 40.63
Total Expense PPD	$ 136.58	$ 147.91	$ 174.66	$ 128.46	$ 149.98	$ 174.81	$ 156.97	$ 257.79
Direct Care Expense	**93.2%**	**81.8%**	**92.4%**	**85.6%**	**83.8%**	**89.3%**	**87.0%**	**84.2%**
Indirect Care Expense	**6.8%**	**18.2%**	**7.6%**	**14.4%**	**16.2%**	**10.7%**	**13.0%**	**15.8%**

CMS Compare HIS Scores

The Centers for Medicare and Medicaid Services ("CMS") implemented the Hospice Item Set ("HIS") as a way of quantifying the quality of care provided by hospice care providers. The HIS consists of 9 measures: 8 National Quality Forum ("NQF") endorsed measures and 1 non-NQF endorsed measure. Each measure is directly tied to patient-level data and quality of care the patient received. The table below displays a comparison of the HIS scores of the applicants and their affiliates versus the national average for the 9 HIS measures. All of the applicants performed at or above the national average for the 9 HIS measures with the exception of PruittHealth, 1 BAYADA affiliate, and 2 affiliates of Continuum. Amedisys' affiliate hospice providers in North Carolina all performed at or well above the national average of HIS scores.

Furthermore, when eliminating applicants that Amedisys has identified as non-conforming with the review criteria discussed earlier, Amedisys would be the only applicant left in the table below. Considering conformity with all of the review criteria, the comparative factors above, and the quality scores in the table below, Amedisys is the superior applicant for an additional hospice home care office in Rowan County.

CMS Compare - HIS Score Comparison for Applicants and Affiliates

Hospice Item Set Measure	HIS #1	HIS #2	HIS #3	HIS #4	HIS #5	HIS #6	HIS #7	HIS #8	HIS #9
Amedisys Hospice Care - Franklinton	90.6%	99.4%	100.0%	99.9%	100.0%	99.2%	99.9%	99.6%	100.0%
Amedisys Hospice Care - Pembroke	90.5%	98.1%	99.8%	99.3%	100.0%	99.4%	99.8%	99.1%	100.0%
Amedisys Hospice Care - Plymouth	95.9%	95.7%	100.0%	99.6%	98.7%	97.7%	97.9%	96.8%	100.0%
Carolina Caring Inc.	85.4%	98.0%	99.8%	99.5%	99.5%	97.3%	99.9%	99.8%	99.7%
Hospice of Iredell County	98.5%	99.2%	100.0%	99.7%	99.9%	100.0%	100.0%	99.3%	99.7%
PruittHealth Hospice - Rocky Mount	90.0%	88.3%	99.5%	96.1%	95.6%	98.1%	98.3%	94.5%	97.2%
Adoration Home Health & Hospice Care East Tennessee	85.0%	97.9%	100.0%	97.9%	100.0%	100.0%	100.0%	99.0%	100.0%
Adoration Home Health and Hospice Care Mississippi	100.0%	95.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	N/A
Adoration Home Health Care Mississippi	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	N/A
Adoration Hospice	89.0%	97.6%	100.0%	99.5%	99.5%	100.0%	99.1%	100.0%	97.5%
Bayada at Inspira, Home Health and Hospice	92.0%	98.7%	100.0%	100.0%	99.9%	97.3%	100.0%	100.0%	99.2%
Bayada Hospice (Wilmington, DE)	92.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	N/A
Bayada Hospice (Concord, NH)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	N/A	N/A
Bayada Hospice (Jersey City, NJ)	94.5%	98.7%	100.0%	100.0%	99.4%	98.4%	100.0%	100.0%	100.0%
Bayada Hospice (East Stroudsburg, PA)	91.8%	96.3%	100.0%	100.0%	100.0%	91.5%	100.0%	100.0%	100.0%
Bayada Hospice (Media, PA)	91.3%	98.9%	99.9%	99.8%	99.8%	98.9%	100.0%	99.6%	100.0%
Bayada Hospice (Norwich, VT)	97.0%	98.4%	99.9%	99.9%	99.8%	99.2%	99.9%	98.5%	98.8%
Continuum Care Hospice LLC. (Pleasanton, CA)	81.6%	98.9%	100.0%	99.3%	99.7%	100.0%	100.0%	98.9%	100.0%
Continuum Care Northbay, LLC.	89.1%	98.8%	100.0%	100.0%	99.4%	100.0%	100.0%	97.8%	100.0%
Continuum Care of Rhode Island LLC	79.7%	90.2%	99.7%	98.2%	98.2%	98.9%	97.4%	94.9%	99.0%
National Average	82.4%	88.4%	99.3%	97.5%	97.1%	92.4%	98.5%	96.8%	94.3%

Summary of Comparative Factors

From a comparative standpoint, Amedisys is the only applicant to present a complete, comprehensive CON application for a hospice home care office in Rowan County. A total of eight comparative factors were discussed above, and Amedisys is among the best applicants, if not the best applicant, for each factor. Amedisys is the only applicant to conform with all of the review criteria. Amedisys will meet the unmet need in Rowan County for hospice home care while also providing exemplary care to Rowan County residents and the residents of its remaining proposed service area. Amedisys has garnered community support for its proposed project, including the support of area SNF and assisted living facilities. Amedisys will lean on its experience of starting de novo hospice home care offices to ensure quick time to market. Amedisys will provide access to hospice services for low-income individuals all while projecting to provide the second highest patient days of care among all of the applicants. Amedisys will adequately staff its proposed project allowing for the highest level of direct patient care. Amedisys has shown that combined with its projected utilization, proposed project cost, proposed charges, and proposed reimbursement rates, it is the most cost effective and superior applicant. Lastly, Amedisys has exemplary HIS scores among its affiliate hospice providers that already exist in North Carolina as compared to the other applicants.

Conclusion

Amedisys is the only applicant for a hospice home care office in Rowan County that can be approved as proposed. This is supported based upon Amedisys' criteria specific commentary on each applicant combined with its comparative analyses. Amedisys is without question best alternative for meeting the published need in the 2020 SMFP for an additional hospice home care office in Rowan County. As such, the CON Section should approve Amedisys' CON application.