

**Comments in Opposition from  
HKZ Group, LLC  
Regarding a Certificate of Need Application  
Submitted by Roberson Herring Enterprises, LLC  
d/b/a AssistedCare of the Carolinas  
in Response to a Need Determination  
for Two Home Health Agencies  
in the Mecklenburg County Service Area  
Submitted July 16, 2012 for August 1, 2012 Review Cycle**



## **I. Introduction**

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

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

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

## **II. Comparative Analysis**

The Comparative Analysis included at the end of these comments shows that the CON Application submitted by **HKZ Group** is the most effective alternative for 1 of the 2 Medicare-certified home health agencies in Mecklenburg County.

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

### **III. CON Application of Assisted Care of the Carolinas**

Roberson Herring Enterprises, LLC d/b/a AssistedCare of the Carolinas (AssistedCare) proposes to develop a Medicare-certified home health agency in Matthews.

Roberson Herring Enterprises, LLC is a joint venture with two managing members: Russell Herring and C. Saunders Roberson, Jr.

Russell Herring is CEO of AssistedCare Home Health, Inc., a Medicare-certified home health agency in Leland (Brunswick County). AssistedCare operates only that one Medicare-certified home health agency.

C. Saunders Roberson, Jr. is the former President and majority shareholder of Community Home Care & Hospice (Community). Community does not operate a Medicare-certified home health agency.

Messrs. Herring and Roberson each own 50% membership interests in Roberson Herring Enterprises, LLC.

The proposed agency will be managed by AssistedCare Management Group, Inc. AssistedCare Management Group, Inc. also provides contracted management services for AssistedCare Home Health, Inc. in Brunswick County.

### **IV. CON Review Criteria**

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

#### **G.S. 131E-183 (1)**

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

There is 1 *State Medical Facilities Plan (SMFP)* Policy applicable to the review of competing Mecklenburg County Home Health Agency CON Applications:

- Policy GEN-3: Basic Principles.

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

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

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

### **G.S. 131E-183 (3) and (13c)**

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

#### **A. Need Determination in Mecklenburg County for Two Medicare-certified Home Health Agencies Providing Comprehensive Services**

AssistedCare “believes it will be a distinctive provider in Mecklenburg County because of its ability to receive referrals not only for patients that have psychiatric diagnoses secondary to medical diagnoses but also because it will be able to receive referrals for patients whose *primary diagnoses are psychiatric*. [Emphasis in the original.]<sup>2</sup>

As AssistedCare is well aware, it does not need a certificate of need to provide psychiatric in-home services. Those services are provided by a Medicaid-certified agency called a Critical Access Behavioral Health Agency. Assisted Care operates a Critical Access Behavioral Health Agency in Brunswick County. Therefore, AssistedCare can pursue independent certification to provide psychiatric services and allow another CON applicant to serve patients in need of home health care services in Mecklenburg County.

#### **B. No Documented Need in Mecklenburg County for Psychiatric Home Health Services**

AssistedCare did not include any independently verifiable information to document what percentage, if any, of Mecklenburg County’s 651 new home health patients have a need for psychiatric home health services.

AssistedCare also does not provide any historical data of AssistedCare Home Health, Inc. in Brunswick County, its sister agency, showing the number of patients to whom it provided psychiatric home health services and the number of visits to those patients. AssistedCare admits that “there is no publicly available source to determine whether or not existing home health agencies in Mecklenburg County provide behavioral health services such as those that will be offered by AssistedCare of the Carolinas.”<sup>3</sup> In the absence of such data, AssistedCare’s decision to provide behavioral health services is “based on anecdotal information [...]”<sup>4</sup>

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<sup>2</sup> CON Application F-10006-12 at page 28.

<sup>3</sup> CON Application F-10006-12, page 28.

<sup>4</sup> CON Application F-10006-12, page 28.

Lastly, AssistedCare does not present any information about existing Medicare-certified home health agencies that provide psychiatric home health services, and Critical Access Behavioral Health Agencies in Mecklenburg County that provide intensive in-home services to residents.

As of July 27, 2012, there are 10 fully certified Critical Access Behavioral Health Agencies (CABHA) in Mecklenburg County providing intensive in-home services to residents.<sup>5</sup>

AssistedCare fails to document a need in Mecklenburg County for psychiatric home health services.

**C. No Ramp Up Period Allowance in Project Year 1**

Assisted Care projects to provide home health services to 326 patients in its first year of operation. Applicants, like AssistedCare, that do not propose a ramp up period in Project Year 1 assume that from day one, staff will be working at maximum capacity. That is an unrealistic assumption.

When AssistedCare began in Brunswick County, it took 5 years to reach 295 unduplicated patients, and 6 years to reach an unduplicated patient count of 400 patients in Brunswick County, as shown in the following table.

**AssistedCare - Brunswick County Patients**

	1997	1998	1999	2000	2001	2002	2003
Patients	0	79	153	273	273	295	423

Source: 1999-2005 SMFPs

Every new business requires some level of start up. AssistedCare’s new business most certainly requires a level of start up because of AssistedCare’s lack of experience operating a Medicare-certified home health agency in Mecklenburg County.

**D. Medicaid Patients Less Access to Home Health Services**

On page 143, AssistedCare states that there “are virtually no payors that currently reimburse for home health services based on a per visit charges; most pay on a per episode basis or in a pre-determined reimbursement per visit.”

While it is true that many payors utilize a prospective payment system, Medicaid reimburses for home health services on a per visit basis. AssistedCare’s statement on page 143 can reasonably be interpreted as a potential bias against serving patients whose care is reimbursed by Medicaid.

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

<sup>5</sup> [http://www.ncdhhs.gov/mhddsas/providers/cabha/cabha\\_certificationlist\\_07-27-12.pdf](http://www.ncdhhs.gov/mhddsas/providers/cabha/cabha_certificationlist_07-27-12.pdf)

**Mecklenburg County Home Health Applicants  
Percentage of Total Visits to Medicaid Recipients – PY 2**

<b>CON Application</b>	<b>Applicant</b>	<b>% of Visits</b>
F-10004-12	Healthy @ Home - CMC - North Zone Office	16.2%
F-10005-12	HKZ Group	14.9%
F-10007-12	Well Care	14.5%
F-10001-12	Vizion One	12.9%
F-10011-12	UniHealth	9.2%
F-10003-12	Maxim	8.7%
<b>F-10006-12</b>	<b>AssistedCare</b>	<b>8.2%</b>
F-10010-12	Continuum	8.2%
F-10008-12	Emerald Care - Branch Office	7.4%
F-10012-12	J and D Healthcare	0.0%

AssistedCare projects to provide the second lowest percentage of visits to Medicaid recipients. J and D Healthcare proposes an agency that is not financially viable, and cannot be used for purposes of comparison with other applications.

For comparison purposes, existing Mecklenburg County home health agencies in FY 2011 averaged 9.8% of total visits to Medicaid patients.

For those reasons, the AssistedCare CON Application does not conform to CON Review Criterion (3) and Criterion (13c) and should be denied.

**G.S. 131E-183 (4)**

*Where alternative methods of meeting the needs for the proposed project exist, the applicant shall demonstrate that the least costly or most effective alternative has been proposed.*

**A. Focus on Psychiatric Home Health Services Results in Higher Cost Model Which is Not Reflected in Proformas**

A centerpiece of AssistedCare’s CON Application is the provision of psychiatric home health services.

**1. Psychiatric Home Health Care – Medicare Requirements**

Psychiatric home health care is a clinical specialty of home health services in which psychiatric nurses, social workers, home health aides, and occupational therapists visit the patient with a primary psychiatric diagnosis in the patient’s own home. Patient care visits are longer for patients with psychiatric diagnoses.

Medicare requires that psychiatric home health recipients have a pre-existing psychiatric diagnosis in order to receive financial reimbursement for services rendered. CMS excludes

coverage for the delivery of psychiatric home health services for individuals who are non-compliant, forgetful or difficult to manage.

Patients who receive psychiatric home health services must receive active treatment from a qualified physician who identifies the patient with acute psychiatric symptoms. The patient must be under the care and direction of a physician when he/she receives home health services. Patients who take psychoactive drugs for non-psychiatric diagnoses or who have stabilized psychiatric symptoms do not qualify for Medicare home health services reimbursement.

The patient is not required to have a medical diagnosis to be eligible for Medicare reimbursement for psychiatric home health services; however, he/she must be home-bound to meet the requirements of CMS.

## **2. Psychiatric Home Health Care – Specially Trained RNs Required**

Psychiatric home health services may include skilled assessment, evaluation, psychotherapy, teaching, and counseling by a qualified psychiatric nursing professional, and the services must be under the direction and in collaboration with a physician. Nurses must have specialized psychiatric nurse training and experience that extends beyond standard registered nursing requirements. Salaries for clinical providers with psychiatric experience routinely are greater than for regular home health clinical providers. The nurse and physician must work together to create an effective care plan based on the patient's condition.

On page 32, AssistedCare implies that it will provide a significant level of home health psychiatric care training for its nursing staff. Exhibit 31 (pages 434-457) contains only one job description for a registered nurse: RN-Case Manager II. That job description (pages 444-445) does not require AssistedCare's RN-Case Manager II to have special training and/or experience beyond standard curriculum required for a registered nurse.

The CMS Publication 100-2, Chapter 7, §40.1.2.14, states, "Psychiatrically trained nurses are nurses who have special training and/or experience beyond the standard curriculum required for a registered nurse." Medicare Administrative Contractors (MACs) can establish the special training and experience required. A home health agency should contact its MAC and look at the MAC website for any special qualifications needed.<sup>6</sup>

## **3. Psychiatric Home Health Care – Time Intensive and Complex Patients**

CMS has recognized psychiatric home care as a reimbursable service since 1979, but nationwide, proportionately fewer home health agencies actually provide this service. The exact number of agencies that include psychiatric home care is unknown. There has been a reluctance of agencies to implement psychiatric programs, and there are many reasons for these decisions.<sup>7</sup>

First, the skills of a psychiatric nurse are required and this specialist is usually more difficult to find. Second, the psychiatric patient is frequently more disorganized and needy than other

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<sup>6</sup> Select Data University, Psychiatric Nursing in Home Health, article posted on Wednesday, May 25, 2011 at 3:51 pm. Article available on line at: <http://www.selectdata.com/psychiatric-nursing-in-home-health>

<sup>7</sup> Id.

patients causing the case management responsibilities to become time consuming and complex. Third, the psychiatric patient is frequently homebound questionable.<sup>8</sup> On page 146, AssistedCare states that “while not a direct cost containment related to the provision of home health services, as described in Section II.2, AssistedCare of the Carolina’s commitment to providing behavioral home health care for patients is expected to be a more cost effective means of caring for these specialty patients.” AssistedCare provides no documentation of cost-effectiveness experienced by its Brunswick County agency.

#### **4. Joint Commission Behavioral Health Care Program – Additional Cost and Additional Survey Required**

A home health agency that provides only nursing services to a behavioral home health patient may be accredited by The Joint Commission for Home Care. Behavioral home health patient’s case is managed by a person/entity other than the home health care agency.

A home health agency that manages behavioral home health patients is eligible to seek The Joint Commission’s Behavioral Health Care Program Accreditation.

To be dually accredited, a home health agency is required to meet The Joint Commission’s Home Care standards and the Behavioral Health Care Program standards. The agency also is subject to an extra survey and extra cost for the Behavioral Health Care Program accreditation.

AssistedCare Management Group, Inc., which lists its primary location of care at AssistedCare Home Health in Brunswick County, is Joint Commission accredited for Home Care and Behavioral Health Care Program.<sup>9</sup> AssistedCare Management Group, Inc. is the entity designated to provide management services to the proposed Mecklenburg County agency.

As discussed in the context of CON Review Criterion (5), AssistedCare does not include an expense for a Joint Commission Home Care accreditation in the Management Services Agreement. There also is no separate expense for Joint Commission accreditation in Form B.

If AssistedCare also intends to be Joint Commission accredited for a Behavioral Health Care Program, there is no additional expense set forth in Form B.

#### **5. CareAnywhere Home Health Software Lacks Functionality for Psychiatric Home Health Care**

On page 38, AssistedCare states that it will use CareAnywhere home health software. On pages 29-30, AssistedCare asserts that “behavioral health protocols are part of the CareAnywhere system that ranges from the initial intake, documentation of visit and care, to billing and discharge.”

On May 17, 2012, an Inside Sales Partner of CareAnywhere told a representative of HKZ Group that: “Unfortunately, CareAnywhere currently does not have a Psychiatric note.” In response to a follow up question from a representative of **HKZ Group**, the Inside Sales Partner of

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<sup>8</sup> Id.

<sup>9</sup> <http://www.qualitycheck.org/qualityreport.aspx?hcoid=384213#>

CareAnyware said that CareAnyware does not have plans at this time to add functionality for home health psychiatric care because there has not been demand for that functionality.

Consequently, AssistedCare will have to research, purchase, and its employees will have to be trained to use software specific to psychiatric home health services. None of these expenditures are included in its Proformas.

Further, AssistedCare claims that it is using CareAnyware Software to do more than other providers. That claim is exaggerated. In the context of intake and assessment by a Medicare-certified agency, a registered nurse will gather personal information in order to develop an individualized care plan, and to identify services needed.

### **B. More Costly to Add a Second Agency**

Mecklenburg County is not contiguous to Brunswick County, the county in which AssistedCare Home Health, Inc. operates. In fact, Brunswick County is more than two hours away from the proposed AssistedCare home health agency in Mecklenburg County. AssistedCare operates only one home health agency and has never operated an agency at a distance. The distance between the two locations will make it more difficult to utilize combined services or realize any economies of scale. AssistedCare's Proformas do not include any travel expense for management personnel that must travel between the two locations.

### **C. Direct Management from Parent Company On-site in Mecklenburg County – Critical for Agency Success**

There are numerous references in AssistedCare's CON Application regarding AssistedCare's ability to manage through web-based software. For example, on page 45 AssistedCare states:

[w]ith access to web-based software, many functions of home health agencies do not require travel to and from an office by home health agency staff. **For that reason, management operations will be handled by the AssistedCare management office located in Leland, North Carolina. [Emphasis added.]**

AssistedCare is unclear as to whether there will be direct management from the parent company on-site in Mecklenburg County.

On page 46, AssistedCare asserts that adding an agency in Mecklenburg County will not have a "negative impact to any of AssistedCare's home health agencies." AssistedCare underestimates the requirements and responsibility of management of a multi-site agency.

For comparison purposes, **HKZ Group** in Mecklenburg County will be managed by HealthKeeperz, Inc. which operates three Medicare-certified home health agencies in south central North Carolina. Based upon HealthKeeperz, Inc.'s experience as owner and manager of three different agencies with separate offices and one central home office, there must be management level leadership on-site for the operation to meet its goals.

For those reasons, AssistedCare fails to demonstrate that it is the least costly or most effective alternative proposed, which demonstrates non-conformity with CON Review Criteria (4).



**G.S. 131E-183 (5)**

*Financial and operational projections for the project shall demonstrate the availability of funds for capital and operating needs as well as the immediate and long-term financial feasibility of the proposal, based upon reasonable projections of the costs of and charges for providing health services by the person proposing the service.*

**A. Analysis of Financial Projections**

AssistedCare failed to include all necessary capital and operational expenditures. The following table shows items which should have been included in AssistedCare’s financial projections, in addition to those already discussed, to reflect true expenses necessary for the development of the proposed Mecklenburg County Medicare-certified home health agency.

Financial Projection/Cost	Page Reference	Comment
No Consulting/Market Analysis Cost included in Project Capital Cost table	Page 135	<ul style="list-style-type: none"> <li>It is reasonable to believe that AssistedCare CON Application was prepared by a consultant, and that there was some remuneration received for services rendered</li> </ul>
Expenses for agency to be accredited by the Joint Commission	Pages 52, 178, 180	<ul style="list-style-type: none"> <li>Expense not a line item in Form B.</li> <li>Expense not in Management Contract</li> <li>Exhibit C p. 180 states all cost paid by management will be billed and paid by Owner.</li> </ul> <p>--- &gt; Indirect cost is understated.</p>
Contractual arrangement with a recruiting firm for staff	Page 126	<ul style="list-style-type: none"> <li>Generally, recruiting firms charge 20-30% of the first year salary for each FTE.</li> <li>Expense is not a line item in Form B.</li> </ul> <p>--- &gt; Direct cost is understated.</p>
Insurance	Form B (page 158) Page 174 Page 175 Page 180	<ul style="list-style-type: none"> <li>Expense not listed in management’s duties (page 175)</li> <li>Management Agreement states “ Insurance a cost of owner” (page 174, Section 7)</li> <li>Exhibit C to Management Agreement states all cost paid for by Management will be billed to Owner (agency) (page 180).</li> </ul> <p>--- &gt; Indirect cost is understated.</p>
Data Processing	Form B (page 158) Page 178 Page 180	<ul style="list-style-type: none"> <li>Not listed in management’s duties Page 178.</li> <li>Management Agreement states will oversee and direct data processing. Does not state will pay for service.</li> <li>Exhibit C to Management Agreement states all cost paid for by Management will be billed to Owner (agency) (page 180).</li> </ul> <p>--- &gt; Indirect cost is understated.</p>
Telemonitoring	Page 22	<ul style="list-style-type: none"> <li>There is no expense listed in Form B for telemonitoring expense.</li> <li>Telemonitoring expense is not included in items listed as part of administrative expense included in management services expense</li> <li>Telemonitoring cannot be included in “Miscellaneous” under Administrative Expense - too small to include Telemonitoring expense</li> </ul> <p>--- &gt; Indirect cost is understated.</p>

The items set forth in the previous table demonstrate that AssistedCare's financial projections are incomplete and not based upon reasonable projections of the costs for providing Medicare-certified home health services.

### **B. Funding for Joint Venture Certified Agency to be Provided Solely by Mr. Roberson**

In Exhibit 33 (page 462), Mr. Roberson commits to provide \$439,061 in capital cost and working capital, which funds will be "placed as reserves in the account of [the limited liability company]." On page 463, Mr. Roberson provides a personal financial statement as of February 15, 2012. Some of the cash and investments on Mr. Robertson's personal financial statement represent assets allocated to his wife.

Mr. Roberson is the only member of the limited liability company to provide funds for the proposed agency. The other member, Russell Herring, is not providing any capital. The limited liability company is owned 50% by Messrs. Roberson and Herring, respectively. There is no evidence of a repayment plan or accrued interest on his funds.

### **C. Cash and Bank Accounts - Insufficient to Fund Wake and Mecklenburg Certified Agencies**

AssistedCare is one of five applicants that submitted a CON application in April 2012 for one Medicare-certified home health agency in Wake County<sup>10</sup>, which review is ongoing. AssistedCare proposes to expend \$550,634 (capital cost + total working capital) for its Wake County agency. In this Application, AssistedCare propose to expend \$439,061 (capital cost + total working capital). That is a total of **\$989,695**.

On page 138, AssistedCare identifies the line items on the financial report showing the dollar amounts specifically available for the Mecklenburg County project as "Cash and Bank Accounts."

On page 136 of CON Application J-8817-12, AssistedCare identifies the financial report referencing the dollar amounts specifically available for the Wake County.

According to his personal financial statement, as of February 15, 2012, Mr. Roberson has a total Cash and Bank Accounts of **\$807,496.76**, which includes a joint account and the personal account of Mr. Roberson's wife. Mr. Roberson is short **\$182,198.24** necessary to fund the total amount committed by AssistedCare for the proposed agencies in Wake and Mecklenburg counties.

### **D. Alternative Proformas**

AssistedCare provides alternative Proformas on pages 468-482 of Exhibit 36 using different assumptions. AssistedCare does not explain differences or a need for alternative Proformas.

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<sup>10</sup> CON Application J-8817-12

Total revenue and net income are lower in the alternative Proformas. In the 2010 Wake County home health review, SunCrest provided two different sets of Proformas and did not provide an explanation. The analyst was unable to reconcile the inconsistencies and determined the Suncrest CON application was non-conforming to CON Review Criterion (5).

AssistedCare neglected to include considerable expense for items discussed in the CON Application, therefore, the impact of additional expenses on the alternative Proformas, which have lower net income, would be greater.

**E. High Ratio of Net Revenue per Visit to Average Total Operating Cost per Visit in Project Year 2**

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

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

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

As shown in the previous table, Assisted Care’s ratio is 1.08. For comparison purposes, **HKZ Group’s** ratio is 1.02, which is the lowest ratio projected. J and D Healthcare proposes an agency that is not financially viable, and cannot be used for purposes of comparison with other applications.

For those reasons, the AssistedCare CON Application should be found non-conforming to CON Review Criterion (5).

**G.S. 131E-183 (6)**

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

As discussed in the context of CON Review Criterion (3), AssistedCare's focus on home health psychiatric care is duplicative of existing health service capabilities in Mecklenburg County. Further the need for home health services identified in the 2012 SMFP is for general home health services across the entire spectrum of care. Therefore, a home health agency providing an entire spectrum of services, such as HKZ, should be approved.

For those reasons, AssistedCare did not demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities.

### **G.S. 131E-183 (7)**

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

#### **A. Staff is Insufficient to Provide All Projected Visits in Project Year 2**

On page 396 in Exhibit 27, AssistedCare provides Table IV.2., which includes all duplicated patients and patient visits by discipline in Project Years 1 and 2. In Project Year 2, AssistedCare projects a total of 6,159 visits.

On page 132, AssistedCare provides its staffing assumptions for Project Year 2 in Table VII.2.

The following formula was used to analyze whether AssistedCare includes sufficient staff to provide all projected visits in Project Year 2:

- $\# \text{ FTE} \times \# \text{ Visits/day} \times 5 \text{ days/week} \times 50 \text{ weeks/year}$  (assumes 2 weeks off per FTE).

The following table shows a variance between the number of patient visits projected and the number of patient visits for which AssistedCare can accomplish with the staff proposed.

**AssistedCare  
Comparison of Patient Visits Projected and  
Visits with Proposed Staff - PY 2**

Discipline	Visits Projected (Table IV.2 – Exhibit 27)	Visits with Proposed Staff (Table VII.2)	Variance
RN & LPN	3,529	2,962.5	-566.5
Home Health Aide	406	345	-61
MSW	86	26.25	-59.75
PT & LPTA	1,687	2,000	313
OT	277	475	198
ST	172	112.5	-59.5
Total	6,157	5,921.25	-235.75

Source: Attachment 1, Table 45

\*Please note that the sum of visits is 6,457 not 6,159.

As shown in the previous table, AssistedCare does not include sufficient staff necessary to provide 238 projected patient visits in Project Year 2.

**B. AssistedCare does not Project Adequate Staff for Home Health  
Psychiatric Care in addition to Full Range of Home Health Services**

**HKZ Group** again echoes astute comments made by Community Home Health of North Carolina in its Comments in Opposition to AssistedCare’s 2010 CON application, which was not filed as a joint venture with Community:

It is impractical for a start-up HHA to employ the staff necessary to offer home health psychiatric care in addition to the full range of non-psychiatric home health services. During the initial years of operation all of the applicants propose to employ two or three RNs, including the manager. To provide home health psychiatric care 24 hours a day, 7 days a week, all RNs would have to be dually trained and experienced in psychiatric and medical surgical nursing. [...] AssistedCare [did not explain] in its application how it would actually provide home health psychiatric care with the number of RNs it specified and budgeted.<sup>11</sup>

AssistedCare projects that it will hire 2 RNs (or 2.19 RN FTEs) in Project Year 2. On page 132, AssistedCare projects an average of 5 RN visits per day, or 1.6 hours per visit which includes travel time and documentation. Both the number of RNs and the average number of RN visits per day are low for the intensity of services required to provide home health psychiatric care in addition to the full range of non-psychiatric home health services.

**C. Qualified Psychiatric Nursing Professionals – Registered Nurse Salary  
not Commensurate with Special Training and Short Supply**

<sup>11</sup> Comments on Behalf of Community Home Health of North Carolina, May 25, 2010, pages 13 and 14 of 31

On page 18 of the CON application submitted by Vizion One (F-10003-12), Vizion One states that “[g]iven the short supply of [specially trained psychiatric nurses], Vizion One did not propose to provide psychiatric services [...]” If that statement is true, then AssistedCare will be forced to pay a premium for the qualified psychiatric nursing professionals who it plans to employ. As shown in the following table, AssistedCare has not projected an annual salary in Project Year 2 that is significantly higher than competing applicants.

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

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

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

**D. Physical Therapist Salary is Low**

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

**Mecklenburg County Home Health Agency CON Applications  
PT Salary – Project Year 2**

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

As shown in the previous table, AssistedCare’s projected annual salary for a licensed practical nurse is \$18,755 lower than the highest salary, which was projected by **HKZ Group**.

Salary is a significant contributing factor in recruitment and retention of PT staff. PT services are crucial to the profitability of a Medicare-certified home health agency.

**E. Home Health Aide Salary is Low**

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

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

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

As shown in the previous table, Assisted Care projected the third lowest annual salary for a home health aide. J and D Healthcare proposes an agency that is not financially viable, and cannot be used for purposes of comparison with other applications.

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

**F. AssistedCare did not Include a Pay Differential for Weekends and On-Call Staff**

In Table VII.2. on page 132, AssistedCare does not appear to project sufficient staff to cover 24 hour call services with 352 unduplicated patients in Project Year 2. Further, AssistedCare did not include a pay differential for weekends and on-call staff. It is very probable that AssistedCare will experience a staffing problem because its 2.19 full-time staff RNs are expected to maintain a 1 out of every 3 weeks call schedule without any pay differential. Therefore, salaries are understated, which will negatively impact its Proformas.

For those reasons, the AssistedCare CON Application does not conform to CON Review Criterion (7).

**G.S. 131E-183 (8)**

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

#### **A. No Support Letters from an Acute Care Hospital**

**AssistedCare does not include a letter of support from any acute care hospital in Mecklenburg County.**

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

AssistedCare also does not include a letter of support from any acute care hospital in Brunswick County or the counties served by AssistedCare Home Health, Inc. or from any acute care hospital in Mecklenburg County.

#### **B. No Letters of Support from Providers that will Refer Psychiatric Home Health Patients to Assisted Care**

**AssistedCare fails to provide any evidence of referrals of patients in need of psychiatric home health services, a centerpiece of its CON application.** Most likely those patients will be referred by psychiatrists and behavioral health programs.

For those reasons, AssistedCare fails to demonstrate coordination with the existing health care system in Mecklenburg County. The AssistedCare CON Application does not conform to CON Review Criterion (8).

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

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

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



## **V. North Carolina Criteria and Standards for Home Health Services**

### **10A NCAC 14C .2002(a)(3), (4), (5), (7), and (10)**

Projections are based on flawed and undocumented assumptions. Please see discussion in the context of CON Review Criteria (3), (5), (7), and (8).

### **10A NCAC 14C .2003**

AssistedCare failed to project, in the third year of operation, an annual unduplicated patient caseload for Mecklenburg County that meets or exceeds the minimum need used in the 2012 *SMFP* to justify the establishment of a new home health agency office in that county required by 10A NCAC 14C .2003. AssistedCare failed to provide any projections for PY 3 as required by this rule.

In the table on page 58, AssistedCare directs a reader to Section IV., Question 2, on page 96 for its response to 10A NCAC 14C .2003.

On page 96, in response to Section IV., Question 1. and 2., AssistedCare directs a reader to Exhibit 27 for Table IV.1. and Table IV.2., respectively.

Missing from Exhibit 27 (page 395) is AssistedCare's Project Year 3 (April 2015-March 2016) unduplicated patient caseload from Mecklenburg County. No projections for Project Year 3 are included.

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

## **VI. Conclusion**

The AssistedCare CON Application has not demonstrated conformity with multiple CON Review Criteria and should be denied.

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

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

**COMPARATIVE ANALYSIS**

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

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

**Access by Underserved Groups**

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

**Percentage of Total Visits to Medicaid Recipients – PY 2**

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

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

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

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

**Percentage of Total Visits to Medicare Beneficiaries – PY 2**

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

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

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

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

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

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

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

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

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

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

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

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

**Average Number of Visits per Unduplicated Patient**

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

**Average Number of Visits per Unduplicated Patient – PY 2**

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

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

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

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

**Net Revenue per Visit**

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

### Net Revenue per Visit – PY 2

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

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

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

### Average Total Operating Cost per Visit

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

### Average Total Operating Cost per Visit – PY 2

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

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

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

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

### Average Direct Care Cost per Visit

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

**Average Direct Care Cost per Visit – PY 2**

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

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

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

**Average Administrative Cost per Visit**

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



**Average Administrative Cost per Visit – PY 2**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Letters of Support for Application**

**Mecklenburg County Acute Care Hospitals**

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

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

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

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

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

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

**Acute Care Hospitals in Counties Served by Related Entity of Applicant**

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

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

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

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

**Unique Services Proposed by Applicants**

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

### Unique Services Proposed by Applicants

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

## HealthSync Pharmacy Program

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

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

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

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

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

**HealthSync Patients Admitted to Hospital**

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

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

While the previous table reflects all payors, patients in the HealthSync Pharmacy Program are predominantly Medicare beneficiaries. Hospital re-admissions for the Medicare population in North Carolina exceeds 18%; nationally, it exceeds 19%<sup>12</sup>.

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

### Veterans Administration

North Carolina has about 766,000 veterans.<sup>13</sup> The Salisbury VA Medical Center in Rowan County provides inpatient services to veterans in Mecklenburg and surrounding counties. In addition, the Charlotte Community Based Outpatient Clinic provides care to the over 50,000 veterans in Mecklenburg County<sup>14</sup>. HealthKeeperz, Inc. works with the Veterans Administration Medical Center in Fayetteville to meet the home health care needs of veterans in southeastern North Carolina. **HKZ Group** intends to pursue a similar arrangement with the Veterans Administration services in Mecklenburg County and the Salisbury VA Medical Center to provide home health care services to veterans who are residents of the defined service area. **HKZ Group** will provide the services that each veteran needs, based on a service plan that each veteran, his/her family, and his/her VA health care provider develop.

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

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

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

CON Application F-10005-12, page 18

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

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

<sup>12</sup> Kaiser Health Facts <http://www.statehealthfacts.org/profileind.jsp?cat=6&sub=80&rgn=35>

<sup>13</sup> <http://www.newsobserver.com/2012/06/17/2143293/2-new-veterans-homes-to-open.html>

<sup>14</sup> [http://www.va.gov/vetdata/Veteran\\_Population.asp](http://www.va.gov/vetdata/Veteran_Population.asp)



## Services to “Other Underserved Population” Proposed by Applicants

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

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

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

**Availability of Proposed Home Health to “Other Underserved Populations”**

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

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

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

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

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

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

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

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

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

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

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

**Annual Salary for Registered Nurse – PY 2**

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

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

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

**Annual Salary for Home Health Aide – PY 2**

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

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

**Annual Salary for Licensed Practice Nurse – PY 2**

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

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

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

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

**Annual Salary for Physical Therapist – PY 2**

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

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

### Annual Salary for Occupational Therapist – PY 2

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

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

### Annual Salary for Speech Therapist – PY 2

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

### Financial Proforma Comparison Project Year 2

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

Financial Proforma  
Comparative Analysis

	Project Year 2										
	F-10001-12	F-10003-12	F-10004-12	F-10005-12	F-10006-12	F-10007-12	F-10008-12	F-10010-12	F-10011-12	F-10012-12	J and D
Unduplicated Patients	Vizion	Maxim	CMC - North	HKZ	Assisted	Well Care	Emerald	Continuum	UniHealth		
Total Patient Visits	325	503	2,993	395	352	542	476	492	549	92	
Visit per Patient	8,125	9,499	47,780	8,578	6,159	11,268	12,570	8,556	11,527	1,482	
	25.0	18.9	16.0	21.7	17.5	20.8	26.4	17.4	21.0	16.1	
Net Revenue	\$ 1,140,200	\$ 1,528,574	\$ 7,008,529	\$ 1,224,203	\$ 931,653	\$ 1,740,941	\$ 1,937,522	\$ 1,610,678	\$ 1,752,640	\$ 1,664,138	
Net Revenue per Patient	\$ 3,508.31	\$ 3,038.91	\$ 2,341.64	\$ 3,099.25	\$ 2,646.74	\$ 3,212.07	\$ 4,070.42	\$ 3,273.74	\$ 3,192.42	\$ 18,088.46	
Net Revenue per Visit	\$ 140.33	\$ 160.92	\$ 146.68	\$ 142.71	\$ 151.27	\$ 154.50	\$ 154.14	\$ 188.25	\$ 152.05	\$ 1,122.90	
Direct Cost	\$ 564,614	\$ 783,753	\$ 4,895,971	\$ 734,997	\$ 529,668	\$ 971,065	\$ 1,059,192	\$ 966,142	\$ 1,043,442	\$ 2,887,897	
Direct Cost Per Patient	\$ 1,737.27	\$ 1,558.16	\$ 1,635.81	\$ 1,860.75	\$ 1,504.74	\$ 1,791.63	\$ 2,225.19	\$ 1,963.70	\$ 1,900.62	\$ 31,390.18	
Direct Cost Per Visit	\$ 69.49	\$ 82.51	\$ 102.47	\$ 85.68	\$ 86.00	\$ 86.18	\$ 84.26	\$ 112.92	\$ 90.52	\$ 1,948.65	
Direct Cost % Total Cost	53%	67%	72%	61.4%	62%	65%	64%	74%	61.0%	93%	
Administrative Cost	\$ 503,393	\$ 391,953	\$ 1,897,679	\$ 461,683	\$ 329,621	\$ 523,840	\$ 599,491	\$ 333,420	\$ 667,742	\$ 228,500	
Adm Cost Per Patient	\$ 1,548.90	\$ 779.23	\$ 634.04	\$ 1,168.82	\$ 936.42	\$ 966.49	\$ 1,259.43	\$ 677.68	\$ 1,216.29	\$ 2,483.70	
Adm Cost Per Visit	\$ 61.96	\$ 41.26	\$ 39.72	\$ 53.82	\$ 53.52	\$ 46.49	\$ 47.69	\$ 38.97	\$ 57.93	\$ 154.18	
Admin Cost % Total Cost	47%	33%	28%	38.6%	38.4%	35%	36%	26%	39.0%	7%	
Total Cost	\$ 1,068,007	\$ 1,175,706	\$ 6,793,650	\$ 1,196,680	\$ 859,289	\$ 1,494,905	\$ 1,658,683	\$ 1,299,562	\$ 1,711,184	\$ 3,116,397	
Total Cost Per Patient	\$ 3,286.18	\$ 2,337.39	\$ 2,269.85	\$ 3,029.57	\$ 2,441.16	\$ 2,758.13	\$ 3,484.63	\$ 2,641.39	\$ 3,116.91	\$ 33,873.88	
Total Cost Per Visit	\$ 131.45	\$ 123.77	\$ 142.19	\$ 139.51	\$ 139.52	\$ 132.67	\$ 131.96	\$ 151.89	\$ 148.45	\$ 2,102.83	
Total Cost % Net Revenue	94%	77%	97%	97.8%	92%	86%	86%	81%	97.6%	187%	
Gain (Loss)	\$ 72,193	\$ 352,868	\$ 214,879	\$ 27,523	\$ 72,364	\$ 246,036	\$ 278,839	\$ 311,116	\$ 41,456	\$ (1,452,259)	
Gain (Loss) Per Patient	\$ 222.13	\$ 701.53	\$ 71.79	\$ 69.68	\$ 205.58	\$ 453.94	\$ 585.80	\$ 632.35	\$ 75.51	\$ (15,785.42)	
Gain (Loss) Per Visit	\$ 8.89	\$ 37.15	\$ 4.50	\$ 3.21	\$ 11.75	\$ 21.83	\$ 22.18	\$ 36.36	\$ 3.60	\$ (979.93)	
Gain (Loss) % Revenue	6.3%	23.1%	3.1%	2.2%	7.8%	14.1%	14.4%	19.3%	2.4%	-87.3%	

Notes:

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

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

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

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