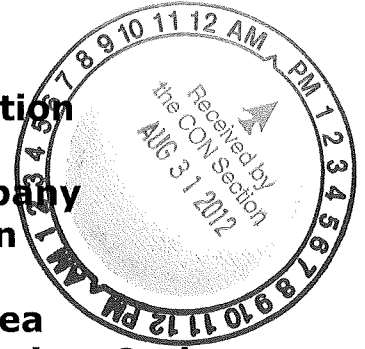


**Comments in Opposition from
HKZ Group, LLC
Regarding a Certificate of Need Application
Submitted by Emerald Care, Inc.
d/b/a Emerald Care, an Amedisys Company
in Response to a Need Determination
for Two Home Health Agencies
in the Mecklenburg County Service Area
Submitted July 16, 2012 for August 1, 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 Emerald Care, Inc. d/b/a Emerald Care, an Amedisys Company 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.¹

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 one of the two Medicare-certified home health agencies in Mecklenburg County.

¹ 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 Emerald Care, Inc. d/b/a Emerald Care, an Amedisys Company (Emerald Care)

Emerald Care, Inc. d/b/a Emerald Care, an Amedisys Company, proposes to establish a branch office in Mecklenburg County of its existing Medicare-certified home health agency in Gaston County. Emerald Care's parent corporation is Amedisys, Inc., a Louisiana corporation.

As discussed in the context of CON Review Criterion (5), Emerald Care's proposed branch office should be one of the most cost-effective proposals – because Emerald Care is able to take advantage of economies of scale attendant to expanding the operation of its certified agency in an adjacent county. Economies of scale are the cost advantages that an enterprise obtains due to expansion. It should cause the average cost per unit to fall as the scale of output is increased. **HKZ Group's** analysis of Emerald Care's proposal reveals it to be one of the least cost-effective proposals.

Further, Emerald Care's decision to operate a branch office in Mecklenburg County should involve lower start-up costs because the patient census of Mecklenburg County residents will be transferred to the proposed new office at opening, and there will be no delay in collections or in reimbursement from Medicare and Medicaid. Emerald Care proposes to spend \$166,921 in total working capital plus a capital expenditure of \$111,713, for a total of \$278,634. For comparison purposes, **HKZ Group** proposes to spend \$153,592 in total working capital plus a capital expenditure of \$62,400, for a total of \$215,992, to establish a new agency in Mecklenburg County. Emerald Care proposes to spend \$62,642 more for its branch office than **HKZ Group** proposes to spend for a new agency.

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 one *State Medical Facilities Plan (SMFP)* Policy applicable to the review of Mecklenburg County Home Health Agencies:

- Policy GEN-3: Basic Principles.

As will be discussed in the context of CON Review Criteria (3), (4), (5), (6), (7), (8), (13c), (18a), and (20), Emerald Care 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 Emerald Care 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. Second Lowest Projected Unduplicated Mecklenburg County Patients

The following table shows a comparison of the unduplicated Mecklenburg County patients in Project Year 1 by each of the ten applicants.

**Mecklenburg County Home Health Applicants
Unduplicated Patients – Mecklenburg County – PY 1**

CON Application	Applicant	Mecklenburg County Unduplicated Patients
F-10003-12	Maxim	426
F-10006-12	AssistedCare	326
F-10007-12	Well Care	325
F-10005-12	HKZ Group	232
F-10004-12	Healthy @ Home - CMC - North Zone Office - New Patients Only	218
F-10001-12	Vizion One	211
F-10011-12	UniHealth	204
F-10008-12	Emerald Care - Branch Office - New Patients Only	129
F-10010-12	Continuum	74
F-10012-12	J and D Healthcare	*

*Patient origin data not included; projected volume cannot be allocated by county

As shown in the previous table, Emerald Care projects the second lowest number of new patients from Mecklenburg County in Project Year 1. Its projected number of unduplicated new patients is **39.5%** (129/326) of the 2013 home health patient deficit per agency in Mecklenburg County.

B. Highest Average Visits per Unduplicated Patient in Project Year 2

The following table shows the average duplicated visits per unduplicated patient projected by each of the ten applicants in Project Year 2.

Mecklenburg County Home Health Applicants

Average Visits per Unduplicated Patient – PY 2

CON Application	Applicant	Total Patient Visits	Unduplicated Patients	Average Visits per Unduplicated Patient
F-10008-12	Emerald Care Branch Office - Total	12,570	476	26.4
F-10001-12	Vizion One	8,125	325	25.0
F-10005-12	HKZ Group	8,578	395	21.7
F-10011-12	UniHealth	11,527	549	21.0
F-10007-12	Well Care	12,268	542	20.8
F-10003-12	Maxim	9,499	503	18.9
F-10010-12	Continuum	8,556	492	17.4
F-10012-12	J and D Healthcare	1,482	92	16.1
F-10004-12	Healthy @ Home - CMC - North Zone Office - Total	47,780	2,993	16.0
F-10006-12	AssistedCare	6,159	352	17.5

As shown in the previous table, Emerald Care projects the highest ratio of patient visits to unduplicated patients.

For comparison purposes, the following table shows the range for average visits per unduplicated patients by existing Mecklenburg County home health agencies in FY 2011.

**Mecklenburg County Home Health Agencies
Average Visits per Unduplicated Patient – FY 2011**

Mecklenburg Low	Mecklenburg High
11.9	23.8

Source: 2012 Home Health License Renewal Application Data Supplement

Emerald Care’s projected 26.4 average visits per unduplicated patient is **111%** (26.4/23.8) higher than the highest end of the range for visits per unduplicated patient reported by existing Mecklenburg County home health agencies in FY 2011.

For further comparison, Emerald Care’s Gaston County agency reported an average of 17.9 visits to its Mecklenburg County patients in FY 2011, which is **147.4%** higher (26.4/17.9) than the 26.4 visits projected for Mecklenburg County in Project Years 1 and 2.

Emerald Care’s assumption of 26.4 average visits per unduplicated patient is not a reasonable assumption, and results in overstated patient visits.

C. Lowest Duplicated to Unduplicated Patient Ratio in Project Years 1 and 2

The following table shows the duplicated to unduplicated patient ratio projected by each of the ten applicants in Project Years 1 and 2.

**Mecklenburg County Home Health Applicants
Duplicated: Unduplicated Patient Ratio – PYs 1 and 2**

Project ID	Applicant	PY 1	PY 2
F-10003-12	Maxim	5.0	5.4
F-10004-12	Healthy @ Home - CMC - North Zone Office - Total	4.3	4.3
F-10001-12	Vizion One	4.0	4.0
F-10010-12	Continuum	2.8	2.5
F-10005-12	HKZ Group	2.3	2.3
F-10006-12	AssistedCare	2.1	2.1
F-10007-12	Well Care	2.1	2.1
F-10011-12	UniHealth	1.2	1.3
F-10012-12	J and D Healthcare	1.2	1.3
F-10008-12	Emerald Care Branch Office - Total	1.0	1.0

As shown in the previous table, Emerald Care projects the lowest ratio of duplicated patients to unduplicated patients.

For comparison purposes, the following table shows the average duplicated: unduplicated ratio for existing Mecklenburg County home health agencies in FY 2011.

**Mecklenburg County Home Health Agencies
Average Duplicated: Unduplicated Patient Ratio – FY 2011**

Metric	Ratio
Duplicated: Unduplicated Patient Ratio	2.3

Source: 2012 Home Health Agency License Renewal Application Data Supplement

Emerald Care’s duplicated: unduplicated patient ratio of 1.0 in Project Years 1 and 2 is **43.5%** lower than the average duplicated: unduplicated patient ratio reported by existing Mecklenburg County home health agencies in FY 2011.

Emerald Care’s assumption of a 1:1 duplicated: unduplicated patient ratio is not a reasonable assumption.

D. Medicaid Patients Lowest Access to Home Health Services

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.

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

CON Application	Applicant	% of Visits
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F-10004-12	Healthy @ Home - CMC - North Zone Office	16.2%
F-10005-12	HKZ Group	14.9%
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 Healthcare	0.0%

It is noteworthy that Emerald Care projects to provide the lowest percentage of visits to Medicaid recipients, as shown in the previous table. 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 the reasons set forth above, the Emerald Care CON Application does not document a need for the proposed Medicare-certified home health agency in Mecklenburg County, as required for conformity with CON Review Criterion (3).

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.

As discussed in the context of CON Review Criterion (3), Emerald Care fails to demonstrate the need for the services proposed. As discussed in the context of CON Review Criterion (5), Emerald Care’s projections of cost and revenue are not based on reasonable projections and exceed costs and revenue proposed by many of the other applicants.

On pages 10-11, Emerald Care states that it implemented a care transition nurses program under which a home health nurse ensures that a patient has the capability or support resources to pick up any medications after discharge from a hospital.

For comparison purposes, **HKZ Group** proposes to provide the 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. Emerald Care's transition nurses program is inferior to **HKZ Group's** transition of care program.

For those reasons, Emerald Care does not demonstrate that it proposed the least costly or most effective alternative as required by CON Review Criterion (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. Direct Care Costs are Understated

1. Underpayment of Salary in Project Year 1 based on FY 2011 Pay Rate

The following table shows a comparison of the Project Year 1 average annual salary per FTE for the projected branch office in Mecklenburg County and Emerald Care's reported average annual salary per FTE for employees of its Gaston County agency.

Emerald Care
Comparison: FY 2011 and PY 1 Average Annual Salary per FTE

Employee Category	FY 2011 Average Annual Salary per FTE (Page 70)	PY 1 Average Annual Salary per FTE (Page 71)	Variance	PY 1 FTEs	Variance
RN	\$71,572	\$59,760	-\$11,812	2.2	-\$25,986.40
Home Health Aide	\$34,610	\$26,270	-\$8,340	0.4	-\$3,336
MSW	\$87,978	\$65,617	-\$22,361	0.35	-\$7,826.35
PT	\$81,082	\$67,213	-\$13,869	2.2	-\$30,511.80
OT	\$88,224	\$65,984	-\$22,240	0.45	-\$10,008
ST	\$124,280	\$83,485	\$40,795	0.2	-\$8,159
			TOTAL	5.8	-\$87,827.55

As shown in the previous table, Emerald Care projects to underpay its employees of the proposed Mecklenburg County branch office by a total of \$87,827.55 in Project Year 1. There is no explanation given. As a result, direct care cost is understated in Form B.

2. Discrepancy between Total Salaries in Project Year 2

The following table shows a comparison of the salaries in Project Year 2 reported in Table VII.2. and Form B, respectively.

Emerald Care
Projected Staff Salary – PY 2

Employee Category	Salary per Table VII.2 (Page 71)	Salary per Form B (Exhibit 41, pages 940-941)	Variance
Administrator	\$81,600	\$81,600	
Business Office Staff	\$33,150	\$33,150	
Business Office Mgr	\$40,800	\$40,800	
Clinical Manager	\$71,400	\$71,400	
RN (Care Provider)	\$247,856	\$287,890	
LPN	\$40,035	Included in RN	
Home Health Aide	\$17,871	\$17,871	
MSW	\$39,092	\$39,070	
PT	\$321,589	\$332,459	
LPTA	\$48,705	Included in PT	
OT	\$50,271	\$50,271	
ST	\$28,207	\$28,207	
Sales	\$66,300	\$66,300	
Account Manager	\$66,300	\$66,300	
TOTAL	\$1,153,177	\$1,115,318	-\$37,858

Source: CON Application F-10008-12, Table VII.2, page 71 and Form B, Exhibit 41, pages 940-941

As shown in the previous table, there is a discrepancy of \$37,858 between the total staff salaries projected in Table VII.2. and in Form B, respectively. Only \$10,879 of an LPTA salary of

\$48,705 is included in the PT salaries in Form B. The remaining \$37,858 was not included in Form B. As a result, direct care cost in Form B is understated.

B. Cost per Visit - Low

It is reasonable to conclude that Emerald Care’s understated direct care costs result in a lower cost per visit than other applicants that provided complete financial projections, which projections are based upon reasonable projections of the costs for providing Medicare-certified home health services.

A comparison of cost per visit in Project Years 1 and 2 between Emerald Care and **HKZ Group** is shown in the following table.

**Comparison: Emerald Care and HKZ Group
Cost per Visit – PYs 1 and 2**

	Emerald Care (Page 79)		HKZ Group	
	PY 1	PY 2	PY 1	PY 2
Nursing	\$91.90	\$93.38	\$ 86.71	\$ 88.96
Physical Therapy	\$82.40	\$84.03	\$ 91.60	\$ 88.81
Speech Therapy	\$123.12	\$125.56	\$ 75.00	\$ 75.00
Occupational Therapy	\$88.98	\$90.73	\$ 75.00	\$ 75.00
Medical Social Work	\$89.92	\$91.70	\$ 75.00	\$ 75.00
Home Health Aide	\$47.85	\$48.78	\$ 71.87	\$ 60.68

Source: CON Application F-10005-12, page 99

Emerald Care’s projected cost per visit in every discipline in Project Years 1 and 2 is substantially lower than **HKZ Group**, as shown in the previous table. **HKZ Group** is based on more reasonable projections of the costs for providing health services than Emerald Care.

C. Taxes and Benefits Projected at 16% of Salary –Low

According to Form B, Emerald Care projects taxes and benefits at 16% of annual salary for its employees. For comparison purposes, **HKZ Group** projects taxes and benefits at 23% of annual salary for its employees.

D. No Charity Care in FY 2011 - Very Low Charity Care in Project Years 1 and 2

On page 60 in response to Section VI., Question 7.(a), Emerald Care reports that its existing Gaston County agency provided \$0 in charity care in FY 2011.

For purposes of comparison, **HKZ Group’s** sister agencies, HealthKeeperz, Inc. spent \$1,000 in 2011 and \$1,600 in 2010 in charitable giving and philanthropy. In addition, HealthKeeperz, Inc. provided charity care in the amount of \$17,437 in 2011 and \$2,249 in 2010.

On page 60 in response to Section VI., Question 7.(c), Emerald Care projects to provide \$4,300 in charity care, which is 0.35% of its gross revenue in Project Year 1, and \$6,645 in charity care, which is 0.33% of its gross revenue in Project Year 2.

HKZ Group projects to provide \$5,561 in charity care, which is 0.6% of gross revenues in Project Year 1, and \$7,807 in charity care, which is 0.6% of gross revenue in Project Year 2.

E. No Bad Debt in Project Years 1 and 2

On page 60 in response to Section VI, Question 7.(d), Emerald Care projects that it will not have any bad debt in Project Years 1 and 2.

For comparison purposes, **HKZ Group** projects to have \$5,561 in bad debt, which is 0.6% of gross revenues in Project Year 1, and \$7,807 in bad debt, which is 0.6% of gross revenue in Project Year 2.

F. Highest Net Revenue per Unduplicated Patient in Project Year 2

The following table shows a comparison of the 10 applicants based on each applicant’s net revenue per unduplicated patient in Project Year 2. Net revenue per unduplicated patient was calculated by dividing projected net revenue from Form B by the projected number of unduplicated patients from Section IV.1. of each Application, as shown in the following table.

**Mecklenburg County Home Health Applicants
Net Revenue per Unduplicated Patient – PY 2**

CON Application	Applicant	Total Unduplicated Patients	Net Revenue	Net Revenue per Unduplicated Patient
F-10012-12	J and D Healthcare	92	\$1,664,138	\$18,088
F-10008-12	Emerald Care - Branch Office - Total	476	\$1,937,552	\$4,070
F-10001-12	Vizion One	325	\$1,140,200	\$3,508
F-10010-12	Continuum	492	\$1,610,678	\$3,274
F-10011-12	UniHealth	549	\$1,752,640	\$3,192
F-10005-12	HKZ Group	395	\$1,224,203	\$3,099
F-10003-12	Maxim	503	\$1,528,574	\$3,039
F-10007-12	Well Care	542	\$1,740,941	\$3,212
F-10006-12	AssistedCare	352	\$931,653	\$2,646
F-10004-12	Healthy @ Home - CMC - North Zone Office - Total	2,993	\$7,008,529	\$2,342

As shown in the previous table, Emerald Care projects the highest net revenue per unduplicated patient. J and D Healthcare proposes an agency that is not financially viable, and cannot be used for purposes of comparison with other applications.

Additionally, Emerald Care’s unduplicated patients are overstated due to inclusion of existing patients. Unduplicated patients should be 275 instead of 476, as discussed in the context of CON Review Criterion (3).

G. Highest Direct Cost per Unduplicated Patient in Project Year 2

The following table shows a comparison of the 10 applicants based on each applicant’s direct cost per unduplicated patient in Project Year 2. Direct cost per unduplicated patient was calculated by dividing projected direct cost from Form B by the projected number of unduplicated patients from Section IV.2. of each Application, as shown in the following table.

**Mecklenburg County Home Health Applicants
Direct Cost per Unduplicated Patient – PY 2**

CON Application	Applicant	Direct Cost	Unduplicated Patients	Direct Cost per Unduplicated Patient
F-10012-12	J and D Healthcare	\$2,887,897	92	\$31,390
F-10008-12	Emerald Care Branch Office	\$1,059,192	476	\$2,225
F-10010-12	Continuum	\$966,142	492	\$1,961
F-10011-12	UniHealth	\$1,043,442	549	\$1,901
F-10005-12	HKZ Group	\$734,997	395	\$1,861
F-10007-12	Well Care	\$971,065	542	\$1,792
F-10001-12	Vizion One	\$564,614	325	\$1,737
F-10004-12	Healthy @ Home – CMC – North Zone	\$4,895,971	2,993	\$1,636
F-10003-12	Maxim	\$783,753	503	\$1,558
F-10006-12	AssistedCare	\$529,668	352	\$1,505

As shown in the previous table, Emerald Care projects the highest direct cost per unduplicated patient. J and D Healthcare proposes an agency that is not financially viable, and cannot be used for purposes of comparison with other applications.

H. Second Highest Administrative Cost per Unduplicated Patient in Project Year 2

The following table shows a comparison of the 10 applicants based on each applicant’s administrative cost per unduplicated patient in Project Year 2. Administrative cost per unduplicated patient was calculated by dividing projected administrative cost from Form B by the projected number of duplicated patients from Section IV.2. of each Application, as shown in the following table.

**Mecklenburg County Home Health Applicants
Administrative Cost per Unduplicated Patient – PY 2**

CON Application	Applicant	Administrative Cost	Unduplicated Patients	Administrative Cost per Unduplicated Patient
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F-10012-12	J and D Healthcare	\$228,500	92	\$2,484
F-10001-12	Vizion One	\$503,393	325	\$1,549
F-10008-12	Emerald Care Branch Office	\$599,491	476	\$1,259
F-10011-12	UniHealth	\$667,742	549	\$1,216
F-10005-12	HKZ Group	\$461,683	395	\$1,169
F-10007-12	Well Care	\$523,840	542	\$966
F-10006-12	AssistedCare	\$329,621	352	\$936
F-10003-12	Maxim	\$391,953	503	\$779
F-10010-12	Continuum	\$333,240	492	\$678
F-10004-12	Healthy @ Home – CMC – North Zone	\$1,897,679	2,993	\$634

As shown in the previous table, Emerald Care projects the second highest administrative cost per unduplicated patient. J and D Healthcare proposes an agency that is not financially viable, and cannot be used for purposes of comparison with other applications.

Additionally, Emerald Care’s administrative cost is the third highest of the ten applicants.

I. Highest Total Cost per Duplicated Patient in Project Year 2

The following table shows a comparison of the 10 applicants based on each applicant’s total cost per duplicated patient in Project Year 2. Total cost per duplicated patient was calculated by dividing projected total cost from Form B by the projected number of duplicated patients from Section IV.2. of each Application, as shown in the following table.

Mecklenburg County Home Health Applicants Total Cost per Unduplicated Patient – PY 2

CON Application	Applicant	Total Cost	Unduplicated Patients	Total Cost per Unduplicated Patient
F-10012-12	J and D Healthcare	\$3,116,397	92	\$33,874
F-10008-12	Emerald Care Branch Office	\$1,658,683	476	\$3,485
F-10001-12	Vizion One	\$1,068,007	325	\$3,286
F-10011-12	UniHealth	\$1,711,184	549	\$3,117
F-10005-12	HKZ Group	\$1,196,680	395	\$3,030
F-10007-12	Well Care	\$1,494,905	542	\$2,758
F-10010-12	Continuum	\$1,299,562	492	\$2,641
F-10006-12	AssistedCare	\$859,289	352	\$2,441
F-10003-12	Maxim	\$1,175,706	503	\$2,337
F-10004-12	Healthy @ Home – CMC – North Zone	\$6,793,650	2,993	\$2,270

As shown in the previous table, Emerald Care projects the highest total cost per duplicated patient. J and D Healthcare proposes an agency that is not financially viable, and cannot be used for purposes of comparison with other applications.

Additionally, Emerald Care’s total cost is the second highest of the ten applicants. J and D Healthcare proposes an agency that is not financially viable, and cannot be used for purposes of comparison with other applications.

J. Third Largest Gain per Unduplicated Patient in Project Year 2

The following table shows a comparison of the ten applicants based on each applicant’s gain (loss) per unduplicated patient in Project Year 2. Gain (loss) was calculated by subtracting total cost from net revenue in Form B. Gain (loss) per unduplicated patient was calculated by dividing gain (loss) by the projected number of unduplicated patients from Section IV.2. of each Application, as shown in the following table.

**Mecklenburg County Home Health Applicants
Gain (Loss) per Unduplicated Patient – PY 2**

CON Application	Applicant	Gain (Loss)	Unduplicated Patients	Gain (Loss) per Unduplicated Patient
F-10003-12	Maxim	\$352,868	503	\$702
F-10010-12	Continuum	\$311,116	492	\$632
F-10008-12	Emerald Care Branch Office	\$278,839	476	\$586
F-10007-12	Well Care	\$246,036	542	\$454
F-10001-12	Vizion One	\$72,193	325	\$222
F-10006-12	AssistedCare	\$72,364	352	\$206
F-10011-12	UniHealth	\$41,456	549	\$76
F-10004-12	Healthy @ Home – CMC – North Zone	\$214,608	2,993	\$72
F-10005-12	HKZ Group	\$27,523	395	\$70
F-10012-12	J and D Healthcare	-\$1,452,259	92	-\$15,785,42

As shown in the previous table, Emerald Care projects the third highest gain per unduplicated patient in Project Year 2. Additionally, Emerald Care’s unduplicated patients are overstated due to inclusion of existing patients, as discussed in the context of CON Review Criterion (3).

K. Third Highest 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 10 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 Visit	Average Total Operating Cost per Visit	Ratio of Net Revenue to Average Total Operating Cost per 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
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 - 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, Emerald Care's ratio is 1.17 is the third highest of all 10 applicants.

For those reasons, Emerald Care does not demonstrate financial feasibility of the proposal because projections of costs and charges are not based on reasonable projections for providing health services as required by 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), Emerald Care fails to demonstrate the need for the services proposed. Consequently, Emerald Care did not demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities.

Additionally, Emerald Care proposes to locate its office in central Charlotte. According to Mapquest.com², Emerald Care's proposed primary site is:

- 24 seconds and 0.17 miles from Interim Healthcare of the Triad, Inc. (HC1901)
- 2 minutes and 0.85 miles from Innovative Senior Care Home Health (HC0369).

According to Mapquest.com³, Emerald Care's proposed secondary site is:

- 7 minutes and 4.9 miles from Innovative Senior Care Home Health (HC0369)
- 9 minutes and 5.71 miles from Liberty Home Care and Hospice (HC3694)
- 9 minutes and 5.74 miles from Interim Healthcare of the Triad, Inc. (HC1901)

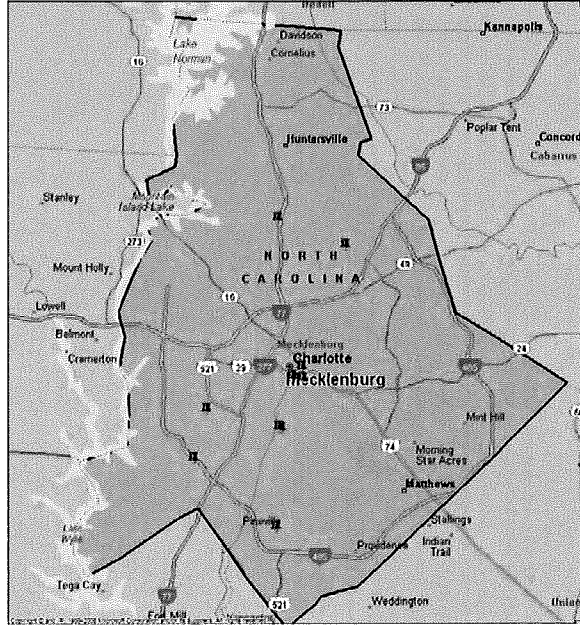
² <http://www.mapquest.com/>

³ <http://www.mapquest.com/>

Emerald Care’s proposed locations are duplicative of existing health service capabilities and facilities.

HKZ Group undertook a location analysis in order to determine the most effective location for the proposed Mecklenburg County agency. The following map illustrates locations of existing Medicare-certified home health agency in Mecklenburg County.

Existing Medicare-certified Home Health Agency Location



As shown in the previous map, of the ten existing agencies, four are located in central Charlotte. Four agencies are located in southwestern Mecklenburg County. The other two agencies are located in the north-central part of Mecklenburg County. There is no agency in the eastern/southeastern area of Mecklenburg County near the Town of Matthews. **HKZ Group** proposes to locate its agency in the Town of Matthews.

Emerald Care has not carried its burden to demonstrate that the proposed project will not result in unnecessary duplication of existing and approved capabilities as required by CON Review Criterion (6).

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.

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.

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

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

CON Application	Applicant	OT Salary
F-10005-12	HKZ Group	\$48,269
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 Services	\$39,574
F-10004-12	Healthy @ Home - CMC - North Zone Office	\$36,838

Emerald Care’s projected annual salary for a licensed practical nurse is \$8,234 lower than the highest salary, which was projected by **HKZ Group**.

For that reason, the Emerald Care 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.

No Demonstration that the Proposed Service will be Coordinated with the Existing Health Care System

Generally, hospitals make 50% of all referrals to certified home health agencies. The CON Criteria and Standards for Home Health Agencies require documentation of attempts made to establish working relationships with the sources of referrals at 10A NCAC 14C .2002 (a)(10). Maxim does not provide the required documentation for Mecklenburg County hospitals.

For those reasons, Emerald Care fails to demonstrate conformity 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, Emerald Care fails to demonstrate conformity with CON Review Criteria (1), (3), (4), (5), (6), (7), (8), (13c), and (20). Consequently, Emerald Care fails to demonstrate that its CON Application is conforming to CON Review Criterion (18a).

G.S. 131E-183 (20)

An applicant already involved in the provision of health services shall provide evidence that quality care has been provided in the past.

On April 26, 2010, The Wall Street Journal reported that an analysis by the Wall Street Journal of Medicare payments to home health-care companies in recent years raised questions about whether some companies, including the sector's largest company Amedisys Inc., are taking advantage of the Medicare reimbursement system. The article also names Gentiva Health Services Inc., LHC Group, Inc., and Almost Family Inc. The April 26, 2010 article further stated that "[t]he results show that the number of in-home therapy visits tracks Medicare financial incentives."⁴

On May 12, 2010, the Senate Finance Committee sent a bi-partisan letter to Amedisys, Inc. and three other home health care companies expressing concern about a Wall Street Journal article indicating that the companies may be gaming the Medicare system. The other companies were Almost Family, Inc., LHC Group, Inc., and Gentiva Health Systems, Inc.⁵

On May 13, 2010, The Wall Street Journal reported that letters were emailed to the CEOs of each of the four companies requesting that each company provide information on their companies' therapy visits from 2006 through 2009 and about financial relationships with referring physicians. Senate Finance Committee Chairman Max Baucus and Ranking Republican Member Charles Grassley wrote, "[t]hese findings suggest that [home health agencies] are basing the number of therapy visits they provide on how much Medicare will pay them instead of what is in the best interests of the patients."

On June 30, 2010, after the close of trading, Amedisys issued a press release that disclosed Amedisys, Inc. was under investigation by the U.S. Securities and Exchange Commission, and received a subpoena for documents relating to the matters under review by the Senate Finance Committee and other matters involving its operations. Amedisys said it is cooperating with the SEC with respect to its investigation.⁶

The Senate and SEC investigation focus on whether the companies pushed therapists to hit a certain number of home visits, even if they might not be necessary, in order to trigger a doubling of the Medicare reimbursement.

⁴ [online.wsj.com/article/SB10001424052748703625304575116040870004462.html?KEYWORDS=therapy#articleT](http://online.wsj.com/article/SB10001424052748703625304575116040870004462.html?KEYWORDS=therapy#articleTabs%3Darticle)
abs%3Darticle

⁵ <http://fraudblawg.com/2010/05/13/senate-opens-investigation-into-home-health-companies-amedisys-almost-family-lhc-group-and-gentiva/>

⁶ http://www.faq.s.org/sec-filings/110426/AMEDISYS-INC_10-Q/

On September 29, 2010, The Wall Street Journal reported that the U.S. Department of Justice launched an investigation of Amedisys Inc., the third government agency to probe the company since May 2010.⁷

Amedisys, the nation's largest home health company, said that on September 27, 2010, it received a civil investigative demand (CID) from the U.S. Department of Justice pursuant to the federal False Claims Act. The CID requires the delivery of a wide range of documents and information to the United States Attorney's Office for the Northern District of Alabama, relating to the company's clinical and business operations, including reimbursement and billing claims submitted to Medicare for home health services, and related compliance activities. The CID generally covers the period from January 1, 2003. Amedisys is cooperating with the Department of Justice with respect to this investigation.⁸

If a company is found to have submitted a false claim to a federal agency, like Medicare, it could be liable for damages, plus \$5,500 to \$11,000 for each of the claims. Companies can also lose their ability to do business with Medicare. Amedisys submits hundreds of thousands of claims each year.⁹

For that reason, Emerald Care fails to demonstrate conformity to CON Review Criterion (20).

V. North Carolina Criteria and Standards for Home Health Services

10A NCAC 14C .2002(a)(3), (4), (5), (7), (8), and (10)

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

10A NCAC 14C .2003

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

10A NCAC 14C .2005(a) and (b)

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

VI. Conclusion

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

⁷ <http://online.wsj.com/article/SB10001424052748703882404575519750207964736.html>

⁸ http://www.facs.org/sec-filings/110426/AMEDISYS-INC_10-Q/

⁹ <http://online.wsj.com/article/SB10001424052748703882404575519750207964736.html>

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

CON Application	Applicant	% of Visits
F-10004-12	Healthy @ Home – CMC North Zone Office	16.2%
F-10005-12	HKZ Group	14.9%
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

CON Application	Applicant	% of Visits
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%
F-10005-12	HKZ Group	66.8%
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

CON Application	Applicant	% of Visits
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%
F-10005-12	HKZ Group	81.7%
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

CON Application	Applicant	Average Number of Visits per Unduplicated Patient
F-10008-12	Emerald Care – Branch Office	26.4
F-10001-12	Vizion One	25.0
F-10005-12	HKZ Group	21.7
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
F-10005-12	HKZ Group	8,578	\$1,224,203	\$143
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
F-10005-12	HKZ Group	8,578	\$1,196,680	\$140
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

CON Application	Applicant	Total Patient Visits	Total Direct Care Costs	Average Direct Care Cost per Visit
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
F-10005-12	HKZ Group	8,578	\$734,997	\$86
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

CON Application	Applicant	Total Patient Visits	Total Administrative Costs	Average Administrative Cost per Visit
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
F-10005-12	HKZ Group	8,578	\$461,683	\$54
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

CON Application	Applicant	Total Patient Visits	Net Revenue per Visit	Average Total Operating Cost per Visit	Ratio of Net Revenue to Average Total Operating Cost per 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	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
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

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**

CON Application	Applicant	Owned	Operated	Managed	Total NC Medicare Home Health
F-10008-12	Emerald Care – Branch Office	12	0	0	12
F-10004-12	Healthy @ Home - CMC - North Zone Office	4	0	0	4
F-10005-12	HKZ Group	3	0	0	3
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)

CON Application	Applicant	Carolinas Healthcare System	Presbyterian Healthcare	Presbyterian Hospital Matthews
F-10005-12	HKZ Group	N	Y	Y
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**

CON Application	Applicant	CFVMC	Southeastern Regional	Other Hospital
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	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
F-10006-12	AssistedCare	SHP to manage patient outcomes; CareAnywhere 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 comorbid 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%¹⁰.

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.¹¹ 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 County¹². 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.

¹⁰ Kaiser Health Facts <http://www.statehealthfacts.org/profileind.jsp?cat=6&sub=80&rgn=35>

¹¹ <http://www.newsobserver.com/2012/06/17/2143293/2-new-veterans-homes-to-open.html>

¹² 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

CON Application	Applicant	Annual Salary
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
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

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

CON Application	Applicant	Annual 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
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

CON Application	Applicant	Annual Salary
F-10005-12	HKZ Group	\$48,269
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

CON Application	Applicant	Annual 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
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-10012-12
	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		92
Total Patient Visits	325	9,499	47,780	8,578	6,159	11,268	12,570	8,556	11,527		1,482
Visit per Patient	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