

**Comments in Opposition to  
Project ID # O-12318-23  
3HC - Brunswick**

**Comments Submitted by BAYADA Home Health Care**

Pursuant to NCGS § 131E-185, BAYADA Home Health Care submits the following comments in opposition to the 3HC – Brunswick (3HC) CON application.

**REVIEW CRITERIA FOR NEW INSTITUTIONAL HEALTH SERVICES**

- (3) 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.

On page 39, 3HC identifies that patients will originate from Brunswick, New Hanover, and Pender counties. However, on the 3HC Service Areas map, on page 48, New Hanover and Pender counties are not highlighted as being a part of the proposed service area. Additionally, on page 47, 3HC states:

“It is imperative that 3HC have a dedicated Brunswick County office to meet the existing and projected need for home health services in Brunswick County.”

3HC is not clear whether or not New Hanover and Pender counties will be in the proposed service area, yet home health patients served in those counties are necessary for a net positive income in the pro forma financial statements.

- (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.

*Pro Forma Financial Statements*

3HC does not provide enough data for the Agency to determine if the pro forma financial statements are reasonable, credible, or supported.

3HC states that the unduplicated clients, duplicated clients, duplicated visits, duplicated visits by discipline, duplicated Medicare clients by episode and LUPA are all based on 3HC's existing home health agencies in eastern North Carolina. However, 3HC fails to provide any of the supporting data or calculations withing the application or exhibits.

Furthermore, 3HC fails to provide any calculations to support the accuracy of Forms F.2.b, F.3b, and F.5.

The Agency has no means to determine if the pro forma financial statements are reasonable, credible, supported, or accurate.

**Comments in Opposition to**

**Project ID # O-12316-23**

**Novant Health Home Care - Brunswick**

**Comments Submitted by BAYADA Home Health Care**

Pursuant to NCGS § 131E-185, BAYADA Home Health Care submits the following comments in opposition to the Novant Health Home Care – Brunswick (NH HC) CON application.

REVIEW CRITERIA FOR NEW INSTITUTIONAL HEALTH SERVICES

- (3) 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.

On page 41, NH HH identifies that patients will originate from Brunswick and Pender counties. However, as reported in Chapter 12: Home Health Data by County of Patient Origin – 2021 Data, NHRMC Home Care (referred to in the CON application as NHHC-P) already provides home health services in Brunswick and Pender counties. In 2021, NHRMC Home Care was the 4<sup>th</sup> largest home health provider in Brunswick County and the 5<sup>th</sup> largest home health provider in Columbus County, as well as the 2<sup>nd</sup> largest home health provider in Pender County and the 2<sup>nd</sup> largest home health provider in New Hanover County. It would appear that every factor related to home health referrals and services from the Novant Health hospitals can be provided by NHRMC Home Care, if only the proper staffing was allocated to serve additional patients in those counties.

NH HH would not introduce a new home health provider into Brunswick County, as Novant Health already provides home health services in Brunswick County.

On page 60, NH HH proposes to treat 2,219 patients from Brunswick County in Year 3. Brunswick County is only showing a deficit of 533 home health patients in 2024 and NHRMC Home Care reported

that it provided home health services to 531 Brunswick County patients. It is not reasonable to assume that over 1,500 additional home health patients will be provided by NH HH, when Novant Health has the opportunity to serve the same patients included in its need methodology today.

- (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.

On page 67, NH HH does not believe it can serve more patients in Brunswick County from NHRMC Home Care because the NHRMC Home Care team/staff live in Pender County. As providers serve home health patients in the patient's home, then there is nothing to stop NHRMC Home Care from hiring providers living in Brunswick County to serve more home health patients in Brunswick County.

Furthermore, the 60-mile radius referred to on page 67 extends into South Carolina from Rocky Point in Pender County.

- (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.

#### *Pro Forma Financial Statements*

NH HH provides multiple payor mixes and a lack of clear understanding as to how the trends included on page 95 lead to the payor mixes included in pro forma financial statements. The following table combines the two tables on page 95 and the payor mix in the Form F. 2b assumptions for comparison.

	Page 95		
	Total Historical	Year 3	F.2b
Self-Pay	0.4%	0.4%	2.0%
Charity Care	1.5%	1.5%	
Medicare	56.1%	85.9%	40.9%
Medicare Managed Care	25.8%		
Medicaid	5.6%	4.2%	4.2%
Medicaid Managed Care	1.1%		
Insurance		5.9%	50.9%
Commercial	0.1%		
BCBS	5.0%		
Managed Care	2.2%		
Workers Compensation	0.1%	0.1%	
Tricare	0.2%	0.1%	
Other Government	1.8%	1.8%	2.0%
<b>Total</b>	<b>99.9%</b>	<b>99.9%</b>	<b>100.0%</b>

NH HH does not provide any of the supporting data or calculations within the application or exhibits to show that Form F.5 is accurate.

In the Form C.5 Assumptions, NH HH assumes that all patients by discipline will receive 13.45 visits. A nursing patient will receive 13.45 nursing visits, a PT will receive 13.45 PT visits, a ST patient will receive 13.45 ST visits, an OT patient will receive 13.45 OT visits, a MSW patient will receive 13.45 MSW visits, and a HHA patient will receive 13.45 HHA visits. This assumption makes no sense.

Because of these inconsistencies, the Agency has no means to determine if the pro forma financial statements are reasonable, credible, supported, or accurate.

**Comments in Opposition to  
Project ID # O-12334-23  
Well Care Home Health of Brunswick County**

**Comments Submitted by BAYADA Home Health Care**

Pursuant to NCGS § 131E-185, BAYADA Home Health Care submits the following comments in opposition to the Well Care Home Health of Brunswick County (Well Care) CON application.

**REVIEW CRITERIA FOR NEW INSTITUTIONAL HEALTH SERVICES**

- (3) 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.

On page 39, Well Care identifies that it already provides home care and home health services in Brunswick County.

On page 48, Well Care identifies that patients will originate from only Brunswick County. However, as reported in Chapter 12: Home Health Data by County of Patient Origin – 2021 Data, Well Care already provides home health services in Brunswick County. In 2021, Well Care was the largest home health provider in Brunswick County. Well Care is also the largest home health provider in Columbus and Pender counties, as well as the 2<sup>nd</sup> largest home health provider in New Hanover County, slightly smaller than NHRMC Home Care. It would appear that Well Care is already adequately providing home health services in Brunswick County.

Well Care would not introduce a new home health provider into Brunswick County, as Well Care already provides home health services in Brunswick County.

On page 48, Well Care proposes to treat 1,737 patients from Brunswick County in Year 3. As reported in Chapter 12: Home Health Data by County of Patient Origin – 2021 Data, Well Care already provides home health services to 1,506 patients in Brunswick County.

- (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.

On page 99, Well Care does not believe it can serve more patients better from its New Hanover County home health office because the driving distance from Wilmington to Sunset Beach is 53.5 miles or 64 minutes. Well Care does not explain why this measurement is important because staff are allowed to live in Brunswick County and the distance to Wilmington will have no bearing in the treatment of patients. As providers serve home health patients in the patient's home, then there is nothing to stop Well Care from hiring more providers living in Brunswick County to serve more home health patients in Brunswick County.

**Comments in Opposition to**

**Project ID # O-12336-23**

**HealthView Home Health - Brunswick**

**Comments Submitted by BAYADA Home Health Care**

Pursuant to NCGS § 131E-185, BAYADA Home Health Care submits the following comments in opposition to the HealthView Home Health - Brunswick (HealthView) CON application.

**REVIEW CRITERIA FOR NEW INSTITUTIONAL HEALTH SERVICES**

- (3) 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.

HealthView fails to demonstrate the need that the proposed population has for an additional home health office. On page 30, HealthView's Demonstration of Need is four paragraphs long.

- (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.

HealthView fails to demonstrate that its proposed project is the least costly or most effective alternative.



- (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.

*Pro Forma Financial Statements*

HealthView does not provide enough data or explanation within the application or exhibits for the Agency to determine if the pro forma financial statements and utilization are reasonable, credible, or supported.

HealthView fails to provide any of the supporting data or calculations within the application or exhibits.

The Agency has no means to determine if the pro forma financial statements are reasonable, credible, supported, or accurate.

- (12) Applications involving construction shall demonstrate that the cost, design, and means of construction proposed represent the most reasonable alternative, and that the construction project will not unduly increase the costs of providing health services by the person proposing the construction project or the costs and charges to the public of providing health services by other persons, and that applicable energy saving features have been incorporated into the construction plans.

On page 65, G.S. 131E-181(a) states: (a) A certificate of need shall be valid only for the defined scope, physical location, and person named in the application. A certificate of need shall not be transferred or assigned except as provided in G.S. 131E-189(c). HealthView identifies “ideally” a city...Shalotte. This does not meet the physical location requirement for a new facility.

## **COMPARATIVE ANALYSIS**

Pursuant to G.S. 131E-183(a)(1) and the 2023 SMFP, no more than one new Medicare-certified home health agency may be approved for Brunswick County in this review. Because each application proposes to develop a new Medicare-certified home health agency in Brunswick County, all five applications cannot be approved. For the reasons set forth below and in the remainder of the findings, the application submitted by BAYADA Home Health should be approved and all other applications should be disapproved.

### Projected Access by Medicare Recipients

For each application in this review, the following table compares a) the number of duplicated Medicare patients in Project Year 3; and b) duplicated Medicare patients as a percentage of total unduplicated patients. Generally, the application projecting the highest number or percentage is the most effective alternative with regard to these comparative factors. The applications are listed in the table below in decreasing order of effectiveness.

Rank	Agency	Project Year 3		
		Duplicated Patients	Duplicated Medicare Patients	% of Duplicated Medicare Patients
1	3HC - Home Health	1,324	979	73.9%
2	Novant Health Home Care	2,374	970	40.9%
3	Well Care Home Health	6,132	2,442	39.8%
4	HealthView Home Health	3,572	943	26.4%
5	BAYADA Home Health	8,059	1,541	19.1%

BAYADA Home Health’s projections of duplicated patients and duplicated Medicare patients are based on reasonable, credible, and supported assumptions. Novant Health Home Care and Well Care Home Health already provide home health services in Brunswick County and HealthView Home Health and 3HC – Home Health lacked any supporting explanation as to how patient projections were calculated.

### Projected Access by Medicaid Recipients

For each application in this review, the following table compares a) the number of duplicated Medicaid patients in Project Year 3; and b) duplicated Medicaid patients as a percentage of total patients. Generally, the application projecting the highest number or percentage is the most effective alternative with regard to these comparative factors. The applications are listed in the table below in decreasing order of effectiveness.

Rank	Agency	Project Year 3		
		Duplicated Patients	Unduplicated Medicaid Patients	% of Unduplicated Medicaid Patients
1	HealthView Home Health	3,572	184	5.2%
2	Novant Health Home Care	2,374	91	3.8%
3	Well Care Home Health	6,132	174	2.8%
4	3HC - Home Health	1,324	21	1.6%
5	BAYADA Home Health	8,059	54	0.7%

BAYADA Home Health’s projections of duplicated patients and unduplicated Medicaid patients are based on reasonable, credible, and supported assumptions. Novant Health Home Care and Well Care Home Health already provide home health services in Brunswick County and HealthView Home Health and 3HC – Home Health lacked any supporting explanation as to how patient projections were calculated.

### Average Number of Visits per Unduplicated Patient

The majority of home health care services are covered by Medicare, which does not reimburse on a per visit basis. Rather, Medicare reimburses on a per episode basis. Thus, there is a financial disincentive to providing more visits per Medicare episode. The following table shows the average number of visits per unduplicated patient projected by each applicant in Project Year 3. Generally, the application proposing the highest number of visits per unduplicated patient is the more effective alternative with regard to this comparative factor. The applications are listed in the table below in decreasing order of effectiveness.

Rank	Agency	Project Year 3		
		Unduplicated Patients	# of Visits	Average # of Visits per Patient
1	BAYADA Home Health	1,041	22,935	22.0
2	3HC - Home Health	621	11,134	17.9
3	Well Care Home Health	1,737	29,732	17.1
4	Novant Health Home Care	2,158	31,924	14.8
5	HealthView Home Health	1,128	12,384	11.0

As shown in the table, BAYADA Home Health is the most effective alternative with regard to the average number of visits per unduplicated patient.

### Average Net Patient Revenue per Visit

Average net revenue per visit in Project Year 3 was calculated by dividing projected net revenue from Form B by the projected number of visits from Form C.5, as shown in the table below. Generally, the application proposing the lowest average net revenue per visit is the more effective alternative with regard to this comparative factor. The applications are listed in the table below in decreasing order of effectiveness.

Rank	Agency	Project Year 3		
		# of Visits	Net Patient Revenue	Average Net Patient Revenue per Visits
1	Novant Health Home Care	31,924	\$4,617,536	\$144.64
2	Well Care Home Health	29,732	\$5,102,141	\$171.60
3	3HC - Home Health	11,134	\$2,032,997	\$182.59
4	HealthView Home Health	12,384	\$2,310,692	\$186.59
5	BAYADA Home Health	22,935	\$4,764,109	\$207.72

BAYADA Home Health’s projections of visits and net patient revenue are based on reasonable, credible, and supported assumptions. Novant Health Home Care and Well Care Home Health already provide home health services in Brunswick County and HealthView Home Health and 3HC – Home Health lacked any supporting explanation as to how patient projections and revenues were calculated.

### Average Net Revenue per Unduplicated Patient

Average net revenue per unduplicated patient in Project Year 3 was calculated by dividing projected net revenue from Form F.2b by the projected number of unduplicated patients from Form C.5, as shown in the table below. Generally, the application proposing the lowest average net revenue per unduplicated patient is the more effective alternative with regard to this comparative factor. The applications are listed in the table below in decreasing order of effectiveness.

Rank	Agency	Project Year 3		
		Unduplicated Patients	Net Patient Revenue	Average Net Revenue per Unduplicated Patient
1	HealthView Home Health	1,128	\$2,310,692	\$2,048.49
2	Novant Health Home Care	2,158	\$4,617,536	\$2,139.73
3	Well Care Home Health	1,737	\$5,102,141	\$2,937.33
4	3HC - Home Health	621	\$2,032,997	\$3,273.75
5	BAYADA Home Health	1,041	\$4,764,109	\$4,576.47

BAYADA Home Health’s projections of unduplicated patients and net patient revenue are based on reasonable, credible, and supported assumptions. Novant Health Home Care and Well Care Home Health already provide home health services in Brunswick County and HealthView Home Health and 3HC – Home Health lacked any supporting explanation as to how patient projections and revenues were calculated.

### Average Total Operating Cost per Visit

The average total operating cost per visit in Project Year 3 was calculated by dividing projected operating costs from Form F.3b by the total number of visits from Form C.5, as shown in the table below. Generally, the application proposing the lowest average total operating cost per visit is the more effective alternative with regard to this comparative factor. The applications are listed in the table below in decreasing order of effectiveness.

Rank	Agency	Project Year 3		
		# of Visits	Total Operating Cost	Average Total Operating Cost per Visit
1	Well Care Home Health	29,732	\$4,042,773	\$135.97
2	Novant Health Home Care	31,924	\$4,497,625	\$140.89
3	HealthView Home Health	12,384	\$2,097,154	\$169.34
4	3HC - Home Health	11,134	\$1,949,535	\$175.10
5	BAYADA Home Health	22,935	\$4,468,111	\$194.82

BAYADA Home Health’s projections of total # of visits and total operating cost are based on reasonable, credible, and supported assumptions. Novant Health Home Care and Well Care Home Health already provide home health services in Brunswick County and HealthView Home Health and 3HC – Home Health lacked any supporting explanation as to how patient projections and costs were calculated.



### Average Direct Care Operating Cost per Visit

The average direct care operating cost per visit in Project Year 3 was calculated by dividing projected direct care expenses by the total number of home health visits from Form C.5, as shown in the table below. Generally, the application proposing the lowest direct care operating cost per visit is the more effective alternative with regard to this comparative factor. The applications are listed in the table below in decreasing order of effectiveness.

Rank	Agency	Project Year 3		
		# of Visits	Total Direct Care Cost	Average Direct Care Cost per Visit
	BAYADA Home Health	22,935	\$2,845,153	\$124.05
	HealthView Home Health	31,924		
	Novant Health Home Care	12,384		
	Well Care Home Health	11,134		
	3HC - Home Health	29,732		

None of the applicants besides BAYADA Home Health provided the data and calculations to project total direct care costs. This factor cannot be determined.

### Average Administrative Operating Cost per Visit

The average administrative operating cost per visit in Project Year 3 was calculated by dividing projected administrative operating costs by the total number of visits from Form C.5, as shown in the table below. Generally, the application proposing the lowest average administrative operating cost per visit is the more effective alternative with regard to this comparative factor. The applications are listed in the table below in decreasing order of effectiveness.

Rank	Agency	Project Year 3		
		# of Visits	Administrative Cost	Average Administrative Cost per Visit
	BAYADA Home Health	22,935	\$1,622,958	\$70.76
	HealthView Home Health	31,924		
	Novant Health Home Care	12,384		
	Well Care Home Health	11,134		
	3HC - Home Health	29,732		

None of the applicants besides BAYADA Home Health provided the data and calculations to project administrative costs. This factor cannot be determined.

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

The ratios in the table below were calculated by dividing the average net revenue per visit in Project Year 3 by the average total operating cost per visit in Project Year 3. Generally, the application proposing the lowest ratio is the more effective alternative with regard to this comparative factor. However, the ratio must equal one or greater in order for the proposal to be financially feasible. The applications are listed in the table below in decreasing order of effectiveness.

Rank	Agency	Project Year 2		
		Average Net Revenue per Visit	Average Total Operating Cost per Visit	Ratio
1	Novant Health Home Care	\$144.64	\$140.89	1.03
2	3HC - Home Health	\$182.59	\$175.10	1.04
3	BAYADA Home Health	\$207.72	\$194.82	1.07
4	HealthView Home Health	\$186.59	\$169.34	1.10
5	Well Care Home Health	\$171.60	\$135.97	1.26

BAYADA Home Health’s projections of total # of visits, average net revenue, and total operating cost are based on reasonable, credible, and supported assumptions. Novant Health Home Care and Well Care Home Health already provide home health services in Brunswick County and HealthView Home Health and 3HC – Home Health lacked any supporting explanation as to how patient projections, revenues, and costs were calculated.

**Average Direct Care Operating Cost per Visit as a percentage of Average Total Operating Cost per Visit**

The percentages in the table below were calculated by dividing the average direct care cost per visit in Project Year 3 by the average total operating cost per visit in Project Year 3. Generally, the application proposing the highest percentage is the more effective alternative with regard to this comparative factor. The applications are listed in the table below in decreasing order of effectiveness.

Rank	Agency	Project Year 3		
		Average Total Operating Cost per Visit	Average Direct Care Operating Cost per Visit	Percentage
	BAYADA Home Health	\$194.82	\$124.05	63.7%
	HealthView Home Health	\$169.34		
	Novant Health Home Care	\$140.89		
	Well Care Home Health	\$135.97		
	3HC - Home Health	\$175.10		

None of the applicants besides BAYADA Home Health provided the data and calculations to project direct care operating costs. This factor cannot be determined.

**Nursing and Home Health Aide Salaries in Project Year 3**

All five applicants propose to provide nursing and home health aide services with staff that are employees of the proposed home health agency. The tables below compare the proposed annual salary for registered nurses, licensed practical nurses, and home health aides in Project Year 3. Generally, the application proposing the highest annual salary is the more effective alternative with regard to this comparative factor. The applications are listed in the table below in decreasing order of effectiveness.

<b>Rank</b>	<b>Applicant</b>	<b>Registered Nurse</b>
1	Well Care Home Health	\$105,560
2	BAYADA Home Health	\$94,556
3	Novant Health Home Care	\$86,089
4	HealthView Home Health	\$72,800
5	3HC - Home Health	\$73,047

<b>Rank</b>	<b>Applicant</b>	<b>Licensed Practical Nurse</b>
1	Well Care Home Health	\$66,763
2	HealthView Home Health	\$62,400
3	3HC - Home Health	\$61,078
4	BAYADA Home Health	\$56,734
5	Novant Health Home Care	

<b>Rank</b>	<b>Applicant</b>	<b>Home Health Aide (CNA)</b>
1	Well Care Home Health	\$45,619
2	BAYADA Home Health	\$42,025
3	Novant Health Home Care	\$37,972
4	HealthView Home Health	\$37,440
5	3HC - Home Health	\$35,070

BAYADA Home Health’s projections of total FTEs and salaries are based on reasonable, credible, and supported assumptions. Novant Health Home Care and Well Care Home Health already provide home health services in Brunswick County and HealthView Home Health and 3HC – Home Health lacked any supporting explanation as to how costs were calculated.