

**Comments in Opposition to
Project ID # P-12453-23
PHC Home Health - Onslow**

Comments Submitted by BAYADA Home Health Care

Pursuant to NCGS § 131E-185, BAYADA Home Health Care submits the following comments in opposition to the PHC Home Health - Onslow (PHC) 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.

PHC fails to provide a methodology or assumptions that reasonably results in the patient projections or the financial feasibility of the proposed home health agency.

- (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.

PHC fails to provide a methodology or assumptions that reasonably results in the patient projections or the financial feasibility of the proposed home health agency.

**Comments in Opposition to
Project ID # P-12455-23
Well Care Home Health of Onslow**

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 Onslow (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.

Well Care identifies that it already provides home care and home health services in Onslow County and is the largest home health provider in Onslow County.

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 Onslow County in this review. Because each application proposes to develop a new Medicare-certified home health agency in Onslow County, all three 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 Service Area Residents

For each application in this review, the following table compares a) the number of Onslow County patients in Project Year 3; and b) total 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		
		Onslow Patients	Total Patients	% of Total Patients
1	Well Care	1,274	1,274	100.0%
2	PHC	1,441	1,441	100.0%
3	BAYADA	1,070	1,158	92.4%

BAYADA Home Health’s projections of Onslow County patients and total patients are based on reasonable, credible, and supported assumptions. Well Care Home Health already provides home health services in Onslow County and is the largest home health provider in Onslow County; PHC fails to provide any utilization methodology or assumptions to determine if their projections are reasonable, credible, or supported.

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	BAYADA	4,721	4,360	92.4%
2	Well Care	3,945	1,899	48.1%
3	PHC	4,890	1,321	27.0%

BAYADA Home Health's projections of duplicated patients and duplicated Medicare patients are based on reasonable, credible, and supported assumptions.

Projected Access by Medicaid Recipients

For each application in this review, the following table compares a) the number of unduplicated Medicaid patients in Project Year 3; and b) unduplicated 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		
		Unduplicated Patients	Unduplicated Medicaid Patients	% of Unduplicated Medicaid Patients
1	PHC	1,441	216	15.0%
2	BAYADA	1,158	116	10.0%
3	Well Care	1,274	127	10.0%

BAYADA Home Health’s projections of unduplicated patients and unduplicated Medicaid patients are based on reasonable, credible, and supported assumptions. Well Care Home Health already provides home health services in Onslow County and is the largest home health provider in Onslow County; PHC fails to provide any utilization methodology or assumptions to determine if their projections are reasonable, credible, or supported.

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	1,158	30,233	26.1
2	PHC	1,441	31,154	21.6
3	Well Care	1,274	27,018	21.2

BAYADA Home Health's projections of unduplicated patients and visits are based on reasonable, credible, and supported assumptions.

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	PHC	31,154	\$3,456,986	\$110.96
2	Well Care	27,018	\$3,208,382	\$118.75
3	BAYADA	30,233	\$4,083,223	\$135.06

BAYADA Home Health’s projections of visits and net patient revenue are based on reasonable, credible, and supported assumptions. Well Care Home Health already provides home health services in Onslow County and is the largest home health provider in Onslow County; PHC fails to provide any utilization methodology or assumptions to determine if their projections are reasonable, credible, or supported.

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	PHC	1,441	\$3,456,986	\$2,399.02
2	Well Care	1,274	\$3,208,382	\$2,518.35
3	BAYADA	1,158	\$4,083,223	\$3,526.10

BAYADA Home Health's projections of unduplicated patients and net patient revenue are based on reasonable, credible, and supported assumptions. Well Care Home Health already provides home health services in Onslow County and is the largest home health provider in Onslow County; PHC fails to provide any utilization methodology or assumptions to determine if their projections are reasonable, credible, or supported.

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	PHC	31,154	\$3,296,059	\$105.80
2	Well Care	27,018	\$2,955,326	\$109.38
3	BAYADA	30,233	\$3,958,886	\$130.95

BAYADA Home Health’s projections of visits and net patient revenue are based on reasonable, credible, and supported assumptions. Well Care Home Health already provides home health services in Onslow County and is the largest home health provider in Onslow County; PHC fails to provide any utilization methodology or assumptions to determine if their projections are reasonable, credible, or supported.

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	BAYADA	\$135.06	\$130.95	1.03
2	PHC	\$110.96	\$105.80	1.05
3	Well Care	\$118.75	\$109.38	1.09

BAYADA Home Health’s projections of total # of visits, average net revenue, and total operating cost are based on reasonable, credible, and supported assumptions.

Nursing and Home Health Aide Salaries in Project Year 3

All three 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.

Rank	Applicant	Registered Nurse
1	PHC	\$109,304
2	Well Care	\$108,726
3	BAYADA	\$105,630

Rank	Applicant	Licensed Practical Nurse
1	PHC	\$72,162
2	Well Care	\$71,843
3	BAYADA	\$65,717

Rank	Applicant	Home Health Aide (CNA)
1	PHC	\$50,938
2	Well Care	\$46,987
3	BAYADA	\$45,366

BAYADA Home Health's projections of total FTEs and salaries are based on reasonable, credible, and supported assumptions. Well Care Home Health already provides home health services in Onslow County and is the largest home health provider in Onslow County; PHC fails to provide any utilization methodology or assumptions to determine if their projections are reasonable, credible, or supported.