

ATTACHMENT - REQUIRED STATE AGENCY FINDINGS

FINDINGS

C = Conforming

CA = Conditional

NC = Nonconforming

NA = Not Applicable

Decision Date: February 25, 2021

Findings Date: March 4, 2021

Project Analyst: Gregory F. Yakaboski

Co-Signer: Gloria C. Hale

COMPETITIVE REVIEW

Project ID #: F-11943-20
Facility: BAYADA Home Health Care, Inc.
FID #: 200729
County: Rowan
Applicant: BAYADA Home Health Care, Inc.
Project: Develop a new hospice home care office pursuant to the need determination in the 2020 SMFP

Project ID #: F-11945-20
Facility: Amedisys Hospice Care
FID #: 200730
County: Rowan
Applicant: Amedisys Hospice, LLC
Project: Develop a new hospice home care office pursuant to the need determination in the 2020 SMFP

Project ID #: F-11948-20
Facility: Hospice & Palliative Care of Rowan County
FID #: 200733
County: Rowan
Applicant: Hospice of Iredell County, Inc.
Project: Develop a new hospice home care office pursuant to the need determination in the 2020 SMFP

Project ID #: F-11949-20
Facility: Adoration Home Health & Hospice
FID #: 200734
County: Rowan
Applicant: Adoration Home Health & Hospice, Inc.
Project: Develop a new hospice home care office pursuant to the need determination in the 2020 SMFP

2020 Rowan County Hospice Home Care Office Findings

Project ID #'s: F-11943-20; F-11945-20; F-11948-20; F-11949-20; F-11952-20; F-11955-20; F-11956-20; F-11957-20

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Project ID #: F-11952-20
Facility: PruittHealth Hospice-Salisbury
FID #: 200739
County: Rowan
Applicant: PruittHealth Hospice, Inc.
Project: Develop a new hospice home care office pursuant to the need determination in the 2020 SMFP

Project ID #: F-11955-20
Facility: Continuum Care of North Carolina
FID #: 200735
County: Rowan
Applicant: Continuum Care of North Carolina LLC
Project: Develop a new hospice home care office pursuant to the need determination in the 2020 SMFP

Project ID #: F-11956-20
Facility: Carolina Caring
FID #: 200736
County: Rowan
Applicant: Carolina Caring, Inc.
Project: Develop a new hospice home care office pursuant to the need determination in the 2020 SMFP

Project ID #: F-11957-20
Facility: PHC Hospice
FID #: 200737
County: Rowan
Applicant: Personal Home Care of North Carolina, LLC
Project: Develop a new hospice home care office pursuant to the need determination in the 2020 SMFP

REVIEW CRITERIA FOR NEW INSTITUTIONAL HEALTH SERVICES

N.C. Gen. Stat. §131E-183(a) The Agency shall review all applications utilizing the criteria outlined in this subsection and shall determine that an application is either consistent with or not in conflict with these criteria before a certificate of need for the proposed project shall be issued.

- (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.

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Need Determination

The 2020 State Medical Facilities Plan (SMFP) includes a need determination for one additional hospice home care office in the Rowan County hospice home care office (hospice office) service area. Eight applications were received by the Agency for this review cycle.

Policies

There is one policy in the 2020 SMFP applicable to this review: *Policy GEN-3: Basic Principles.*

Policy GEN-3, on pages 30-31 of the 2020 SMFP, states:

“A certificate of need applicant applying to develop or offer a new institutional health service for which there is a need determination in the North Carolina State Medical Facilities Plan shall demonstrate how the project will promote safety and quality in the delivery of health care services while promoting equitable access and maximizing healthcare value for resources expended. A certificate of need applicant shall document its plans for providing access to services for patients with limited financial resources and demonstrate the availability of capacity to provide these services. A certificate of need applicant shall also document how its projected volumes incorporate

these concepts in meeting the need identified in the State Medical Facilities Plan as well as addressing the needs of all residents in the proposed service area.”

F-11943-20/BAYADA Home Health Care, Inc./ Develop a new Hospice Home Care Office

BAYADA Home Health Care, Inc. [BAYADA], the applicant, proposes to develop a new hospice office to be located at 103 Dorsett Dr., Salisbury, Rowan County.

Need Determination. The applicant does not propose to develop more hospice office's than are determined to be needed in the Rowan County service area.

Policy GEN-3. In Section B.3, pages 15-19, the applicant explains why it believes its application is conforming to Policy GEN-3.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion based on the following:

- The applicant does not propose to develop more hospice office's than are determined to be needed in the service area.
- The applicant adequately demonstrates that the proposal is consistent with Policy GEN-3 based on the following:
 - The applicant adequately documents how the project will promote safety and quality in the delivery of hospice home care services in Rowan County;
 - The applicant adequately documents how the project will promote equitable access to hospice home care services in Rowan County; and
 - The applicant adequately documents how the project will maximize healthcare value for the resources expended.

F-11945-20/Amedisys Hospice Care/ Develop a new Hospice Home Care Office

Amedisys Hospice, LLC [Amedisys], the applicant, proposes to develop a new hospice office to be located at 1930 Jake Alexander Blvd West, Salisbury, Rowan County.

Need Determination. The applicant does not propose to develop more hospice offices than are determined to be needed in the Rowan County service area.

Policy GEN-3. In Section B.3, pages 24-31, the applicant explains why it believes its application is conforming to Policy GEN-3.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is not conforming to this criterion for the following reasons:

- The applicant does not adequately demonstrate that the proposal is consistent with Policy GEN-3 because the applicant does not demonstrate how the project will maximize healthcare value because the applicant does not adequately demonstrate that its' projected utilization is based on reasonable or adequately supported assumptions. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

F-11948-20/ Hospice & Palliative Care of Rowan County/ Develop a new Hospice Home Care Office

Hospice of Iredell County, Inc. [HOIC], the applicant, proposes to develop a new hospice office to be located at 1121 Old Concord Road, Salisbury, Rowan County.

Need Determination. The applicant does not propose to develop more hospice offices than are determined to be needed in the Rowan County service area.

Policy GEN-3. In Section B.3, pages 10-13, the applicant explains why it believes its application is conforming to Policy GEN-3.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion based on the following:

- The applicant does not propose to develop more hospice offices than are determined to be needed in the service area.
- The applicant adequately demonstrates that the proposal is consistent with Policy GEN-3 based on the following:
 - The applicant adequately documents how the project will promote safety and quality in the delivery of hospice home care services in Rowan County;
 - The applicant adequately documents how the project will promote equitable access to hospice home care services in Rowan County; and
 - The applicant adequately documents how the project will maximize healthcare value for the resources expended.

F-11949-20/Adoration Home Health & Hospice/ Develop a new Hospice Home Care Office

Adoration Home Health & Hospice, Inc. [Adoration], the applicant, proposes to develop a new hospice office to be located at 2106 Statesville Boulevard, Salisbury, Rowan County.

Need Determination. The applicant does not propose to develop more hospice offices than are determined to be needed in the Rowan County service area.

Policy GEN-3. In Section B.3, pages 11-19, the applicant explains why it believes its application is conforming to Policy GEN-3.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is not conforming to this criterion for the following reasons:

- The applicant does not adequately demonstrate that the proposal is consistent with Policy GEN-3 because the applicant does not demonstrate how the project will maximize healthcare value because the applicant does not adequately demonstrate that its' projected utilization is based on reasonable or adequately supported assumptions. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

F-11952-20/PruittHealth Hospice-Salisbury/ Develop a new Hospice Home Care Office

PruittHealth Hospice, Inc. [PruittHealth], the applicant, proposes to develop a new hospice office to be located at 507 West Innes Street, Salisbury, Rowan County.

Need Determination. The applicant does not propose to develop more hospice offices than are determined to be needed in the Rowan County service area.

Policy GEN-3. In Section B.3, pages 9-11, the applicant explains why it believes its application is conforming to Policy GEN-3.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is not conforming to this criterion for the following reasons:

- The applicant does not adequately demonstrate that the proposal is consistent with Policy GEN-3 because the applicant does not demonstrate how the project will maximize healthcare value because the applicant does not adequately demonstrate that its' projected utilization is based on reasonable or adequately supported assumptions. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

F-11955-20/Continuum Care of North Carolina/ Develop a new Hospice Home Care Office

Continuum Care of North Carolina LLC[CCNC], the applicant, proposes to develop a new hospice office to be located at 507 West Innes Street, Salisbury, Rowan County.

Need Determination. The applicant does not propose to develop more hospice offices than are determined to be needed in the Rowan County service area.

Policy GEN-3. In Section B.3, pages 15-18, the applicant explains why it believes its application is conforming to Policy GEN-3.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion based on the following:

- The applicant does not propose to develop more hospice offices than are determined to be needed in the service area.
- The applicant adequately demonstrates that the proposal is consistent with Policy GEN-3 based on the following:
 - The applicant adequately documents how the project will promote safety and quality in the delivery of hospice home care services in Rowan County;
 - The applicant adequately documents how the project will promote equitable access to hospice home care services in Rowan County; and
 - The applicant adequately documents how the project will maximize healthcare value for the resources expended.

F-11956-20/Carolina Caring/ Develop a new Hospice Home Care Office

Carolina Caring, Inc. [Carolina Caring], the applicant, proposes to develop a new hospice office to be located at 301 E. Centerview Street, China Grove, Rowan County.

Need Determination. The applicant does not propose to develop more hospice offices than are determined to be needed in the Rowan County service area.

Policy GEN-3. In Section B.3, pages 11-15, the applicant explains why it believes its application is conforming to Policy GEN-3.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion based on the following:

- The applicant does not propose to develop more hospice offices than are determined to be needed in the service area.
- The applicant adequately demonstrates that the proposal is consistent with Policy GEN-3 based on the following:
 - The applicant adequately documents how the project will promote safety and quality in the delivery of hospice home care services in Rowan County;
 - The applicant adequately documents how the project will promote equitable access to hospice home care services in Rowan County; and
 - The applicant adequately documents how the project will maximize healthcare value for the resources expended.

F-11957-20/PHC Hospice/ Develop a new Hospice Home Care Office

Personal Home Care of North Carolina, LLC [PHC], the applicant, proposes to develop a new hospice office to be located at 2304 S Main Street, Salisbury, Rowan County.

Need Determination. The applicant does not propose to develop more hospice offices than are determined to be needed in the Rowan County service area.

Policy GEN-3. In Section B.3, pages 15-17, the applicant explains why it believes its application is conforming to Policy GEN-3.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion based on the following:

- The applicant does not propose to develop more hospice offices than are determined to be needed in the service area.
- The applicant adequately demonstrates that the proposal is consistent with Policy GEN-3 based on the following:
 - The applicant adequately documents how the project will promote safety and quality in the delivery of hospice home care services in Rowan County;
 - The applicant adequately documents how the project will promote equitable access to hospice home care services in Rowan County; and
 - The applicant adequately documents how the project will maximize healthcare value for the resources expended.

- (2) Repealed effective July 1, 1987.
- (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.

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F-11943-20/BAYADA Home Health Care, Inc./ Develop a new Hospice Home Care Office

BAYADA proposes to develop a new hospice office to be located at 103 Dorsett Dr., Salisbury, Rowan County.

Patient Origin

On page 305, the 2020 SMFP defines the service area for a hospice office as “*the county in which the hospice office is located. Each of the 100 counties in the state is a separate hospice office service area.*” Thus, the service area for this facility consists of Rowan County. Facilities may also serve residents of counties not included in their service area.

The following table illustrates projected patient origin.

County	Third Full FY of Operation following Project Completion (1/1/2024 to 12/31/2024)	
	Patients	% of Total
Rowan	210	87.1%
Stanly	31	10.2% [12.9%]
Total	241	100.0%

Source: Table on page 26 of the application.

Note: Project Analyst’s correction is in brackets and assumes a typographical error was made.

n Section C.2, pages 26-29, the applicant provides the assumptions and methodology used to project its patient origin. The applicant’s assumptions are reasonable and adequately supported.

Analysis of Need

In Section C.3, pages 30-50, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below:

- The need determination for one additional hospice home care office in Rowan County in the 2020 SMFP (pages 31-32).
- Hospice Utilization for Rowan County Compared to Peer Counties (page 33).
- Analysis of Hospices Located in Rowan County (pages 34-35).
- Demographic factors (pages 35-36).
- Disparities in Hospice utilization (pages 36-39).
- BAYADA’s existing home health and home care services and referral relationships (page 40).
- BAYADA’s continuity of care (pages 41-48).
- BAYADA’s hospice capabilities and coordination of care (pages 48-49).
- Community education, outreach and cultural competence (pages 49-50).

The information is reasonable and adequately supported based on the following reasons:

- The 2020 SMFP identifies the need for one additional hospice home care office in Rowan County.
- Population growth, particularly among the elderly, is occurring in Rowan County.
- The 2020 SMFP shows a projected deficit of 159 in “deaths served by hospice care” in Rowan County and a projected deficit of 33 “deaths served by hospice” in Stanly County.

Projected Utilization

In Section Q, Form C, the applicant provides projected utilization, as illustrated in the following table.

	1st Full FY 1/1/2022 to 12/31/2022	2nd Full FY 1/1/2023 to 12/31/2023	3rd Full FY 1/1/2024 to 12/31/2024
# of New Admissions (Unduplicated)	117	178	241
# of Patients Served	117	196	266
# of Deaths	105	159	216
# of Non-Death Discharges	2	9	12
# of Routine Home Care Days	6,886	12,226	18,458
# of Inpatient Care Days	69	122	185
# of Respite Care Days	67	120	181
Continuous Care Days	2	4	5
Total Days	7,024	12,472	18,830
# of Continuous Care Hours	18	36	54

Source: Form C Utilization in Section Q.

In Section Q, the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

Step 1. Population Projections (page 100).

Step 2. Death Rate/ 1000 (page 100).

Step 3. Projected Total Deaths Based on Steps 1 and 2 (page 100).

Steps		2021	2022	2023	2024
	Rowan County				
#1	Projected Population	143,634	144,032	144,576	145,376
#2	Death Rate/1000 of Population*	11.7	11.7	11.7	11.7
#3	Projected Total Deaths	1,681	1,685	1,692	1,701
	Stanly County				
#1	Projected Population	64,743	65,250	65,757	66,265
#2	Death Rate/1000 of Population	11.6	11.6	11.6	11.6
#3	Projected Total Deaths	751	757	763	769

*Source: Table 13B of the 2020 SMFP.

Step 4. Projected Median % Hospice Served (page 100).

Step 5. Projected Hospice Deaths to be served based on Steps 3 and 4 (page 100).

Steps		2021	2022	2023	2024
	Rowan County: Total Deaths	1,681	1,685	1,692	1,701
#4	Median % of Deaths Served by Hospice *	44.50%*	44.96%	45.42%	45.89%
#5	Projected Deaths to be Served by Hospice	748	758	768	781
	Stanly County: Total Deaths	751	757	763	769
#4	Median % of Deaths Served by Hospice	44.50%	44.96%	45.42%	45.89%
#5	Projected Deaths to be Served by Hospice	334	340	346	353

*Source: Table 13B of the 2020 SMPF, page 347.

The applicant stated that it grew the Median % of Deaths Served by Hospice annually at the Two Year Trailing Average Growth Rate of 1.3% as calculated on page 307 of the 2020 SMFP, however the annual increase is based on a more conservative growth rate of 1.03%.

Step 6. BAYADA Market Share Assumptions of Projected Hospice Deaths (page 100).

Step 7. Projected Hospice Deaths Served by BAYADA (page 101).

Steps		2021	2022	2023	2024
	Rowan County				
#5	Projected Deaths to be Served by Hospice	748	758	768	781
#6	BAYADA's Projected Market Share of Deaths Served by Hospice	0.0%	12.0%	18.0%	24.0%
#7	Projected Deaths Served by BAYADA Hospice	0	91	138	187
	Stanly County				
#5	Projected Deaths to be Served by Hospice	334	340	346	353
#6	BAYADA's Projected Market Share of Deaths Served by Hospice	0.0%	4.0%	6.0%	8.0%
#7	Projected Deaths Served by BAYADA Hospice	0	14	21	28
	Total				
#7	Total Projected Deaths to be Served by BAYADA Hospice	0	105	159	216

Step 8. Calculate Ratio of Hospice Admissions to Deaths (page 101).

2018 Ratio	Unduplicated Admissions (Patients- Served by Hospice)	Deaths	Ratio
NC Statewide	47,646	42,352	1.125

Step 9. Projected Unduplicated Admissions (Patients) based on Ratio (1.125) Times Hospice Deaths Served by BAYADA (page 101).

Not all patients admitted to hospice pass away. Projected hospice deaths are less than projected unduplicated admissions (patients). The applicant applied the NC Statewide ratio of unduplicated admissions to deaths to project unduplicated admissions as illustrated in the table below.

Converting Projected Hospice Deaths Served by BAYADA to Unduplicated Admissions (Patients)

Steps		2021	2022	2023	2024
	Rowan County				
#7	Projected Deaths Served by BAYADA Hospice	0	91	138	187
#8	Ratio of Hospice Admissions to Deaths	1.125	1.125	1.125	1.125
#9	Projected Patients (Admissions)	0	102	155	210
	Stanly County				
#7	Projected Deaths Served by BAYADA Hospice	0	14	21	28
#8	Ratio of Hospice Admissions to Deaths	1.125	1.125	1.125	1.125
#9	Projected Patients (Admissions)	0	15	23	31

Step 10. BAYADA Hospice Admissions Patient Origin and Form C (pages 101-102).

In Step 10 and form C Utilization, the applicant converted projected unduplicated admissions into total days of care and further broke down the total days of care into routine home care days, inpatient care days and respite care days.

Projected utilization is reasonable and adequately supported based on the following reasons:

- There is a need determination in the 2020 SMFP for a hospice home care office in the Rowan County hospice home care office service area and this proposed project will meet that need determination by developing a hospice home care office in Rowan County.
- Based on 2018 data in the 2020 SMFP, 620 Rowan County residents received hospice services. The applicant is projecting to serve 210 Rowan County residents in the project's third full fiscal year CY2024 which only represent a market share of 33.9% of the Rowan County residents based on no increase in the number of Rowan County residents who receive hospice services from 2018 to 2024.
- The 2020 SMFP shows a deficit of 159 in "deaths served by hospice" in Rowan County, and a deficit of 33 "deaths served by hospice" in Stanly County.
- The applicant uses reasonable assumptions and methodology to project utilization.

Access to Medically Underserved Groups

In Section C.6, page 51, the applicant states "*BAYADA maintains a nondiscrimination policy and is committed to serve all hospice-appropriate patients regardless of income, race or ethnicity, gender, disability, age and other characteristics that cause patients to be underserved.*" In Section L, page 84, the applicant projects the following payor mix for the proposed services during the third full fiscal year of operation following completion of the project, as illustrated in the table below.

Payor Source	# of New Admissions (Unduplicated)	% of Total	Days of Care	% of Total
Self-Pay	3	1.24%	207	1.10%
Charity (Included in Self Pay)				
Medicare	217	90.04%	16,947	90.00%
Medicaid	15	6.22%	1,158	6.15%
Insurance	6	2.49%	452	2.40%
Other VA/ TRICARE	1	0.41%	66	0.35%
Total	241	100.00%	18,830	100.00%

Source: Table on page 84 of the application.

Numbers may not foot due to rounding.

The projected payor mix is reasonable and adequately supported.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

F-11945-20/Amedisys Hospice Care/ Develop a new Hospice Home Care Office

Amedisys proposes to develop a new hospice office to be located at 1930 Jake Alexander Blvd West, Salisbury, Rowan County.

Patient Origin

On page 305, the 2020 SMFP defines the service area for a hospice office as “*the county in which the hospice office is located. Each of the 100 counties in the state is a separate hospice office service area.*” Thus, the service area for this facility consists of Rowan County. Facilities may also serve residents of counties not included in their service area.

The following table illustrates projected patient origin.

County	Third Full FY of Operation following Project Completion (7/1/2023 to 6/30/2024)	
	Patients	% of Total
Rowan	225	82.4%
Cabarrus	27	10.0%
Iredell	14	5.0%
Davie	4	1.3%
Davidson	4	1.3%
Total	273	100.0%

Source: Table on page 34 of the application.

In Section C.2, page 34, the applicant provides the assumptions and methodology used to project its patient origin. The applicant states its “*experience in the market and its established relationships have equipped Amedisys Hospice with necessary knowledge to understand the potential demand for each county as well as referral patterns.*” The applicant’s assumptions are reasonable and adequately supported.

Analysis of Need

In Section C.3, pages 34-53, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below:

- Service area definition (page 35).

- Service area population and demographic trends (pages 37-41).
- Health statistics impacting demand for hospice services (pages 41-43).
- Socioeconomics and Access to Health Insurance (pages 43-44).
- Trend in death rates (pages 44-46)
- The need determination for one additional hospice home care office in Rowan County in the 2020 SMFP (pages 46-48).
- Hospice admissions trends (pages 49-55).

The information is reasonable and adequately supported based on the following reason:

- The 2020 SMFP identifies the need for one additional hospice home care office in Rowan County.
- Population growth, particularly among the elderly, is occurring in Rowan County.
- The 2020 SMFP shows a deficit of 159 in “deaths served by hospice” in Rowan County.

Projected Utilization

In Section Q, Form C, the applicant provides historical and projected utilization, as illustrated in the following table.

	1 st Full FY 7/1/2021 to 6/30/2022	2 nd Full FY 7/1/2022 to 6/30/2023	3 rd Full FY 7/1/2023 to 6/30/2024
# of New Admissions (Unduplicated)	90	219	273
# of Patients Served	90	239	312
# of Deaths	57	163	199
# of Non-Death Discharges	13	37	45
# of Routine Home Care Days	3,878	11,178	20,219
# of Inpatient Care Days	8	22	41
# of Respite Care Days	16	45	81
Total Days	3,902	11,246	20,341
# of Continuous Care Hours	4	11	20

Source: Form C Utilization in Section Q.

In Section C.5, pages 53 -58, the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

The applicant projects serving patients from five counties, Rowan, Cabarrus, Davidson, Davie and Iredell. To illustrate the methodology and assumptions used to project utilization the Project Analyst focuses on Rowan County in the summary.

- Step #1: Projected Trends in Death Rates Based on Historical 2014-2018 (page 55).
- Step #2: Projected County Deaths Based on Trended Death Rates (pages 55-56).

Projected Deaths in Service Area

Steps	Rowan County	2020	2021	2022	2023	2024
#1	Population	143,259	143,634	144,032	144,576	145,376
#1	Death Rate/ per 1,000 of population	12.0	12.1	12.2	12.4	12.5
#2	Projected Total Deaths	1,720	1,741	1,763	1,787	1,814

Step #3: Projected County Deaths Based on Trailing 2 Year Growth Versus 60% Penetration Rate (pages 56-57).

Projected Deaths Served by Hospice in Service Area

Steps	Rowan County	FY2020	FY2021	FY2022	FY2023	FY2024
#2	Projected Total Deaths		1,741	1,763	1,787	1,814
#3	Statewide Median % of Deaths Served by Hospice		44.5%	45.1%	45.7%	46.3%
#3	Deaths Served by Hospice	583*	756 [774]	795	816	839
#3			583	583	583	583
#3	Deficit of Deaths Served by Hospice		173 [191]	212	233	256

*Actual per SMFP

Note: Project Analyst's corrections are in brackets.

Step #4: Convert Projections (Based on FYE 9/30) to Project Years (page 57).

The applicant converts the data to align with its project years. The first three project years are 7/1/2021 to 6/30/22; 7/1/2022 to 6/30/2023; and 7/1/2023 to 6/30/2024.

County	OY1	OY2	OY3
Rowan			
Incremental Hospice Patients (before data conversion)			
Incremental Hospice Patients (after data conversion)	202	228	250

Step #5: Capture Incremental Demand (page 57).

Step #6: Projected Utilization (page 58).

County	OY1	OY2	OY3
Rowan			
Incremental Hospice Patients	202	228	250
Projected Percent Capture of Incremental Demand Only	40.0%	80.0%	90.0%
Projected # of Hospice Deaths to be served by Applicant	74 [80]	182	225

The applicant then applies a projected Average Length of Stay (ALOS) to calculate total patient days and utilizes projected percentages to breakdown total days into routine days of care, inpatient care days and respite care days. See Section Q, Form C.

However, projected utilization is not reasonable and adequately supported because in Step 3 the applicant incorrectly equates projected hospice deaths with incremental hospice patients (also known as unduplicated admissions) and bases the rest of its calculations on this mistake.

On the left side of the table at the bottom of page 56 of the application the applicant correctly had the title “Projected Hospice Deaths” which was based on all total projected deaths in Rowan County (whether or not served by Hospice) less actual deaths served in Rowan County by Hospice for FY2020 (583) which was held constant for FY2021 to FY2024.

		FY2021	FY2022	FY2023	FY2024
1	Total Projected Rowan County Deaths	1,741	1,763	1,787	1,814
2	Total Projected Rowan County Deaths to be Served by Hospice	756 [774]	795	816	839
3	(less) Actual Rowan County Deaths Served by Hospice in FY2020	583	583	583	583
4	(Incremental Deaths) Projected Rowan County Deaths to be Served by Hospice that are projected not to be served by Hospice	173 [191]	212	233	256
5	(Incremental Deaths) converted to align with project years in Step 4, page 57.		202	228	250

However, on the left side of the table at the bottom of page 56 of the application the applicant switches from the correct label (Incremental Hospice Deaths) to the incorrect label (Incremental Hospice Patients).

In both Form C of the application and in Chapter 13 of the 2020 SMFP actual deaths served by hospice are always less than admissions (patients). The applicant did not apply any conversion ratio to projected incremental (unserved) hospice deaths calculated in Step 3. Thus, the applicant’s projected unduplicated admissions (patients) are under counted or less than they should be based on its projected deaths that will be served by the proposed project. Therefore, the applicant’s projected utilization is incorrect, not reasonable and not adequately supported.

Access to Medically Underserved Groups

In Section B, page 30, the applicant states “*Amedisys Hospice does not exclude, deny benefits to, or otherwise discriminate against any person on the grounds of race, color, or national origin, or on the basis of disability or age in admission to, participation in, or receipt of the services and benefits of any of its programs and activities or in employment therein*” ...

In addition, in Section C.6, page 58, the applicant states, “*Amedisys Hospice does not discriminate against any of its patients based upon race, gender or their ability to pay.*” In Section L, page 95, the applicant projects the following payor mix for the proposed services

during the third full fiscal year of operation following completion of the project, as illustrated in the table below.

Payor Source	# of New Admissions (Unduplicated)	% of Total	Days of Care	% of Total
Self-Pay	1	0.2%	45	0.2%
Charity	3	1.0%	203	1.0%
Hospice Medicare*	249	91.3%	18,568	91.3%
Hospice Medicaid*	14	5.0%	1,017	5.0%
Private Insurance*	7	2.5%	509	2.5%
Other (specify)	0	0.0%	---	0.0%
Total**	273	100.0%	20,342	100.0%

Source: Table on page 95 of the application.

*Including any managed care plans.

**Numbers may not foot due to rounding.

The projected payor mix is reasonable and adequately supported.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is not conforming to this criterion for all the reasons described above.

F-11948-20/ Hospice & Palliative Care of Rowan County/ Develop a new Hospice Home Care Office

HOIC proposes to develop a new hospice office to be located at 1121 Old Concord Road, Salisbury, Rowan County.

Patient Origin

On page 305, the 2020 SMFP defines the service area for a hospice office as “the county in which the hospice office is located. Each of the 100 counties in the state is a separate hospice office service area.” Thus, the service area for this facility consists of Rowan County. Facilities may also serve residents of counties not included in their service area.

The following table illustrates projected patient origin.

County	Third Full FY of Operation following Project Completion (10/1/2023 to 9/30/2024)	
	Patients	% of Total
Rowan	238	100.0%*
Total	238	100.0%*

Source: Table on page 16 of the application.

* In the table on page 16 the applicant had 27% in the “% of Total” column. This appears to be a typo as the applicant is only projecting to serve patients from Rowan County. Therefore, 100.0% of the patients are projected to originate from Rowan County,

In Section C.2, page 16, and Exhibits C.2, C.3.1, C.3.2 and C.6.1 [Tabs 7-10], the applicant provides the assumptions and methodology used to project its patient origin. The applicant’s assumptions are reasonable and adequately supported.

Analysis of Need

In Section C.3, pages 15-17 and Exhibits C.2, C.3.1 and C.3.2, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below:

“Hospice of Iredell County has seen a steady increase in need for hospice home care services in the surrounding counties. These current growth trends, when coupled with increasing deficits related to home care opportunities, provide support for intervention.

Review of the past year’s data shows a projected 1,728 deaths in Y2021 within Rowan County, consistent with the increasing death rate per 1,000 population. In addition, the increasing statewide median percentage of deaths served by hospice has increased by 3.9% to 44.5% supporting the need for an additional hospice home care office. ... There are 2 licensed hospice home care offices in the county, but the county’s death rate per 1,000 population has a 5-year compound annual growth rate (CAGR) of 2.02%. In addition, the Proposed 2020 [sic] SMFP supports increased population growth with a 5-year CAGR of 1.16% from 138,700 in Y2017 to a projected 145,248 in Y2021.”

The information is reasonable and adequately supported based on the following reasons:

- The 2020 SMFP identifies the need for one additional hospice home care office in Rowan County.
- Projected population growth in Rowan County.
- Statewide average growth rate of deaths served by hospice care.
- Projected increase in the death rate per 1,000 population in Rowan County.
- The 2020 SMFP shows a projected deficit of 159 in “deaths served by hospice” in Rowan County.

Projected Utilization

In Section Q, Form C, the applicant provides projected utilization, as illustrated in the following table.

	1st Full FY 10/1/2021 to 9/30/2022	2nd Full FY 10/1/2022 to 9/30/2023	3rd Full FY 10/1/2023 to 9/30/2024
# of New Admissions (Unduplicated)	62	144	238
# of Patients Served	67	157	269
# of Deaths	55	128	211
# of Non-Death Discharges	6	14	23
# of Routine Home Care Days	4,594	10,670	17,636
# of Inpatient Care Days	222	517	854
# of Respite Care Days	19	45	74
Total Days	4,836	11,232	18,564
# of Continuous Care Hours	20	24	24

Source: Form C Utilization in Section Q.

In Section Q, Form C Assumptions and Exhibits C.2, C.3.1, C.3.4, the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

- Rowan County Population- The applicant provided the historical and projected population for 2017 through 2024 at a compound annual growth rate (CAGR) of 1.16% (See page 17 of the application and See Exhibit Tab 7 and Tab 12).
- Death Rate per 1,000 population for Rowan County- The applicant provided the historical and projected Rowan County death rate per 1,000 population through 2024 based on a CAGR of 2.02% (See Exhibit Tab 7 and Tab 12).
- Projected Statewide Median Percent Deaths Served- The applicant utilized the projected Statewide median percent deaths served (by hospice) of 44.5% as stated in Table 13B, page 347, of the 2020 SMFP held constant through Project Year 3 (10/1/2023 to 9/30/2024) (See page 16 of the application).
- Deaths projected to be served by Hospice in Rowan County- the applicant started with the number of deaths served by hospice in Rowan County in 2018 (557) and grew those through 2024 based on the two-year trailing average growth rate (2.3%) of the statewide number of deaths served (see page 307 of the 2020 SMFP and Exhibit Tab 8).
- Ratio of Patient (Unduplicated Admissions) to Deaths Served by Hospice- Based on data from Table 13A, page 343, of the 2020 SMFP the applicant calculated and utilized the ratio of patient (unduplicated admissions) to deaths served by hospice Statewide [47,646 admissions/42,352 deaths = 1.125].
- New Admissions determined by reaching 44.5% of deaths served by third full year of operation (incremental increase).
- ALOS at 78 days.

- Routine Home Care Days at 95% of days.
- GIP [Inpatient Care Days] at 4.6% of days.
- Deaths are 88.7% of admissions.
- Live Discharges are 9.8% of admissions.
- 1,910 projected deaths in Rowan County in 2024.
- 44.5% of 1,910 = 850.
- 850 projected deaths requiring Hospice services in Rowan County in 2024.
- 850 projected Hospice deaths minus 639 projected Hospice deaths served = 211.
- With current Hospice providers in Rowan County, there will be a 211 “death deficit” in 2024 which HOIC plans to serve by FY2024.

Rows		PY1 10/1/21-9/30/22	PY2 10/1/22-9/30/23	PY3 10/1/23-9/30/24
A	Population: Rowan County	146,944	148,648	150,372
B	Death Rate per 1,000 population	12.2	12.4	12.7
C	Total Projected Deaths	1,793	1,843	1,910
D	Median Statewide Percent of Total Deaths Served by Hospice (Target)	44.5%	44.5%	44.5%
E	Number of Deaths Served by Hospice in Rowan County if Median Statewide Percent is met.	798	820	850
F	Actual Number of Deaths Projected to be Served by Hospice in Rowan County	611	625	639
G	Deficit: Number of Rowan County Deaths Projected Not to be Served by Hospice	55	128	211
H	Unduplicated Admissions(Patients)	62	144	238
I	Total Days (ALOS of 78 days x Unduplicated Admissions)	4,836	11,232	18,564

Row E = Row C x Row D.

Row F = Row C – Row E.

Row G= Row E-Row F.

Projected utilization is reasonable and adequately supported based on the following reasons:

- There is a need determination in the 2020 SMFP for a hospice home care office in the Rowan County hospice home care office service area and this proposed project will meet that need determination by developing a hospice home care office in Rowan County.
- Based on 2018 data in the 2020 SMFP, 620 Rowan County residents received hospice services. The applicant is projecting to serve 238 Rowan County residents in the third full fiscal year (CY2024) which only represent a market share of 38.4% of the Rowan County residents based on no increase in the number of Rowan County residents who receive hospice services from 2018 to 2024.

- The 2020 SMFP shows a projected deficit of 159 in “deaths served by hospice” in Rowan County and a projected deficit of 33 “deaths served by hospice” in Stanly County.
- The applicant uses reasonable assumptions and methodology to project utilization.

Access to Medically Underserved Groups

In Section B, pages 11-12, the applicant states, “Hospice of Iredell County promotes equitable access by offering hospice services to everyone in need of the service, regardless of ability to pay. ... Hospice of Iredell County employs bilingual staff and offers assistive devices for communication to all languages and communication-impaired individuals. Hospice service is available to all regardless of race, ethnicity, gender, religion, creed or sexual orientation.” In Section L, pages 48-49, the applicant projects the following payor mix for the proposed services during the third full fiscal year of operation following completion of the project, as illustrated in the table below.

Payor Source	# of New Admissions (Unduplicated)	% of Total	Days of Care	% of Total
Self-Pay	2	0.8%	148	0.3%
Charity	3	1.2%	223	1.7%
Hospice Medicare*	224	94.0%	17,451	94.0%
Hospice Medicaid*	2	1.0%	185	1.0%
Private Insurance*	7	3.0%	557	3.0%
Other (specify)	0	0.0%	0	0.0%
Total	238	100.0%	18,564	100.0%

Source: Table on pages 48-49 of the application.

*Including any managed care plans.

The projected payor mix is reasonable and adequately supported.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

F-11949-20/Adoration Home Health & Hospice/ Develop a new Hospice Home Care Office

Adoration proposes to develop a new hospice office to be located at 2106 Statesville Boulevard, Salisbury, Rowan County.

Patient Origin

On page 305, the 2020 SMFP defines the service area for a hospice office as “the county in which the hospice office is located. Each of the 100 counties in the state is a separate hospice office service area.” Thus, the service area for this facility consists of Rowan County. Facilities may also serve residents of counties not included in their service area.

The following table illustrates projected patient origin.

County	Third Full FY of Operation following Project Completion (9/1/2023 to 8/31/2024)	
	Patients	% of Total
Rowan	149	57.0%
Stanly	114	43.0%
Total	263	100.0%

Source: Table on page 22 of the application.

In Section Q, Form C, the applicant provides the assumptions and methodology used to project its patient origin. The applicant’s assumptions are reasonable and adequately supported.

Analysis of Need

In Section C.3, pages 32-39, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below:

- The need determination for one additional hospice home care office in Rowan County in the 2020 SMFP (pages 23-24).
- Increased Need for Hospice Services (pages 25-29).
- Hospice Penetration and Use Rates (pages 29-32).
- Population diversity (pages 33-34).
- Community Awareness and Education (pages 34-35).
- Existing Community Relationships and Referral Support (pages 35-36)
- Continuity of Care (page 36).
- Nursing facility and Veteran patients (pages 37-39).
- Hospice savings (page 39).

The information is reasonable and adequately supported based on the following reason:

- The 2020 SMFP identifies the need for one additional hospice home care office in Rowan County.
- The 2020 SMFP shows a projected deficit of 159 in “deaths served by hospice” in Rowan County and a projected deficit of 33 “deaths served by hospice” in Stanly County.

Projected Utilization

In Section Q, Form C, the applicant provides projected utilization, as illustrated in the following table.

	1st Full FY 9/1/2021 to 8/31/2022	2nd Full FY 9/1/2022 to 8/31/2023	3rd Full FY 9/1/2023 to 8/31/2024
# of New Admissions (Unduplicated)	133	188	263
# of Patients Served	133	222	311
# of Deaths	111	148	206
# of Non-Death Discharges	11	19	26
# of Routine Home Care Days	7,489	11,538	16,237
# of Inpatient Care Days	59	78	108
# of Respite Care Days	20	26	36
Total Days	7,569	11,644	16,473
# of Continuous Care Hours	27	32	44

Source: Form C Utilization in Section Q.

In Section Q, the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

- Step 1. 2020 SMFP-Projected Number of Additional Patients in Need (page 86).
- Step 2. 2021 SMFP- Projected Number of Additional Patients in Need (pages 87-88).
- Step 3. Total Deaths Served by Hospices by County for the Surrounding Counties (pages 88-89).
- Step 4. Total Deaths by County for Surrounding Counties (page 89).
- Step 5. Historical and Projected Percent of Deaths Served by Hospices by County for Surrounding Counties (pages 90-91).
- Step 6. Median Percent of Deaths Served Statewide v. Surrounding Counties (page 91).
- Step 7. Calculation of 2020 SMFP Projected Number of Additional Patients in Need Using Projected Median Percent Deaths Served in Surrounding Counties (page 92).
- Step 8. Calculations of 2021 SMFP Projected Number of Additional Patients in Need Using Projected Median Percent Deaths Served in Surrounding Counties. (page 93).
- Step 9. Projected Additional Deaths in Need (page 93).
- Step 10. Projected Percent of Additional Deaths in Need Served by Adoration (page 94).
- Step 11. Projected Additional Deaths in Need Served by Adoration (page 95).
- Step 12. Projected Percent of Total Deaths Served (page 95).
- Step 13. Ratio of New (unduplicated) Admissions to Deaths (page 95).
- Step 14. Calculation of New (unduplicated) Admissions (page 96).
- Step 15. Calculation of Non-Death Discharges (page 96).
- Step 16. Projected Admissions by Month (page 97).
- Step 17. Weighted Average Length of Stay (page 97).
- Step 18. PY1 Patient Days by Month (page 98).
- Step 19. PY2 Patient Days by Month (page 98).
- Step 20. PY3 Patients Days by Month (page 99).
- Step 21. Level of Care (page 99).
- Step 22. Patients Served (Duplicated) (page 100).
- Step 23. Summary Utilization Projections (page 100).

However, projected utilization is not reasonable and adequately supported because, as set forth below, the applicant changes the data in Table 13B of both the 2020 SMFP and the 2021 SMFP and uses that changed data in its methodology and assumptions in calculating projected utilization.

The applicant projects to serve patients from Rowan County and Stanly County. In Table 13B, page 347, of the 2020 SMFP the projected deficit is 159 for Rowan County and 33 for Stanly County for 2021.

In Table 13B, page 271, of the 2021 SMFP there is a projected surplus for Rowan County of 149 and a deficit of 37 in Stanly County for 2022.

In Section Q, Table C.7, page 92, the applicant “reworked” Table 13B of the SMFP and determined that for 2021 there was a deficit of 235 in Rowan County and a deficit of 65 in Stanly County.

Then, in Section Q, Table C.8, page 93, the applicant again “reworked” Table 13B of the SMFP and determined for 2022 that there was a deficit of 129 in Rowan County and a deficit of 128 in Stanly County.

The applicant then based the rest of its methodology on the projected “deaths in need” including projecting to serve a percent of the projected deficit “deaths in need”.

Contrast between “re-worked” Table 13B Deficit/Surplus and Actual Table 13B Deficit/Surplus

	PY1	PY2	PY3
Projected deficit of Deaths in Need based on Applicants “ Reworking ” of Table 13B the 2020 and 2021 SMFP			Applicant held the project deficit constant
Rowan	235	129	129
Stanly	67	128	128
Projected deficit of Deaths in Need based on Actual Data from Table 13B the 2020 and 2021 SMFP			Held constant to mimic what the applicant did.
Rowan	159	0*	0
Stanly	33	37	37

*There is a surplus projected for 2022 in the 2021 SMFP

Methodology Using “Re-worked” Table 13B Deficit/Surplus Data

Rows		PY1	PY2	PY3
1	Rowan – Projected Unserved Deaths in Need	235	129	129
2	Stanly- Projected Unserved Deaths in Need	67	128	128
3	Projected Percent of Additional Deaths in Need to be Served by Adoration			
4	Rowan	40.0%	75.0%	100.0%
5	Stanly	25.0%	40.0%	60.0%
6	Rowan	94	97	129
7	Stanly	17	51	77
8	Convert Projected Deaths to New Unduplicated Admissions (Patients)			
9	Rowan	1.16	1.16	1.16
10	Stanly	1.48	1.48	1.48
11	Rowan projected Unduplicated Admissions	109	112	149
12	Stanly projected Unduplicated Admissions	25	78	114
Total	Unduplicated Admissions	134	208	263

Methodology Using Actual Table 13B Deficit/Surplus Data

Rows		PY1	PY2	PY3
1	Rowan – Projected Unserved Deaths in Need	159	0*	0
2	Stanly- Projected Unserved Deaths in Need	33	37	37
3	Projected Percent of Additional Deaths in Need to be Served by Adoration			
4	Rowan	40.0%	75.0%	100.0%
5	Stanly	25.0%	40.0%	60.0%
6	Rowan	64	0	0
7	Stanly	8	15	22
8	Convert Projected Deaths to New Unduplicated Admissions (Patients)			
9	Rowan	1.16	1.16	1.16
10	Stanly	1.48	1.48	1.48
11	Rowan projected Unduplicated Admissions	74	0	0
12	Stanly projected Unduplicated Admissions	12	22	33
Total	Unduplicated Admissions	86	22	33

The applicant based its “reworking” of the Table 13B of the 2020 and 2021 SMFP based on a different methodology, not because of any demonstrated mathematical or data input error.

There is no basis for the Project Analyst to deviate from the data in Chapter 13 of the 2020 SMFP or the 2021 SMFP.

If the projected deficits of deaths in need to be served from Table 13B of the 2020 and 2021 SMFP were used in the applicant’s methodology the projected deaths to be served by the applicant in both Rowan and Stanly Counties would be dramatically less, and in the case of PY2 and PY3 for Rowan County, the projected number of unserved deaths to be served by the applicant would be zero (“0”) as per the 2021 SMFP there was no deficit in Rowan County. Therefore, the projected utilization is not reasonable or adequately supported.

Access to Medically Underserved Groups

In C.6, page 41, the applicant states “*Adoration has a long-standing, demonstrated commitment to providing high-quality hospice-care to any person in need, regardless of the individual’s age, sex, race, national origin, religion, physical/mental functionality, or income.*” In Section L, page 71, the applicant projects the following payor mix for the proposed services during the third full fiscal year of operation following completion of the project, as illustrated in the table below.

Payor Source	# of New Admissions (Unduplicated)	% of Total	Days of Care	% of Total
Self-Pay	0	0.0%	0	0.00%
Charity	7	2.65%	437	2.65%
Hospice Medicare*	245	93.10%	15,336	93.10%
Hospice Medicaid*	5	2.00%	329	2.00%
Private Insurance*	6	2.25%	371	2.25%
Other (specify)	0	0.00%	42 [0]	0.00%
Total	263	100.00%	16,473	100.00%

Source: Table on page 71 of the application.

*Including any managed care plans.

Note: The Project Analyst’s correction is in brackets. The remaining days Days of Care by Payor add up to 16,473.

The projected payor mix is reasonable and adequately supported.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is not conforming to this criterion for all the reasons described above.

F-11952-20/PruittHealth Hospice-Salisbury/ Develop a new Hospice Home Care Office

PruittHealth proposes to develop a new hospice office to be located at 507 West Innes Street, Salisbury, Rowan County.

Patient Origin

On page 305, the 2020 SMFP defines the service area for a hospice office as “*the county in which the hospice office is located. Each of the 100 counties in the state is a separate hospice office service area.*” Thus, the service area for this facility consists of Rowan County. Facilities may also serve residents of counties not included in their service area.

The following table illustrates projected patient origin.

County	Third Full FY of Operation following Project Completion (10/1/2023 to 9/30/2024)	
	Patients	% of Total
Rowan	170	55.3%
Cabarrus	35	11.3%
Guilford	35	11.3%
Forsyth	31	10.2%
Union	20	6.5%
Mecklenburg	17	5.4%
Total	308	100.0%

Source: Table on page 37 of the application.

In Section C.2, page 37, the applicant provides the assumptions and methodology used to project its patient origin. The applicant’s assumptions are reasonable and adequately supported.

Analysis of Need

In Section C.3, pages 38-47, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below:

- The need determination for one additional hospice home care office in Rowan County in the 2020 SMFP (page 38).
- Rowan County Hospice Penetration and Utilization Rates (page 39).
- Population Growth and Aging of the Population in Rowan County (page 40).
- Extended Service Area Population Growth and Aging (page 41).
- Rowan County Life Expectancy (pages 40-43).
- Disease Incidence and Death Rate Trends in Rowan County (pages 44-47).

The information is reasonable and adequately supported based on the following reasons:

- The 2020 SMFP identifies the need for one additional hospice home care office in Rowan County.
- Population growth, particularly among the elderly, is occurring in Rowan County.
- The 2020 SMFP shows a projected deficit of 159 in “deaths served by hospice” in Rowan County.

Projected Utilization

In Section Q, Form C, the applicant provides projected utilization, as illustrated in the following table.

	1 st Full FY 10/1/2021 to 9/30/2022	2 nd Full FY 10/1/2022 to 9/30/2023	3 rd Full FY 10/1/2023 to 9/30/2024
# of New Admissions (Unduplicated)	227	295	308
# of Patients Served	227	344	366
# of Deaths	151	244	262
# of Non-Death Discharges	27	41	46
# of Routine Home Care Days	14,896	21,325	22,638
# of Inpatient Care Days	152	218	231
# of Respite Care Days	152	218	231
Total Days	15,200	21,760	23,100
# of Continuous Care Hours	24	32	32

Source: Form C Utilization in Section Q.

In Section Q, the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

- Step 1. Updated Rowan County Death Rate
- Step 2. Rowan County Projected Deaths
- Step 3. Hospice Patient Death Deficit
- Step 4. Hospice Patient Death Deficit Served
- Step 5. Rowan County Hospice Deaths Served
- Step 6. Rowan County Hospice Deaths Market Share
- Step 7. Rowan County Hospice Deaths Served
- Step 8. Hospice Deaths Served
- Step 9. Hospice Admissions to Deaths Ratio
- Step 10. Hospice Admissions
- Step 11. Days of Care Projection

However, projected utilization is not reasonable and adequately supported for two reasons as set forth below:

The applicant projects “deaths served” from Rowan County and five other counties: Cabarrus, Mecklenburg, Union, Forsyth and Guilford. As set forth below, the projected utilization for the five “non-Rowan counties” is not reasonable or adequately supported, therefor the overall projected utilization is not reasonable and adequately supported.

There are two issues: #1) the “baseline” of projected deaths served that the applicant uses for PY1; and #2) the growth assumptions that the applicant uses to project utilization for the “non-Rowan counties” for PY2 and PY3.

Unsupported “baseline” of projected deaths served from the five non-Rowan counties

As shown in the table below the five “non-Rowan counties” each have a large projected surplus of hospice deaths served for 2021 and an even larger projected surplus for 2022.

	Surplus/Deficit for 2021 per Table 13B of the 2020 SMFP	Surplus/Deficit for 2022 per Table 13B of the 2020 SMFP
Cabarrus	226	381
Mecklenburg	334	1,362
Union	163	353
Forsyth	396	666
Guilford	240	594

In Step 8, the applicant provides the following table which shows the number of hospice deaths served from the five “non-Rowan counties” by other PruittHealth Hospice Offices for the last three years (2017-2019). The applicant then averages the hospice deaths served for the last three years and uses the average from each county as the baseline/ projected hospice deaths to be served by PruittHealth-Salisbury.

Row		2017	2018	2019	Average
1	Cabarrus	37	23	20	27
2	Mecklenburg	6	14	12	11
3	Union	25	12	3	14
4	Forsyth	18	16	20	18
5	Guilford	26	26	13	22
6	Total	112	91	48	92

However, given that the number of hospice deaths served in four of the five counties is trending downward, except for Forsyth, and given the projected surplus’s in both 2021 and 2022 described above for each of these five counties, utilizing a three -year average is not reasonable. As shown in Row 6, the total number of hospice deaths served declined in both 2018 and 2019 by 21 deaths served, and 43 deaths served respectively from the previous year. From 2017 to 2019, PruittHealth’s deaths served decreased by 57%. In addition, the total number of deaths served in 2019 from the five “non-Rowan counties” was 48 or 44 less deaths served than the average (92-48 = 44).

Unsupported Growth Assumptions

Further, in Step 8, the applicant projects the number of hospice deaths served for PY1 (2021) for the five “non-Rowan counties” based on the three-year average discussed above and then “grows” projected hospice deaths served by 10.0% for both PY2 (2022) and PY3 (2023) as illustrated in the table below:

Row		2021	2022	2023
1	Cabarrus	27	29	32
2	Mecklenburg	11	12	13
3	Union	13 [14]	15	16
4	Forsyth	18	20	22
5	Guilford	22	24	26
6	Total	92	100	109

However, the applicant provides no basis to support the projected 10.0% growth rate, including not addressing either the downward trend in the number of hospice deaths served from 2017-2019 described above or the fact that each of these five non-Rowan counties are projected to have a large surplus in 2021 and an even larger surplus in 2022 per the 2020 SMFP and the 2021 SMFP.

The five “non-Rowan counties” are significant to the applicant’s projected utilization. In project year 3 (2023) the applicant projects 109 “deaths served” out of 262 “deaths served” to come from the five “non-Rowan counties” and for 138 of new unduplicated admissions out of the total 308 unduplicated admissions to come from the five “non-Rowan counties”.

Since the applicant relied on these unsupported and unreasonable projected hospice deaths from the five “non-Rowan counties” in projecting new unduplicated admissions (patients) and total days of care in Steps 9-11 in Section Q, the applicant’s projected utilization is not reasonable and is not adequately supported.

Access to Medically Underserved Groups

In C.6, page 49, the applicant states “*PruittHealth Hospice will be accessible to all persons, including those with low income, members of racial, ethnic, and religious minority groups, women, physical handicaps, the elderly, or the medically underserved and medically indigent.*” In Section L, page 80, the applicant projects the following payor mix for the proposed services during the third full fiscal year of operation following completion of the project, as illustrated in the table below.

Payor Source	# of New Admissions (Unduplicated)	% of Total	Days of Care	% of Total
Self-Pay/Charity Care	5	1.6%	370	1.6%
Hospice Medicare*	296	96.4%	22,267	96.4%
Hospice Medicaid*	3	1.0%	231	1.0%
Private Insurance*	2	0.5%	116	0.5%
Other (UniHealth)	2	0.5%	116	0.5%
Total	308	100.0%	23,100	100.0%

Source: Table on page 80 of the application.

*Including any managed care plans.

The projected payor mix is reasonable and adequately supported.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is not conforming to this criterion for all the reasons described above.

F-11955-20/Continuum Care of North Carolina/ Develop a new Hospice Home Care Office

CCNC proposes to develop a new hospice office to be located at 507 West Innes Street, Salisbury, Rowan County.

Patient Origin

On page 305, the 2020 SMFP defines the service area for a hospice office as “the county in which the hospice office is located. Each of the 100 counties in the state is a separate hospice office service area.” Thus, the service area for this facility consists of Rowan County. Facilities may also serve residents of counties not included in their service area.

The following table illustrates projected patient origin.

County	Third Full FY of Operation following Project Completion (10/1/2023 to 9/30/2024)	
	Patients	% of Total
Rowan	186	95.9%
Stanly	8	4.1%
Total	194	100.0%

Source: Table on page 36 of the application.

In Section Q the applicant provides the assumptions and methodology used to project its patient origin. The applicant’s assumptions are reasonable and adequately supported.

Analysis of Need

In Section C.3, pages 37-55, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below:

- The death rate per 1,000 population and the need determination for one additional hospice home care office in Rowan County in the 2020 SMFP (pages 37-40).
- Hospice Penetration and Utilization Rates (pages 41-43).
- Population Growth and Aging of the Population in Rowan County (pages 43-45).
- Commitment to Minority Outreach (pages 45-48).
- Commitment to Veteran & Homeless Outreach (pages 48-50).
- Health Status of Service Area Residents (pages 50-55).

The information is reasonable and adequately supported based on the following reason:

- The 2020 SMFP identifies the need for one additional hospice home care office in Rowan County.
- Population growth, particularly among the elderly, is occurring in Rowan County.
- The 2020 SMFP shows a projected deficit of 159 in “deaths served by hospice” in Rowan County and a projected deficit of 33 “deaths served by hospice” in Stanly County.

Projected Utilization

In Section Q, Form C, the applicant provides historical and projected utilization, as illustrated in the following table.

	1st Full FY 10/1/2021 to 9/30/2022	2nd Full FY 10/1/2022 to 9/30/2023	3rd Full FY 10/1/2023 to 9/30/2024
# of New Admissions (Unduplicated)	143	169	194
# of Patients Served	143	212	244
# of Deaths	125	147	169
# of Non-Death Discharges	18	21	24
# of Routine Home Care Days	10,942	12,841	14,741
# of Inpatient Care Days	199	233	268
# of Respite Care Days	48	57	65
Total Days	11,189	13,131	15,074
# of Continuous Care Hours	32	32	32

Source: Form C Utilization in Section Q.

In Section Q, the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

Step 1. Project Unserved Hospice Deaths in Service Area (pages 107-109).

Projected Unserved Hospice Deaths in Service Area (Unmet Need/Goal)

County	FY2021	2-Yr Trailing Statewide Growth Rate	PY1 (FY2022)	PY2 (FY2023)	PY3 (FY2024)
Rowan	159*	2.3%	163	167	170
Stanly	33*	2.3%	34	35	35

*Projected unserved Hospice Deaths in Rowan and Stanly counties for FY2021 per the 2020 SMFP.

Step 2. Project Unserved Hospice Deaths to be Served by CCNC (pages 109-111).

2020 Rowan County Hospice Home Care Office Findings

Steps	County	FY2022	FY2023	FY2024
	Rowan			
#1	Projected Unserved Hospice Deaths	163	167	170
#2	Projected Share of Unserved Hospice Deaths	75.0%	85.0%	95.0%
#2	Projected Deaths to be Served by CCNC Hospice	122	142	162
	Stanly			
#1	Projected Unserved Hospice Deaths	34	35	35
#2	Projected Share of Unserved Hospice Deaths	10.0%	15.0%	20.0%
#2	Projected Deaths to be Served by CCNC Hospice	3	5	7
	Total			
#2	Total Projected Deaths to be Served by CCNC Hospice	125	147	169

Step 3. Project Unduplicated Hospice Admissions (Patients) by Converting from Hospice Deaths Projected to be Served (pages 111-112).

Step 8. Calculate Ratio of Hospice Admissions to Deaths (page 101).

2019 Ratio	Unduplicated Admissions (Patients- Served by Hospice)	Deaths	Ratio
NC Statewide	50,590	44,115	1.15

Convert Deaths to Unduplicated Admissions

Steps	County	FY2022	FY2023	FY2024
	Rowan			
#2	Projected Deaths to be Served by CCNC Hospice	122	142	162
#3	Ratio of Deaths to Unduplicated Admissions	1.15	1.15	1.15
#3	Projected Unduplicated Admissions	140	163	186
	Stanly			
#2	Projected Deaths to be Served by CCNC Hospice	3	5	7
#3	Ratio of Deaths to Unduplicated Admissions	1.15	1.15	1.15
#3	Projected Unduplicated Admissions	4	6	8
	Total			
#3	Total Projected Unduplicated Admissions (Patients) to be Served by CCNC Hospice	144	169	194

Step 4. Project Hospice Days of Care (pages 113-114).

Steps	County	FY2022	FY2023	FY2024
	Rowan			
#3	Patients (Unduplicated Admissions)	140	163	186
#4	ALOS	77.7	77.7	77.7
#4	Days of Care	10,878	12,665	14,452
	Stanly			
#3	Patients (Unduplicated Admissions)	4	6	8
#4	ALOS	77.7	77.7	77.7
#4	Days of Care	311	466	622
	Total			
#4	Totals Days of Care	11,189	13,131	15,074

Projected utilization is reasonable and adequately supported based on the following reasons:

- There is a need determination in the 2020 SMFP for a hospice home care office in the Rowan County hospice home care office service area and this proposed project will meet that need determination by developing a hospice home care office in Rowan County.
- Based on 2018 data in the 2020 SMFP, 620 Rowan County residents received hospice services. The applicant is projecting to serve 186 Rowan County residents in the project’s third full fiscal year (FY2024) which only represent a market share of 30.0% of the Rowan County residents based on no increase in the number of Rowan County residents who receive hospice services from 2018 to 2024.
- The 2020 SMFP shows a projected deficit of 159 in “deaths served by hospice” in Rowan County and a projected deficit of 33 “deaths served by hospice” in Stanly County.
- The applicant uses reasonable assumptions and methodology to project utilization.

Access to Medically Underserved Groups

In Section B, page 16, the applicant states, “CCNC ... will admit patients regardless of their ability to pay. Patients will be accepted for care without discrimination based on race, color, religion, age, gender, sexual orientation, income, disability (mental or physical), infectious disease, or place of national origin.” In Section L, page 91, the applicant projects the following payor mix for the proposed services during the third full fiscal year of operation following completion of the project, as illustrated in the table below.

Payor Source	# of New Admissions (Unduplicated)	% of Total	Days of Care	% of Total
Self-Pay (includes Charity Care)	6	3.0%	452	3.0%
Hospice Medicare*	171	88.0%	13,265	88.0%
Hospice Medicaid*	14	7.0%	1,055	7.0%
Private Insurance*	4	2.0%	301	2.0%
Other (UniHealth)	0	0.0%	0	0.0%
Total	194	100.0%	15,074	100.0%

Source: Table on page 91 of the application.

*Including any managed care plans.

Totals may not foot due to computer rounding.

The projected payor mix is reasonable and adequately supported.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

F-11956-20/Carolina Caring/ Develop a new Hospice Home Care Office

Carolina Caring proposes to develop a new hospice office to be located at 301 E. Centerview Street, China Grove, Rowan County.

Patient Origin

On page 305, the 2020 SMFP defines the service area for a hospice office as *“the county in which the hospice office is located. Each of the 100 counties in the state is a separate hospice office service area.”* Thus, the service area for this facility consists of Rowan County. Facilities may also serve residents of counties not included in their service area.

The following table illustrates projected patient origin.

County	Third Full FY of Operation following Project Completion (10/1/2023 to 9/30/2024)	
	Patients	% of Total
Rowan	216	96.4%
Stanly	8	3.6%
Total	224	100.0%

Source: Table on page 29 of the application.

In Section C.2, page 30 and Section Q, the applicant provides the assumptions and methodology used to project its patient origin. The applicant’s assumptions are reasonable and adequately supported.

Analysis of Need

In Section C.3, pages 30-51, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below:

- The need determination for one additional hospice home care office in Rowan County in the 2020 SMFP (pages 30-32).
- Cancer Incidence & Deaths from Other Leading Disease (pages 33-39)
- Population Growth and Aging of the Population in the Service Area (pages 39-41).
- Hospice Utilization and Penetration Rates (pages 42-48).
- Minority and at-risk population groups in Rowan County (pages 48-51).

The information is reasonable and adequately supported based on the following reasons:

- The 2020 SMFP identifies the need for one additional hospice home care office in Rowan County.
- Population growth, particularly among the elderly, is occurring in Rowan County.
- The 2020 SMFP shows a projected deficit of 159 in “deaths served by hospice” in Rowan County and a projected deficit of 33 “deaths served by hospice” in Stanly County.

Projected Utilization

In Section Q, Form C, the applicant provides historical and projected utilization, as illustrated in the following table.

	1st Full FY 10/1/2021 to 9/30/2022	2nd Full FY 10/1/2022 to 9/30/2023	3rd Full FY 10/1/2023 to 9/30/2024
# of New Admissions (Unduplicated)	140	181	224
# of Patients Served	140	199	247
# of Deaths	126	163	202
# of Non-Death Discharges	14	17	22
# of Routine Home Care Days	9,594	12,431	15,426
# of Inpatient Care Days	342	443	549
# of Respite Care Days	73	94	117
Total Days	10,009	12,969	16,092
# of Continuous Care Hours	80	144	240

Source: Form C Utilization in Section Q.

In Section Q, the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

Annual Number of Deaths Served (pages 109-116)

- Carolina Caring-Rowan County Deaths Served (page 109).
- Carolina Caring- Rowan County Residents- Hospice Days of Care (page 110).
- Statewide Hospice Deaths (page 111).
- Projected Additional Deaths in Need (page 112).
- Projected Percent of Additional Deaths in Need Served by Carolina Caring (pages 112-113).
- Projected Additional Deaths in Need Served by Carolina Caring (page 114)
- Projected Deaths Served by Carolina Caring (pages 114-115)
- Range of Deaths by Existing Rowan-based Agencies (page 115).
- Projected Percent of Total Deaths Served (page 116).

Projected Unserved Hospice Deaths in Service Area (Unmet Need/Goal)

County		PY1 (FY2022)	PY2 (FY2023)	PY3 (FY2024)
Rowan				
	Projected Deficit of Deaths Served grown at the Statewide 2-year trailing average growth rate of 2.9%	159**	164	168
	Projected Carolina Caring Market Share of Unserved Hospice Deaths	60.0%	80.0%	100.0%
	Projected Incremental Deaths Served	96	131	168
	(plus) Rowan County Hospice Deaths already Served by Applicant from Catawba Hospice Office	27	27	27
	Total Projected Deaths Served Rowan County	123	158	195
Stanly				
	Projected Deficit of Deaths Served grown at 2.9%	33**	34	35
	Projected Carolina Caring Market Share of Unserved Hospice Deaths	10.0%	15.0%	20.0%
	Projected Incremental Deaths Served	3	5	7
Total				
	Deaths Projected to be Served	126	163	202

*Based on FY2017-FY2019

**Projected unserved Hospice Deaths in Rowan and Stanly counties for FY2021 per the 2020 SMFP

Projected Admissions and Non-Death Discharges (pages 116-118)

- Hospice Admissions & Deaths, FY2018 (page 116).
- Projected Carolina Caring Utilization (page 117)
- Historical Carolina Caring Utilization (pages 117-118).
- Projected Carolina Caring Utilization (page 118)

Hospice Admissions and Deaths (FY2018)

County	Unduplicated Admissions (Patients- Served by Hospice)	Deaths	Ratio
Rowan	620	557	1.11
Stanly	285	281	1.01

Source: 2020 SMFP, Chapter 13

Projected New Unduplicated Admissions (Patients)

County	PY1 (FY2022)	PY2 (FY2023)	PY3 (FY2024)
Rowan			
Total Projected Deaths Served Rowan County	123	158	195
Ratio to convert Deaths to Unduplicated Admissions	1.11	1.11	1.11
New Unduplicated Admissions	137	176	217
Stanly			
Projected Incremental Deaths Served	3	5	7
Ratio to convert Deaths to Unduplicated Admissions	1.01	1.01	1.01
New Unduplicated Admissions	3	5	7
Total			
New Unduplicated Admissions (Patients)	140	181	224

Projected Hospice Days of Care (pages 118-120)

- Rowan County Hospice Agencies/Offices Hospice Admissions, Days of Care, & ALOS, FY2019 (page 119)
- Combined Hospice Agencies/Offices that serve Rowan County Hospice Admissions, Days of Care, & ALOS, FY2019 (pages 119-120)
- Carolina Caring Projected Hospice Days of Care, FY2022-FY2024 (page 120).

Projected Days of Care

County	PY1 (FY2022)	PY2 (FY2023)	PY3 (FY2024)
Rowan			
New Unduplicated Admissions	137	176	217
ALOS	71.7	71.7	71.7
Total Days of Care	9,769	12,598	15,584
Stanly			
New Unduplicated Admissions	3	5	7
ALOS	71.7	71.7	71.7
Total Days of Care	240	370	508
Total			
Days of Care	10,009	12,969	16,092

Projected Days of Care by Level of Care

Projected Days of Care by Level of Care (pages 120-123).

- North Carolina Hospice Days of Care by Level of Care, FY2018 (page 121).
- Carolina Caring Hospice Days of Care by Level of Care, FY2019 (page 121).
- Carolina Caring Projected Hospice Days of Care, FY2022-FY2024 (pages 122-123).

Projected Number of Patients Served (pages 123-124)

- Projected Carolina Caring Utilization Duplicated Patients Served (page 124).

Projected utilization is reasonable and adequately supported based on the following reasons:

- There is a need determination in the 2020 SMFP for a hospice home care office in the Rowan County hospice home care office service area and this proposed project will meet that need determination by developing a hospice home care office in Rowan County.
- The applicant uses historical data, including its own historical data of Rowan and Stanly counties' hospice patients, to project its utilization.
- Based on 2018 data in the 2020 SMFP, 620 Rowan County residents received hospice services. The applicant is projecting to serve 216 Rowan County residents in the project's third full fiscal year (CY2024) which only represent a market share of 34.8% of the Rowan County residents based on no increase in the number of Rowan County residents who receive hospice services from 2018 to 2024.
- The 2020 SMFP shows a projected deficit of 159 in "deaths served by hospice care" in Rowan County and a projected deficit of 33 "deaths served by hospice" in Stanly County.
- The applicant uses reasonable assumptions and methodology to project utilization.

Access to Medically Underserved Groups

In Section C, page 52, the applicant states, *"All area residents, including low income persons, racial and ethnic minorities, women, handicapped persons, the elderly and other underserved groups, will have access to the proposed hospice services. Carolina Caring does not discriminate on the basis of race, ethnicity, age, gender, or disability."* In Section L, page 90, the applicant projects the following payor mix for the proposed services during the third full fiscal year of operation following completion of the project, as illustrated in the table below.

Payor Source	# of New Admissions (Unduplicated)	% of Total	Days of Care	% of Total
Self-Pay (includes Charity Care)	3	1.4%	223	1.4%
Hospice Medicare*	202	89.8%	14,451	89.8%
Hospice Medicaid*	11	4.7%	762	4.7%
Private Insurance*	9	4.0%	642	4.0%
Other (Specify)	0	0.1%	15	0.1%
Total	224	100.0%	16,092	100.0%

Source: Table on page 90 of the application.

*Including any managed care plans.

Totals may not foot due to rounding.

The projected payor mix is reasonable and adequately supported.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

F-11957-20/PHC Hospice/ Develop a new Hospice Home Care Office

PHC, the applicant, proposes to develop a new hospice office to be located at 2304 S Main Street, Salisbury, Rowan County.

Patient Origin

On page 305, the 2020 SMFP defines the service area for a hospice office as “the county in which the hospice office is located. Each of the 100 counties in the state is a separate hospice office service area.” Thus, the service area for this facility consists of Rowan County. Facilities may also serve residents of counties not included in their service area.

The following table illustrates projected patient origin.

County	Third Full FY of Operation following Project Completion (1/1/2024 to 12/31/2024)	
	Patients	% of Total
Rowan	191	84.1%
Stanly	36	15.9%
Total	227	100.0%

Source: Table on page 35 of the application.

In Section C.2, page 35 and Section Q, the applicant provides the assumptions and methodology used to project its patient origin. The applicant’s assumptions are reasonable and adequately supported.

Analysis of Need

In Section C.3, pages 36-47, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below:

- The need determination for one additional hospice home care office in Rowan County in the 2020 SMFP (pages 37-39).
- Aging of the Population in the Service Area (pages 40-41).
- Need for Additional Hospice Services in Rowan County based on Demographics and Health Statistics (pages 41-46).
- Hospice Penetration Rates (pages 46-47).
- The Effect of a New Market Entrant on Competition and Access to Hospice Services in Rowan County (page 47).

- Referrals and Interest from the Community and Physicians (page 47).

The information is reasonable and adequately supported based on the following reasons:

- The 2020 SMFP identifies the need for one additional hospice home care office in Rowan County.
- Population growth, particularly among the elderly, is occurring in Rowan County.
- The 2020 SMFP shows a projected deficit of 159 in “deaths served by hospice” in Rowan County and a projected deficit of 33 “deaths served by hospice” in Stanly County.

Projected Utilization

In Section Q, Form C, the applicant provides historical and projected utilization, as illustrated in the following table.

	Interim Year 10/1/2021 to 12/31/2021	1 st Full FY 1/1/2022 to 12/31/2022	2 nd Full FY 1/1/2023 to 12/31/2023	3 rd Full FY 1/1/2024 to 12/31/2024
# of New Admissions (Unduplicated)	5	152	222	227
# of Patients Served	5	156	258	271
# of Deaths	4	138	202	207
# of Non-Death Discharges	1	20	30	30
# of Routine Home Care Days	165	10,274	16,985	17,793
# of Inpatient Care Days	5	327	541	567
# of Respite Care Days	1	53	88	92
# of Continuous Care Hours	24	96	96	96
Total Days*	174	10,667	17,626	18,464

Source: Form C Utilization in Section Q.

*Total Days = Routine Care Days + Inpatient Days + Respite Days + [Continuous Care Hours/ 8]

In Section Q, the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

Step 1. Project Additional Deaths in Need with SMFP Methodology for Service Area (pages 103-104).

Step 2. Determine Statewide Hospice Deaths and 2 Year Trailing Growth Rate (page 104).

Step 3. Project Deaths to be Served by Hospice in Future Years for Service Area (page 105).

Projected Deficit in Deaths to be Served by Hospice

	FY2021	FY2022	FY2023	FY2024	FY2025
Rowan	159	163	167	170	174
Stanly	33	34	35	35	36
2 Year Trailing Growth Rate*		2.34%	2.34%	2.34%	2.34%

*2020 SMFP, Chapter 13

Convert to Project Years

	2021	2022	2023	2024
Rowan	160	164	168	171
Stanly	33	34	35	36
Total	193	198	202	207

Step 4. Estimate Market Share for PHC and Project Deaths to be Served by PHC (page 106).
Step 5. Project Deaths to be Served by PHC (page 107).

Projected Deaths to be Served by PHC

	2021	2022	2023	2024
Rowan: Projected Deficit in Deaths to be Served	160	164	168	171
Projected Mkt Share	2.0%	70.0%	100.0%	100.0%
Projected Deficit in Deaths to be Served to be served by PHC	4	115	168	171
Stanly	33	34	35	36
Projected Mkt Share	2.0%	70.0%	100.0%	100.0%
Projected Deficit in Deaths to be Served to be served by PHC	1	24	35	36
Total	193	198	202	207

Step 6. Project Ratio of Admissions to Deaths Using SMFP data for Service Area (page 107).
Step 7. Determine Unduplicated Admissions to be Served by PHC (page 108).

Hospice Admissions and Deaths (FY2018)

County	Unduplicated Admissions (Patients- Served by Hospice)	Deaths	Ratio
Rowan	620	557	1.11
Stanly	285	281	1.01

Source: 2020 SMFP, Chapter 13

Unduplicated Admissions (Patients)

County	2021	2022	2023	2024
Rowan (Projected Deaths to be Served)	4	115	168	171
Ratio of Deaths to Unduplicated Admissions	1.11	1.11	1.11	1.11
Projected Unduplicated Admissions	4	128	186	191
Stanly (Projected Deaths to be Served)	1	24	35	36
Ratio of Deaths to Unduplicated Admissions	1.01	1.01	1.01	1.01
Projected Unduplicated Admissions	1	24	35	36
Total Projected Unduplicated Admissions	5	152	222	227

Step 8. Project Ration of Non-Death Discharges to Admissions Using SMFP data for Service Area (page 108).
Step 9. Determine Non-Death Discharges in Service Area for PHC (page 109).
Step 10. Determine Unduplicated Admissions by Month (page 110).
Step 11. Determine Caseloads and Days of Care (pages 111-114).

- Step 12. Project Total Patients to be Served by PHC (page 115).
- Step 13. Determine Percentages of Inpatient and Respite Days of Care (page 116).
- Step 14. Determine Inpatient and Respite Days of Care (page 116).
- Step 15. Determine Continuous Care Days of Care (page 117).
- Step 16. Determine Total Routine Days of Care (page 117).

Projected utilization is reasonable and adequately supported based on the following reasons:

- There is a need determination in the 2020 SMFP for a hospice home care office in the Rowan County hospice home care office service area and this proposed project will meet that need determination by developing a hospice home care office in Rowan County.
- Based on 2018 data in the 2020 SMFP, 620 Rowan County residents received hospice services. The applicant is projecting to serve 191 Rowan County residents in the project's third full fiscal year (CY2024) which only represent a market share of 30.8% of the Rowan County residents based on no increase in the number of Rowan County residents who receive hospice services from 2018 to 2024.
- The 2020 SMFP shows a projected deficit of 159 in "deaths served by hospice care" in Rowan County and a projected deficit of 33 "deaths served by hospice" in Stanly County.
- The applicant uses reasonable assumptions and methodology to project utilization.

Access to Medically Underserved Groups

In Section B, page 16, the applicant states, "*PHC does not discriminate based on income, race, color, national origin, age, sex, religious belief, or other categories that would classify a person as underserved. ... Services will be provided in compliance with standards set by the Americans with Disabilities Act. PHC will make special provisions for difficult to serve behavioral health, language-compromised clients, and clients with special problems like dementia.*" In Section L, page 86, the applicant projects the following payor mix for the proposed services during the third full fiscal year of operation following completion of the project, as illustrated in the table below.

Payor Source	# of New Admissions (Unduplicated)	% of Total	Days of Care	% of Total
Self-Pay	1	0.3%	59	0.3%
Hospice Medicare*	203	89.4%	16,504	89.4%
Hospice Medicaid*	11	4.9%	911	4.9%
Private Insurance*	12	5.1%	941	5.1%
Other (VA)	1	0.3%	49	0.3%
Total	227	100.0%	18,464	100.0%

Source: Table on page 86 of the application.

*Including any managed care plans.

Totals may not foot due to rounding.

Note: On pages 86-87 the applicant states that charity care will be applied across payor groups.

The projected payor mix is reasonable and adequately supported.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (3a) In the case of a reduction or elimination of a service, including the relocation of a facility or a service, the applicant shall demonstrate that the needs of the population presently served will be met adequately by the proposed relocation or by alternative arrangements, and the effect of the reduction, elimination or relocation of the service on the ability of low income persons, racial and ethnic minorities, women, handicapped persons, and other underserved groups and the elderly to obtain needed health care.

NA

All Applications

None of the applications in this review propose to reduce or eliminate a service, or to relocate a facility or service. Therefore, Criterion (3a) is not applicable to this review.

- (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.

C

BAYADA

CCNC

Carolina Caring

PHC

NC

Amedisys

HOIC

Adoration

PruittHealth

F-11943-20/BAYADA Home Health Care, Inc./ Develop a new Hospice Home Care Office

BAYADA proposes to develop a new hospice office to be located at 103 Dorsett Dr., Salisbury, Rowan County.

In Section E, pages 56-57, the applicant describes the alternatives it considered and explains why each alternative is either more costly or less effective than the alternative proposed in this application to meet the need. The alternatives considered were:

- Maintaining the status quo- maintaining the status quo is a less effective alternative as it would not address the need for an additional hospice office in Rowan County identified in the 2020 SMFP.
- Developing the new BAYADA Hospice in a different municipality in Rowan County- developing a hospice office in another municipality is less effective than developing a hospice office in Salisbury because locating in a different municipality would not decrease travel times for staff since Salisbury is both centrally located in Rowan County and has the majority of the residents.

On pages 56- 57, the applicant states that its proposal is the most effective alternative because Salisbury has the largest population in Rowan County, the existing BAYADA Home Health and Home Care offices in Salisbury “*have had good success in optimizing staff travel times and productivity*”, and the distribution of housing developments, long-term care facilities, major roadways and highway system make Salisbury an optimal location. Further, developing the proposed hospice office in a separate office building is optimum due to space limitations in the existing BAYADA Home Care and Home Health offices.

The applicant adequately demonstrates that the alternative proposed in this application is the most effective alternative to meet the need based on the following:

- The applicant provides credible information to explain why it believes the proposed project is the most effective alternative.
- The application is conforming to all other statutory and regulatory review criteria.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for the reasons stated above.

F-11945-20/Amedisys Hospice Care/ Develop a new Hospice Home Care Office

Amedisys proposes to develop a new hospice office to be located at 1930 Jake Alexander Blvd West, Salisbury, Rowan County.

In Section E, page 63, the applicant states that there were no other alternatives to meet the need because maintaining the status quo would not address the need for an additional hospice office in Rowan County identified in the 2020 SMFP.

On pages 63, the applicant states that its proposal is the most effective alternative because the proposed project meets the need identified in the 2020 SMFP for an additional hospice office in Rowan County, the project is cost effective as the applicant proposes leasing existing office space with no renovations needed and will serve patients in place, with no need to go outside the county, and the applicant offers same day service.

However, the applicant does not adequately demonstrate that the alternative proposed in this application is the most effective alternative to meet the need because the application is not conforming to all statutory and regulatory review criteria. An application that cannot be approved cannot be an effective alternative to meet the need.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is not conforming to this criterion for the reason stated above.

F-11948-20/ Hospice & Palliative Care of Rowan County/ Develop a new Hospice Home Care Office

HOIC proposes to develop a new hospice office to be located at 1121 Old Concord Road, Salisbury, Rowan County.

In Section E, page 23, the applicant the applicant states that there were no other alternatives to meet the need.

- Maintaining the status quo- maintaining the status quo would not address the need for an additional hospice office in Rowan County identified in the 2020 SMFP.

On pages 23-24, the applicant states that its proposal is the most effective alternative because in FY2019 HOIC admitted 33% more patients in Rowan County than in FY2018, it is key for hospice providers to be community-based, and the proposed project will allow HOIC to operate a local hospice office, hire staff who live and work in Rowan County and more effectively

promote fundraising programs such as Rainbow Kidz, which *“offers children’s grief support and bereavement services to address the complex needs of children and their families.”*

However, the applicant does not adequately demonstrate that the alternative proposed in this application is the most effective alternative to meet the need because the application is not conforming to all statutory and regulatory review criteria. An application that cannot be approved cannot be an effective alternative to meet the need.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is not conforming to this criterion for the reasons stated above.

F-11949-20/Adoration Home Health & Hospice/ Develop a new Hospice Home Care Office

Adoration proposes to develop a new hospice office to be located at 2106 Statesville Boulevard, Salisbury, Rowan County.

In Section E, pages 49-51, the applicant describes the alternatives it considered and explains why each alternative is either more costly or less effective than the alternative proposed in this application to meet the need. The alternatives considered were:

- Maintaining the status quo- maintaining the status quo is a less effective alternative as it would not address the need for an additional hospice office in Rowan County identified in the 2020 SMFP.
- Develop a new hospice office at an alternative location- based on Salisbury being both the county seat and the most densely populated area of Rowan County in conjunction with the road systems, the location of other population centers of Rowan County, and the fact that a significant number of staff and hospice patients will be from or around Salisbury, developing an office at an alternative location was determined to be a less effective alternative.
- Project to serve a smaller service area- the applicant considered projecting to serve only Rowan County however the applicant cited a significant deficit in hospice services in Stanly County, contiguous to Rowan County. Th deficit would not be met if the project was limited to serving Rowan County patients only, thus this was determined to be a less effective alternative.

- Purchase office space instead of rent an office space- the applicant states that purchasing office space was determined to be a less effective alternative then leasing office space given the large supply of available office space, at reasonable prices, near the potential patient community. Leasing office space was more cost-effective.

On pages 49-51, the applicant states that its proposal is the most effective alternative because the proposed project would meet the need for hospice services and hospice education in Rowan County utilizing a hospice office centrally located for hospice patients and staff situated in a in cost-effective leased office space.

However, the applicant does not adequately demonstrate that the alternative proposed in this application is the most effective alternative to meet the need because the application is not conforming to all statutory and regulatory review criteria. An application that cannot be approved cannot be an effective alternative to meet the need.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is not conforming to this criterion for the reason stated above.

F-11952-20/PruittHealth Hospice-Salisbury/ Develop a new Hospice Home Care Office

PruittHealth proposes to develop a new hospice office to be located at 507 West Innes Street, Salisbury, Rowan County.

In Section E, page 55, the applicant the applicant states that there were no other alternatives to meet the need.

- Maintaining the status quo- maintaining the status quo would not address the need for an additional hospice office in Rowan County identified in the 2020 SMFP.

On page 55, the applicant states that its proposal is the most effective alternative because *“The only means of offering extensive hospice home care services in Rowan County is to develop a third hospice provider in the county.”*

However, the applicant does not adequately demonstrate that the alternative proposed in this application is the most effective alternative to meet the need because the application is not

conforming to all statutory and regulatory review criteria. An application that cannot be approved cannot be an effective alternative to meet the need.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is not conforming to this criterion for the reason stated above.

F-11955-20/Continuum Care of North Carolina/ Develop a new Hospice Home Care Office

CCNC proposes to develop a new hospice office to be located at 507 West Innes Street, Salisbury, Rowan County.

In Section E, pages 65-66, the applicant describes the alternatives it considered and explains why each alternative is either more costly or less effective than the alternative proposed in this application to meet the need. The alternatives considered were:

- Maintaining the status quo- maintaining the status quo is a less effective alternative as it would not address the need for an additional hospice office in Rowan County identified in the 2020 SMFP.
- Develop a hospice office in a different location- the applicant considered developing a hospice office in a municipality other than Salisbury. However, this was determined to be a less effective alternative given that Salisbury is the population center of Rowan County, the home of many referring providers and healthcare resources and the proposed location in Salisbury is easily accessible to major traffic corridors permitting easy travel for staff to patients throughout the county.

On pages 65-66, the applicant states that its proposal is the most effective alternative because *“Salisbury is the ... population center for Rowan County. Salisbury is home to many healthcare resources and referring providers ... The proposed location is in proximity to major interstates and US highways... Staff can easily travel to patients located throughout the county from the proposed location ... CCNC has selected a prudent approach toward developing a new hospice home care office in Salisbury...with reasonable capital expense. ... CCNC will leverage this cumulative experience in Rowan County and maximize access to hospice services, particularly among the underserved.”*

The applicant adequately demonstrates that the alternative proposed in this application is the most effective alternative to meet the need based on the following:

- The applicant provides credible information to explain why it believes the proposed project is the most effective alternative.
- The application is conforming to all other statutory and regulatory review criteria.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for the reasons stated above.

F-11956-20/Carolina Caring/ Develop a new Hospice Home Care Office

Carolina Caring proposes to develop a new hospice office to be located at 301 E. Centerview Street, China Grove, Rowan County.

In Section E, pages 57-60, the applicant describes the alternatives it considered and explains why each alternative is either more costly or less effective than the alternative proposed in this application to meet the need. The alternatives considered were:

- Maintaining the status quo- maintaining the status quo is a less effective alternative as it would not address the need for an additional hospice office in Rowan County identified in the 2020 SMFP.
- Pursue a joint venture with another provider- The applicant states that while it considered a joint effort with another provider this was determined to be a less effective more costly alternative. Carolina Caring already has the financial resources, local healthcare provider and physician support, community support and experienced, highly trained leadership in place to develop a new hospice office in Rowan County. Partnering with another healthcare provider would only add cost, delay and unnecessary complexity to the proposed project.
- Develop a hospice office in a different location- the applicant proposes to develop a hospice office in China Grove. The applicant considered developing a hospice office in another location, however, the only two existing licensed hospice offices are in Salisbury, therefore no other city in Rowan County has a hospice office. The applicant determined that its proposed location near the center of the county provides equitable staff accessibility to patients' homes throughout the county, is essentially equidistant to two acute care hospitals, and its hospice services can be co-located with

its palliative care services in China Grove. Therefore, developing the proposed hospice office in another location would be a less effective alternative.

On pages 59-60, the applicant states that its proposal is the most effective alternative because

“The proposed project will bring to Rowan County an additional hospice home care agency based within the county, and will enable Carolina Caring to increase access to quality and compassionate hospice home care services to all in need in Rowan County, including the medically indigent and underserved... including African Americans and other minorities, pediatric patients, veterans, and other medically underserved persons.”

The applicant adequately demonstrates that the alternative proposed in this application is the most effective alternative to meet the need based on the following:

- The applicant provides credible information to explain why it believes the proposed project is the most effective alternative.
- The application is conforming to all other statutory and regulatory review criteria.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for the reasons stated above.

F-11957-20/PHC Hospice/ Develop a new Hospice Home Care Office

PHC proposes to develop a new hospice office to be located at 2304 S Main Street, Salisbury, Rowan County.

In Section E, pages 55-57, the applicant describes the alternatives it considered and explains why each alternative is either more costly or less effective than the alternative proposed in this application to meet the need. The alternatives considered were:

- Maintaining the status quo- maintaining the status quo and not developing another hospice office is a less effective alternative because access to hospice care for Rowan County residents is limited by maintaining the status quo.
- Pursue a joint venture with another provider- the applicant states that a joint effort with another provider would be a less effective more costly alternative. PHC already has the financial resources, physician support and highly trained leadership in place

to develop a new hospice office in Rowan County. Partnering with another healthcare provider would only add cost and complexity to the proposed project.

- Develop a hospice office in a different location- the applicant considered another location besides Salisbury but determined any other location would be less effective given that Salisbury is the medical, commercial and population center of Rowan County with the majority of referring Rowan County physicians located in Salisbury and all necessary supporting healthcare resources in place. Therefore, it was determined that another location would be less effective.

On pages 55-57, the applicant states that its proposal is the most effective alternative because

“PHC will utilize its considerable experience in the development, management, and operation of Medicare and Medicaid-Certified home health agencies effectively and efficiently to develop the proposed new hospice office. ... PHC is also a new competitor in the Rowan market and will provide an alternative for hospice care compared to hospital-based hospice care. PHC also brings the resources and experience of a licensed, certified, and accredited North Carolina agency, as well as self-financing...”

The applicant adequately demonstrates that the alternative proposed in this application is the most effective alternative to meet the need based on the following:

- The applicant provides credible information to explain why it believes the proposed project is the most effective alternative.
- The application is conforming to all other statutory and regulatory review criteria.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for the reasons stated above.

- (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.

Carolina Caring
 PHC

NC
 Amedisys
 HOIC
 Adoration
 PruittHealth

F-11943-20/BAYADA Home Health Care, Inc./ Develop a new Hospice Home Care Office

BAYADA proposes to develop a new hospice office to be located at 103 Dorsett Dr., Salisbury, Rowan County.

Capital and Working Capital Costs

In Section Q, Form F.1a, page 106, the applicant projects the total capital cost of the project, as shown in the table below.

Site Costs	\$0
Construction Costs	\$0
Miscellaneous Costs	\$100,000
Total	\$100,000

In Section Q, the applicant provides the assumptions used to project the capital cost.

In Section F.3, pages 59-60, the applicant projects that start-up costs will be \$100,000 and initial operating expenses will be \$1,000,000 for a total working capital of \$1,100,000. On pages 59-60, the applicant provides the assumptions and methodology used to project the working capital needs of the project.

Availability of Funds

In Section F.2, page 58, the applicant states that the capital cost will be funded, as shown in the table below.

Type	BAYADA
Loans	\$0
Accumulated reserves or OE *	\$100,000
Bonds	\$0
Other (Specify)	\$0
Total Financing	\$100,000

* OE = Owner's Equity

In Section F.3, page 60, the applicant states that the working capital needs of the project will be funded, as shown in the table below.

Sources of Financing for Working Capital	Amount
Loans	\$0
Cash or Cash Equivalents, Accumulated Reserves or Owner's Equity	\$1,100,000
Lines of credit	\$0
Bonds	\$0
Total	\$1,100,000

Exhibit F.2 contains a letter from BAYADA's Chief Financial Officer indicating BAYADA's willingness to fund the proposed project's capital and working capital costs from current assets including cash. Exhibit F.2 also contains a letter from BAYADA Home Health Care, Inc.'s accounting firm stating that as of March 31, 2020 BAYADA Home Health Care, Inc. "maintains not less than \$200 million in current assets."

Financial Feasibility

The applicant provided pro forma financial statements for the first three full fiscal years of operation following completion of the project. In Form F.4, the applicant projects that revenues will exceed operating expenses in the second and third full fiscal years following completion of the project, as shown in the table below.

	1 st Full Fiscal Year	2 nd Full Fiscal Year	3 rd Full Fiscal Year
Total Days of Care	7024	12,472	18,830
Total Gross Revenues (Charges)	\$1,491,507	\$2,701,319	\$4,157,844
Total Net Revenue	\$1,294,113	\$2,297,457	\$3,467,750
Average Net Revenue per Days of Care	\$184	\$184	\$184
Total Operating Expenses (Costs)	\$1,371,909	\$2,087,146	\$2,809,406
Average Operating Expense per Days of Care	\$195	\$167	\$149
Net Income	(\$77,796)	\$210,311	\$658,344

The assumptions used by the applicant in preparation of the pro forma financial statements are reasonable, including projected utilization costs and charges. See Section Q of the application for the assumptions used regarding costs and charges. Projected utilization is based on reasonable and adequately supported assumptions. See the discussion regarding projected utilization in Criterion (3) which is incorporated herein by reference. Projected revenues and expenses are based on reasonable and adequately supported assumptions.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for the following reasons:

- The applicant adequately demonstrates that the capital and working capital costs are based on reasonable and adequately supported assumptions for all the reasons described above.
- The applicant adequately demonstrates availability of sufficient funds for the capital and working capital needs of the proposal for all the reasons described above.
- The applicant adequately demonstrates sufficient funds for the operating needs of the proposal and that the financial feasibility of the proposal is based upon reasonable projections of revenues and operating expenses for all the reasons described above.

F-11945-20/Amedisys Hospice Care/ Develop a new Hospice Home Care Office

Amedisys proposes to develop a new hospice office to be located at 1930 Jake Alexander Blvd West, Salisbury, Rowan County.

Capital and Working Capital Costs

In Section Q, Form F.1a, the applicant projects the total capital cost of the project, as shown in the table below.

Site Costs	\$0
Construction Costs	\$0
Miscellaneous Costs	\$168,556
Total	\$168,556

In Section Q, the applicant provides the assumptions used to project the capital cost.

In Section F.3, pages 65-66, the applicant projects that start-up costs will be \$146,041 and initial operating expenses will be \$798,510 for a total working capital of \$944,551. On pages 66-67, the applicant provides the assumptions and methodology used to project the working capital needs of the project.

Availability of Funds

In Section F.2, page 64, the applicant states that the capital cost will be funded, as shown in the table below.

Sources of Capital Cost Financing

Type	Amedisys Hospice, LLC
Loans	\$0
Accumulated reserves or OE *	\$168,556
Bonds	\$0
Other (Specify)	\$0
Total Financing	\$168,556

* OE = Owner's Equity

In Section F.3, page 67, the applicant states that the working capital needs of the project will be funded, as shown in the table below.

Sources of Financing for Working Capital	Amount
Loans	\$0
Cash or Cash Equivalents, Accumulated Reserves or Owner's Equity	\$1,004,529
Lines of credit	\$0
Bonds	\$0
Total *	\$1,004,529

Exhibit F-2.1 contains a letter from Amedisys's Chief Financial Officer indicating Amedisys's willingness to fund the proposed project's capital and working capital costs from cash on hand. Amedisys, Inc. Form 10-K for the year ending December 31, 2019 (Exhibit F-2.2) shows cash and cash equivalents of \$30,294,100,

Financial Feasibility

The applicant provided pro forma financial statements for the first three full fiscal years of operation following completion of the project. In Form F.4, the applicant projects that revenues will exceed operating expenses in the third full fiscal year following completion of the project, as shown in the table below.

	1 st Full Fiscal Year	2 nd Full Fiscal Year	3 rd Full Fiscal Year
Total Days of Care	3,902	11,246	20,341
Total Gross Revenues (Charges)	\$593,746	\$1,828,126	\$3,372,808
Total Net Revenue	\$579,307	\$1,783,669	\$3,290,787
Average Net Revenue per Days of Care	\$148	\$159	\$162
Total Operating Expenses (Costs)	\$1,141,318	\$2,020,081	\$2,891,962
Average Operating Expense per Days of Care	\$292	\$180	\$142
Net Income	(\$562,010)	(\$236,412)	\$398,825

The assumptions used by the applicant in preparation of the pro forma financial statements are provided in Form F.4. However, the applicant does not adequately demonstrate that the financial feasibility of the proposal is reasonable and adequately supported because projected utilization is not based on reasonable and adequately supported assumptions. See the discussion regarding projected utilization in Criterion (3) which is incorporated herein by reference. Therefore, projected revenues and operating expenses, which are based in part on projected utilization, are also questionable.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is not conforming to this criterion because the applicant does not adequately demonstrate that the financial feasibility of the proposal is based upon reasonable projections of revenues and operating expenses for all the reasons described above.

F-11948-20/ Hospice & Palliative Care of Rowan County/ Develop a new Hospice Home Care Office

HOIC proposes to develop a new hospice office to be located at 1121 Old Concord Road, Salisbury, Rowan County.

Capital and Working Capital Costs

In Section Q, Form F.1a, the applicant projects the total capital cost of the project, as shown in the table below.

Site Costs	\$0
Construction Costs	\$0
Miscellaneous Costs	\$25,496
Total	\$25,496

However, the Project Analyst has determined that the applicant’s stated capital costs were start-up costs as described in Section F.3, pages 27-28, Therefore, the proposed project’s capital costs are actually \$0.

In Section F.3, pages 27-28, the applicant projects that start-up costs will be \$25,495.96 and initial operating expenses will be \$170,329 for a total working capital of \$195,824.96. On pages 27-28, and in Exhibits F.2 and F.3.1, the applicant provides the assumptions and methodology used to project the working capital needs of the project.

Availability of Funds

In Section F.2, page 26, the applicant states that the capital cost will be funded, as shown in the table below.

Type	Hospice and Palliative Care of Rowan County
Loans	\$0
Accumulated reserves or OE *	\$25,495.96
Bonds	\$0
Other (Specify)	\$0
Total Financing	\$25,495.96

* OE = Owner’s Equity

However, the Project Analyst has determined that the applicant's stated capital costs were actually start-up costs as described in Section F.3, pages 27-28, Therefore, the proposed project's capital costs are actually \$0.

In Section F.3, page 28, the applicant states that the working capital needs of the project will be funded, as shown in the table below.

Sources of Financing for Working Capital	Amount
Loans	\$0
Cash or Cash Equivalents, Accumulated Reserves or Owner's Equity	\$3,000,000
Lines of credit	\$0
Bonds	\$0
Total *	\$3,000,000

In Section F.2, page 25, the applicant states, "All monies needed for Capital Cost will be pulled from HOIC accumulated reserves. No additional funding (loans) will be needed."

In Section F.3, page 29, the applicant states, "...the BOD [Hospice of Iredell County's Board of Directors] unanimously approved HOIC to move forward in applying for CON and approved that the organization's reserves may be used toward projecting costs for organization of a new homecare office and license in Rowan County. ... Accumulated reserves in the form of short-term investments are available immediately for this project and have been approved by the BOD"

However, the applicant does not adequately demonstrate availability of sufficient funds for the working capital needs of the project because the applicant provided no documents demonstrating the existence of accumulated funds.

Financial Feasibility

The applicant provided pro forma financial statements for the first three full fiscal years of operation following completion of the project. In Form F.4, the applicant projects that revenues will exceed operating expenses in the second and third full fiscal years following completion of the project, as shown in the table below.

	1 st Full Fiscal Year	2 nd Full Fiscal Year	3 rd Full Fiscal Year
Total Days of Care	4,836	11,232	18,564
Total Gross Revenues (Charges)	\$982,154	\$2,280,553	\$3,768,435
Total Net Revenue	\$925,335	\$2,148,591	\$3,550,360
Average Net Revenue per Days of Care	\$191	\$191	\$191
Total Operating Expenses (Costs)	\$1,037,170	\$1,954,111	\$3,242,435
Average Operating Expense per Days of Care	\$214	\$174	\$175
Net Income	(\$111,835)	\$194,480	\$307,925

The assumptions used by the applicant in preparation of the pro forma financial statements are reasonable, including projected utilization, costs and charges. See Section Q of the application for the assumptions used regarding costs and charges. Projected utilization is based on reasonable and adequately supported assumptions. See the discussion regarding projected utilization in Criterion (3) which is incorporated herein by reference. Projected revenues and expenses are based on reasonable and adequately supported assumptions.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is not conforming to this criterion because the applicant does not adequately demonstrate availability of sufficient funds for the working capital needs of the proposal for all the reasons described above.

F-11949-20/Adoration Home Health & Hospice/ Develop a new Hospice Home Care Office

Adoration proposes to develop a new hospice office to be located at 2106 Statesville Boulevard, Salisbury, Rowan County.

Capital and Working Capital Costs

In Section Q, Form F.1a, page 101, the applicant projects the total capital cost of the project, as shown in the table below.

Site Costs	\$0
Construction Costs	\$0
Miscellaneous Costs	\$34,969
Total	\$34,969

In Section Q, the applicant provides the assumptions used to project the capital cost.

In Section F.3, page 54, the applicant projects that start-up costs will be \$312,771 and initial operating expenses will be \$404,361 for a total working capital of \$717,132. On page 54, the applicant provides the assumptions and methodology used to project the working capital needs of the project.

Availability of Funds

In Section F.2, page 52, the applicant states that the capital cost will be funded, as shown in the table below.

Sources of Capital Cost Financing

Type	Res-Care, Inc. (d/b/a BrightSpring Health Services)
Loans	\$0
Accumulated reserves or OE *	\$31,790
Bonds	\$0
Other (Specify)	\$0
Total Financing	\$31,790

* OE = Owner's Equity

In Section F.3, page 55, the applicant states that the working capital needs of the project will be funded, as shown in the table below.

Sources of Financing for Working Capital	Amount
Loans	\$0
Cash or Cash Equivalents, Accumulated Reserves or Owner's Equity	\$717,132
Lines of credit	\$0
Bonds	\$0
Total *	\$717,132

Exhibit F.2 contains a letter from the VP of Finance and Treasurer for Adoration Home Health & Hospice, Inc. and Res-Care, Inc. committing to fund the proposed project's capital and working capital costs from cash on hand from either a checking account with a balance of \$4.4 million or utilizing a \$320,000,000 line of revolving credit. Exhibit 2 also contains documentation of the \$4.4 million bank account balance and the \$320,000,000 revolving line of credit. The Project Analyst notes that in Section F.2, page 52, the applicant shows the source for funding of capital costs in the amount of \$31,790 which is \$3,179 less than the projected capital costs of \$34,969. However, in the funding letter in Exhibit F.2, the VP of Finance and Treasurer states the funds were available for the stated capital costs *"and any additional [capital costs] should they be required"*. The documents in Exhibit 2 identify enough funds to cover the \$3,179.

Financial Feasibility

The applicant provided pro forma financial statements for the first three full fiscal years of operation following completion of the project. In Form F.4, the applicant projects that revenues will exceed operating expenses in the first three full fiscal years following completion of the project, as shown in the table below.

	1 st Full Fiscal Year	2 nd Full Fiscal Year	3 rd Full Fiscal Year
Total Days of Care	7,569	11,644	16,473
Total Gross Revenues (Charges)	\$1,430,202	\$2,287,529	\$3,297,918
Total Net Revenue	\$1,248,625	\$1,996,278	\$2,877,865
Average Net Revenue per Days of Care	\$165	\$171	\$175
Total Operating Expenses (Costs)	\$983,945	\$1,505,007	\$2,116,099
Average Operating Expense per Days of Care	\$130	\$129	\$128
Net Income	\$264,679	\$491,271	\$761,765

The assumptions used by the applicant in preparation of the pro forma financial statements are provided in Form F.4. However, the applicant does not adequately demonstrate that the financial feasibility of the proposal is reasonable and adequately supported because projected utilization is not based on reasonable and adequately supported assumptions. See the discussion regarding projected utilization in Criterion (3) which is incorporated herein by reference. Therefore, projected revenues and operating expenses, which are based in part on projected utilization, are also questionable.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is not conforming to this criterion because the applicant does not adequately demonstrate that the financial feasibility of the proposal is based upon reasonable projections of revenues and operating expenses for all the reasons described above.

F-11952-20/PruittHealth Hospice-Salisbury/ Develop a new Hospice Home Care Office

PruittHealth proposes to develop a new hospice office to be located at 507 West Innes Street, Salisbury, Rowan County.

Capital and Working Capital Costs

In Section Q, Form F.1a, the applicant projects the total capital cost of the project, as shown in the table below.

Site Costs	\$0
Construction Costs	\$0
Miscellaneous Costs	\$100,000
Total	\$100,000

In Section Q, the applicant provides the assumptions used to project the capital cost.

In Section F.3, page 58, the applicant projects that start-up costs will be \$247,084 and initial operating expenses will be \$191,303 for a total working capital of \$438,387. On pages 58, the applicant provides the assumptions and methodology used to project the working capital needs of the project.

Availability of Funds

In Section F.2, page 56, the applicant states that the capital cost will be funded, as shown in the table below.

Sources of Capital Cost Financing	
Type	PruittHealth Hospice, LLC
Loans	\$0
Accumulated reserves or OE *	\$0
Bonds	\$0
Other (Cash)	\$100,000
Total Financing	\$100,000

* OE = Owner's Equity

In Section F.3, page 59, the applicant states that the working capital needs of the project will be funded, as shown in the table below.

Sources of Financing for Working Capital	Amount
Loans	\$0
Cash or Cash Equivalents, Accumulated Reserves or Owner's Equity	\$438,387
Lines of credit	\$0
Bonds	\$0
Total	\$438,387

Exhibit F.2 contains a letter from the Chief Investment Officer of PruittHealth committing to fund the proposed project's capital and working capital costs from cash transferred from its parent company, United Health Services, Inc.. Exhibit F.2 also contains a balance summary from United Health Services from Synovus showing a closing balance of \$14,249,367 on September 1, 2020.

Financial Feasibility

The applicant provided pro forma financial statements for the first three full fiscal years of operation following completion of the project. In Form F.4, the applicant projects that

revenues will exceed operating expenses in the first three full fiscal years following completion of the project, as shown in the table below.

	1 st Full Fiscal Year	2 nd Full Fiscal Year	3 rd Full Fiscal Year
Total Days of Care	15,200	21,760	23,100
Total Gross Revenues (Charges)	\$2,999,555	\$4,293,962	\$4,558,273
Total Net Revenue	\$2,906,244	\$4,160,383	\$4,416,470
Average Net Revenue per Days of Care	\$191	\$191	\$191
Total Operating Expenses (Costs)	\$2,392,548	\$3,254,808	\$3,464,548
Average Operating Expense per Days of Care	\$157	\$150	\$150
Net Income	\$513,696	\$905,575	\$951,922

The assumptions used by the applicant in preparation of the pro forma financial statements are provided in Form F.4. However, the applicant does not adequately demonstrate that the financial feasibility of the proposal is reasonable and adequately supported because projected utilization is not based on reasonable and adequately supported assumptions. See the discussion regarding projected utilization in Criterion (3) which is incorporated herein by reference. Therefore, projected revenues and operating expenses, which are based in part on projected utilization, are also questionable.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is not conforming to this criterion because the applicant does not adequately demonstrate that the financial feasibility of the proposal is based upon reasonable projections of revenues and operating expenses for all the reasons described above.

F-11955-20/Continuum Care of North Carolina/ Develop a new Hospice Home Care Office

CCNC proposes to develop a new hospice office to be located at 507 West Innes Street, Salisbury, Rowan County.

Capital and Working Capital Costs

In Section Q, Form F.1a, page 115, the applicant projects the total capital cost of the project, as shown in the table below.

Site Costs	\$0
Construction/Renovation Costs	\$5,000
Miscellaneous Costs	\$110,500
Total	\$115,500

In Section Q, the applicant provides the assumptions used to project the capital cost.

In Section F.3, page 69, the applicant projects that start-up costs will be \$100,000 and initial operating expenses will be \$305,000 for a total working capital of \$405,000. On pages 69-70, the applicant provides the assumptions and methodology used to project the working capital needs of the project.

Availability of Funds

In Section F.2, page 67, the applicant states that the capital cost will be funded, as shown in the table below.

Type	CCNC
Loans	\$0
Accumulated reserves or OE *	\$115,500
Bonds	\$0
Other (Specify)	\$0
Total Financing	\$115,500

* OE = Owner's Equity

In Section F.3, page 71, the applicant states that the working capital needs of the project will be funded, as shown in the table below.

Sources of Financing for Working Capital	Amount
Loans	\$0
Cash or Cash Equivalents, Accumulated Reserves or Owner's Equity	\$405,000
Lines of credit	\$0
Bonds	\$0
Total *	\$405,000

Exhibit F-2 contains a letter from a member of Continuum Care of North Carolina LLC with authority committing to fund the proposed project's capital and working capital costs and stating that \$1,000,000 is on deposit with Signature Bank. Exhibit F.2 also contains a letter from the Associate Group Director of Signature Bank showing Continuum Care of North Carolina, LLC having a bank balance of \$1,000,000 as of September 14, 2020.

Financial Feasibility

The applicant provided pro forma financial statements for the first three full fiscal years of operation following completion of the project. In Form F.4, the applicant projects that

revenues will exceed operating expenses in the second and third full fiscal years following completion of the project, as shown in the table below.

	1 st Full Fiscal Year	2 nd Full Fiscal Year	3 rd Full Fiscal Year
Total Days of Care	11,189	13,131	15,074
Total Gross Revenues (Charges)	\$2,094,144	\$2,959,219	\$3,430,637
Total Net Revenue	\$1,741,559	\$2,496,371	\$2,894,193
Average Net Revenue per Days of Care	\$156	\$190	\$192
Total Operating Expenses (Costs)	\$2,045,343	\$2,339,914	\$2,645,094
Average Operating Expense per Days of Care	\$183	\$178	\$175
Net Income	(\$303,784)	\$156,457	\$249,099

The assumptions used by the applicant in preparation of the pro forma financial statements are reasonable, including projected utilization, costs and charges. See Section Q of the application for the assumptions used regarding costs and charges. Projected utilization is based on reasonable and adequately supported assumptions. See the discussion regarding projected utilization in Criterion (3) which is incorporated herein by reference. Projected revenues and expenses are based on reasonable and adequately supported assumptions.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for the following reasons:

- The applicant adequately demonstrates that the capital and working capital costs are based on reasonable and adequately supported assumptions for all the reasons described above.
- The applicant adequately demonstrates availability of sufficient funds for the capital and working capital needs of the proposal for all the reasons described above.
- The applicant adequately demonstrates sufficient funds for the operating needs of the proposal and that the financial feasibility of the proposal is based upon reasonable projections of revenues and operating expenses for all the reasons described above.

F-11956-20/Carolina Caring/ Develop a new Hospice Home Care Office

Carolina Caring proposes to develop a new hospice office to be located at 301 E. Centerview Street, China Grove, Rowan County.

Capital and Working Capital Costs

In Section Q, Form F.1a, the applicant projects the total capital cost of the project, as shown in the table below.

Site Costs	\$0
Construction Costs	\$0
Miscellaneous Costs	\$100,000
Total	\$100,000

In Section Q, the applicant provides the assumptions used to project the capital cost.

In Section F.3, pages 63-64, the applicant projects that start-up costs will be \$40,000 and initial operating expenses will be \$120,000 for a total working capital of \$160,000. On pages 63-64 and in Section Q, the applicant provides the assumptions and methodology used to project the working capital needs of the project.

Availability of Funds

In Section F.2, page 62, the applicant states that the capital cost will be funded, as shown in the table below.

Sources of Capital Cost Financing

Type	Carolina Caring
Loans	\$0
Accumulated reserves or OE *	\$100,000
Bonds	\$0
Other (Specify)	\$0
Total Financing	\$100,000

* OE = Owner's Equity

In Section F.3, page 64, the applicant states that the working capital needs of the project will be funded, as shown in the table below.

Sources of Financing for Working Capital	Amount
Loans	\$0
Cash or Cash Equivalents, Accumulated Reserves or Owner's Equity	\$160,000
Lines of credit	\$0
Bonds	\$0
Total	\$160,000

Exhibit F-2 contains a letter from Carolina Caring's President & CEO committing to fund the proposed project's capital and working capital costs. Carolina Caring, Inc.'s audited financial statement (Exhibit F.2) for the year ending December 31, 2019 shows cash and cash equivalents of \$1,399,854 and total net assets of \$25,199,147.

Financial Feasibility

The applicant provided pro forma financial statements for the first three full fiscal years of operation following completion of the project. In Form F.4, the applicant projects that revenues will exceed operating expenses in the first three full fiscal years following completion of the project, as shown in the table below.

	1 st Full Fiscal Year	2 nd Full Fiscal Year	3 rd Full Fiscal Year
Total Days of Care	10,009	12,969	16,092
Total Gross Revenues (Charges)	\$1,990,393	\$2,839,517	\$3,562,109
Total Net Revenue	\$1,897,230	\$2,716,725	\$3,408,166
Average Net Revenue per Days of Care	\$190	\$209	\$212
Total Operating Expenses (Costs)	\$1,497,135	\$2,072,756	\$2,526,015
Average Operating Expense per Days of Care	\$150	\$160	\$157
Net Income	\$400,095	\$643,969	\$882,151

The assumptions used by the applicant in preparation of the pro forma financial statements are reasonable, including projected utilization costs and charges. See Section Q of the application for the assumptions used regarding costs and charges. Projected utilization is based on reasonable and adequately supported assumptions. See the discussion regarding projected utilization in Criterion (3) which is incorporated herein by reference. Projected revenues and expenses are based on reasonable and adequately supported assumptions.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for the following reasons:

- The applicant adequately demonstrates that the capital and working capital costs are based on reasonable and adequately supported assumptions for all the reasons described above.
- The applicant adequately demonstrates availability of sufficient funds for the capital and working capital needs of the proposal for all the reasons described above.
- The applicant adequately demonstrates sufficient funds for the operating needs of the proposal and that the financial feasibility of the proposal is based upon reasonable projections of revenues and operating expenses for all the reasons described above.

F-11957-20/PHC Hospice/ Develop a new Hospice Home Care Office

PHC proposes to develop a new hospice office to be located at 2304 S Main Street, Salisbury, Rowan County.

Capital and Working Capital Costs

In Section Q, Form F.1a, page 149, the applicant projects the total capital cost of the project, as shown in the table below.

Site Costs	\$0
Construction Costs	\$0
Miscellaneous Costs	\$116,105
Total	\$116,105

In Section Q, the applicant provides the assumptions used to project the capital cost.

In Section F.3, page 61, the applicant projects that start-up costs will be \$25,353 and initial operating expenses will be \$370,421 for a total working capital of \$395,774. On page 61 and in Section Q, the applicant provides the assumptions and methodology used to project the working capital needs of the project.

Availability of Funds

In Section F.2, page 59, the applicant states that the capital cost will be funded, as shown in the table below.

Sources of Capital Cost Financing

Type	Personal Home Care of NC
Loans	\$0
Accumulated reserves or OE *	\$116,105
Bonds	\$0
Other (Specify)	\$0
Total Financing	\$116,105

* OE = Owner's Equity

In Section F.3, page 62, the applicant states that the working capital needs of the project will be funded, as shown in the table below.

Sources of Financing for Working Capital	Amount
Loans	\$0
Cash or Cash Equivalents, Accumulated Reserves or Owner's Equity	\$395,774
Lines of credit	\$0
Bonds	\$0
Total	\$395,774

Exhibit F.2 contains a letter from the managing member of Personal Home Care of North Carolina, LLC committing to fund the proposed project’s capital and working capital costs from existing cash on hand. Exhibit F.2 also contains a letter from a financial services representative of First Horizon stating that Personal Home Care of North Carolina, LLC has over \$590,000 on deposit with the bank.

Financial Feasibility

The applicant provided pro forma financial statements for the first three full fiscal years of operation following completion of the project. In Form F.4, the applicant projects that revenues will exceed operating expenses in the second and third full fiscal years following completion of the project, as shown in the table below.

	1 st Full Fiscal Year	2 nd Full Fiscal Year	3 rd Full Fiscal Year
Total Days of Care	10,667	17,626	18,464
Total Gross Revenues (Charges)	\$2,414,854	\$4,082,336	\$4,377,033
Total Net Revenue	\$2,218,905	\$3,750,783	\$4,021,394
Average Net Revenue per Days of Care	\$208	\$213	\$218
Total Operating Expenses (Costs)	\$2,260,802	\$3,470,646	\$3,705,979
Average Operating Expense per Days of Care	\$212	\$197	\$201
Net Income	(\$41,898)	\$280,137	\$315,415

The assumptions used by the applicant in preparation of the pro forma financial statements are reasonable, including projected utilization costs and charges. See Section Q of the application for the assumptions used regarding costs and charges. Projected utilization is based on reasonable and adequately supported assumptions. See the discussion regarding projected utilization in Criterion (3) which is incorporated herein by reference. Projected revenues and expenses are based on reasonable and adequately supported assumptions.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for the following reasons:

- The applicant adequately demonstrates that the capital and working capital costs are based on reasonable and adequately supported assumptions for all the reasons described above.
- The applicant adequately demonstrates availability of sufficient funds for the capital and working capital needs of the proposal for all the reasons described above.

- The applicant adequately demonstrates sufficient funds for the operating needs of the proposal and that the financial feasibility of the proposal is based upon reasonable projections of revenues and operating expenses for all the reasons described above.
- (6) The applicant shall demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities.

C
 BAYADA
 HOIC
 CCNC
 Carolina Caring
 PHC

NC
 Amedisys
 Adoration
 PruittHealth

On page 305, the 2020 SMFP defines the service area for a hospice office as *“the county in which the hospice office is located. Each of the 100 counties in the state is a separate hospice office service area.”* Thus, the service area for this facility consists of Rowan County. Facilities may also serve residents of counties not included in their service area.

See the following table, which illustrates the existing hospice home care offices in Rowan County as reflected in Table 13A, page 336 of the 2020 SMFP:

License #	Facility Name	Admissions	Days of Care	Deaths
HOS2425	Trellis Supportive Care Rowan	451	19,531	402
HOS4599	Novant Health Hospice	34	371	24
Totals		485	19,902	426

F-11943-20/BAYADA Home Health Care, Inc./ Develop a new Hospice Home Care Office

BAYADA proposes to develop a new hospice office to be located at 103 Dorsett Dr., Salisbury, Rowan County.

In Section G, pages 64-65, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved hospice home care office services in Rowan County. The applicant states, *“BAYADA’s proposed hospice home care office is being proposed in response to the need determination in the 2020 SMFP...The Rowan County hospice home care need determination can be directly attributed to increases in the county’s death rate per 1,000 population, estimated county population, and to an increase in the statewide median percentage of deaths served. ... While the statewide median percentage of*

deaths served by hospice has increased, the percentages of deaths served by hospice in Rowan County have been declining.”

The applicant adequately demonstrates that the proposal would not result in an unnecessary duplication of existing or approved services in the service area for the following reasons:

- There is a need determination in the 2020 SMFP for the proposed hospice home care office.
- The applicant adequately demonstrates that the proposed hospice home care office is needed in addition to the existing or approved hospice home care office's in Rowan County.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

F-11945-20/Amedisys Hospice Care/ Develop a new Hospice Home Care Office

Amedisys proposes to develop a new hospice office to be located at 1930 Jake Alexander Blvd West, Salisbury, Rowan County.

In Section G, page 70, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved hospice home care office services in the Rowan County. The applicant states, *“The proposed project is in response to a published need in the 2020 SMFP for one additional hospice care office in Rowan County and, therefore, will not result in an unnecessary duplication of hospice care offices. ... Additionally, as illustrated through letters of support, service area residents are not receiving adequate hospice care from existing area providers. Patients and families have had to seek care outside of their home county, have waited extensive periods of time to receive hospice care, and in some instances, have forgone hospice care altogether.”*

However, the applicant does not adequately demonstrate that the proposal would not result in an unnecessary duplication of existing or approved services in the service area because the applicant does not adequately demonstrate that the proposed hospice home care office is needed in addition to the existing or approved hospice home care office's in Rowan County. See the discussion regarding projected utilization found in Criterion (3) which is incorporated herein by reference.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is not conforming to this criterion for the reason described above.

F-11948-20/ Hospice & Palliative Care of Rowan County/ Develop a new Hospice Home Care Office

HOIC proposes to develop a new hospice office to be located at 1121 Old Concord Road, Salisbury, Rowan County.

In Section G, page 32, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved hospice home care office services in the Rowan County. The applicant states, *“The deficit between hospice deaths and total deaths in Rowan County (which has resulted in creating the Certificate of Need) show that an additional hospice license would not result in duplication. The best way to lessen the deficit would be to provide a new license to a provider with a proven track record and the ability to serve more patients. ... The deficit will only continue to increase in Rowan County if nothing is done. Over the past four years the death rate in Rowan County has continued to increase while the percentage of hospice deaths served has not shown consistent growth.”*

The applicant adequately demonstrates that the proposal would not result in an unnecessary duplication of existing or approved services in the service area for the following reasons:

- There is a need determination in the 2020 SMFP for the proposed hospice home care office.
- The applicant adequately demonstrates that the proposed hospice home care office is needed in addition to the existing or approved hospice home care office’s in Rowan County.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

F-11949-20/Adoration Home Health & Hospice/ Develop a new Hospice Home Care Office

Adoration proposes to develop a new hospice office to be located at 2106 Statesville Boulevard, Salisbury, Rowan County.

In Section G, pages 58, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved hospice home care office services in the Rowan County. The applicant states, *“The 2020 SMFP includes a need determination for a hospice agency in Rowan County and Adoration’s calculation of need as set forth in the attached Section Q, Form C, shows an even greater unmet need in Rowan County. Hospice services are underutilized by many groups in Rowan County, including veterans and minorities, and hospices do not serve as many deaths in Rowan County as the number of deaths served in the state of North Carolina on average.”*

However, the applicant does not adequately demonstrate that the proposal would not result in an unnecessary duplication of existing or approved services in the service area because the applicant does not adequately demonstrate that the proposed hospice home care office is needed in addition to the existing or approved hospice home care office’s in Rowan County. See the discussion regarding projected utilization found in Criterion (3) which is incorporated herein by reference.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is not conforming to this criterion for the reason described above.

F-11952-20/PruittHealth Hospice-Salisbury/ Develop a new Hospice Home Care Office

PruittHealth proposes to develop a new hospice office to be located at 507 West Innes Street, Salisbury, Rowan County.

In Section G, page 63, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved hospice home care office services in the Rowan County. The applicant states, *“The 2020 SMFP identifies a need determination for a hospice program in Rowan County. ... The proposed hospice program will have a positive impact on hospice utilization by increasing access to high-quality, cost-effective, easily accessible hospice care.”*

However, the applicant does not adequately demonstrate that the proposal would not result in an unnecessary duplication of existing or approved services in the service area because the applicant does not adequately demonstrate that the proposed hospice home care office is needed in addition to the existing or approved hospice home care office’s in Rowan County. See the discussion regarding projected utilization found in Criterion (3) which is incorporated herein by reference.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is not conforming to this criterion for the reason described above.

F-11955-20/Continuum Care of North Carolina/ Develop a new Hospice Home Care Office

CCNC proposes to develop a new hospice office to be located at 507 West Innes Street, Salisbury, Rowan County.

In Section G, pages 75-76, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved hospice home care office services in the Rowan County. The applicant states, *“As evidenced by the 2020 SMFP need determination for one additional hospice home care office in Rowan County, the projected number of Rowan County patients who will need hospice services will exceed the projected number of patients to be served by the existing licensed offices in Rowan County. Thus, the existing hospice home care agencies located in Rowan County are inadequate to meet the need of Rowan County residents.”*

The applicant adequately demonstrates that the proposal would not result in an unnecessary duplication of existing or approved services in the service area for the following reasons:

- There is a need determination in the 2020 SMFP for the proposed hospice home care office.
- The applicant adequately demonstrates that the proposed hospice home care office is needed in addition to the existing or approved hospice home care offices in Rowan County.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

F-11956-20/Carolina Caring/ Develop a new Hospice Home Care Office

Carolina Caring proposes to develop a new hospice office to be located at 301 E. Centerview Street, China Grove, Rowan County.

In Section G, pages 68-69, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved hospice home care office services in the Rowan County. The applicant states, *“The 2020 SMFP includes a need determination for one additional hospice office in Rowan County, indicating the SMFP methodology considers the existing hospice agencies serving Rowan County inadequate to meet the need of Rowan County residents. ... The proposed project will not result in unnecessary duplication of the two existing hospice offices in Rowan County, but rather will have a positive impact on hospice utilization by adding competition, and by increasing access to high quality, cost-effective care, broadly accessible to resident of Rowan County.”*

The applicant adequately demonstrates that the proposal would not result in an unnecessary duplication of existing or approved services in the service area for the following reasons:

- There is a need determination in the 2020 SMFP for the proposed hospice home care office.
- The applicant adequately demonstrates that the proposed hospice home care office is needed in addition to the existing or approved hospice home care offices in Rowan County.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

F-11957-20/PHC Hospice/ Develop a new Hospice Home Care Office

PHC proposes to develop a new hospice office to be located at 2304 S Main Street, Salisbury, Rowan County.

In Section G, pages 66-67, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved hospice home care office services in the Rowan County. The applicant states, *“The 2020 SMFP includes a need determination for a hospice home care office in Rowan County. ... The proposed project will not result in an unnecessary duplication of the existing or approved hospice offices located in Rowan County. Rather, the project will address an unmet need and increase access to quality, affordable, Medicare-certified hospice care for residents of Rowan County and nearby areas.”*

The applicant adequately demonstrates that the proposal would not result in an unnecessary duplication of existing or approved services in the service area for the following reasons:

- There is a need determination in the 2020 SMFP for the proposed hospice home care office.
- The applicant adequately demonstrates that the proposed hospice home care office is needed in addition to the existing or approved hospice home care office's in Rowan County.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

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

C

All Applications

F-11943-20/BAYADA Home Health Care, Inc./ Develop a new Hospice Home Care Office

BAYADA proposes to develop a new hospice office to be located at 103 Dorsett Dr., Salisbury, Rowan County.

In Section Q, Form H, the applicant provides projected full-time equivalent (FTE) staffing for the proposed services through the first three operating years of the project.

The assumptions and methodology used to project staffing are provided in Section Q. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in Form F.5 in Section Q. In Section H, pages 68-70, the applicant describes the methods to be used to recruit or fill new positions and its proposed training and continuing education programs.

The applicant adequately demonstrates the availability of sufficient health manpower and management personnel to provide the proposed services.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

F-11945-20/Amedisys Hospice Care/ Develop a new Hospice Home Care Office

Amedisys proposes to develop a new hospice office to be located at 1930 Jake Alexander Blvd West, Salisbury, Rowan County.

In Section Q, Form H, the applicant provides projected full-time equivalent (FTE) staffing for the proposed services through the first three operating years of the project.

The assumptions and methodology used to project staffing are provided in Section Q. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in Form F.5 in Section Q. In Section H, pages 72-74, the applicant describes the methods to be used to recruit or fill new positions and its proposed training and continuing education programs.

The applicant adequately demonstrates the availability of sufficient health manpower and management personnel to provide the proposed services.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

F-11948-20/ Hospice & Palliative Care of Rowan County/ Develop a new Hospice Home Care Office

HOIC proposes to develop a new hospice office to be located at 1121 Old Concord Road, Salisbury, Rowan County.

In Section Q, Form H, the applicant provides projected full-time equivalent (FTE) staffing for the proposed services through the first three operating years of the project.

The assumptions and methodology used to project staffing are provided in Section Q. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in Form F.5 in Section Q. In Section H, pages 34-35, the applicant describes the methods to be used to recruit or fill new positions and its proposed training and continuing education programs.

The applicant adequately demonstrates the availability of sufficient health manpower and management personnel to provide the proposed services.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments

- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

F-11949-20/Adoration Home Health & Hospice/ Develop a new Hospice Home Care Office

Adoration proposes to develop a new hospice office to be located at 2106 Statesville Boulevard, Salisbury, Rowan County.

In Section Q, Form H, the applicant provides projected full-time equivalent (FTE) staffing for the proposed services through the first three operating years of the project.

The assumptions and methodology used to project staffing are provided in Section Q. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in Form F.5 in Section Q. In Section H, pages 60-62, the applicant describes the methods to be used to recruit or fill new positions and its proposed training and continuing education programs.

The applicant adequately demonstrates the availability of sufficient health manpower and management personnel to provide the proposed services.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

F-11952-20/PruittHealth Hospice-Salisbury/ Develop a new Hospice Home Care Office

PruittHealth proposes to develop a new hospice office to be located at 507 West Innes Street, Salisbury, Rowan County.

In Section Q, Form H, the applicant provides projected full-time equivalent (FTE) staffing for the proposed services through the first three operating years of the project.

The assumptions and methodology used to project staffing are provided in Section Q. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in Form F.5 in Section Q. In Section H, pages 66-68, the applicant describes the methods to be used to recruit or fill new positions and its proposed training and continuing education programs.

The applicant adequately demonstrates the availability of sufficient health manpower and management personnel to provide the proposed services.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

F-11955-20/Continuum Care of North Carolina/ Develop a new Hospice Home Care Office

CCNC proposes to develop a new hospice office to be located at 507 West Innes Street, Salisbury, Rowan County.

In Section Q, Form H, the applicant provides projected full-time equivalent (FTE) staffing for the proposed services through the first three operating years of the project.

The assumptions and methodology used to project staffing are provided in Section Q. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in Form F.5 in Section Q. In Section H, pages 78-79, the applicant describes the methods to be used to recruit or fill new positions and its proposed training and continuing education programs.

The applicant adequately demonstrates the availability of sufficient health manpower and management personnel to provide the proposed services.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

F-11956-20/Carolina Caring/ Develop a new Hospice Home Care Office

Carolina Caring proposes to develop a new hospice office to be located at 301 E. Centerview Street, China Grove, Rowan County.

In Section Q, Form H, the applicant provides projected full-time equivalent (FTE) staffing for the proposed services through the first three operating years of the project.

The assumptions and methodology used to project staffing are provided in Section Q. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in Form F.5 in Section Q. In Section H, pages 71-73, the applicant describes the methods to be used to recruit or fill new positions and its proposed training and continuing education programs.

The applicant adequately demonstrates the availability of sufficient health manpower and management personnel to provide the proposed services.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

F-11957-20/PHC Hospice/ Develop a new Hospice Home Care Office

PHC proposes to develop a new hospice office to be located at 2304 S Main Street, Salisbury, Rowan County.

In Section Q, Form H, the applicant provides projected full-time equivalent (FTE) staffing for the proposed services through the first three operating years of the project.

The assumptions and methodology used to project staffing are provided in Section Q. Adequate operating expenses for the health manpower and management positions proposed by

the applicant are budgeted in Form F.5 in Section Q. In Section H, pages 70-71, the applicant describes the methods to be used to recruit or fill new positions and its proposed training and continuing education programs.

The applicant adequately demonstrates the availability of sufficient health manpower and management personnel to provide the proposed services.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (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.

C

All Applications

F-11943-20/BAYADA Home Health Care, Inc./ Develop a new Hospice Home Care Office

BAYADA proposes to develop a new hospice office to be located at 103 Dorsett Dr., Salisbury, Rowan County.

Ancillary and Support Services

In Section C, pages 22, the applicant identifies the necessary ancillary and support services for the proposed services. On pages 21-25 and page 74, the applicant explains how each ancillary and support service will be made available and provides supporting documentation in Exhibits C.1 and I-2. The applicant adequately demonstrates that the necessary ancillary and support services will be made available.

Coordination

In Section I, pages 74-77, the applicant describes its existing and proposed relationships with other local health care and social service providers and provides supporting documentation in

Exhibits C.1 and I.2. The applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

F-11945-20/Amedisys Hospice Care/ Develop a new Hospice Home Care Office

Amedisys proposes to develop a new hospice office to be located at 1930 Jake Alexander Blvd West, Salisbury, Rowan County.

Ancillary and Support Services

In Section I, page 76, the applicant identifies the necessary ancillary and support services for the proposed services. On pages 76-88, the applicant explains how each ancillary and support service will be made available and provides supporting documentation in Exhibits I-1.1 through I-1.4. The applicant adequately demonstrates that the necessary ancillary and support services will be made available.

Coordination

In Section I, page 88, the applicant describes its existing and proposed relationships with other local health care and social service providers and provides supporting documentation in Exhibit C-3.2. The applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

F-11948-20/ Hospice & Palliative Care of Rowan County/ Develop a new Hospice Home Care Office

HOIC proposes to develop a new hospice office to be located at 1121 Old Concord Road, Salisbury, Rowan County.

Ancillary and Support Services

In Section I, page 38, the applicant identifies the necessary ancillary and support services for the proposed services. On page 38, the applicant explains how each ancillary and support service will be made available. The applicant adequately demonstrates that the necessary ancillary and support services will be made available.

Coordination

In Section I, pages 38-40, the applicant describes its existing and proposed relationships with other local health care and social service providers and provides supporting documentation in Exhibits I.1.1; I.1.2; I.2.1; and I.2.2. The applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

F-11949-20/Adoration Home Health & Hospice/ Develop a new Hospice Home Care Office

Adoration proposes to develop a new hospice office to be located at 2106 Statesville Boulevard, Salisbury, Rowan County.

Ancillary and Support Services

In Section I, page 64, the applicant identifies the necessary ancillary and support services for the proposed services. On page 64, the applicant explains how each ancillary and support

service will be made available and provides supporting documentation in Exhibit I.1. The applicant adequately demonstrates that the necessary ancillary and support services will be made available.

Coordination

In Section I.2, pages 64-65, the applicant describes its existing and proposed relationships with other local health care and social service providers. The applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

F-11952-20/PruittHealth Hospice-Salisbury/ Develop a new Hospice Home Care Office

PruittHealth proposes to develop a new hospice office to be located at 507 West Innes Street, Salisbury, Rowan County.

Ancillary and Support Services

In Section I, pages 70-72, the applicant identifies the necessary ancillary and support services for the proposed services. On pages 70-72, the applicant explains how each ancillary and support service will be made available and provides supporting documentation in Exhibit I.1. The applicant adequately demonstrates that the necessary ancillary and support services will be made available.

Coordination

In Section I, page 72, the applicant describes its efforts to develop relationships with other local health care and social service providers and provides supporting documentation in Exhibit I.2. The applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

F-11955-20/Continuum Care of North Carolina/ Develop a new Hospice Home Care Office

CCNC proposes to develop a new hospice office to be located at 507 West Innes Street, Salisbury, Rowan County.

Ancillary and Support Services

In Section I, page 82, the applicant identifies the necessary ancillary and support services for the proposed services. On page 82, the applicant explains how each ancillary and support service will be made available and provides supporting documentation in Exhibit I.1. The applicant adequately demonstrates that the necessary ancillary and support services will be made available.

Coordination

In Section I, pages 82-83, the applicant describes its efforts to develop relationships with other local health care and social service providers. The applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

F-11956-20/Carolina Caring/ Develop a new Hospice Home Care Office

Carolina Caring proposes to develop a new hospice office to be located at 301 E. Centerview Street, China Grove, Rowan County.

Ancillary and Support Services

In C.1, pages 17-29, and Section I, page 76, the applicant identifies the necessary ancillary and support services for the proposed services. On page 76, the applicant explains how each ancillary and support service will be made available and provides supporting documentation in Exhibit I.1. The applicant adequately demonstrates that the necessary ancillary and support services will be made available.

Coordination

In Section I, pages 77-81, the applicant describes its existing and proposed relationships with other local health care and social service providers and provides supporting documentation in Exhibit I.2. The applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

F-11957-20/PHC Hospice/ Develop a new Hospice Home Care Office

PHC proposes to develop a new hospice office to be located at 2304 S Main Street, Salisbury, Rowan County.

Ancillary and Support Services

In Section I, page 74, the applicant identifies the necessary ancillary and support services for the proposed services. On pages 74-76, the applicant explains how each ancillary and support service will be made available and provides supporting documentation in Exhibits C.1, H.5 and I.1. The applicant adequately demonstrates that the necessary ancillary and support services will be made available.

Coordination

In Section I, pages 77-78, the applicant describes its existing and proposed relationships with other local health care and social service providers and provides supporting documentation in

Exhibits H.5 and I.2. The applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.``````````

- (9) An applicant proposing to provide a substantial portion of the project's services to individuals not residing in the health service area in which the project is located, or in adjacent health service areas, shall document the special needs and circumstances that warrant service to these individuals.

NA
All Applications

None of the applications project to provide the proposed services to a substantial number of persons residing in Health Service Areas (HSAs) that are not adjacent to the HSA in which the services will be offered. Furthermore, none of the applications project to provide the proposed services to a substantial number of persons residing in other states that are not adjacent to the North Carolina county in which the services will be offered. Therefore, Criterion (9) is not applicable to this review.

- (10) When applicable, the applicant shall show that the special needs of health maintenance organizations will be fulfilled by the project. Specifically, the applicant shall show that the project accommodates: (a) The needs of enrolled members and reasonably anticipated new members of the HMO for the health service to be provided by the organization; and (b) The availability of new health services from non-HMO providers or other HMOs in a reasonable and cost-effective manner which is consistent with the basic method of operation of the HMO. In assessing the availability of these health services from these providers, the applicant shall consider only whether the services from these providers:
- (i) would be available under a contract of at least 5 years duration;
 - (ii) would be available and conveniently accessible through physicians and other health professionals associated with the HMO;
 - (iii) would cost no more than if the services were provided by the HMO; and
 - (iv) would be available in a manner which is administratively feasible to the HMO.

NA

All Applications

None of the applicants is an HMO. Therefore, Criterion (10) is not applicable to this review.

- (11) Repealed effective July 1, 1987.
- (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.

NA

All Applications

None of the applications in this review propose to construct any new space or renovate any existing space. Therefore, Criterion (12) is not applicable to this review.

- (13) The applicant shall demonstrate the contribution of the proposed service in meeting the health-related needs of the elderly and of members of medically underserved groups, such as medically indigent or low income persons, Medicaid and Medicare recipients, racial and ethnic minorities, women, and handicapped persons, which have traditionally experienced difficulties in obtaining equal access to the proposed services, particularly those needs identified in the State Health Plan as deserving of priority. For the purpose of determining the extent to which the proposed service will be accessible, the applicant shall show:
 - (a) The extent to which medically underserved populations currently use the applicant's existing services in comparison to the percentage of the population in the applicant's service area which is medically underserved;

NA

All Applications

None of the applicants or their related entities own, operate or manage an existing hospice home care office located in the Rowan County hospice home care office service area. Therefore, Criterion (13a) is not applicable to any of the applications in this review.

Note: CCNC, in Section L, page 89, of its application, states:

“For information purposes, Continuum II Home Care & Hospice, Inc. doing business as Continuum Home Care & Hospice of Rowan County owns a hospice agency in Rowan County (HOS3323). The applicant is not related to Continuum II Home Care & Hospice, Inc. or any of Continuum II Home Care & Hospice, Inc.’s affiliated entities with licensed hospice offices in North Carolina”

- (b) Its past performance in meeting its obligation, if any, under any applicable regulations requiring provision of uncompensated care, community service, or access by minorities and handicapped persons to programs receiving federal assistance, including the existence of any civil rights access complaints against the applicant;

NA
All Applications

None of the applicants nor any entities related to the applicants own, operate or manage an existing hospice home care office located in the service area. Therefore, Criterion (13b) is not applicable to this review.

- (c) That the elderly and the medically underserved groups identified in this subdivision will be served by the applicant's proposed services and the extent to which each of these groups is expected to utilize the proposed services; and

C
All Applications

F-11943-20/BAYADA Home Health Care, Inc./ Develop a new Hospice Home Care Office

BAYADA proposes to develop a new hospice office to be located at 103 Dorsett Dr., Salisbury, Rowan County.

In Section L, page 84, the applicant projects the following payor mix for the proposed services during the third full fiscal year of operation following completion of the project, as shown in the table below.

Payor Source	# of New Admissions (Unduplicated)	% of Total	Days of Care	% of Total
Self-Pay	3	1.24%	207	1.10%
Charity (Included in Self Pay)				
Medicare	217	90.04%	16,947	90.00%
Medicaid	15	6.22%	1,158	6.15%
Insurance	6	2.49%	452	2.40%
Other VA/ TRICARE	1	0.41%	66	0.35%
Total	241	100.00%	18,830	100.00%

Source: Table on page 84 of the application.
Numbers may not foot due to rounding.

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 1.10% of days of care will be provided to self-pay and charity care patients, 90.00% to Medicare patients and 6.15% to Medicaid patients.

On page 84, the applicant provides the assumptions and methodology used to project payor mix during the third full fiscal year of operation following completion of the

project. The projected payor mix is reasonable and adequately supported based on the applicants review of payor percentages from North Carolina Hospice LRA Data Supplements and its experience in other states.

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion based on the reason stated above.

F-11945-20/Amedisys Hospice Care/ Develop a new Hospice Home Care Office

Amedisys proposes to develop a new hospice office to be located at 1930 Jake Alexander Blvd West, Salisbury, Rowan County.

In Section L, page 95, the applicant projects the following payor mix for the proposed services during the third full fiscal year of operation following completion of the project, as shown in the table below.

Payor Source	# of New Admissions (Unduplicated)	% of Total	Days of Care	% of Total
Self-Pay	1	0.2%	45	0.2%
Charity	3	1.0%	203	1.0%
Hospice Medicare*	249	91.3%	18,568	91.3%
Hospice Medicaid*	14	5.0%	1,017	5.0%
Private Insurance*	7	2.5%	509	2.5%
Other (specify)	0	0.0%	---	0.0%
Total**	273	100.0%	20,342	100.0%

Source: Table on page 95 of the application.

*Including any managed care plans.

**Numbers may not foot due to rounding.

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 0.2%% of total days of care will be provided to self-pay patients, 1.0% to charity care patients, 91.3% to Medicare patients and 5.0% to Medicaid patients.

On page 95, the applicant provides the assumptions and methodology used to project payor mix during the third full fiscal year of operation following completion of the project. The projected payor mix is reasonable and adequately supported based on the applicant utilizing its historical experience from its existing hospice care office in Garner which the applicant states has a “*similar patient demographic, socioeconomic, and payor source*” to the proposed project and service area.

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion based on the reason stated above.

F-11948-20/ Hospice & Palliative Care of Rowan County/ Develop a new Hospice Home Care Office

HOIC proposes to develop a new hospice office to be located at 1121 Old Concord Road, Salisbury, Rowan County.

In Section L, pages 48-49, the applicant projects the following payor mix for the proposed services during the third full fiscal year of operation following completion of the project, as shown in the table below.

Payor Source	# of New Admissions (Unduplicated)	% of Total	Days of Care	% of Total
Self-Pay	2	0.8%	148	0.3%
Charity	3	1.2%	223	1.7%
Hospice Medicare*	224	94.0%	17,451	94.0%
Hospice Medicaid*	2	1.0%	185	1.0%
Private Insurance*	7	3.0%	557	3.0%
Other (specify)	0	0.0%	0	0.0%
Total	238	100.0%	18,564	100.0%

Source: Table on pages 48-49 of the application.

*Including any managed care plans.

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 0.3%% of total days of care will be provided to self-pay patients, 1.7% to charity care patients, 94.0% to Medicare patients and 1.0% to Medicaid patients.

The Project Analyst notes that the applicant omitted its assumptions and methodology for projecting payor mix but that it was found to be reasonable an adequately supported because HOIC’s payor mix in its 2020 Hospice Agency Annual Data Supplement to Licensure Application (Hospice LRA) for its hospice home care office in Iredell County, which is contiguous to Rowan County, was as follows: Hospice Medicare: 94.22%; Hospice Medicaid 1.42%; Private 2.65%; Self Pay 1.70% and Other 0.01%. In addition, HOIC’s projected payor mix is similar to the payor mix for Trellis Supportive Care Rowan, a hospice home care office in Rowan County, per its 2020 Hospice LRA.

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion based on the reason stated above.

F-11949-20/Adoration Home Health & Hospice/ Develop a new Hospice Home Care Office

Adoration proposes to develop a new hospice office to be located at 2106 Statesville Boulevard, Salisbury, Rowan County.

In Section L, page 71, the applicant projects the following payor mix for the proposed services during the third full fiscal year of operation following completion of the project, as shown in the table below.

Payor Source	# of New Admissions (Unduplicated)	% of Total	Days of Care	% of Total
Self-Pay	0	0.0%	0	0.00%
Charity	7	2.65%	437	2.65%
Hospice Medicare*	245	93.10%	15,336	93.10%
Hospice Medicaid*	5	2.00%	329	2.00%
Private Insurance*	6	2.25%	371	2.25%
Other (specify)	0	0.00%	42 [0]	0.00%
Total	263	100.00%	16,473	100.00%

Source: Table on page 71 of the application.

*Including any managed care plans.

Note: The Project Analyst's corrections are in brackets. The remaining days of care by payor add up to the total days of care.

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 2.65% of total days of care will be provided to charity care patients, 93.1% to Medicare patients and 2.0% to Medicaid patients.

On page 71, the applicant provides the assumptions and methodology used to project payor mix during the third full fiscal year of operation following completion of the project. The projected payor mix is reasonable and adequately supported based on the following reasons:

- Payor mix for hospices in Rowan County;

- Agreements the applicant has in place with existing hospitals and commitment to the provision of a target level of charity care to patients within Rowan County; and
- The applicant’s experience in developing and operating similar facilities.

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion based on the reason stated above.

F-11952-20/PruittHealth Hospice-Salisbury/ Develop a new Hospice Home Care Office

PruittHealth proposes to develop a new hospice office to be located at 507 West Innes Street, Salisbury, Rowan County.

In Section L, page 80, the applicant projects the following payor mix for the proposed services during the third full fiscal year of operation following completion of the project, as shown in the table below.

Payor Source	# of New Admissions (Unduplicated)	% of Total	Days of Care	% of Total
Self-Pay/Charity Care	5	1.6%	370	1.6%
Hospice Medicare*	296	96.4%	22,267	96.4%
Hospice Medicaid*	3	1.0%	231	1.0%
Private Insurance*	2	0.5%	116	0.5%
Other (UniHealth)	2	0.5%	116	0.5%
Total	308	100.0%	23,100	100.0%

Source: Table on page 80 of the application.

*Including any managed care plans.

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 1.6% of total days of care will be provided to self-pay and charity care patients, 96.4% to Medicare patients and 1.0% to Medicaid patients.

On page 80, the applicant provides the assumptions and methodology used to project payor mix during the third full fiscal year of operation following completion of the project. The projected payor mix is reasonable and adequately supported based on the applicant’s historical experience adjusted for the applicant’s goal of promoting hospice home care services to the medically indigent and the medically underserved.

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion based on the reason stated above.

F-11955-20/Continuum Care of North Carolina/ Develop a new Hospice Home Care Office

CCNC proposes to develop a new hospice office to be located at 507 West Innes Street, Salisbury, Rowan County.

In Section L, page 91, the applicant projects the following payor mix for the proposed services during the third full fiscal year of operation following completion of the project, as shown in the table below.

Payor Source	# of New Admissions (Unduplicated)	% of Total	Days of Care	% of Total
Self-Pay (includes Charity Care)	6	3.0%	452	3.0%
Hospice Medicare*	171	88.0%	13,265	88.0%
Hospice Medicaid*	14	7.0%	1,055	7.0%
Private Insurance*	4	2.0%	301	2.0%
Other (UniHealth)	0	0.0%	0	0.0%
Total	194	100.0%	15,074	100.0%

Source: Table on page 91 of the application.

*Including any managed care plans.

Totals may not foot due to computer rounding.

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 3.0% of total days of care will be provided to self-pay and charity care patients, 88.0% to Medicare patients and 7.0% to Medicaid patients.

On pages 92-94, the applicant provides the assumptions and methodology used to project payor mix during the third full fiscal year of operation following completion of the project. The projected payor mix is reasonable and adequately supported based on the following reasons:

- The applicant’s stated consideration of demographic factors in Rowan County including race and poverty data.
- The applicant’s planned use of tools and practices to address impediments to hospice care that confront underserved communities.

- The applicant’s consideration of the historical payor mix for hospice home care offices in Rowan County.

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion based on the reason stated above.

F-11956-20/Carolina Caring/ Develop a new Hospice Home Care Office

Carolina Caring proposes to develop a new hospice office to be located at 301 E. Centerview Street, China Grove, Rowan County.

In Section L, page 90, the applicant projects the following payor mix for the proposed services during the third full fiscal year of operation following completion of the project, as shown in the table below.

Payor Source	# of New Admissions (Unduplicated)	% of Total	Days of Care	% of Total
Self-Pay (includes Charity Care)	3	1.4%	223	1.4%
Hospice Medicare*	202	89.8%	14,451	89.8%
Hospice Medicaid*	11	4.7%	762	4.7%
Private Insurance*	9	4.0%	642	4.0%
Other (Specify)	0	0.1%	15	0.1%
Total	224	100.0%	16,092	100.0%

Source: Table on page 90 of the application.

*Including any managed care plans.

Totals may not foot due to rounding.

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 1.4% of total days of care will be provided to self-pay and charity care patients, 89.8% to Medicare patients and 4.7% to Medicaid patients.

On pages 90-92, the applicant provides the assumptions and methodology used to project payor mix during the third full fiscal year of operation following completion of the project. The projected payor mix is reasonable and adequately supported based on the applicant’s consideration of the historical FY2019 payor mix for hospice home care offices in Rowan County as a baseline adjusted for the applicant’s commitment to providing access to the medically underserved.

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion based on the reason stated above.

F-11957-20/PHC Hospice/ Develop a new Hospice Home Care Office
 PHC proposes to develop a new hospice office to be located at 2304 S Main Street, Salisbury, Rowan County.

In Section L, page 86, the applicant projects the following payor mix for the proposed services during the third full fiscal year of operation following completion of the project, as shown in the table below.

Payor Source	# of New Admissions (Unduplicated)	% of Total	Days of Care	% of Total
Self-Pay	1	0.3%	59	0.3%
Hospice Medicare*	203	89.4%	16,504	89.4%
Hospice Medicaid*	11	4.9%	911	4.9%
Private Insurance*	12	5.1%	941	5.1%
Other (VA)	1	0.3%	49	0.3%
Total	227	100.0%	18,464	100.0%

Source: Table on page 86 of the application.

*Including any managed care plans.

Totals may not foot due to rounding.

Note: On pages 86-87 the applicant states that charity care will be applied across payor groups.

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 0.3% of total days of care will be provided to self-pay patients, 89.4% to Medicare patients and 4.9% to Medicaid patients.

On pages 86-87, the applicant provides the assumptions and methodology used to project payor mix during the third full fiscal year of operation following completion of the project. The projected payor mix is reasonable and adequately supported based on the following reasons:

- The applicant's stated consideration of Rowan County socio-economic data.
- The applicant's review of existing Rowan and surrounding counties' agency License Renewal Applications.

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion based on the reason stated above.

- (d) That the applicant offers a range of means by which a person will have access to its services. Examples of a range of means are outpatient services, admission by house staff, and admission by personal physicians.

C

All Applications

F-11943-20/BAYADA Home Health Care, Inc./ Develop a new Hospice Home Care Office

In Section L.5, pages 85-86, the applicant adequately describes the range of means by which patients will have access to the proposed services.

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion.

F-11945-20/Amedisys Hospice Care/ Develop a new Hospice Home Care Office

In Section L.5, pages 96-97, the applicant adequately describes the range of means by which patients will have access to the proposed services.

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion.

F-11948-20/ Hospice & Palliative Care of Rowan County/ Develop a new Hospice Home Care Office

In Section L.4, page 50, the applicant adequately describes the range of means by which patients will have access to the proposed services.

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion.

F-11949-20/Adoration Home Health & Hospice/ Develop a new Hospice Home Care Office

In Section L.5, page 72, the applicant adequately describes the range of means by which patients will have access to the proposed services.

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion.

F-11952-20/PruittHealth Hospice-Salisbury/ Develop a new Hospice Home Care Office

In Section L.5, page 81, the applicant adequately describes the range of means by which patients will have access to the proposed services.

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion.

F-11955-20/Continuum Care of North Carolina/ Develop a new Hospice Home Care Office

In Section L.5, page 95, the applicant adequately describes the range of means by which patients will have access to the proposed services.

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion.

F-11956-20/Carolina Caring/ Develop a new Hospice Home Care Office

In Section L.5, page 93, the applicant adequately describes the range of means by which patients will have access to the proposed services.

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion.

F-11957-20/PHC Hospice/ Develop a new Hospice Home Care Office

In Section L.5, page 88, the applicant adequately describes the range of means by which patients will have access to the proposed services.

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion.

- (14) The applicant shall demonstrate that the proposed health services accommodate the clinical needs of health professional training programs in the area, as applicable.

ALL APPLICATIONS. In Section M, the applicants describe the extent to which health professional training programs in the area have or will have access to the facility for training purposes and provide supporting documentation in the referenced exhibits.

The Agency reviewed the:

- Applications
- Exhibits to the applications

Based on that review, the Agency concludes that all the applications adequately demonstrate that the proposed services will accommodate the clinical needs of area health professional training programs, and therefore, all the applications are conforming to this criterion.

- (15) Repealed effective July 1, 1987.
- (16) Repealed effective July 1, 1987.
- (17) Repealed effective July 1, 1987.
- (18) Repealed effective July 1, 1987.
- (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.

C
BAYADA
HOIC
CCNC
Carolina Caring
PHC

NC
Amedisys
Adoration
PruittHealth

On page 305, the 2020 SMFP defines the service area for a hospice office as *“the county in which the hospice office is located. Each of the 100 counties in the state is a separate hospice office service area.”* Thus, the service area for this facility consists of Rowan County. Facilities may also serve residents of counties not included in their service area.

See the following table, which illustrates the existing hospice home care offices in Rowan County as reflected in Table 13A, page 336 of the 2020 SMFP:

License #	Facility Name	Admissions	Days of Care	Deaths
HOS2425	Trellis Supportive Care Rowan	451	19,531	402
HOS4599	Novant Health Hospice	34	371	24
Totals		485	19,902	426

F-11943-20/BAYADA Home Health Care, Inc./ Develop a new Hospice Home Care Office

BAYADA proposes to develop a new hospice office to be located at 103 Dorsett Dr., Salisbury, Rowan County.

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 90, the applicant states:

“BAYADA hospice will enhance competition in terms of:

- *Providing excellent quality of hospice care serving pediatric and adult patients and their families.*
- *Providing more extensive education resources for patients, family, healthcare education programs and the overall community.*
- *Implementing new agreements with nursing facilities, assisted living facilities and hospitals to work collaboratively and provide patients with greater choice.*
- *Expanding access to hospice home care to medically underserved groups through culturally appropriate outreach services and liaison.”*

Regarding the impact of the proposal on cost effectiveness, in Section N, page 91, the applicant states:

“...BAYADA Hospice will provide cost effective hospice services by providing hospice and palliative care to the patient and family in their home to the greatest extent possible and by coordinating care in nursing facilities, assisted living facilities and hospitals.”

See also Sections B, C, F, and Q of the application and any exhibits.

Regarding the impact of the proposal on quality, in Section N, page 91, the applicant states:

“...BAYADA ... has an interdisciplinary team focused on the quality indicator audits and planning as described in the care coordination policy... BAYADA Hospice’s centralized Clinical Standards & Quality unit...performs quarterly internal audits for each local program.”

See also Sections B, C and O of the application and any exhibits.

Regarding the impact of the proposal on access by medically underserved groups, in Section N, page 92, the applicant states:

“Bayada will improve access to hospice services to underserved populations through its community liaison, leadership collaboration, staff training and community outreach. ... Bayada maintains a non-discrimination policy and serves all patients regardless of age, race, color, creed, national origin, disability, sex or ability to pay.”

See also Section B, C and L of the application and any exhibits.

The applicant adequately describes the expected effects of the proposed services on competition in the service area and adequately demonstrates the proposal would have a positive impact on cost-effectiveness, quality, and access because the applicant adequately demonstrates that:

- 1) The proposal is cost effective because the applicant adequately demonstrated: a) the need the population to be served has for the proposal; b) that the proposal would not result in an unnecessary duplication of existing and approved health services; and c) that projected revenues and operating costs are reasonable.
- 2) Quality care would be provided based on the applicant’s representations about how it will ensure the quality of the proposed services and the applicant’s record of providing quality care in the past.
- 3) Medically underserved groups will have access to the proposed services based on the applicant’s representations about access by medically underserved groups and the projected payor mix.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

F-11945-20/Amedisys Hospice Care/ Develop a new Hospice Home Care Office

Amedisys proposes to develop a new hospice office to be located at 1930 Jake Alexander Blvd West, Salisbury, Rowan County.

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 99, the applicant states:

“...Amedisys Hospice does not expect any negative effects on the competition in the proposed service area. ... A hospice with the resources that Amedisys Hospice and its affiliates will bring to Rowan County and the service area, ‘all ships with [sic] rise with the tide’.

Regarding the impact of the proposal on cost effectiveness, in Section N, page 99, the applicant states:

“Amedisys Hospice’s services are primarily provided in a patient’s home, allowing operational cost effectiveness, as well as cost effectiveness for the patients.”

See also Sections B, C, F, and Q of the application and any exhibits.

Regarding the impact of the proposal on quality, in Section N, page 99, the applicant states:

“As an existing provider of hospice care services, Amedisys Hospice will leverage that experience to bring quality hospice care to the proposed service area.”

See also Sections B, C and O of the application and any exhibits.

Regarding the impact of the proposal on access by medically underserved groups, in Section N, page 100, the applicant states:

“The Applicant does not turn away patients based on their ability to pay. ... approximately 5% of the projected patients will be Medicaid-eligible.”

See also Section B, C and L of the application and any exhibits.

However, the applicant does not adequately describe the expected effects of the proposed services on competition in the service area or adequately demonstrate that:

1. The proposal is cost effective because the applicant did not adequately demonstrate:
 - a) the need the population to be served has for the proposal;
 - b) that the proposal would not result in an unnecessary duplication of existing and approved health services; and
 - c) that projected revenues and operating costs are reasonable.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is not conforming to this criterion for all the reasons described above.

F-11948-20/ Hospice & Palliative Care of Rowan County/ Develop a new Hospice Home Care Office

HOIC proposes to develop a new hospice office to be located at 1121 Old Concord Road, Salisbury, Rowan County.

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 53, the applicant states:

“Adding another healthcare license to Rowan County will reduce the underserved population in the service area. In turn, it will add a level of healthy competition for other providers in Rowan County. It is likely unavoidable that existing providers will lose some potential or current patients when another license is provided. Potential loss of patients will likely motivate these existing providers to increase the quality of their services or reduce costs, among other outcomes.”

Regarding the impact of the proposal on cost effectiveness, in Section N, page 53, the applicant states:

“...when more competition is introduced to Rowan County, existing providers will likely reduce costs of their services to prevent a loss of patients. All providers in the area will likely also be incentivized to be more cost-efficient when providing services to be able to take on more patients.”

See also Sections B, C, F, and Q of the application and any exhibits.

Regarding the impact of the proposal on quality, in Section N, pages 53-54, the applicant states:

“The proven track record of Hospice of Iredell County shows that we are ready to excel at the challenge of serving more patients while still providing extraordinary care. ... To allow HOIC to operate tis new homecare license would bring our outstanding quality of services to Rowan County.”

See also Sections B, C and O of the application and any exhibits.

Regarding the impact of the proposal on access by medically underserved groups, in Section N, page 54, the applicant states:

“In applying for this license, Hospice of Iredell County seeks to drastically reduce the number of medically underserved residents in the service area. Hospice of Iredell County does not base admissions on any socioeconomic factor or ability to pay, so allowing us to fill this license will allow those who were previously denied services in the county to be served. To ensure that many more residents who previously went unserved in Rowan County are reached, our Community Liaison will be in contact with local churches and the homeless shelter in Salisbury, Rowan Helping Ministries, to identify those groups.”

See also Section B, C and L of the application and any exhibits.

The applicant adequately describes the expected effects of the proposed services on competition in the service area and adequately demonstrates the proposal would have a positive impact on cost-effectiveness, quality, and access because the applicant adequately demonstrates that:

- 1) The proposal is cost effective because the applicant adequately demonstrated: a) the need the population to be served has for the proposal; b) that the proposal would not result in an unnecessary duplication of existing and approved health services; and c) that projected revenues and operating costs are reasonable.
- 2) Quality care would be provided based on the applicant's representations about how it will ensure the quality of the proposed services and the applicant's record of providing quality care in the past.
- 3) Medically underserved groups will have access to the proposed services based on the applicant's representations about access by medically underserved groups and the projected payor mix.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

F-11949-20/Adoration Home Health & Hospice/ Develop a new Hospice Home Care Office

Adoration proposes to develop a new hospice office to be located at 2106 Statesville Boulevard, Salisbury, Rowan County.

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 75, the applicant states:

“The proposed Adoration project would provide positive competition and improved patient choice for residents of Rowan County and neighboring communities.”

Regarding the impact of the proposal on cost effectiveness, in Section N, page 77, the applicant states:

“...Adoration has the depth of experience, requisite expertise, and proven track record to increase the utilization of hospice services in Rowan County, which have historically been

underutilized. An increase in hospice utilization will represent a cost-effective modality of care for terminally ill patients who currently might not seek or have access to hospice care.”

See also Sections B, C, F, and Q of the application and any exhibits.

Regarding the impact of the proposal on quality, in Section N, page 80, the applicant states:

“...Adoration is committed to promoting safety and quality in its delivery of healthcare services in Rowan County. Adoration will achieve these goals, in part, by implementing the policies discussed throughout this application and also by implementing a written plan for the comprehensive performance assessment of its hospice program, including measures related to the quality of care and the appropriateness [sic] the level of care provided...”

See also Sections B, C and O of the application and any exhibits.

Regarding the impact of the proposal on access by medically underserved groups, in Section N, page 80, the applicant states:

“...Adoration considers all patients for admission, regardless of ability to pay, per its Nondiscrimination Policy Adoration also plans to increase access to hospice services provided to veterans, a relatively large population in Rowan County, which is home to the W.G. (Bill) Hefner VA Medical Center in Salisbury.”

See also Section B, C and L of the application and any exhibits.

However, the applicant does not adequately describe the expected effects of the proposed services on competition in the service area or adequately demonstrate that:

1. The proposal is cost effective because the applicant did not adequately demonstrate:
 - a) the need the population to be served has for the proposal; b) that the proposal would not result in an unnecessary duplication of existing and approved health services; and
 - c) that projected revenues and operating costs are reasonable.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is not conforming to this criterion for all the reasons described above.

F-11952-20/PruittHealth Hospice-Salisbury/ Develop a new Hospice Home Care Office

PruittHealth proposes to develop a new hospice office to be located at 507 West Innes Street, Salisbury, Rowan County.

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 85, the applicant states:

“PruittHealth Hospice believes that its development of a hospice home care program in Rowan County with the support of its PruittHealth-affiliated sister organizations is uniquely capable to increase the quality, value, and access of hospice services in Rowan County...”

Regarding the impact of the proposal on cost effectiveness, in Section N, page 85, the applicant states:

“The hospice program will be in existing office space, thus enabling PruittHealth to minimize capital costs. ... Because PruittHealth Hospice is part of the PruittHealth family of providers... PruittHealth Hospice will experience resource efficiencies and shared service opportunities. ... The development of PruittHealth Hospice will positively impact the service area hospitals by assisting to reduce re-hospitalizations.”

See also Sections B, C, F, and Q of the application and any exhibits.

Regarding the impact of the proposal on quality, in Section N, page 86, the applicant states:

“PruittHealth Hospice will be effective in managing the quality of its hospice services because of its support and training resources and the standardization of care policies and procedures throughout its organization.”

See also Sections B, C and O of the application and any exhibits.

Regarding the impact of the proposal on access by medically underserved groups, in Section N, page 86, the applicant states:

“...PruittHealth Hospice will not limit access to its services based on any patient characteristic, including the inability to pay.”

See also Section B, C and L of the application and any exhibits.

However, the applicant does not adequately describe the expected effects of the proposed services on competition in the service area or adequately demonstrate that:

1. The proposal is cost effective because the applicant did not adequately demonstrate:
 - a) the need the population to be served has for the proposal; b) that the proposal would not result in an unnecessary duplication of existing and approved health services; and
 - c) that projected revenues and operating costs are reasonable.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is not conforming to this criterion for all the reasons described above.

F-11955-20/Continuum Care of North Carolina/ Develop a new Hospice Home Care Office

CCNC proposes to develop a new hospice office to be located at 507 West Innes Street, Salisbury, Rowan County.

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 97, the applicant states:

“CCNC’s proposed project will enhance competition in Rowan County... Its proposed service intensity provides significant patient touches on a daily/weekly basis for its patients. This results in the enhancement of quality of care and is a true demonstration of how competition favorably impacts quality of care and cost-effectiveness.”

Regarding the impact of the proposal on cost effectiveness, in Section N, pages 97-98, the applicant states:

“Hospice care is the embodiment of efficiency. Patients that choose to enroll in hospice largely forego curative treatment and opt for comfort care and symptom management, which are significantly lower-cost options that produce better care for patients. ... The overall effect of the proposed CCNC hospice program will be to save local hospitals and CMS considerable funds while better meeting the clinical needs of the local community.”

See also Sections B, C, F, and Q of the application and any exhibits.

Regarding the impact of the proposal on quality, in Section N, pages 98-99, the applicant states:

“CCNC will focus on providing quality through its service intensity. Its proposed service intensity provides robust levels of patient touches on a daily/weekly basis for its patients. ... This results in the enhancement of quality of care. ... In addition, CCNC will seek CHAP [Community Health Accreditation Partner] accreditation for the proposed Rowan County hospice agency. ... CHAP is the leader in improving the quality of community-based healthcare services.”

See also Sections B, C and O of the application and any exhibits.

Regarding the impact of the proposal on access by medically underserved groups, in Section N, page 99, the applicant states:

“CCNC will admit patients to the program, regardless of their ability to pay. ... CCNC’s leadership has partnered with key community organizations to ensure medically indigent and medically underserved are cared for and have access to hospice care.”

See also Section B, C and L of the application and any exhibits.

The applicant adequately describes the expected effects of the proposed services on competition in the service area and adequately demonstrates the proposal would have a positive impact on cost-effectiveness, quality, and access because the applicant adequately demonstrates that:

- 1) The proposal is cost effective because the applicant adequately demonstrated: a) the need the population to be served has for the proposal; b) that the proposal would not result in an unnecessary duplication of existing and approved health services; and c) that projected revenues and operating costs are reasonable.
- 2) Quality care would be provided based on the applicant’s representations about how it will ensure the quality of the proposed services.
- 3) Medically underserved groups will have access to the proposed services based on the applicant’s representations about access by medically underserved groups and the projected payor mix.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

F-11956-20/Carolina Caring/ Develop a new Hospice Home Care Office

Carolina Caring proposes to develop a new hospice office to be located at 301 E. Centerview Street, China Grove, Rowan County.

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 97, the applicant states:

“The project will promote competition in the service area because it brings a high-quality provider physically into the Rowan County marketplace, and will thus ensure more timely access to and provision of hospice home care services for Rowan County residents.

Regarding the impact of the proposal on cost effectiveness, in Section N, page 97, the applicant states:

“Carolina Caring has the depth of experience, expertise, and proven track record to increase the utilization of hospice services in Rowan County, which have been chronically underutilized historically. An increase in hospice utilization will represent a cost-effective alternative to care for terminally ill patients who currently might not seek hospice care.”

See also Sections B, C, F, and Q of the application and any exhibits.

Regarding the impact of the proposal on quality, in Section N, pages 98-99, the applicant states:

“Carolina Caring’s mission is to provide world-class, compassionate care by engaging all individuals and their families to enhance living. ... Carolina Caring is confident that it will bring its quality of care philosophy and strategy to benefit a greater number of Rowan County residents needing hospice care. ... Carolina Caring has developed, implemented, and maintains an effective, ongoing, organization-wide data-driven Quality Assessment & Performance Improvement (QAPI) Program. The program evaluates, assesses, measures, and improves the performance of management, clinical and support processes, identifies and resolves problems.”

See also Sections B, C and O of the application and any exhibits.

Regarding the impact of the proposal on access by medically underserved groups, in Section N, pages 100-101, the applicant states:

“Carolina Caring will make its hospice home care services available to and accessible by any patient having a clinical need for such services. ... Carolina Caring will be a participating Medicare and Medicaid provider to serve the elderly and medically indigent populations in Rowan County... will not discriminate on the basis of race, color, natural origin, age, disability, gender, or sexual orientation.”

See also Section B, C and L of the application and any exhibits.

The applicant adequately describes the expected effects of the proposed services on competition in the service area and adequately demonstrates the proposal would have a positive impact on cost-effectiveness, quality, and access because the applicant adequately demonstrates that:

- 1) The proposal is cost effective because the applicant adequately demonstrated: a) the need the population to be served has for the proposal; b) that the proposal would not result in an unnecessary duplication of existing and approved health services; and c) that projected revenues and operating costs are reasonable.

- 2) Quality care would be provided based on the applicant's representations about how it will ensure the quality of the proposed services and the applicant's record of providing quality care in the past.
- 3) Medically underserved groups will have access to the proposed services based on the applicant's representations about access by medically underserved groups and the projected payor mix.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

F-11957-20/PHC Hospice/ Develop a new Hospice Home Care Office

PHC proposes to develop a new hospice office to be located at 2304 S Main Street, Salisbury, Rowan County.

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 91, the applicant states:

“A new competitor will provide market competition to keep other program offerings and access competitive. The competitive option for consumers and others for whom price is a concern should also work to contain prices for hospice patients that are not fully covered by insurance.”

Regarding the impact of the proposal on cost effectiveness, in Section N, pages 91-92, the applicant states:

“Increasing access to hospice home care service in two underserved counties should reduce preventable end-of-life hospitalizations. Additionally, local administrative services will minimize overhead costs. ... PHC has learned how to be efficient with staffing. It will zone staff ... This will have the dual benefit of enabling the staff to learn the communities and reducing travel time among visits.”

See also Sections B, C, F, and Q of the application and any exhibits.

Regarding the impact of the proposal on quality, in Section N, page 92, the applicant states:

“PHC will bring experience with operating as an ACHC accredited and certified home health agency that has a good track record. It has years of experience operating without licensure or Medicare/Medicaid penalties.”

See also Sections B, C and O of the application and any exhibits.

Regarding the impact of the proposal on access by medically underserved groups, in Section N, page 94, the applicant states:

“PHC Hospice will be certified to serve Medicare and Medicaid eligible patients. ... PHC has negotiated with the Veterans Health Administration (VA) and is accepted by the VA to act as a provider of certified home health services to veterans who are VA patients, who are either disabled, low-income, or have recently served in active duty. ... PHC does not discriminate on the basis of age, gender, sexual preference, race or religion. PHC is an equal opportunity employer and its staff reflect the cultural diversity in the community it serves.”

See also Section B, C and L of the application and any exhibits.

The applicant adequately describes the expected effects of the proposed services on competition in the service area and adequately demonstrates the proposal would have a positive impact on cost-effectiveness, quality, and access because the applicant adequately demonstrates that:

- 1) The proposal is cost effective because the applicant adequately demonstrated: a) the need the population to be served has for the proposal; b) that the proposal would not result in an unnecessary duplication of existing and approved health services; and c) that projected revenues and operating costs are reasonable.
- 2) Quality care would be provided based on the applicant’s representations about how it will ensure the quality of the proposed services.
- 3) Medically underserved groups will have access to the proposed services based on the applicant’s representations about access by medically underserved groups and the projected payor mix.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (19) Repealed effective July 1, 1987.

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

C

All Applications

F-11943-20/BAYADA Home Health Care, Inc./ Develop a new Hospice Home Care Office

BAYADA proposes to develop a new hospice office to be located at 103 Dorsett Dr., Salisbury, Rowan County.

In Section A.9, page 7, the applicant identifies the hospice offices located in North Carolina owned, operated or managed by the applicant or a related entity. The applicant identifies a total of one of this type of facility located in North Carolina.

In Section O.2, page 96, the applicant states that, during the 18 months immediately preceding the submittal of the application, incidents related to quality of care did not occur in this facility. According to the files in the Acute and Home Care Licensure and Certification Section, DHSR, during the 18 months immediately preceding submission of the application through the date of this decision, incidents related to quality of care did not occur in this facility. After reviewing and considering information provided by the applicant and by the Acute and Home Care Licensure and Certification Section and considering the quality of care provided at its hospice facility, the applicant provided sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

F-11945-20/Amedisys Hospice Care/ Develop a new Hospice Home Care Office

Amedisys proposes to develop a new hospice office to be located at 1930 Jake Alexander Blvd West, Salisbury, Rowan County.

In Section A.9, pages 8-9, the applicant identifies the hospices offices located in North Carolina owned, operated or managed by the applicant or a related entity. The applicant identifies a total of six of this type of facility located in North Carolina.

In Section O.2, pages 103-104, the applicant states that, during the 18 months immediately preceding the submittal of the application, incidents related to quality of care occurred in none of these facilities. According to the files in the Acute and Home Care Licensure and Certification Section, DHSR, during the 18 months immediately preceding submission of the application through the date of this decision, incidents related to quality of care occurred in none of these facilities. After reviewing and considering information provided by the applicant and by the Acute and Home Care Licensure and Certification Section and considering the quality of care provided at all six hospice facilities, the applicant provided sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

F-11948-20/ Hospice & Palliative Care of Rowan County/ Develop a new Hospice Home Care Office

HOIC proposes to develop a new hospice office to be located at 1121 Old Concord Road, Salisbury, Rowan County.

In Section A.9, page 8, the applicant identifies the hospice offices located in North Carolina owned, operated or managed by the applicant or a related entity. The applicant identifies a total of three of this type of facility located in North Carolina.

In Section O, page 55, the applicant states that, during the 18 months immediately preceding the submittal of the application, incidents related to quality of care occurred in none of these facilities. According to the files in the Acute and Home Care Licensure and Certification Section, DHSR, during the 18 months immediately preceding submission of the application through the date of this decision, incidents related to quality of care occurred in none of these facilities. After reviewing and considering information provided by the applicant and by the Acute and Home Care Licensure and Certification Section and considering the quality of care provided at all three facilities, the applicant provided sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

F-11949-20/Adoration Home Health & Hospice/ Develop a new Hospice Home Care Office

Adoration proposes to develop a new hospice office to be located at 2106 Statesville Boulevard, Salisbury, Rowan County.

In Section A, page 8, the applicant states that neither the applicant nor a related entity owns, operates or manages a hospice home care office in North Carolina.

In Section O, page 81, the applicant states that it is *“dedicated to maintaining the high level of quality services established by its parent company, BrightSpring Health Services. Upon approval of this application, Adoration will, consistent with the BrightSpring brand home health agencies in North Carolina, obtain accreditation from ACHC. Adoration intends to obtain ACHC accreditation within approximately five months.”* In Section B, pages 11-15, the applicant describes that quality practices, policies and history of BrightSpring Health Services.

After reviewing and considering information provided by the applicant, the applicant provided sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

F-11952-20/PruittHealth Hospice-Salisbury/ Develop a new Hospice Home Care Office

PruittHealth proposes to develop a new hospice office to be located at 507 West Innes Street, Salisbury, Rowan County.

In Section A.9, page 7, the applicant identifies the hospice offices located in North Carolina owned, operated or managed by the applicant or a related entity. The applicant identifies a total of five of this type of facility located in North Carolina.

In Section O, page 100, the applicant states that, during the 18 months immediately preceding the submittal of the application, incidents related to quality of care occurred in none of these facilities. According to the files in the Acute and Home Care Licensure and Certification Section, DHSR, during the 18 months immediately preceding submission of the application through the date of this decision, incidents related to quality of care occurred in none of these facilities. After reviewing and considering information provided by the applicant and by the Acute and Home Care Licensure and Certification Section and considering the quality of care provided at all five of the hospice facilities, the applicant provided sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

F-11955-20/Continuum Care of North Carolina/ Develop a new Hospice Home Care Office

CCNC proposes to develop a new hospice office to be located at 507 West Innes Street, Salisbury, Rowan County.

In Section A, page 12, the applicant states that neither the applicant nor a related entity owns, operates or manages a hospice home care office in North Carolina.

In Section O, page 103, the applicant states that *“Each Continuum hospice program undergoes an arduous accreditation process by [Community Health Accreditation Partner] CHAP to become accredited. By becoming CHAP accredited, CCNC will objectively validate the excellence of its community-based practice through consistent measurement of the delivery of its quality services.”*

After reviewing and considering information provided by the applicant, the applicant provided sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

F-11956-20/Carolina Caring/ Develop a new Hospice Home Care Office

Carolina Caring proposes to develop a new hospice office to be located at 301 E. Centerview Street, China Grove, Rowan County.

In Section A.9, page 9, the applicant identifies the hospice facilities located in North Carolina owned, operated or managed by the applicant or a related entity. The applicant identifies a total of one of this type of facility located in North Carolina.

In Section O.2, page 106, the applicant states that, during the 18 months immediately preceding the submittal of the application, incidents related to quality of care did not occur in this facility. According to the files in the Acute and Home Care Licensure and Certification Section, DHSR, during the 18 months immediately preceding submission of the application through the date of

this decision, incidents related to quality of care did not occur in this facility. After reviewing and considering information provided by the applicant and by the Acute and Home Care Licensure and Certification Section and considering the quality of care provided at its one hospice facility, the applicant provided sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

F-11957-20/PHC Hospice/ Develop a new Hospice Home Care Office

PHC proposes to develop a new hospice office to be located at 2304 S Main Street, Salisbury, Rowan County.

In Section A, page 8, the applicant states that neither the applicant nor a related entity owns, operates or manages a hospice home care office in North Carolina.

In Section O, page 96, the applicant states that it has a home health agency in North Carolina that is accredited by ACHC which “*demonstrates PHC has met regulatory requirements and nationally recognized standards.*” Furthermore, on page 96, the applicant states that its home health agency is in compliance with the Centers for Medicare & Medicaid (CMS) Conditions of Participation for Medicare Certification.

After reviewing and considering information provided by the applicant, the applicant provided sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

- (21) Repealed effective July 1, 1987.
- (b) The Department is authorized to adopt rules for the review of particular types of applications that will be used in addition to those criteria outlined in subsection (a) of this section and may vary according to the purpose for which a particular review is being conducted or the type of health service reviewed. No such rule adopted by the Department shall require an academic medical center teaching hospital, as defined by the State Medical Facilities Plan, to demonstrate that any facility or service at another hospital is being appropriately utilized in order for that academic medical center teaching hospital to be approved for the issuance of a certificate of need to develop any similar facility or service.

NA
All Applications

There are no administrative rules applicable to the development of a new hospice home care office.

COMPARATIVE ANALYSIS

Pursuant to N.C. Gen. Stat. § 131E-183(a)(1) and the 2020 State Medical Facilities Plan, no more than one additional hospice home care office may be approved for Rowan County in this review. Because the eight applications in this review collectively propose to develop eight additional hospice home care offices to be located in Rowan County, not all of the applications can be approved. Therefore, after considering all the information in each application and reviewing each application individually against all applicable review criteria, the Project Analyst conducted a comparative analysis of the proposals to decide which proposal should be approved.

The following provides a brief description of each of the proposed projects being addressed in the comparative analysis:

- **F-11943-20/BAYADA Home Health Care, Inc./ Develop a new Hospice Home Care Office**
BAYADA proposes to develop a new hospice office to be located at 103 Dorsett Dr., Salisbury, Rowan County.
- **F-11945-20/Amedisys Hospice Care/ Develop a new Hospice Home Care Office**
Amedisys proposes to develop a new hospice office to be located at 1930 Jake Alexander Blvd West, Salisbury, Rowan County.
- **F-11948-20/ Hospice & Palliative Care of Rowan County/ Develop a new Hospice Home Care Office**
HOIC proposes to develop a new hospice office to be located at 1121 Old Concord Road, Salisbury, Rowan County.
- **F-11949-20/Adoration Home Health & Hospice/ Develop a new Hospice Home Care Office**
Adoration proposes to develop a new hospice office to be located at 2106 Statesville Boulevard, Salisbury, Rowan County.
- **F-11952-20/PruittHealth Hospice-Salisbury/ Develop a new Hospice Home Care Office**
PruittHealth proposes to develop a new hospice office to be located at 507 West Innes Street, Salisbury, Rowan County.
- **F-11955-20/Continuum Care of North Carolina/ Develop a new Hospice Home Care Office**
CCNC proposes to develop a new hospice office to be located at 507 West Innes Street, Salisbury, Rowan County.

- **F-11956-20/Carolina Caring/ Develop a new Hospice Home Care Office**
Carolina Caring proposes to develop a new hospice office to be located at 301 E. Centerview Street, China Grove, Rowan County.
- **F-11957-20/PHC Hospice/ Develop a new Hospice Home Care Office**
PHC proposes to develop a new hospice office to be located at 2304 S Main Street, Salisbury, Rowan County.

Conformity with Statutory and Regulatory Review Criteria

The applications submitted by BAYADA, CCNC, Carolina Caring and PHC are conforming with all applicable statutory and regulatory review criteria.

However, the applications submitted by Amedisys, HOIC, Adoration and PruittHealth are not conforming with all applicable statutory and regulatory review criteria. An application that is not conforming to all applicable statutory and regulatory review criteria cannot be approved. Therefore, regarding this comparative factor, the applications submitted by **BAYADA, CCNC, Carolina Caring** and **PHC** are equally effective alternatives and more effective than the applications submitted by **Amedisys, HOIC, Adoration** and **PruittHealth**.

Scope of Services

Each of the eight applications propose to develop a hospice home care office in Rowan County providing service for routine home care days, inpatient care days, respite care days and continuous care. Therefore, the applications are all equally effective alternatives with respect to this comparative.

Historical Utilization

	Hospice Office in Rowan County	Hospice Office in North Carolina	Hospice Office Outside North Carolina
BAYADA	No	No	Yes
Amedisys	No	Yes	Yes
HOIC	No	Yes	No
Adoration	No	No	Yes
PruittHealth	No	Yes	Yes
CCNC	No	Yes	Yes
Carolina Caring	No	Yes	No
PHC	No	No	No

Each of the applicants, except PHC, have experience providing hospice home care services, either in North Carolina or outside of North Carolina. Therefore, all the applicants are equally effective alternatives with respect to this comparative factor except for PHC, which is the less effective alternative.

Geographic Accessibility (Location within the Service Area)

The 2020 SMFP identifies the need for one hospice home care office in Rowan County. There are currently two hospice home care office's in Rowan County both of which are in Salisbury, Rowan County. Of the eight applications, all but one, Carolina Caring, propose to develop a hospice home care office in Salisbury. Carolina Caring proposes to develop a hospice home care office in China Grove, Rowan County.

However, since a hospice home care office serves patients in their homes or in an inpatient setting and patients and staff can reside anywhere in the county, the geographic location of the hospice home care office is not a determinative factor. Therefore, the applications are all equally effective alternatives with respect to this comparative.

Access by Service Area Residents

On page 305, the 2020 SMFP defines the service area for a hospice office as “the county in which the hospice office is located. Each of the 100 counties in the state is a separate hospice office service area.” The need determination is for a hospice home care office in Rowan County, thus the service area is Rowan County. Generally, the application projecting the highest number of new service area residents to be served is the more effective alternative with regard to this comparative factor.

The following table illustrates access by service area residents during the third full fiscal year following project completion.

Applicant	Total # of New (Unserved) Rowan County Residents Served	Total # of New (Unduplicated) Patients Served	Rowan County Residents Served as a % of Total New Patients Served
BAYADA	210	241	87.1%
Amedisys	225	273	82.4%
HOIC	238	238	100.0%
Adoration	149	263	57.0%
PruittHealth	170	308	55.3%
CCNC	186	194	95.9%
Carolina Caring	186*	224	83.03%
PHC	191	227	84.1%

*based on “new/unserved” Rowan County Residents, so the 27 Rowan County Deaths already being served by Carolina Caring were “backed out” which reduced the number of Rowan County Residents Served from 217 to 186.

As shown in the table above, HOIC, and then Amedisys, in that order, projects to serve the highest total number of Rowan County residents, however, neither HOIC nor Amedisys are conforming to all applicable statutory and regulatory criteria and therefore HOIC and Adoration are not approvable. After Amedisys, **BAYADA** projects to serve the highest total number of Rowan County residents. Therefore, **BAYADA** is the most effective alternative and the remaining applications are less effective with respect to this comparative factor.

Access by Underserved Groups

Underserved groups are defined in G.S. 131E-183(a)(13) as follows:

“Medically underserved groups, such as medically indigent or low-income persons, Medicaid and Medicare recipients, racial and ethnic minorities, women, and handicapped persons, which have traditionally experienced difficulties in obtaining equal access to the proposed services, particularly those needs identified in the State Health Plan as deserving of priority.”

The following table shows each applicant’s projected charity care to be provided in the project’s third full operating year. Generally, the application proposing to provide the most charity care is the more effective alternative with regard to this comparative factor.

Projected Charity Care

3rd Project Year

APPLICANT	Charity Care	# of Patients Served	Charity Care per Patient	Gross Revenue	Charity Care as a Percent of Gross Revenue
BAYADA*	\$45,699	266	\$172	\$4,157,844	1.09%
Amedisys	\$33,728	312	\$108	\$3,372,808	1.0%
HOIC	\$69,791	269	\$259	\$3,768,435	1.85%
Adoration	\$89,772	311	\$289	\$3,297,918	2.72%
PruittHealth	\$68,871	366	\$188	\$4,558,273	1.51%
CCNC	\$58,539	244	\$240	\$3,430,637	1.71%
Carolina Caring	\$91,575	247	\$371	\$3,562,109	2.57%
PHC	\$43,060	271	\$158	\$4,377,033	0.98%

As shown in the table above, **Carolina Caring** projects the highest total Charity Care both in dollars and in Charity Care per patient while Adoration projects the highest Charity Care as a percent of Gross Revenue. However, Adoration is not conforming to all applicable statutory and regulatory criteria and therefore Adoration is not approvable. After Adoration, **Carolina Caring** projects the highest Charity Care as a percent of gross revenue. Therefore, regarding overall access to Charity Care **Carolina Caring** is the most effective alternative and the remaining applications are less effective with respect to this comparative factor.

Projected Medicare

The following table shows projected Medicare revenue during the third full fiscal year following project completion for each facility. Generally, the application projecting the highest Medicare revenue is the more effective alternative with regard to this comparative factor to the extent Medicare revenue represents Medicare patients served.

APPLICANT	Projected Total Medicare	# of Patients Served	Medicare Revenue per Patient	Gross Revenue	Medicare Percent of Total Gross Revenue
BAYADA	\$3,742,394	266	\$14,069	\$4,157,844	90.0%
Amedisys	\$3,138,833	312	\$10,060	\$3,372,808	93.1%
HOIC	\$3,327,498	269	\$12,370	\$3,768,435	88.3%
Adoration	\$3,153,943	311	\$10,141	\$3,297,918	95.6%
PruittHealth	\$4,405,148	366	\$12,036	\$4,558,273	96.6%
CCNC	\$2,923,337	244	\$11,981	\$3,430,637	85.2%
Carolina Caring	\$3,159,681	247	\$12,792	\$3,562,109	88.7%
PHC	\$3,805,286	271	\$14,042	\$4,377,033	86.9%

As shown in the table above, PruittHealth projects the highest total Medicare revenue in dollars, BAYADA projects the highest Medicare revenue per patient, and PruittHealth, Adoration and Amedisys, in that order, respectively project the highest Medicare percent of total gross revenue. However, neither Adoration, Amedisys nor PruittHealth are conforming to all applicable statutory and regulatory criteria and therefore Adoration, Amedisys and PruittHealth are not approvable. Therefore, while PHC projects the highest total Medicare revenue in dollars, **BAYADA** projects both the highest Medicare Revenue per patient and the highest Medicare percent of total gross revenue. Therefore, regarding overall access to Medicare **BAYADA** is the most effective alternative and the remaining applications are less effective with respect to this comparative factor.

Projected Medicaid

The following table shows projected Medicaid revenue during the third full fiscal year following project completion for each facility. Generally, the application projecting the highest Medicaid revenue is the more effective alternative with regard to this comparative factor to the extent Medicaid revenue represents Medicaid patients served.

APPLICANT	Projected Total Medicaid	# of Patient Served	Medicaid Revenue per Patient	Medicaid Percent of Total Gross Revenue
BAYADA	\$255,501	266	\$961	6.15%
Amedisys	\$149,796	312	\$480	4.44%
HOIC	\$66,984	269	\$249	1.78%
Adoration	\$67,753	311	\$218	2.05%
PruittHealth	\$41,210	366	\$113	0.90%
CCNC	\$240,102	244	\$984	7.00%
Carolina Caring	\$171,329	247	\$694	4.80%
PHC	\$241,984	271	\$893	5.53%

As shown in the table above, while **BAYADA** projects the highest total Medicaid revenue, **CCNC** projects both the highest Medicaid revenue per patient and the highest Medicaid percent of Total Gross Revenue. Therefore, regarding overall access to Medicaid **CCNC** is the most effective alternative and the remaining applications are less effective with respect to this comparative factor.

Projected Average Net Revenue per Patient

The following table shows the projected average net revenue per patient in the third full fiscal year following project completion for each facility. Generally, the application projecting the lowest average net revenue per patient is the more effective alternative with regard to this comparative factor to the extent the average reflects a lower cost to the patient or third-party payor.

	Net Revenue	# of PATIENTS SERVED	Net Revenue/Patient
BAYADA	\$3,467,750	266	\$13,037
Amedisys	\$3,290,787	312	\$10,547
HOIC	\$3,550,360	269	\$13,198
Adoration	\$2,877,865	311	\$9,254
PruittHealth	\$4,416,470	366	\$12,067
CCNC	\$2,894,193	244	\$11,861
Carolina Caring	\$3,408,166	247	\$13,798
PHC	\$4,021,394	271	\$14,839

As shown in the table above, Adoration and Amedisys, project, in that order, the lowest and next lowest average net revenue per patient in the third operating year. However, neither Adoration nor Amedisys are conforming to all applicable statutory and regulatory criteria and therefore neither Adoration nor Amedisys is approvable. The application with the next lowest net revenue per patient is CCNC. Therefore, the application submitted by CCNC is the more effective application with respect to net revenue per patient, and the remaining applications are less effective with respect to this comparative factor.

Net Revenue per Day of Care in Project Year 3

Net revenue per patient day is calculated by dividing the projected net revenue in Project Year 3 by the total number of days of care in Project Year 3. Generally, the applicant proposing the lowest net revenue per day of care is the more effective alternative with regard to net revenue per day of care. The following table illustrates each applicant’s projected net revenue per day of care in Project Year 3.

Net Revenue Per Day of Care: 3rd Project Year

	Days of Care		Net Revenue per Day of Care
BAYADA	18,830	\$3,467,750	\$184
Amedisys	20,341	\$3,290,787	\$162
HOIC	18,564	\$3,550,360	\$191
Adoration	16,473	\$2,877,865	\$175
PruittHealth	23,100	\$4,416,470	\$191
CCNC	15,074	\$2,894,193	\$192
Carolina Caring	16,092	\$3,408,166	\$212
PHC	18,464	\$4,021,394	\$218

As shown in the table above, Amedisys and Adoration project, in that order, the lowest net revenue per patient day of care in the third operating year. However, neither Amedisys nor Adoration are conforming to all applicable statutory and regulatory criteria and therefore neither Amedisys nor Adoration are approvable. After Adoration, BAYADA has the next lowest net revenue per patient

day of care. Therefore, **BAYADA**, is the more effective application with respect to net revenue per patient day of care and the remaining applications are less effective with respect to this comparative factor.

Projected Average Operating Expense per Patient

The following table shows the projected average operating expense per patient in the third full fiscal year following project completion for each facility. Generally, the application projecting the lowest average operating expense per patient is the more effective alternative with regard to this comparative factor to the extent it reflects a more cost-effective service which could also result in lower costs to the patient or third-party payor.

**Operating Expense per New (unduplicated) Admission
Third Full Fiscal Year**

	Operating Expense	# of Patients Served	Operating Expense/ Patients Served
BAYADA	\$2,809,406	266	\$10,562
Amedisys	\$2,891,962	312	\$9,269
HOIC	\$3,242,435	269	\$12,054
Adoration	\$2,116,099	311	\$6,804
PruittHealth	\$3,464,548	366	\$9,466
CCNC	\$2,645,094	244	\$10,841
Carolina Caring	\$2,526,015	247	\$10,227
PHC	\$3,705,979	271	\$13,675

As shown in the table above, Adoration, Amedisys and PruittHealth, project, in that order, the three lowest average net revenues per patient in the third operating year. However, neither Adoration, Amedisys nor PruittHealth are conforming to all applicable statutory and regulatory criteria and therefore Adoration, Amedisys and PruittHealth are not approvable. Therefore, the application submitted by **Carolina Caring** is the more effective application with respect to operating expense per patient served and the other applications are less effective with respect to this comparative factor.

Cost per Day of Care in Project Year 3

Cost per patient day is calculated by dividing the projected total costs in Project Year 3 by the total number of days of care in Project Year 3. Generally, the applicant proposing the lowest cost per day of care is the more effective alternative with regard to cost per day of care. The following table illustrates each applicant’s projected cost per day of care in Project Year 3:

Cost Per Day of Care: 3rd Project Year

	Days of Care	Operating Expense (Cost)	Expense (Cost) per Day of Care
BAYADA	18,830	\$2,809,406	\$149
Amedisys	20,341	\$2,891,962	\$142
HOIC	18,564	\$3,242,435	\$175
Adoration	16,473	\$2,116,099	\$128
PruittHealth	23,100	\$3,464,548	\$150
CCNC	15,074	\$2,645,094	\$175
Carolina Caring	16,092	\$2,526,015	\$157
PHC	18,464	\$3,705,979	\$201

As shown in the table above, Adoration and Amedisys project, in that order, the lowest cost per patient day of care in the third operating year. However, neither Adoration nor Amedisys are conforming to all applicable statutory and regulatory criteria and therefore neither Adoration nor Amedisys is approvable. Therefore, the application with the lowest cost per patient day of care, **BAYADA**, is the more effective application with respect to cost per patient day of care and the remaining applications are less effective with respect to this comparative factor.

Salaries for Key Direct Care Staff: RN, CNA/Aides, Social Worker

In recruitment and retention of personnel, salaries are a significant factor. The applicants provide the following information in Section Q, Form H.2. The Project Analyst compared the proposed salaries for these key direct-care staff as shown below in the table. Generally, the application proposing the highest annual salary is the more effective alternative with regard to this comparative factor.

	Registered Nurse	CNA/Aides	Social Worker
BAYADA	\$84,272	\$36,414	\$67,626
Amedisys	\$77,690	\$29,331	\$62,249
HOIC	\$69,201	\$32,470	\$57,682
Adoration	\$67,626	\$32,460	\$60,593
PruittHealth	\$81,481	\$34,503	\$64,437
CCNC	\$79,070	\$36,414	\$62,757
Carolina Caring	\$78,797	\$31,818	\$56,531
PHC	\$82,774	\$31,865	\$60,489

As shown in the table above, **BAYADA** projects the highest annual salaries in Project Year 3 for registered nurses, certified nursing assistants/aides and social workers. While CCNC projects the same annual salary for certified nursing assistants/aides as BAYADA, CCNC projects lower annual salaries for registered nurses and social workers. Therefore, with regard to salaries of key direct care staff, the application submitted by **BAYADA** is the most effective alternative.

Average Case Load for Key Direct Care Staff: RN, CNA/Aides, Social Worker

In the application form, Section H.2 asks for average case load and states: “Average case load means the preferred number of patients for which a staff member has responsibility or to which she or he is assigned at any one time. This should not be expressed as a range but instead as a single number.” Generally, the application proposing the lower case load per key direct care staff is the more effective

alternative for this comparative factor.

Average Case Load-3rd year

	RN	Social Worker	Hospice Aide	Total Average Case Load by Key Direct Care Staff
BAYADA	10	25	8	43.00
Amedisys	13	45	11	69.00
HOIC	12.5	28.94	9.5	50.94
Adoration	12	31	13	56.00
PruittHealth	12	30	10	52.00
CCNC	10	25	8	43.00
Carolina Caring	12	35	10	57.00
PHC	9	24	10	43.00

As shown in the table above, BAYADA, CCNC and PHC all propose the lowest total average case load by key direct care staff. Therefore, the applications submitted by **BAYADA, CCNC and PHC** are equally the more effective applications with respect to this comparative factor and the other applications are less effective proposals with respect to this comparative factor.

Competition (Access to a New or Alternate Provider):

None of the applicants and/or related entities have a hospice home care office, or in-patient hospice facility, located in the service area of Rowan County; therefore, all the applicants would qualify as a new or alternative provider located in the service area. Therefore, regarding this comparative factor, all the applications are equally effective alternatives.

SUMMARY

The following table lists the comparative factors and indicates whether each application was more effective, less effective or equally effective for each factor. The comparative factors are listed in the same order they are discussed in the Comparative Analysis which should not be construed to indicate an order of importance.

Comparative Factor	BAYADA	Amedisys	HOIC	Adoration	PruittHealth	CCNC	Carolina Caring	PHC
Conformity with Statutory and Regulatory Review Criteria	Equally Effective	Not Approvable	Not Approvable	Not Approvable	Not Approvable	Equally Effective	Equally Effective	Equally Effective
Scope of Services	Equally Effective	Not Approvable	Not Approvable	Not Approvable	Not Approvable	Equally Effective	Equally Effective	Equally Effective
Historical Utilization	Equally Effective	Not Approvable	Not Approvable	Not Approvable	Not Approvable	Equally Effective	Equally Effective	Less Effective
Geographic Accessibility	Equally Effective	Not Approvable	Not Approvable	Not Approvable	Not Approvable	Equally Effective	Equally Effective	Equally Effective
Access by Service Area Residents: Number of Residents	More Effective	Not Approvable	Not Approvable	Not Approvable	Not Approvable	Less Effective	Less Effective	Less Effective
Charity Care	Less Effective	Not Approvable	Not Approvable	Not Approvable	Not Approvable	Less Effective	More Effective	Less Effective
Medicare	More Effective	Not Approvable	Not Approvable	Not Approvable	Not Approvable	Less Effective	Less Effective	Less Effective
Medicaid	Less Effective	Not Approvable	Not Approvable	Not Approvable	Not Approvable	More Effective	Less Effective	Less Effective
Projected Average Net Revenue per Patient	Less Effective	Not Approvable	Not Approvable	Not Approvable	Not Approvable	More Effective	Less Effective	Less Effective
Net Revenue per Day of Care	More Effective	Not Approvable	Not Approvable	Not Approvable	Not Approvable	Less Effective	Less Effective	Less Effective
Projected Average Operating Expense per Patient	Less Effective	Not Approvable	Not Approvable	Not Approvable	Not Approvable	Less Effective	More Effective	Less Effective
Cost per Day of Care	More Effective	Not Approvable	Not Approvable	Not Approvable	Not Approvable	Less Effective	Less Effective	Less Effective
Direct Care Salaries	More Effective	Not Approvable	Not Approvable	Not Approvable	Not Approvable	Less Effective	Less Effective	Less Effective
Average Case Load	Equally Effective	Not Approvable	Not Approvable	Not Approvable	Not Approvable	Equally Effective	Less Effective	Equally Effective
Competition (Access to New or Alternative Provider)	Equally Effective	Not Approvable	Not Approvable	Not Approvable	Not Approvable	Equally Effective	Equally Effective	Equally Effective

As shown in the table above, the applications for Amedisys, HOIC, Adoration and PruittHealth are not effective alternatives with respect to Conformity with Review Criteria; therefore, none of these four applications are approvable and none of these four applications will be further discussed in the comparative evaluation below:

The **BAYADA, CCNC, Carolina Caring and PHC** applications are conforming to all applicable statutory and regulatory review criteria, and thus these four applications are approvable standing alone. However, collectively they propose a total of four hospice home care offices in Rowan County, but the need determination is for only one hospice home care office in Rowan County. Therefore, only one application for a hospice home care office can be approved.

As shown in the table above, **BAYADA** was determined to be a more effective alternative for the following four factors:

- Access by Service Area Residents: Number of Residents
- Access by Medicare
- Net Revenue per Day of Care
- Direct Care Salaries
- Cost per Day of Care

As shown in the table above, **CCNC** was determined to be a more effective alternative for the following two factors:

- Access by Medicaid
- Projected Average Net Revenue per Patient

As shown in the table above, **Carolina Caring** was determined to be a more effective alternative for the following two factors:

- Charity Care
- Projected Average Net Operating Expense per Patient

As shown in the table above, **BAYADA**, **CCNC** and **Carolina Caring** were determined to be the more effective and equally effective alternatives for the following factor:

- Historical Utilization

As shown in the table above, **BAYADA**, **CCNC** and **PHC** were determined to be equally effective alternatives for the following factor:

- Average Case Load by Direct Care Staff

As shown in the table above, **BAYADA**, **CCNC**, **Carolina Caring** and **PHC** were determined to be equally effective alternatives for the following three factors:

- Scope of Services
- Geographic Accessibility
- Competition (Access to New or Alternative Provider)

CONCLUSION

All the applications are conforming to the need determination in the 2020 SMFP for one Hospice Home Care Office in Rowan County. N.C.G.S. 131E-183(a)(1) states that the need determination in the SMFP is the determinative limit on the number of Hospice Home Care Offices that can be approved by the Agency.

However, the applications submitted by Amedisys, HOIC, Adoration and PruittHealth are not approvable and therefore cannot be considered an effective alternative. Consequently, the application submitted by Amedisys Hospice, LLC, Project I.D.# F-11945-20 is denied; the application submitted by Hospice of Iredell County, Inc., Project I.D.# F-11948-20, is denied; the application submitted by

Adoration Home Health & Hospice, Inc., Project I.D.#F-11949-20, is denied; and the application submitted by PruittHealth Hospice, Inc., Project I.D.#F-11952-20, is denied.

The Agency determined that the application submitted by BAYADA Home Health Care, Inc., Project I.D.#F-11943-20 is the more effective alternative proposed in this review for one Hospice Home Care Office for Rowan County and is approved. The approval of any of the other applications would result in the approval of Hospice Home Care Offices in excess of the need determination in the 2020 SMFP and therefore, the applications submitted by Continuum Care of North Carolina, LLC, Project I.D. #F-11955-20; Carolina Caring, Inc, Project I.D. #F-11956-20; and Personal Home Care of North Carolina, LLC; are denied.

The application submitted by BAYADA Home Health Care, Inc., Project ID #F-11943-20, is approved subject to the following conditions.

- 1. BAYADA Home Health Care, Inc. (hereinafter certificate holder) shall materially comply with all representations made in the certificate of need application.**
- 2. The certificate holder shall develop one new hospice home care office in Rowan County pursuant to the 2020 SMFP need determination.**
- 3. Upon completion of the project, the certificate holder shall be licensed for no more than one hospice home care office in Rowan County.**
- 4. Progress Reports:**
 - a. Pursuant to G.S. 131E-189(a), the certificate holder shall submit periodic reports on the progress being made to develop the project consistent with the timetable and representations made in the application on the Progress Report form provided by the Healthcare Planning and Certificate of Need Section. The form is available online at: <https://info.ncdhhs.gov/dhsr/coneed/progressreport.html>.**
 - b. The certificate holder shall complete all sections of the Progress Report form.**
 - c. The certificate holder shall describe in detail all steps taken to develop the project since the last progress report and should include documentation to substantiate each step taken as available.**
 - d. Progress reports shall be due on the first day of every fourth month. The first progress report shall be due on July 1st. The second progress report shall be due on October 1st and so forth.**
- 5. The certificate holder shall not acquire as part of this project any equipment that is not included in the project's proposed capital expenditures in Section Q of the application and that would otherwise require a certificate of need.**
- 6. No later than three months after the last day of each of the first three full fiscal years of operation following initiation of the services authorized by this certificate of need, the certificate holder shall submit, on the form provided by the Healthcare Planning and Certificate of Need Section, an annual report containing the:**

- a. **Payor mix for the services authorized in this certificate of need.**
 - b. **Utilization of the services authorized in this certificate of need.**
 - c. **Revenues and operating costs for the services authorized in this certificate of need.**
 - d. **Average gross revenue per unit of service.**
 - e. **Average net revenue per unit of service.**
 - f. **Average operating cost per unit of service.**
7. **The certificate holder shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Agency in writing prior to issuance of the certificate of need.**