STATE OF WASHINGTON
DEPARTMENT OF HEALTH

May 12, 2015

CERTIFIED MAIL # 7009 0960 0000 5564 6645

John Gallagher, CEO
Sunnyside Community Hospital & Clinics
1016 Tacoma Avenue
P.O. Box 719
Sunnyside, Washington 98944

RE: CN15-09

Dear Mr. Gallagher:

We have completed review of the Certificate of Need application submitted by Sunnyside Community Hospital & Clinics proposing to establish a Medicare/Medicaid certified home health agency in Yakima County to serve the residents of Benton County. For the reasons stated in this evaluation, the application is consistent with applicable criteria of the Certificate of Need Program, provided Sunnyside Community Hospital & Clinics agrees to the following in its entirety.

Project Description

This Certificate of Need approves Sunnyside Community Hospital dba Sunnyside Community Hospital and Clinics to establish a new Medicare/Medicaid certified home health agency in Yakima County to serve the residents of Benton County. Sunnyside Benton County Home Health will provide skilled nursing care and certified home health aide. Physical therapy, occupational therapy, speech therapy, and medical social work services will be provided through contract services or directly by the hospital. Services will be available to all residents of Benton County.

Conditions

1. Sunnyside Community Hospital dba Sunnyside Community Hospital and Clinics agrees with the project description stated above. Sunnyside Community Hospital dba Sunnyside Community Hospital and Clinics further agrees that any change to the project as described in the project description is a new project that requires a new Certificate of Need.

2. Prior to providing services, Sunnyside Community Hospital dba Sunnyside Community Hospital and Clinics will provide copies of the fiscal intermediary forms as stated on page 23 of the application for the department's review and approval. The fiscal intermediary forms must be consistent with the forms Sunnyside Community Hospital dba Sunnyside Community Hospital and Clinics provided to National Government Services.

3. Prior to providing services, Sunnyside Community Hospital dba Sunnyside Community Hospital and Clinics will provide the approved version of the adopted medical director's role and responsibility for the department's review and approval. Copy of the approved document must be consistent with the draft document provided in the application.

4. Prior to providing services, Sunnyside Community Hospital dba Sunnyside Community Hospital and Clinics will provide the approved versions of the adopted policies listed below for the department's review and approval. Copies of the approved versions of the adopted policies must be consistent with the draft policies provided in the application.
   - Patient Rights
   - Informed Consent Policy
   - Non Discrimination Policy
   - Charity Care Policy 1

5. Prior to providing services, Sunnyside Community Hospital dba Sunnyside Community Hospital and Clinics will provide an executed copy of the office space co-sharing agreement for the department's review and approval. The executed office space co-sharing agreement must be consistent with the information provided in the application.

Approved Capital Costs:
The approved capital expenditure associated with this project is $12,500.

Please notify the Department of Health within 20 days of the date of this letter whether you accept the above in its entirety. Your written response should be sent to the Certificate of Need Program, at one of the following addresses.

Mailing Address:	Physical Address:
Department of Health	Department of Health
Certificate of Need Program	Certificate of Need Program
Mail Stop 47852	111 Israel Road SE
Olympia, WA 98504-7852	Tumwater, WA 98501

If you have any questions, or would like to arrange for a meeting to discuss our decision, please contact Janis Sigman with the Certificate of Need Program at (360) 236-2955.

Sincerely,

Steven M. Saxe, FACHE
Director, Office of Community Health Systems

Enclosure

EVALUATION DATED MAY 12, 2015, FOR THE CERTIFICATE OF NEED APPLICATION SUBMITTED BY SUNNYSIDE COMMUNITY HOSPITAL ASSOCIATION DBA SUNNYSIDE COMMUNITY HOSPITAL & CLINICS PROPOSING TO ESTABLISH A MEDICARE CERTIFIED AND MEDICAID CERTIFIED HOME HEALTH AGENCY IN BENTON COUNTY

APPLICANT DESCRIPTION

Sunnyside Community Hospital dba Sunnyside Community Hospital and Clinics is a private non-profit healthcare facility owned by the Sunnyside Community Hospital Association. Sunnyside Community Hospital is an acute care hospital certified by the Centers for Medicare and Medicaid Services as a critical access hospital. Sunnyside Community Hospital is located in Sunnyside within Yakima County. Sunnyside Community Hospital owns and operates four specialty clinics and six rural health clinics within Benton and Yakima counties.
[Source: Application Page 1, Exhibit 1 and http://sunnysidehospital.org/about-us/]

BACKGROUND

Sunnyside Community Hospital submitted two applications to provide home health services to the residents of Yakima and Benton counties. The two home health agencies would both share office spaces in a medical office suite located in Yakima County. From this location, Sunnyside Community Hospital would expand services into Benton County[1], to provide home health services to the residents of Benton County.

PROJECT DESCRIPTION

Sunnyside Community Hospital dba Sunnyside Community Hospital and Clinics proposes to establish a Medicare certified home health in Yakima County to serve the residents of Benton County. The home health agency would be known as Sunnyside Benton County Home Health and it would be located at 812 Miller, Suite #A within Yakima County. The home health agency will share office spaces with Sunnyside Community Hospital Home Medical Supply in Yakima County.

Sunnyside Benton County Home Health will provide skilled nursing care and certified home health aide. Physical therapy, occupational therapy and speech therapy services, and medical social work would be provided as contracted services to patients in their place of residence. The estimated capital expenditure associated with the establishment of Sunnyside Benton County Home Health is $12,500, which is limited to equipment and furnishing. [Source: Application, pages 5-6 and 22]

Sunnyside Community Hospital dba Sunnyside Community Hospital and Clinics anticipates it would be providing home health services to Benton County residents by July 2016. Under this timeline, the agency's first full calendar year of operation is 2017 and year three is 2019. [Source: Supplemental information received December 11, 2014] For ease of reference, the department will refer to Sunnyside Community Hospital dba Sunnyside Community Hospital and Clinics as 'Sunnyside' and the proposed home health agency as 'Sunnyside Benton County Home Health'.

[1] WAC 246-310-020(1)(a).

APPLICABILITY OF CERTIFICATE OF NEED LAW

This project is subject to Certificate of Need review as the establishment of a new health care facility under the provisions of Revised Code of Washington (RCW) 70.38.105(4)(a) and Washington Administrative Code (WAC) 246-310-020(1)(a).

EVALUATION CRITERIA

WAC 246-310-200(1)(a)-(d) identifies the four determinations that the department must make for each application. WAC 246-310-200(2) provides additional direction in how the department is to make its determinations. It states:

"Criteria contained in this section and in WAC 246-310-210, 246-310-220, 246-310-230, and 246-310-240 shall be used by the department in making the required determinations.

(a) In the use of criteria for making the required determinations, the department shall consider:

- *(i) The consistency of the proposed project with service or facility standards contained in this chapter;*
- *(ii) In the event the standards contained in this chapter do not address in sufficient detail for a required determination the services or facilities for health services proposed, the department may consider standards not in conflict with those standards in accordance with subsection (2)(b) of this section; and*
- *(iii) The relationship of the proposed project to the long-range plan (if any) of the person proposing the project."*

In the event the WAC 246-310 does not contain service or facility standards in sufficient detail to make the required determinations, WAC 246-310-200(2)(b) identifies the types of standards the department may consider in making its required determinations. Specifically WAC 246-310-200(2)(b) states:

"The department may consider any of the following in its use of criteria for making the required determinations:

- *(i) Nationally recognized standards from professional organizations;*
- *(ii) Standards developed by professional organizations in Washington State;*
- *(iii) Federal Medicare and Medicaid certification requirements;*
- *(iv) State licensing requirements;*
- *(v) Applicable standards developed by other individuals, groups, or organizations with recognized expertise related to a proposed undertaking; and*
- *(vi) The written findings and recommendations of individuals, groups, or organizations with recognized expertise related to a proposed undertaking, with whom the department consults during the review of an application."*

WAC 246-310 does not contain service or facility standards for home health agencies. To obtain Certificate of Need approval, Sunnyside must demonstrate compliance with the applicable criteria found in WAC 246-310-210 (need); 246-310-220 (financial feasibility); 246-310-230 (structure and process of care); 246-310-240 (cost containment).[2] Consistent with WAC 246-310-200(2)(b), the home health agency projection methodology and standards found in the 1987 State Health Plan, Volume II, Section (4)(d) is used to assist in the evaluation of home health applications.

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[2] Each criterion contains certain sub-criteria. The following sub-criteria are not discussed in this evaluation because they are not relevant to this project: WAC 246-310-210(3), (4), (5), and (6); and WAC 246-310-240(2) and (3).

TYPE OF REVIEW

This application was reviewed under the regular review timeline outlined in WAC 246-310-160, which is summarized below.

APPLICATION CHRONOLOGY

Action	Sunnyside Benton County Home Health
Letter of Intent Submitted	July 8, 2014
Application Submitted	October 6, 2014
Department's Pre-review Activities including • DOH 1st Screening Letter • Applicant's Screening Responses Received	 October 27, 2014 December 11, 2014[3]
Beginning of Review	January 12, 2015
End of Public Comment • Public comments accepted through • Public hearing conducted[4] • Rebuttal Comments Received	 February 17, 2015 N/A March 4, 2015
Department's Anticipated Decision Date	April 20, 2015
Department's Actual Decision Date	May 12, 2015

AFFECTED PERSONS

Washington Administrative Code 246-310-010(2) defines "affected person as:

"...an "interested person" who:

(a) Is located or resides in the applicant's health service area;

(b) Testified at a public hearing or submitted written evidence; and

(c) Requested in writing to be informed of the department's decision."

Throughout the review of this project, one entity sought and received affected person status under 246-310-010(2).

Tri-Cities/ Amedisys, Inc.

Tri-Cities Home Health, LLC provide home health services in Benton County and is related to Amedisys, Inc. For ease of reference, the department would refer to Tri-Cities Home Health, LLC 'Tri-Cities'.

[3] The applicant requested the department to continue screening until the application is deemed complete.

[4] The department did not conduct a public hearing.

SOURCE INFORMATION REVIEWED

- Sunnyside Community Hospital dba Sunnyside Community Hospital and Clinics application received October 6, 2014
- Sunnyside Community Hospital dba Sunnyside Community Hospital and Clinics supplemental information received December 11, 2014
- Completed provider utilization surveys received from existing Benton County home health providers for calendar year 2013
- Public comments received December 12, 2014 through February 17, 2015
- Public comments provided by Tri-Cities Home Health, LLC received February 13, 2015
- Rebuttal comments from Sunnyside Community Hospital dba Sunnyside Community Hospital and Clinics received March 4, 2015
- Rebuttal comments received from Tri-Cities Home Health, LLC received March 4, 2015
- Population data obtained from the Office of Financial Management based on year 2010 census and published May 2012.
- 1987 Washington State Health Plan Performance Standards (SHP) for Health Facilities and Services, Home Health methodology and standards
- Licensing and survey data provided by the Department of Health's Investigations and Inspections Office
- Licensing and compliance history data provided by the Department of Health's Medical Quality Assurance Commission
- Medicare Home Health Care reimbursement information obtained from the Centers for Medicare & Medicaid Services. http://www.medicare.gov/pubs/pdf/10969.pdf

CONCLUSION

For the reasons stated in this evaluation, the application submitted by Sunnyside Community Hospital dba Sunnyside Community Hospital and Clinics proposing to establish a Medicare and Medicaid certified home health agency to be located in Yakima County to serve the residents of Benton County is consistent with applicable criteria of the Certificate of Need Program, provided Sunnyside Community Hospital dba Sunnyside Community Hospital and Clinics agrees to the following in its entirety.

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Approved Capital Costs:
The approved capital expenditure associated with this project is $12,500 and is solely for equipment.

CRITERIA DETERMINATIONS

A. Need (WAC 246-310-210) and Home Health Need Methodology

Based on the source information reviewed and provided the applicant agrees to the conditions stated in the 'conclusion' section of this evaluation, the department determines Sunnyside Community Hospital met the need criteria in WAC 246-310-210(1) and (2) and the home health agency methodology and standards outlined in the 1987 State Health Plan, Volume II, Section (4)(d).

(1) The population served or to be served has need for the project and other services and facilities of the type proposed are not or will not be sufficiently available or accessible to meet that need.

WAC 246-310 does not contain specific criteria. WAC 246-310-210(1) need criteria as identified in WAC 246-310-200(2)(a)(i). To assist with the determination of numeric need for home health agencies, the department uses the numeric methodology contained in the 1987 Washington State Health Plan (SHP).

Home Health Numeric Methodology-1987 SHP

The SHP methodology is a multiple step process that projects the number of home health visits in a planning area. The method uses the following elements:

- Projected population of the planning area, broken down by age groups [0-64; 65-70; & 80+];
- Estimated home health use rates per age group; and
- The number of visits per age group.

The total projected number of visits is then divided by 10,000, which is considered the 'target minimum operating volume' for a home health agency. The resulting number represents the maximum projected number of agencies needed in a planning area. The SHP states fractions are rounded down to the nearest whole number. [Source: SHP, pB-35] The final step in the numeric methodology is to subtract the existing number of home health agencies in a planning area from the projected number of agencies needed. This results in the net number of agencies needed for the planning area.

Sunnyside

Using the SHP methodology, Sunnyside determined the projected number of patient visits in Benton County in 2016 will be 43,967. Dividing the projected number of visits by 10,000 resulted in 4.40 agencies that would be needed in Benton County in 2016. Sunnyside identified two[5] existing home health agencies and Home Health Care Solution a licensed only agency as the available agencies that are currently providing services to the residents of Benton County. However, Sunnyside did not count Home Health Care Solution as available to serve in Benton.

The applicant counted this agency at 54% availability and asserted that it cannot provide services to Medicare or Medicaid patients. To show net need, Sunnyside subtracted the existing two agencies from the 4.40 projected agencies resulting in a net need of 2.40 new agencies. [Source Application, pages 12-15] A summary of Sunnyside methodology is presented in the table on page 8.

[5] Sunnyside stated there are five in-home services agencies located in Benton County. Of the five agencies, two are licensed only agencies and remaining three agencies are Medicare certified agencies. Of the three Medicare certified agencies, Prosser Memorial Home Health is closed and no longer available to serve.

Table 1
Summary of Applicant 2016 Need Projections Benton County

Estimated Home Health Agency Need	
Total Population	181,339
# Total Patient Visits	43,967
#Total Projected Visits/ 10,000 minimum visits	4.40
Existing home health Agencies	2
Net Need	2.64

Based on the summary shown in the table above, Sunnyside concluded there is a need for additional home health agencies in Benton County.

Department's Numeric Methodology

The department used the SHP methodology to assist in determining need for home health agencies in Benton County. There are three home health agencies providing services to the residents of Benton County. Of the three home health agencies, two[6] are Medicare certified providers and the remaining agency[7] is a licensed only provider. A summary of the department's methodology is presented in the table below. The complete methodology is Appendix A attached to this evaluation.

Table 2
Summary of Department of Health
Benton County Home Health Need Projection

	2015	2016	2017	2018	2019
# Total Projected Visits	42,812	43,967	45,162	46,399	47,766
#Total Projected Visits/ 10,000 minimum visits	4.28	4.41	4.53	4.65	4.78
Net Need Rounded Down	4	4	4	4	4
Existing Home Health Agencies	3	3	3	3	3
Net Need per SHP	1	1	1	1	1

As shown in Table 2, need for one additional Medicare certified agency is projected in year 2016 through 2019. As shown in the table above, the net need in Benton County is one agency. The department historical records shows that currently there are four in-home health services agencies operational within the planning area, but of the four agencies, Lincare was not counted among current supply. That agency provides respiratory care and infusion services only and its does not provide any other home health service hence it was not counted. Therefore, based solely on the numeric methodology need for one additional home health agency in Benton County is demonstrated.

[6] Tri-Cities and Trios Home Health/Kennewick General Hospital Home Health are the only two Medicare certified agencies operational in Benton County.
[7] Home Health Care Solution is licensed only agency

Tri-Cities submitted comments to the department related to Sunnyside's application of the numeric need methodology. Summarized below are the comments.

Tri-Cities Home Health/Amedisys [Source: Public comments received February 13, 2015]
10,000 Minimum visits for home health agencies

- Sunnyside projections do not meet the target minimum operating volume for a home health agency. Sunnyside's projected volume is 2,800 total visits by its third full year approving a project with such low volume would be inconsistent with sound planning principles.

- Sunnyside proposes to discount the existence of Lincare and to discount Home Health Care Solution by 54% from the current supply of need. This contradicts the department's methodology guidelines. Both agencies should be counted in current supply and when the methodology is applied correctly, there is simply no net need for another agency in the planning area.

Sunnyside provided its rebuttal comments that are summarized below.

Sunnyside [Source: Rebuttal comments received March 4, 2015]

- There is no requirement that a new agency to demonstrate a minimum volume of 10,000 visits. The methodology identified 4 agencies in Benton County and only two agencies in the county met the definition of a home health agency as defined in WAC 246-320-010 (30). Two agencies Lincare and Home Health Care Solutions are licensed only agencies, but the requirements for Medicare certification and state licensure are different.

- Medicare Conditions of Participation for home health agencies require very specific services to be provided including at a minimum skilled nursing services and therapeutic services. Lincare is not a home health provider rather it is a respiratory therapy equipment provider. The department's previous decisions discounted Lincare for the very same reasons.

Department's Evaluation of the comments
10,000 Minimum visits for home health agencies
In response to Tri-cities public comments, the department acknowledges that the methodology identifies 10,000 visits as the total minimum number of attainable visits before a new agency can be added in a planning area. However, it does not imply that each operational agency in the planning area must show that it has provided 10,000 or more visits. The department has consistently used the 10,000 minimum visit criteria in its numeric need methodology to project need for home health projects for more than a decade.

Exclusion of state licensed home health agencies in the numeric methodology
In past applications, the department has counted only those providers that are Medicare certified. The rationale for this approach was that licensed only providers were not available or accessible to all residents of a service area, and therefore should not be counted against an applicant proposing to serve all residents. Most recently, the CN Program has determined that while a licensed only provider is not available to all residents of a service area, those providers serve some residents.

Since the methodology is based on population in a service area, rather than only Medicare or Medicaid residents, all agencies that provide home health services, including those dedicated to pediatric patients only, should be acknowledged in the numeric methodology. The department agrees with Sunnyside that it has discounted Lincare in previous decisions because historical provider survey response from Lincare indicated that it mainly provides infusion services. As shown in Table 2, the department counted Home Health Care Solutions as available existing agency in Benton County. Based solely on the numeric methodology, need for 2 additional Medicare certified agencies is projected in year 2015 through 2019

In addition to the numeric methodology, an applicant must also demonstrate that existing providers would not be available and accessible to meet the projected need. To demonstrate that an unmet need exists, Sunnyside stated, *"Until August 2014, there were a total of 5 licensed home health agencies in Benton County, of which only 3 were Medicare/Medicaid certified. One of the three Medicare/Medicaid certified agencies, Prosser Memorial Home Health (PMH) ceased operating recently. In addition, the licensed only agencies operate with licensing and payer restrictions that greatly limit their availability to serve the general home health population".* [Source: Application, Page 11]

To assist in its evaluation of the availability of the existing providers, the department reviewed the capacity and patient volumes for home health providers located within the planning area. In the Benton County the planning area, the department identified 3 home health agencies. Of the 3 agencies, 2 are Medicare certified agencies and one is "licensed only".

On October 10, 2014, the department sent a utilization survey to the agencies providing services in the Benton County planning area requesting 2013 home health utilization data, average daily census, and maximum capacity. Of the three agencies surveyed, the two Medicare certified agencies located within the planning areas, provided responses to the department's survey. The other licensed only agency located in Benton County did not provide a response. The table below is a summary of the survey responses received by the department.

Table 3
Summary Benton County Home Health Patient Visits Year 2013

Name	Total Visits	ADC	Maximum Capacity of Patients
Trios Home Health Care/ Kennewick General Hospital	8,155	105	140
Tri-Cities Home Health/ Amedisys	25,745	250	425
Totals	33,900		

The information in the table above shows the two Medicare home health agencies serving the planning area provided 33,900 patient visits with Tri-Cities providing almost 76% of those visits. In its application, Sunnyside projected it would provide the number of visits summarized in the table below. [Source: Application, Pages 17-18 and Supplemental information December 11, 2014, Attachment 2]

Year 1--2016	Year 2--2017	Year 3--2018	Year 4--2019
800	1,800	2,200	2,800

The department subtracted the applicant's projected number of visits from the department's projected number of visits for each year to arrive at a potential number of visits for years 2016-2019. The department assumes that the two Benton County agencies number of visits in Table 3 would remain constant. The department then subtracted its projected visits from the existing agencies reported number of visits. The remaining number of visits represents the potential unmet number of visits in Benton County for that year as shown in the table below.

Table 4
Summary-Additional Patients to Reach Maximum Capacity and Estimated Number of Visits

Year	Department's Projected Visits	Sunnyside Projected Visits	Reported Agency Visits	Balance of Projected Visits
2016	44,052	800	33,900	43,251
2017	45,29	1,800	33,900	43,491
2018	46,527	2,200	33,900	44,327
2019	47,767	2,800	33,900	44,966

As shown in Table 4 above, the number of projected visits within the planning area is sufficient to accommodate another provider. The department received additional public comments from Tri-Cities related to this sub criterion, which is summarized below.

Tri-Cities [Source: Public comments received February 13, 2015]

- This project is not needed and Sunnyside failed to take into account the existing providers ability to serve future need, and proposed a project with volume that are not justified under proper planning principles. Tri-Cities can readily serve Sunnyside's projections alone or in combination with existing Benton County provides.

- Without adding staff, Tri-Cities has the additional capacity serve new patients. Tri-Cities is currently negotiating or have finalized contracts talks with three insurance providers to expand access to Medicaid enrollees in Benton County.

In response to Tri-Cities comments, Sunnyside provided rebuttal comments summarized below.

Sunnyside [Source: Rebuttal comments received March 4, 2015]
Tri-Cities asserted that it alone or existing agencies can absorb the additional volume projected by Sunnyside and suggests that it could serve 175 additional patients annually. At their current average of 19 visits per person, this equates to 3,325 visits annually. The department's need methodology projects that Benton County will generate 9,825 additional visits by 2019. This incremental need supports Sunnyside's projected visits. The record should reflect that neither Lincare nor Home Health Care Solutions responded to survey request, and are not included in this analysis consistent with previous CN decisions.

Department's Evaluation

Tri-Cities business decision to expand services at some future date is not relevant to whether existing providers are available and accessible at the time this application. Only in rare circumstances is it reasonable to apply future expansion plans of existing providers when determining a community's need. It is also unreasonable to rely solely on existing providers hiring additional staff to meet all future projected need. Tri-Cities did not show that the approval of Sunnyside's project would negatively affect its patient's visits.

Because Tri-Cities survey responses related to the number of patients, an agency needs to be at capacity, the department's projections showing that the number of un-served visits is enough to allow both agencies to continue providing services at the 2014 capacity even if this project is approved. The department received some letters of support from healthcare providers located within the planning area. Two letters of support from physicians stated patients are kept in the hospital longer than they need to be *"simply because we do not have safe, quality, accessible and cultural appropriate alternatives"*. These letters of support would indicate that patients would be referred to the applicant home health agency if the application is approved. Based on the information the department concludes that existing providers at their current capacity may not be sufficiently available to meet the projected need. **This sub-criterion is met.**

(2) All residents of the service area, including low-income persons, racial and ethnic minorities, women, handicapped persons, and other underserved groups and the elderly are likely to have adequate access to the proposed health service or services.

Sunnyside Community Hospital currently provides acute care and ancillary healthcare services in Washington State. To determine whether all residents of Benton County would continue to have access to an applicant's proposed services, the department requires applicants to provide a copy of its current or proposed admission policy. The admission policy provides the overall guiding principles of the facility as to the types of patients that are appropriate candidates to use the facility and any assurances regarding access to treatment. The admission policy must also include language to ensure all residents of the service area would have access to services. This is accomplished by providing an admission policy that states patients would be admitted without regard to race, ethnicity, national origin, age, sex, pre-existing condition, physical, or mental status.

To demonstrate compliance with this sub-criterion, Sunnyside provided copies of its Patient's Rights, Informed Consent and Nondiscrimination Policies that would be used at the home health agency. The Patient's Rights policy states, *"Each patient has the right to impartial access to treatment, regardless of race, religion, sex, sexual orientation, ethnicity, age of handicap"*. In addition, the document also stated, *"Printed copies are for reference only. See the hospital intranet for approved version"*. [Source: Application, Exhibit 8] For this reason, the policy is considered a draft. If this project is approved, the department would attach a condition requiring Sunnyside to provide the approved versions of the applicant's Patient's Rights, Informed Consent and Nondiscrimination Policies.

The department uses the facility's Medicaid eligibility or contracting with Medicaid to determine whether low-income residents would have access to the proposed services. Sunnyside Community Hospital currently provides acute care and ancillary healthcare services in Washington. Information presented within the application stated the applicant would seek Medicaid certification. Information within the application and pro forma financial statement show the applicant expects 37% to be from Medicaid. [Source: Application, Page 25 and Supplemental information received December 11, 2014, Attachment 2]

The department uses Medicare certification to determine whether the elderly would have access or continue to have access to the proposed services. Information within the application indicates the applicant would provide services to Medicare patients. Within the application and the pro forma financial statement provided it show the applicant expects 60% to be from Medicaid. [Source: Application, Page 25 and Supplemental information received December 11, 2014, Attachment 2]

A facility's charity care policy should confirm that all residents of the service area, including low-income, racial and ethnic minorities, handicapped and other underserved groups have, or would have, access to healthcare services of the applicant. The policy should also include the process one must use to access charity care at the facility. Sunnyside Community Hospital demonstrated its intent to provide charity care to home health patients in Benton County by submitting its Charity Care Policy 1. The document stated, *"Printed copies are for reference only. See the hospital intranet for approved version"*. [Source: Application, Exhibit 8] For this reason, the policy is considered a draft. If this project is approved, the department would attached a condition requiring Sunnyside to provide the hospital Charity Policy 1 approved version.

The draft policy outlines the process one would use to access services. Additionally, Sunnyside Community Hospital also included a 'charity care' line item as a deduction from revenue within its pro forma financial statement. [Source: Application, Page 25 and Supplemental information received December 11, 2014, Attachment 2] Based on the above information and the applicant's agreement to the conditions related to its Patient's Rights, Informed Consent, Nondiscrimination Policies and Charity Policy 1, the department concludes **this sub-criterion is met**.

B. Financial Feasibility (WAC 246-310-220)

Based on the source information reviewed and provided the applicant agree to the conditions identified in the 'conclusion' section of this evaluation, the department concludes that Sunnyside Community Hospital has met the financial feasibility criteria in WAC 246-310-220.

(1) The immediate and long-range capital and operating costs of the project can be met.

WAC 246-310 does not contain specific WAC 246-310-220(1) financial feasibility criteria as identified in WAC 246-310-200(2)(a)(i). There are also no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that directs what the operating revenues and expenses should be for a project of this type and size. Therefore, using its experience and expertise the department evaluates if the applicant's pro forma income statements reasonably project the proposed project is meeting its immediate and long-range capital and operating costs by the end of the third complete year of operation.

To evaluate this sub-criterion, the department reviewed the assumptions used by Sunnyside to determine the projected number of patient days and patients that it would serve in Benton County. Summarized below are the assumptions.

- Sunnyside anticipates that it would serve 51 patients during partial year 2016 and provide 800 patients visits
- In year 2017 Sunnyside's first full year of operation, the patient totals would increase by 22% to 114 and with 1,800 patients visits.
- Starting in 2019, the third full year of operation Sunnyside anticipates patients total over year two to increase by 27% to 177 and 2,799 patient visits. The applicant stated this growth rate is reasonable and is consistent with previous applications approved by the department.

Using the assumptions summarized above, Sunnyside projected the number of visits summarized in the table below. [Source: Application, Page 16 and17 and Supplemental information received December 11, 2014, Attachment 2]

Table 5
Sunnyside Projected Patients and Patient Visits

	Partial Year 2016	Full Year -1 2017	Full Year -2 2018	Full Year-3 2019
# of Unduplicated Patients	51	114	139	177
# of Visits Per Patient	16	16	16	16
# of Home Health Visits Per Year	800	1,800	2,200	2,800

The department concludes the applicant projected number of patients and the assumptions used are optimistic, but reasonable. Using the projected number of patients in the table above, Sunnyside prepared its projected revenue and expense statement for the Sunnyside Benton County Home Health. Summarized in table below is that information for Benton County. [Source: Supplemental information received December 11, 2014, Attachment 2]

Table 6
Sunnyside Benton Home Health Projected Revenue and Expense Statements for Benton County

	Partial Year 2016	Full Year 2017	Full Year 2018	Full Year 2019
Net Revenue	$87,111	$196,109	$262,905	$304,929
Total Operating Expenses	$113,679	$210,915	$257,635	$299,334
Net Profit /(Loss)	($26,568)	($14,806)	$5,270	$5,595
Net Revenue Patient Per Visit	$108.89	$108.95	$119.50	$108.90
Operating Expenses Per Patient Visit	$142.10	$117.18	$117.11	$106.91

The 'Net Revenue' line item is gross revenue and any deductions for charity care, bad debt, and contractual allowances. The 'Total Operating Expenses' line item includes salaries and wages for the proposed home health agency. As shown in the table above, Sunnyside projected the proposed home health agency would incur losses in year's 2016 and 2017. Projected years 2018 and 2019 show a profit.

Both the Yakima County and Benton County applications were submitted by the same applicant and will be operated as one agency serving two counties Sunnyside intends to co-locate the two agencies in Yakima County Therefore, the department has provided a consolidated the revenue and expense statement in the table below.

Table 7
Consolidated Revenue and Expense Statement Benton and Yakima Counties

	Partial Year 2016	Full Year 2017	Full Year 2018	Full Year 2019
Net Revenue	$244,439	$505,023	$651,987	$756,968
Total Operating Expenses	$283,396	$523,941	$639,645	$739,276
Net Profit /(Loss)	($65,525)	(33,724)	$17,612	$23,287
Net Revenue Patient Per Visit	$122.22	$112.23	118.52	108.12
Operating Expenses Per Patient Visit	$141.70	116.43	116.28	105.60

As shown in the table above, Sunnyside projected the proposed consolidated home health agency would incur losses in years 2016 and 2017. It would generate a profit in years 2018 and 2019.

Sunnyside Benton County Home Health agency will be located within existing office space used by Sunnyside Community Hospital Home Medical Supply in Yakima County. Site control information provided by the applicant shows the site is owned by Family Practice Associates, PLLC. [Source: Application, Exhibit 5] The applicant's pro forma comparison statement of revenue and expense identified 'rental and lease' line item for the home health agency. The proposed home health location single line drawing provided by the applicant shows the location square footage. [Source: Application Page 7, Exhibits 4 and 5] However, the applicant did not provide documentation showing Sunnyside Benton County Home Health allocated costs and the terms of the space it would co-share. If this application is approved, the department would attach a condition requiring Sunnyside to provide an executed co-sharing agreement for review and approval without this condition, the project would not be approved.

Sunnyside identified Tatiana Antoci, MD an employee of Sunnyside Community Hospital as the medical director for the proposed home health agency and provided a draft medical director roles and responsibilities documentation. [Source: Application Page 3 and Supplemental information received December 11, 2014, Attachment 2]

The cost associated with the medical director position is included in the pro forma comparison statement of revenue and expense unrestricted under the 'Salaries and wages' line item. [Source: Supplemental information, received December 11, 2014, Attachment 2] In addition to the projected revenue and expense statements, Sunnyside provided a projected balance sheets using calendar years 2016 through 2019. [Source: Supplemental information received December 11, 2014, Attachment 2]

Both the Yakima County and Benton County applications were submitted by the same applicant and will be operated as one agency serving two counties. Therefore, the department has provided consolidated balance sheets in the tables below.

Table 8
Consolidated forecasted Balance Sheets Benton and Yakima Counties
Partial Year One - 2016

Assets		**Liabilities**	
Total Current Assets	$90,808	Total Liabilities	$28,000
Property Plant & Equipment	$25,000	Long Term Debt	$145,000
Accumulated Depreciation	($8,333)	**Equity**	($65,000)
Total Assets	$107,475	**$90,808**	$107,475

Third Year of Operation (2019)

Assets		**Liabilities**	
Total Current Assets	$146,275	Total Liabilities	$36,290
Property Plant & Equipment	$35,000	Long Term Debt	$175,000
Accumulated Depreciation	(28,333)	**Equity**	**($58,348)**
Total Assets	**$151,942**	**Total Liabilities and Equity**	**152,942**

As shown in the balance sheet information above, the consolidated financials project a negative equity in its year one of operation in 2016 and continuing on in the first full three years of operation. The negative equity is a result of the start-up loan from Sunnyside hospital
As shown in the balance sheet information above, Sunnyside projected negative equity in years during first full year of operation in 2016. However, Sunnyside would be financially stable in full calendar year 2019. The department received public comments from Tri-Cities regarding Sunnyside projected patient's visit and volume. Summarized below are the comments provided by Tri-Cities.

Tri-Cities [Source: Public comments received February 13, 2015]

- Sunnyside's projected patient revenues are overstated because its volume projections are aggressive. Sunnyside assumes that its Benton County visits will comprise 40% of the total agency visit and the agency will attract 177 patients by its third year of operations. Neither assumption is reasonable because Sunnyside's own patient discharge data does not support an allocation of 40% of its agency volume to Benton County.

- Sunnyside historically originates less than 5% of its patients from Benton County and the data demonstrates that 80% is the comparable figure for hospital affiliated home health providers in the proposed service area. Tri-Cities calculated only three referrals from Sunnyside's clinics in Benton County and extrapolates that this figure would grow to a maximum of five patients by Sunnyside third year of operation.

- Sunnyside's project annual growth rate are unrealistic. Its growth projections of 22% and 27%, respectively are based on other CN applications. However, actual data from the service area shows only a 5.9% growth rate for the Tri-Cities and Kennewick General Hospital. Thus even if Sunnyside's first year projections are correct its year three projections are still significantly overstated.

- We noted that Sunnyside's assumed base rates for salaries and per visit rates for contracted staff were not updated when it updated its start date from year 2015 to 2016 and despite increases in wages across all staffing categories from year to year we also noted that Sunnyside's assumption for its physical therapist salary is considerably below our actual experience in the Sunnyside market.

- We question the validity of Sunnyside's projected lease expenses. Sunnyside claimed it would pay rent of $7,200/year, which remains fixed over the entire first three plus years of the project. However, Sunnyside did not provide documentation to substantiate its rent arrangement. It has not demonstrated adequate site control. Moreover, it appears Sunnyside's project calls for too little space at too little rent it proposes to use a mere 115.5 square feet for its entire project.

- Sunnyside's proposed agency will not have sufficient space for staff to conduct patient care conferences or host state surveyors. Sunnyside's space may be sufficient for a drop site, but not a fully operating care center. The projected rent is too low as well. The average in the market is approximately $19.11 per square foot, with a range of $13.25 to $22.75. Clearly, Sunnyside understated its annual lease expense by about 40% of the lease allocated to the Benton County project

The department received rebuttal comments from Sunnyside, which are summarized below.

Sunnyside [Source: Rebuttal comments received March 4, 2015]

- The salary and benefit assumptions used to prepare the home health pro forma financials, were based on Sunnyside's current wage and benefit structure. Using an applicant's experience is a reasonable assumption and one that has been accepted by the Program in past applications, including home health applications.

- One of the key supporters of our application is Yakima Valley Farm Workers Clinic (YVFWC). As noted in its letter of support, the clinic provides access to care for more than 120,000 patients on an annual basis. YVFWC supports patient access in Yakima and Benton Counties. Within these counties, it operates clinics in Toppenish, Yakima, Sunnyside, Grandview, Wapato, Prosser and Pasco. In some Benton County communities, YVFWC has about 100% market share of healthcare.

- Tri-Cities claims that our patient revenues are overstated because our volume projections are extremely aggressive. Sunnyside has clearly demonstrated that there is significant need for additional home health visits in Benton County, even after accounting for our projected visits. Accounting for the existing provider's operating at maximum capacity, the claim is simply is not valid. Its calculation and statement are in error because it erroneously compared our estimated 2015 gross charges per visit with our 2012 payments per visits. Sunnyside's net revenue per visit is consistent with other applications approved by the department.

- As noted in the application, Sunnyside Benton County Home Health will lease space from Sunnyside Community Medical Center, LLC (a wholly owned entity of Sunnyside Community Hospital Association) Sunnyside has assumed an annual lease/rent expense of $7,200. We are confident that the square footage and the lease amount are both sufficient and consistent with space identified in other recent CN applications.

- Sunnyside Hospital Association owns the property the home health agency would be co-located; therefore, it does not need to enter into a market rate rental arrangement. Sunnyside's lease assumption is based on an allocation of historical costs. Given that Sunnyside is not creating a freestanding home health agency that must operate physically independent from the rest of the organization, it does not need the amount of square footage that a separately operated entity might require.

Department's Evaluation

A review of the assumptions used by Sunnyside to project it finances showed the average number of visits per patient anticipated is optimistic based on patient's projections. However, even if Sunnyside failed to achieve its stated number of patient's projections, the projected revenue is expected to exceed expenses in the third year of operation. Tri-Cities asserted that Sunnyside's projected patients visits might be overstated, but the applicant rebuttal comments show that it projected patients in Benton County are based upon it experience providing acute care and ancillary services in both Yakima and Benton counties.

Further, Tri-Cities assertions were not supported by documentation showing Sunnyside would not archive the projected number of patients claimed. Without documentation collaborating Tri-Cities assertions, the department has to assume that the applicant projections are justified. Revenue and expense projections data provided by Sunnyside shows that it expects to provide 16 unduplicated visits per patient.

Given the department's understanding of how a home health patient may qualify for Medicare payments, the department concludes that the 16 visits per patient projected by Sunnyside could be achieved depending on the patient episode of care need. A review of Sunnyside's financial projections shows the proposed project is financially viable. Based on the source information reviewed, and with agreement to the condition relating to space co-sharing agreement stated within the evaluation, the department concludes that the immediate and long-range capital and operating costs of the project could be substantiated. **This sub-criterion is met**.

(2) *The costs of the project, including any construction costs, will probably not result in an unreasonable impact on the costs and charges for health services.*

WAC 246-310 does not contain specific WAC 246-310-220(2) financial feasibility criteria as identified in WAC 246-310-200(2)(a)(i). There are also no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that directs what an unreasonable impact on costs and charges would be for a project of this type and size. Therefore, using its experience and expertise the department compared the proposed project's costs with those previously considered by the department.

The estimated capital expenditure associated with the establishment of Sunnyside Benton County Home Health is $12,500, which is limited to equipment and furnishing. [Source: Application, page 22] Sunnyside anticipates the majority of its revenue would come from Medicare reimbursements and provided the payer mix for the proposed home health agency. [Source: Application, Page 25]

Table 9
Sunnyside Benton County Home Health Payer Mix

Payer	Payer Source Distribution
Medicare	60%
Medicaid	37%
Private Pay/Insurance	3%
Total	**100%**

Since the applicant expects that majority of its payer source would be from Medicare, the proposed project is not expected to have any impact on the operating costs and charges for home health services in the planning area because Medicare payments are prospective payments. Based on the information reviewed, the department concludes that the costs of this project will probably not result in an unreasonable impact to the costs and charges for health care services within the services area. **This sub-criterion is met.**

(3) The project can be appropriately financed.

WAC 246-310 does not contain specific source of financing criteria as identified in WAC 246-310-200(2) (a) (i). There are also no known recognized standards as identified in WAC 246-310-200(2) (a) (ii) and (b) that directs how a project of this type and size should be financed. Therefore, using its experience and expertise the department compared the proposed project's source of financing to those previously considered by the department.

Sunnyside provided the following capital expenditure breakdown for the proposed project. [Source: Application, Page 7]

Table 10
Sunnyside Benton County Home Health Projected Capital Cost

Item	Cost
Furniture and Equipment	$6,000
Computer and Printers	$4,000
Total Project Cost	$10,000

As shown in the table above, the applicant stated within the application that capital expenditure is $10, 000, but the application cover sheet shows a different amount. The application cover sheet shows that the estimated capital expenditure is $12, 500. Sunnyside is proposing to use reserves to fund this project and it provided a letter of financial commitment signed by its financial officer. [Source: Application, Exhibit 11] Based on the information above, the department concludes the project can be funded. **This sub-criterion is met.**

C. Structure and Process (Quality) of Care (WAC 246-310-230)

Based on the source information reviewed and provided the applicant agree to the conditions identified in the 'conclusion' section of this evaluation, the department concludes Sunnyside Community Hospital has met the structure and process of care criteria in WAC 246-310-230.

(1) A sufficient supply of qualified staff for the project, including both health personnel and management personnel, are available or can be recruited.

WAC 246-310 does not contain specific WAC 246-310-230(1) criteria as identified in WAC 246-310-200(2)(a)(i). There are also no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that directs what specific staffing patterns or numbers of FTEs that should be employed for projects of this type or size.

Sunnyside anticipates it would hire 2.20 FTE's. Additionally, Sunnyside also expect to contract for Medical social worker, occupational, and speech therapy services. The table below summarizes Sunnyside's proposed FTE's for years 2016 to 2019. [Source: Application, Page 27 and Supplemental information received December 11, 2014]

Table 11
Sunnyside Benton County Home Health Proposed FTEs Years 2016-2019

Category	Partial Year 2016	Year 1 2017	Year 2 2018	Year 3 2019	Total
Social worker, Occupational, and Speech Therapies	Professional Services Contracts				
Registered Nurse	0.31	0.38	0.22	0.16	1.07
Physical Therapist	0.10	0.23	0.02	0.00	0.35
Home Health Aide	0.12	0.15	0.06	0.05	0.38
Speech Therapist	0.40	0.00	0.00	0.00	0.40
Total FTE's	**0.93**	**0.76**	**0.30**	**0.21**	**2.20**

To further demonstrate compliance with this sub-criterion, Sunnyside provided the following statements, *"Sunnyside Community Hospital is a well-established, highly regarded health care provider. Historically, Sunnyside Community Hospital has not experienced any major difficulty recruiting qualified personnel"*. [Source: Application, Page 29]

Sunnyside identified Tatiana Antoci, MD an employee of Sunnyside Community Hospital as the medical director for the proposed home health agency and provided a draft medical director roles and responsibilities. [Source: Application Page 3 and Supplemental information received December 11, 2014, Attachment 2] Based on the source information reviewed the department concludes that sufficient staffing is available or can be recruited. **This sub-criterion is met.**

(2) *The proposed service(s) will have an appropriate relationship, including organizational relationship, to ancillary and support services, and ancillary and support services will be sufficient to support any health services included in the proposed project.*
WAC 246-310 does not contain specific WAC 246-310-230(2) as identified in WAC 246-310-200(2) (a) (i). There are also no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that directs what relationships, ancillary and support services should be for a project of this type and size. Therefore, using its experience and expertise the department assessed the materials contained in the application.

Sunnyside Community Hospital is an acute care hospital certified by the Centers for Medicare and Medicaid Services as a critical access hospital. Sunnyside Community Hospital is located in Sunnyside within Yakima County

To address the sub-criterion, the applicant stated, *"Sunnyside Community Hospital already operates a hospital and clinic system and has the ancillary and support services infrastructures in place to meet the demand from the proposed home health agency".* [Source: Application Page 30]

Based on the source information reviewed, and with agreement to the ancillary and support services condition stated within the evaluation, the department concludes there is reasonable assurance the proposed home health agency will have appropriate ancillary and support services. **This sub-criterion is met.**

(3) *There is reasonable assurance that the project will be in conformance with applicable state licensing requirements and, if the applicant is or plans to be certified under the Medicaid or Medicare program, with the applicable conditions of participation related to those programs.*
WAC 246-310 does not contain specific WAC 246-310-230(3) criteria as identified in WAC 246-310-200(2) (a) (i). There are known recognized standards as identified in WAC 246-310-200(2) (a) (ii) and (b) that a facility must meet when it is to be Medicare certified and Medicaid eligible. As part of its review, the department must conclude that the proposed service would be operated in a manner that ensures safe and adequate care to the public. Therefore, using its experience and expertise the department assessed the applicant's history in meeting these standards at other facilities owned or operated by the applicant.

Sunnyside Benton County Home Health does not currently provide healthcare services in Washington, but Sunnyside Community Hospital provides hospital services in Benton and Yakima counties. [Source: Application Page 1, Exhibit 1] As part of its review, the department must conclude that the proposed service would be operated in a manner that ensures safe and adequate care to the public.[8]

The Department of Health's Investigations and Inspections Office (IIO) conducts quality of care and compliance surveys. Records indicate that since 2012, IIO has completed three compliance surveys for Sunnyside Community Hospital. The surveys revealed deficiencies typical for the facility and Sunnyside submitted acceptable plans of corrections and implemented the required actions. Sunnyside identified Tatiana Antoci, MD as the medical director for the proposed home health agency. A review of Dr. Antoci's compliance history did not show any current or past enforcement actions. [Source: Compliance history provided by Medical Quality Assurance Commission]

[8] WAC 246-310-230(5).

Given the compliance history of Sunnyside and that of its proposed medical director, the department concludes there is reasonable assurance Sunnyside Benton County Home Health Agency would be operated in conformance with state and federal regulations. **This sub-criterion is met**

(4) *The proposed project will promote continuity in the provision of health care, not result in an unwarranted fragmentation of services, and have an appropriate relationship to the service area's existing health care system.*

WAC 246-310 does not contain specific WAC 246-310-230(4) criteria as identified in WAC 246-310-200(2)(a)(i). There are no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that directs how to measure unwarranted fragmentation of services or what types of relationships with a services area's existing health care system should be for a project of this type and size. Therefore, using its experience and expertise the department assessed the materials in the application.

To demonstrate compliance with this sub-criterion, Sunnyside stated it fully expects that the proposed project would promote continuity in care delivery and support the needs of home health patients in the planning area. Additionally, the applicant asserted that it already provides inpatient and outpatient health care services in Benton and Yakima counties to serve the residents of Yakima and Benton counties therefore it does expect that offering home health services will result in a need for additional agreements or contracts. [Source: Application, Page 30]

Based on the source information reviewed, the department concludes that approval of this project would not cause unwarranted fragmentation of the existing healthcare system. **This sub-criterion is met.**

(5) *There is reasonable assurance that the services to be provided through the proposed project will be provided in a manner that ensures safe and adequate care to the public to be served and in accord with applicable federal and state laws, rules, and regulations.*

This sub-criterion is evaluated in sub-section (3) above, and based on that evaluations; the department concludes that **this sub-criterion is met**.

D. Cost Containment (WAC 246-310-240)

Based on the source information reviewed and provided the applicant agree to the conditions identified in the 'conclusion' section of this evaluation, the department concludes Sunnyside Community Hospital has met the cost containment criteria in WAC 246-310-240.

(1) *Superior alternatives, in terms of cost, efficiency, or effectiveness, are not available or practicable.*

To determine if a proposed project is the best alternative, the department takes a multi-step approach. Step one determines if the application has met the other criteria of WAC 246-310-210 thru 230. If it has failed to meet one or more of these criteria then the project is determined not to be the best alternative, and would fail this sub-criterion.

If the project met the applicable criteria, the department would move to step two in the process and assess the other options the applicant or applicants considered prior to submitting the application under review. If the department determines the proposed project is better or equal to other options

the applicant considered before submitting their application, the determination is either made that this criterion is met (regular or expedited reviews), or in the case of projects under concurrent review, move on to step three.

Step three of this assessment is to apply any service or facility specific criteria (tie-breaker) contained in WAC 246-310. The tiebreaker criteria are objective measures used to compare competing projects and make the determination between two or more approvable projects, which is the best alternative. If WAC 246-310 does not contain any service or facility criteria as directed by WAC 246-310-200(2)(a)(i), then the department would look to WAC 246-310-240(2)(a)(ii) and (b) for criteria to make the assessment of the competing proposals. If there are no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b), then using its experience and expertise, the department would assess the competing projects and determine which project should be approved.

Step One

For this project, Sunnyside's project met the review criteria under WAC 246-310-210, 220, and 230. Therefore, the department moves to step two below

Step Two
Besides the project, the applicant only considered the option of doing nothing summarized below.

Do nothing
The applicant stated it was prompted to submit this application because of the recent closure of a home health agency in the planning area maintaining the status quo was not an option. Therefore, the applicant rejected doing nothing and submitted an application. [Source: Application, Pages 33-35]

The department's methodology shows that additional capacity can be added within the planning area and given the applicant statements above, the department concludes **this sub-criterion is met**.

Step Three
This step is used to determine the best available alternative between two or more approvable projects. The department did not receive any other application proposing to establish a home health agency in Benton County. Therefore, this **step is not applicable to this project.**

State Health Plan Home Health Methodology-Benton County
Sunnyside Community Hospital and Clinics, Sunnyside Professional Services
dba Sunnyside Home Health (CN15-09)

Population by age group by year						
	2014	**2015**	**2016**	**2017**	**2018**	**2019**
Total County Population	182,944	184,882	187,467	190,052	192,636	195,221
Population 0-64	**158,986**	**160,085**	**161,501**	**162,917**	**164,332**	**165,748**
Population 65-79	18,010	18,744	19,774	20,804	21,835	22,865
65-69	8,358	8,748	9,113	9,478	9,842	10,207
70-74	5,710	5,955	6,383	6,811	7,240	7,668
75-79	3,942	4,041	4,278	4,515	4,753	4,990
Total Population 65-79	**18,010**	**18,744**	**19,774**	**20,804**	**21,835**	**22,865**
Population 80 +	5,948	6,053	6,192	6,331	6,469	6,608
80-84	2,841	2,864	2,944	3,024	3,103	3,183
85+	3,107	3,189	3,248	3,307	3,366	3,425
Total Population 80+	**5,948**	**6,053**	**6,192**	**6,331**	**6,469**	**6,608**
Pop. Calc. test back	182,944	184,882	187,467	190,052	192,636	195,221

State Health Plan Home Health Methodology-Benton County
Sunnyside Community Hospital and Clinics, Sunnyside Professional Services
dba Sunnyside Home Health (CN15-09)

Step 1-Population by Age Cohort	2014	2015	2016	2017	2018	2019
0-64	158,986	160,085	161,501	162,917	164,332	165,748
65-79	18,010	18,744	19,774	20,804	21,835	22,865
80+	5,948	6,053	6,192	6,331	6,469	6,608
Step 2-Projected Home Health Patients by Age Cohort						
0-64 X 0.005	794.93	800.43	807.51	814.59	821.66	828.74
65-79 X 0.044	792.44	824.74	870.06	915.38	960.74	1,006.06
80+ X 0.183	1,088.48	1,107.70	1,133.14	1,158.57	1,183.83	1,209.26
Step 3-Projected Home Health visits by age cohort						
0-64	794.93	800.43	807.51	814.59	821.66	828.74
Multiplier	10	10	10	10	10	10
Subtotal 0-64	7,949.30	8,004.25	8,075.05	8,145.85	8,216.60	8,287.40
65-79	824.74	824.74	870.06	915.38	960.74	1,006.06
Multiplier	14	14	14	14	14	14
Subtotal 65-79	11,546.30	11,546.30	12,180.78	12,815.26	13,450.36	14,084.84
80+	1,088.48	1,107.70	1,133.14	1,158.57	1,183.83	1,209.26
Multiplier	21	21	21	21	21	21
Subtotal 80+	22,858.16	23,261.68	23,795.86	24,330.03	24,860.37	25,394.54
Total Projected Home Health Visits	**42,353.77**	**42,812.23**	**44,051.69**	**45,291.15**	**46,527.33**	**47,766.78**
Step 4-Gross Need (Step 3 Total Visits /10,000)	**4.24**	**4.28**	**4.41**	**4.53**	**4.65**	**4.78**
Step 5- No. of Home Health Agencies	**3**	**3**	**3**	**3**	**3**	**3**
Step 6 Net Need (Per Method, Fractions are rounded down)	**1**	**1**	**1**	**1**	**1**	**1**
A negative number means there is a surplus						