

CORRECTED EVALUATION DATED DECEMBER 26, 2023, OF THE CERTIFICATE OF NEED APPLICATION SUBMITTED BY VUE HOME CARE, LLC PROPOSING TO PROVIDE MEDICARE AND MEDICAID-CERTIFIED HOME HEALTH SERVICES TO THE RESIDENTS OF BENTON COUNTY

APPLICANT DESCRIPTION

Vue Home Health, LLC

Vue Home Health, LLC (Vue) is a Washington Limited Liability Company¹ owned by Veerpal Kaur, Dhanwant Kaur, and Harbans Kaur. Vue is currently licensed in Washington State² for home care and state home health services to Benton, Franklin, Walla Walla, and Yakima County residents, and does not operate in any other states. Vue is headquartered at 636 North Colorado Street, Suite 24, Kennewick, Washington [99336] within Benton County. [source: Application, p7]

For this application, Vue Home Health, LLC is the applicant and will be referenced in this evaluation as *Vue* or *Vue Home Health*.

PROJECT DESCRIPTION

Vue Home Health, LLC

Vue is proposing to establish an agency that will provide Medicare and Medicaid-certified home health services to the residents of Benton County. If approved, Vue proposes to operate its Medicare and Medicaid-certified home health agency from its existing offices at 636 North Colorado Street, Suite 24, Kennewick, Washington [99336] within Benton County. [source: Application, p7]

Vue stated the home health agency will include the following services either directly or through contract:

Skilled nursing	Occupational Therapy
Home Health Aide	Physical Therapy
Speech Therapy	Respiratory Therapy
Medical Social Services	IV Services

[source: Application, pdf 10]

If approved, Vue anticipates providing Medicare and Medicaid-certified home health services to Benton County residents by September 2024.³ [source: Application, pdf 9] For this project, full calendar year one is 2025 and year three is 2027.

The proposed project does not require construction. The project's estimated capital cost is \$20,033, which includes office furniture, office equipment, and related sales tax. Start-up costs are \$17,818 which includes pre-operational expenses, such as rent, other property expenses, information technology, supplies, and recruitment and training. [sources: Application, p20 and Exhibit 7; August 21, 2023, screening response, Revised Exhibit 7]

APPLICABILITY OF CERTIFICATE OF NEED LAW

This application is subject to Certificate of Need review as the construction, establishment, or other development of a health care facility under RCW 70.38.105(4)(a) and WAC 246-310-020(1)(a).

¹ Vue Home Health's Washington State Secretary of State unified business identifier is 604 908 448.

² Vue Home Health's Washington State In-Home Services license # IHS.FS.61385337.

³ This timeline assumes a CN approval in March 2024.

EVALUATION CRITERIA

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

In the event Chapter 246-310 WAC 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.

To obtain Certificate of Need approval, the applicant must demonstrate compliance with the criteria found in WAC 246-310-210 (need) including applicable portions of the 1987 Washington State Health plan; 246-310-220 (financial feasibility); 246-310-230 (structure and process of care); 246-310-240 (cost containment).

TYPE OF REVIEW

This application was reviewed under the regular review timeline outlined in WAC 246-310-160. The following table shows a summary of the timeline used for the review of this project.

APPLICATION CHRONOLOGY

Action	Vue Home Health
Letter of Intent Received	June 16, 2023
Application Received	July 17, 2023
Department's pre-review activities <ul style="list-style-type: none">• DOH Screening Letter Sent• Applicant's Responses Received	August 7, 2023 August 21, 2023
Beginning of Review	September 20, 2023
Public Hearing	None requested or conducted
Public Comments Deadline	October 25, 2023
Rebuttal Comments Deadline	November 8, 2023
Department's Anticipated Decision Date	December 26, 2023
Department's Actual Decision Date	December 26, 2023

AFFECTED PERSONS

Affected persons are defined under WAC 246-310-010(2). To qualify as an affected person someone must first qualify as an *interested person* defined under WAC 246-310-010(34). During the review of this application, no entities requested interested person status, therefore there are no interested or affected persons for this application.

SOURCE INFORMATION REVIEWED

- Vue Home Health's Certificate of Need application received July 17, 2023
- Vue Home Health's screening response received August 21, 2023
- Public comment provided on or before October 25, 2023
- 1987 Washington State Health Plan
- Office of Financial Management Population Data 2022
- Department of Health Integrated Licensing and Regulatory System database [ILRS]

SOURCE INFORMATION REVIEWED (continued)

- Licensing and/or survey data provided by the Department of Health's Office of Health Systems Oversight
- Licensing data provided by the Medical Quality Assurance Commission, Nursing Quality Assurance Commission, and Health Systems Quality Assurance Office of Customer Service
- CMS QCOR Compliance website: https://qcor.cms.gov/index_new.jsp
- Washington Secretary of State corporation data

CONCLUSION

Vue Home Health, LLC

For the reasons stated in this evaluation, the application submitted by Vue Home Health, LLC proposing to establish a Medicare and Medicaid-certified home health agency to serve the residents of Benton County is consistent with the applicable criteria of the Certificate of Need Program, provided Vue Home Health, LLC agrees to the following in its entirety.

Project Description:

This Certificate of Need approves Vue Home Health, LLC to establish a Medicare and Medicaid-certified home health agency in Kennewick to serve the residents of Benton County, Washington. Home health services provided to Benton County residents include skilled nursing; physical, occupational, speech, and respiratory therapies; medical social services; home health aide; and medical IV services. Services may be provided directly or under contract.

Conditions:

1. Approval of the project description as stated above. Vue Home Health, LLC 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. Vue Home Health, LLC will obtain and maintain Medicare and Medicaid certification.
3. Vue Home Health, LLC shall finance the project using its member's funds as described in the application.
4. The service area for this Medicare and Medicaid-certified home health agency is Benton County. Vue Home Health, LLC must provide home health services to the entire county for which this Certificate of Need is granted.

Approved Costs:

This project's capital costs are \$20,033, which includes office furniture, office and IT equipment, and related sales tax.

CRITERIA DETERMINATIONS

A. Need (WAC 246-310-210)

Based on the source information reviewed and agreement to the conditions identified in the conclusion section of this evaluation, the department determines that the Vue Home Health project **meets** the applicable need criteria in WAC 246-310-210.

(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 246-310-210(1) does not contain specific 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.

Home Health Numeric Methodology-1987 Washington State Health Plan (SHP)

The SHP methodology is a five-step process outlined below that projects the number of home health agencies that will be needed in a planning area. [source: SHP, pB-35]

Step one: Project the population of the planning area, broken down by age cohort

Age Cohort
0-64
65-79
80+

Step two: Project the number of home health patients

This is done by multiplying each projected population age cohort by its corresponding use rate identified in the SHP.

Age Cohort	Use Rate
0-64	0.005
65-79	0.044
80+	0.183

Step three: Project number of patient visits

This is done by multiplying each age cohort's projected number of home health patients (calculated in the previous step) by its corresponding number of visits identified in the SHP.

Age Cohort	Use Rate	Visits
0-64	0.005	10
65-79	0.044	14
80+	0.183	21

Step four: Determine the projected home health agencies needed

This is done by dividing the total projected number of visits by 10,000, which is the amount the SHP considers 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 specifies that fractions are rounded down to the nearest whole number.

Step five: Subtract the existing number of home health agencies in a planning area

The fifth and final step in the numeric methodology is to subtract the existing number of home health agencies providing services to a planning area from the projected number of agencies needed. This results in the net number of agencies needed for the planning area.

Vue Home Health, LLC

Vue provided a numeric methodology based on the five steps identified in the SHP, the outcome is summarized in the following table. [source: August 21, 2023, screening responses, Revised Exhibit 2]

**Department’s Table 1
Vue Home Health’s Numeric Need Methodology for Year 2026**

Estimated home health agency gross need	6.38
Subtract # of home health agencies in the supply	(2)
Net need for Medicare and Medicaid home health agencies	4.38
Total net need	4

As shown in the table, Vue estimates a net need for home health agencies by the end of year 2026.

There were no public comments or rebuttal comments submitted for the Vue project related to this sub-criterion.

Department Evaluation of Numeric Need for the Benton County Home Health Projects

This section outlines the steps from the SHP methodology and applies them to Benton County. [source: SHP, pB-35]

Step one: Project the population of the planning area, broken down by age cohort

**Department’s Table 2
Numeric Need Methodology for Benton County
Step One – Project Planning Area Population by Age Cohort**

Age Cohort	2024	2025	2026
0-64	180,477	182,019	183,656
65-79	29,371	30,291	30,831
80+	8,239	8,581	9,262

[source: OFM “Projections of the Population by Age and Sex for Growth Management, 2022 GMA Projections - Medium Series”]

Step two: Project the number of home health patients

This is done by multiplying each projected population age cohort by its corresponding use rate identified in the SHP.

**Department’s Table 3
Numeric Need Methodology for Benton County
Step Two – Projected Number of Home Health Patients**

Age Cohort	Use Rate	2024	2025	2026
0-64	0.005	902	910	918
65-79	0.044	1,292	1,333	1,357
80+	0.183	1,508	1,570	1,695

Step three: Project number of patient visits

This is done by multiplying each age cohort’s projected number of home health patients (calculated in the previous step) by its corresponding number of visits identified in the SHP.

Department’s Table 4
Numeric Need Methodology for Benton County
Step Three – Projected Number of Home Health Visits

Age Cohort	Use Rate	Visits	2024	2025	2026
0-64	0.005	10	9,024	9,101	9,183
65-79	0.044	14	18,093	18,659	18,992
80+	0.183	21	31,664	62,977	330,756
Totals			57,781	60,737	63,767

Step four: Determine the projected home health agencies needed

This is done by dividing the total projected number of visits by 10,000, which is the amount the SHP considers 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 specifies that fractions are rounded down to the nearest whole number.

Department’s Table 5
Numeric Need Methodology for Benton County
Step Four – Projected Number of Home Health Agencies Needed

Age Cohort	Use Rate	Visits	2024	2025	2026
0-64	0.005	10	9,024	9,101	9,183
65-79	0.044	14	18,093	18,659	18,992
80+	0.183	21	31,664	32,977	35,592
Totals			58,781	60,737	63,767
Target Minimum Operating Volume			10,000	10,000	10,000
Number of Agencies			5.88	6.07	6.38
Number of Gross Agencies Needed			5	6	6

Step five: Subtract the existing number of home health agencies in a planning area

The fifth and final step in the numeric methodology is to subtract the existing number of home health agencies providing services to a planning area from the projected number of agencies needed. This results in the net number of agencies needed for the planning area. Following is a brief description of how the department determines what agencies should be included or excluded from the numeric need methodology’s supply.

It is important to note that the department adheres to the definition in the 1987 Washington State Health Plan (SHP) for a home health agency which states, “*Home health agency means an entity coordinating or providing the organized delivery of home health services. Home health services means the provision of nursing services along with at least one other therapeutic service or with a supervised home health aide service to ill or disabled persons in their residences on a part-time or intermittent basis, as approved by a physician.*” [source: SHP, pB-34]

Several factors are used to determine whether an agency is appropriately considered part of the supply for any county. The first used by the department is its internal database.⁴ At initial licensure, renewal, or through a separate request, agencies list or edit their service areas, number of home health full-time employees, services provided, and agency website. Each of these is used to help determine if an agency is available and accessible to the entirety of Benton County residents.

The second factor is the Certificate of Need Program's records of which agencies are Certificate of Need approved. Medicare and Medicaid-certified. and available and accessible to all residents of a county.

Another factor used is an agency's response to the department's home health utilization survey. In 2021 and 2022, the department sent utilization surveys to all licensed home health agencies. The survey requested historical admissions and visits for the preceding years, 2020 and 2021 respectively.

An additional factor used in this assessment is each agency's public website. First, the department checks if there is a website that can be verifiably linked to the licensee. Second, the department checks if services listed as available on the website are in line with the SHP discussed earlier. Lastly, the department checks if it appears as though the agency serves Benton County in its entirety. When there is no website located, listed, or functioning that does not necessarily exclude the agency from the supply; however, the department would rely on other previously detailed methods to verify services and service area(s).

The attached analysis in Appendix A (listing which agencies are sufficiently available and accessible) was used to determine which agencies should be counted in the Benton County home health supply. The department started with a listing of all licensed in-home services agencies and eliminated any licenses that had a status of closed, denied licensure, expired, revoked, or suspended. This left in-home services licenses with a status of active or pending. Then, agencies that did not list home health as an agency service category on their state license or that were not serving Benton County were excluded. Next, the department applied the SHP definition of home health agency, by examining each agency's services listed on its license and determining if the licensed agency fits the SHP definition on this basis. Based on these factors, 42 home health agencies with in-home services licenses were examined.

The department's findings on these 42 agencies are detailed in Appendix A, including the rationale outlining each agency's inclusion or exclusion from the supply for the numeric methodology for Benton County. A summary is in the following table.

⁴ Integrated Licensing and Regulatory System (ILRS).

**Department's Table 6
Summary of Determining the Existing Home Health Supply for Benton County**

CN-approved or grandfathered agencies	3 agencies are counted.
Website research shows services are limited to a special population or to only parts of Benton County	25 agencies are excluded on this basis.
Website research shows services exclude the agency from the SHP definition of a home health agency	9 agencies are excluded on this basis.
No recent surveys were submitted, or website located	4 agencies are excluded on this basis.
Agencies whose applications were pending	0 agencies are excluded on this basis.

Of the original 42 agencies, exclusion of the 38 from Table 6 results in 4 remaining agencies. One of those 4 is the applicant, which is currently licensed to provide service to private-pay or commercial insurance patients only, so it is also deducted from the supply. The following table shows the remaining 3 licenses that represent the existing supply of active CN-counted home health agencies serving the residents of Benton County.

**Department's Table 7
The Existing Home Health Supply for Benton County**

Agency Name	WA DOH License Number
Astria Sunnyside Home Health	IHS.FS.60724314
Columbia River Home Health	IHS.FS.60875683
Tri Cities Home Health	IHS.FS.00000352

A summary of the department's numeric methodology is presented in the following table. The complete methodology and supporting data are provided in Appendix B attached to this evaluation.

**Department's Table 8
Numeric Need Methodology for Benton County
Step Five – Subtract the Existing Supply**

Age Cohort	Use Rate	Visits	2024	2025	2026
0-64	0.005	10	9,024	9,101	9,183
65-79	0.044	14	18,083	18,659	18,992
80+	0.183	21	31,664	32,977	35,592
Totals			58,781	60,737	63,767
Target Minimum Operating Volume			10,000	10,000	10,000
Number of Agencies			5.88	6.07	6.38
Number of Gross Agencies Needed			5	6	6
Number of Existing Agencies			3	3	3
Net Agencies Needed			2	3	3

As shown in the preceding tables, both the department's and the applicant's need methodologies project need for additional home health agencies in Benton County in projection year 2026. Based

solely on the numeric methodology, numeric need for additional Benton County home health agencies is demonstrated.

In addition to the numeric need methodology, the department must determine whether other services and agencies of the type proposed are not or will not be sufficiently available and accessible to meet that need.

Vue Home Health, LLC

Vue provided the following statements related to this sub-criterion. [source: Application, pp13-14]

“Since there exists an unmet need for additional home health agencies in Benton County, Vue Home Health's proposed project is by definition not an unnecessary duplication of services. However, in addition to the Department's need methodology, see the Introduction and Rationale section for a discussion of additional reasons to support approval of the proposed project. These include:

- i. OFM data showing the 65+ year old age cohort expected to grow at 3% per year through 2030. Elderly individuals are the high utilizers of home health.*
- ii. CMS' National Health Expenditure projections projecting that home health care expenditures will be the fastest growing services category (excluding 'Net Cost of Private Insurance'), expected to grow at a rate of 7.2% per year.*
- iii. A 2022 Community Health Needs Assessment (CHNA) conducted in collaboration between Benton-Franklin Health District, Benton-Franklin Community Health Alliance, Prosser Memorial Health, and Kadlec Regional Medical Center found that community members highlighted need for home visits and services to overcome barriers to care, support discharge planning, and overall, ease access to health services. These comments from the largest health systems operating in Benton County demonstrate that the home health services proposed by Vue Home Health will compliment and support the goals and initiatives by the greater health system to enhance access and improve care for the community.*

Further, review of comparative prevalence rates and health outcomes between Benton County and Washington highlighted key disparities that help inform areas of focus for Vue's proposed health services. Key disparities include a substantially higher rate of preventable hospitalizations among Medicare beneficiaries (2,619 per 100,000 Medicare beneficiaries in Benton compared to 1,844 for Washington State); a higher percentage of Medicare beneficiaries with high blood pressure (52.5% compared to 45.4%), diabetes (26.8% compared to 21.8%), and asthma (5.0% compared to 4.2%); and a higher mortality rate in coronary heart disease (89.0 deaths per 100,000 Medicare beneficiaries compared to 77.5 deaths per 100,000 in Washington) and lung disease (36.3 per 100,000 Medicare beneficiaries compared to 34.6).

Vue Home Health aims to improve the health outcomes and reduce the health disparities of Benton County residents. Vue will train its staff on how to provide care and education to patients and caregivers about managing chronic conditions, such as diabetes, COPD, asthma, hypertension, heart failure, etc. Vue will also teach patients and caregivers to look for the signs and symptoms of potentially preventable conditions, such as bacterial pneumonia or urinary tract infection, and when to seek medical attention. By providing preventative care such as patient education and chronic disease management, this can help detect and treat health problems early, prevent complications, and avoid unnecessary hospital visits. Additionally, Vue will provide respiratory therapy to address the higher rates of chronic conditions and mortality related to asthma and lung disease, as well as care for patients with a tracheostomy. The service will provide respiratory therapy such as oxygen

therapy, nebulizer treatments, chest physiotherapy, and pulmonary rehabilitation, among other respiratory services.”

Additionally, Vue provided the following response regarding existing barriers to home health services for Benton County residents. [source: Application, pp19-17]

“As demonstrated above, there exists considerable unmet need for additional home health agencies in Benton County. Thus, resident demand for home health programs currently outstrips the present supply, thereby constraining resident access to these necessary services. Furthermore, since home health services are, by definition, provided in the home, it is not possible for Benton County residents to outmigrate to other areas.

One of the key inputs of the 2022 CHNA by Benton-Franklin health systems was an April 2022 community health survey of Benton and Franklin adults. The survey revealed that 16% of persons 55+ year old reported that they or someone in their household had a challenge in meeting needs for 'In-home support for seniors or people with disabilities'. In-home support was identified as the second most prevalent challenge for the 55+ age cohort (at 16%) and was within the top three main challenges for the \$50K-\$100K income group (12%) as well. And even though in-home support wasn't listed within the top three main challenges for the lowest income group, under \$50K, in absolute terms the lower income group reported greater challenges in meeting needs (16% for under \$50K compared to 12% for \$50K-\$100K).”

Public Comments

The department received comments in support of Vue Home Health’s project. The following excerpt is representative of the comments received related to this sub-criterion. Additionally, listed here are the authors of similar comments and the location (pdf page) of comments within the department’s October 24, 2023, Comments Packet.

- Laurie Hanny, Administrator, Hawthorne Court Retirement and Assisted Living
- Ruth Wright, Marketing Manager, Hawthorne Court
- Kenneth Wright, RN, BSN, Case Manager, Heart Links Hospice
- Greg Gilliland, Community Member
- Raman Malhi, Owner, Grandview Assisted Living Facility

Jennifer Gilliland, Community Member [source: Comment Packet, distributed October 25, 2023, pp 3-4]

“I am writing to express my wholehearted support for Vue Home Health, a home health care company that is set to make a significant and positive impact in Benton and Franklin County. It is evident that there is a growing need for reliable and compassionate home health care services in our community, and Vue Home Care appears to be the answer to this pressing demand.

As we all know, our community is experiencing a notable increase in the aging and retired population. With this demographic shift, the need for quality home health care services has never been more crucial. Vue Home Health is well positioned to address this need effectively, thanks to its well-trained personnel who not only possess the necessary skills and expertise but also have deep roots in our community. These caregivers understand the unique challenges and needs of our residents, making them an invaluable asset to our community's well-being.

One of the outstanding features of Vue Home Health is its commitment to providing care in the homes of the patients at any time of the day. This level of flexibility ensures that seniors and individuals

with healthcare needs can receive the support they require in the comfort of their own homes, promoting their independence and enhancing their quality of life. The availability of round-the-clock care is particularly reassuring for families who have loved ones in need of assistance, offering peace of mind knowing that their relatives are in capable and compassionate hands.”

Department Evaluation

Vue is proposing to locate its agency in office space in Kennewick, within Benton County. Vue has researched and identified populations that currently lack and/or face barriers to accessing timely home health services. Vue provided information to support the addition of another Medicare and Medicaid certified home health agency in Benton County.

Vue also presented data demonstrating that the average age of the service area population is projected to increase, leading to increased demand for home health services in Benton County. The applicant also provided utilization projections through year 2027 projecting a similar increase in demand. Vue also provided information from the 2022 Community Health Needs Assessment that specifically called for increased home health capacity. Finally, Vue provided information comparing several health disparities facing Benton County residents that may be addressed, in part, by increased access to home health services.

During the review of this project, none of the other existing providers of Medicare and Medicaid home health services in Benton County provided public comments in support or opposition to the project. With no comments in opposition, the department concludes that an additional provider for Benton County would not substantially affect the existing agencies.

The department concludes that the numeric methodology, comments, rebuttal, and the application information support need for an additional home health agency to serve the residents of Benton County. Based on the information received, the department concludes that Vue demonstrated need for its proposed project and meets this sub-criterion. Typically, the department reviews the number of home health visits by agencies counted in the supply against the projected number of visits to further assess availability and accessibility. Historical visit information is only available to the department through its use of annual surveys. Since only 3 of the 42 agencies counted in the supply returned completed surveys with year 2021 or 2022 data, the department did not conduct this analysis for this project. Rather, the department takes into consideration the lack of public comments from existing Benton County home health providers that oppose the addition of a new provider to Benton County.

The numeric methodology supports need for additional home health agencies in Benton County. The numeric methodology and preceding analysis demonstrate that Vue could be approved since Vue provided a reasonable rationale for its project. Based on the information received, and subject to agreement to a condition that Vue would be available to all residents of Benton County, the department concludes that Vue has demonstrated need for its proposed project and **meets this sub-criterion.**

(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.

To evaluate this sub-criterion, the department evaluates an applicant's admission policies, willingness to serve Medicare and Medicaid patients, and willingness to serve patients who cannot afford to pay for services.

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 assurances regarding access to treatment. The admission policy must also include language to ensure all residents of the planning area would have access to the proposed 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.

Medicare certification is a measure of an applicant's willingness to serve the elderly. With limited exceptions, Medicare is coverage for individuals aged 65 and over. Medicaid certification is a measure of an applicant's willingness to serve low-income persons and may include individuals with disabilities.

Charity care shows the willingness of a provider to provide services to individuals who do not have private insurance, do not qualify for Medicare, do not qualify for Medicaid, or are underinsured.

Vue Home Health, LLC

In response to this sub-criterion, this applicant provided a copy of the following policies.

Admission and Assessment Policy – Executed [source: Application, Exhibit 4]

Policy Statement: Acceptance of patients by the agency is based on an initial assessment visit and a reasonable expectation that home health services can meet the medical needs of the patient. The agency shall admit clients without discrimination regarding race, color, creed, national origin, religion, sex, sexual orientation, disability, age, source of income, or any other class protected by federal or Washington state law..

This policy includes its policy statement, nondiscrimination language quoted above, admission criteria, and admission procedures.

Patient Rights and Responsibilities and Patient Bill of Rights– Executed [source: Application, Exhibits 5 and 6]

Stated purpose: To document rights that belong to patients, families and designated patient representatives by the Washington State In-Home Services licensing law.

This policy details its policy statement; procedure; lists patients' and patients' families' rights; includes avenues to file complaints, grievances, and violations; includes nondiscrimination language; lists patients' responsibilities; and its regulatory reference.

Patient Financial Assistance Policy – Executed [source: Application, Exhibit 3]

Stated purpose: Vue Home Health, LLC ("Vue") is committed to providing necessary home health services and financial assistance to eligible patients in conformance with federal and state law. This

Financial Assistance Policy outlines the criteria and process for patients to receive financial assistance for care received at Vue.

The policy includes its policy statement, eligibility criteria, the process for determining eligibility, necessary documentation, options to appeal the agency’s determination, and regulatory references.

Vue further provided the following statements demonstrating its commitment to being available and accessible to all residents of the planning area.

“Vue Home Health's services will be available and accessible to all Benton County residents.”
[source: Application, p17]

“The proposed agency will serve all patient groups in need of Home Health services in Benton County, with an emphasis on underserved populations. Vue Home Care will provide comprehensive Home Health services to all qualifying patients, regardless of payer coverage, or ability to pay.”
[source: Application, p16]

“The proposed agency will serve all patient groups in need of Home Health services in Benton County, with an emphasis on underserved populations. Vue Home Health will provide comprehensive Home Health services to all qualifying patients, regardless of payer coverage, or ability to pay.” [source: Application, p16]

This applicant provided the following information regarding assumptions used to determine the projected payer mix.

“We note that in determining appropriate assumptions for our financial Pro Forma, we applied an average of financial assumptions from previously approved Washington home health applications. These include the approvals of Unity Home Health (CN#22-38), Amicable Healthcare, Inc (CN #19-52), and Wellspring Home Health (CN #21-35) in King County, Providence Home Health (CN #20-24) in Clark County, and Eden Home Health (CN #19-67) in Spokane County. Since payer and other financial statistics vary substantially from applicant to applicant, and the Benton County demographics underlying these financial statistics shift over time and are affected by the current and past demographics of other Washington areas, we decided it was most reasonable to apply financial assumptions which reflected an average across multiple applicants whose projects were approved in representative counties across Washington State” [source: Application, p18]

Based on its research Vue anticipates the following payer mixes by gross revenue and patients.

Applicant’s Table

Table 8: Projected Payer Mix			
<i>Payer</i>	<i>% of Gross Revenue</i>	<i>% of Patients</i>	<i>% of Net Revenue</i>
Medicare	77%	77%	84%
Medicaid	6%	6%	3%
Commercial/Other	17%	17%	13%

Source: Applicant

[source: Application, p21]

Public Comments

The department received comments in support of Vue Home Health’s project. The following excerpt is representative of the comments received related to this sub-criterion. While the applicant did not

specify that Vue would provide targeted outreach to the Sikh or Punjabi community in Benton County, two commenters discussed such efforts by Vue to provide service to this population. Additionally, listed here are the authors of similar comments and the location (pdf page) of comments within the department's October 26, 2023, Comments Packet.

- Jasvir Kaur, Community Member, p9
- Jora Singh, Community Member, p10

Jora Sing, Community Member [source: Comment Packet, distributed October 26, 2023, p10]

"I am writing this letter in support of Vue Home Health to open a new home health agency in Benton County. As a member of Sikh community in Tri-cities area I am blessed to be involved in the lives of hundreds of members who are in the age of retirement. We have growing elderly population in Sikh community who I know will benefit from Vue Home Health services.

Many elderly immigrants in my community have language barriers which makes it hard for them to get medical assistance. Vue Home Health, I believe will provide the knowledge and care that will improve elderly lives in my community while improving language barrier concerns that many in my community face. I also recognize Vue Home Health's effort to close the gap in care that comes when individuals are not able to physically leave home to get therapy that can dramatically improve one's health. I know many in my community are not able to safely leave home and get the medical care they need. Therefore, the services that Vue Home Health offers will help individuals get care in comfort of their own homes. I firmly believe that by approving this application you would not only be helping improve health of individuals but also helping lower healthcare cost in the long run."

Department Evaluation

Vue states its services will be available and accessible to all Benton County residents. To substantiate this statement Vue provided multiple policies relevant to this sub-criterion.

The *Admission Policy* describes the policy's procedure, admission criteria, and nondiscrimination language. This policy functions in conjunction with Vue Home Health's other policies: *Patient Rights and Responsibilities*, and its *Financial Assistance Policy*. These policies include information used to set clear guidelines and protect patients from unfair treatment in accordance with applicable laws.

Through its projection period, Vue anticipates Medicare revenue will average 77% of gross revenue; Medicaid 6% of gross revenue, while commercial/other government/L&I, and self-payer revenue is expected to average 17% of gross revenue. Vue specified these percentages are based on its research of previously CN-approved projects' payer mixes. As a new provider of home health services, this is a reasonable approach. This applicant also included in its income statements each of these revenue types in its projections.

As mentioned above Vue also provided a copy of its *Financial Assistance Policy* which will be used at its proposed agency. The policy includes its eligibility criteria, the process for determining eligibility, necessary documentation, and options to appeal the agency's determination. The income statements provided by Vue also include projected charity care as a deduction from gross revenue.

Comments in support of Vue Home Health's project were provided by representatives of communities that are related to this sub-criterion. The comments highlight the type of home health

outreach Vue intends to do. The commenters support this project because of this applicant's interest in providing access to all and plan to move forward with outreach if approved.

If approved, the department will require Vue Home Health's home health services to be available and accessible to all residents of the planning area. With agreement to this condition and based on the information provided and lack of any comment demonstrating Vue will not provide adequate access to all residents of Benton County, the department concludes that the Vue project **meets this sub-criterion**.

- (3) The applicant has substantiated any of the following special needs and circumstances the proposed project is to serve.
 - (a) *The special needs and circumstances of entities such as medical and other health professions schools, multidisciplinary clinics and specialty centers providing a substantial portion of their services or resources, or both, to individuals not residing in the health service areas in which the entities are located or in adjacent health service areas.*
 - (b) *The special needs and circumstances of biomedical and behavioral research projects designed to meet a national need and for which local conditions offer special advantages.*
 - (c) *The special needs and circumstances of osteopathic hospitals and non-allopathic services.*

- (4) The project will not have an adverse effect on health professional schools and training programs. The assessment of the conformance of a project with this criterion shall include consideration of:
 - (a) *The effect of the means proposed for the delivery of health services on the clinical needs of health professional training programs in the area in which the services are to be provided.*
 - (b) *If proposed health services are to be available in a limited number of facilities, the extent to which the health professions schools serving the area will have access to the services for training purposes.*

- (5) The project is needed to meet the special needs and circumstances of enrolled members or reasonably anticipated new members of a health maintenance organization or proposed health maintenance organization and the services proposed are not available from nonhealth maintenance organization providers or other health maintenance organizations in a reasonable and cost-effective manner consistent with the basic method of operation of the health maintenance organization or proposed health maintenance organization.

Department Evaluation

The criteria under WAC 246-310-210(3), (4), and (5) do not apply to this application.

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

Based on the source information reviewed and agreement to the conditions identified in the conclusion section of this evaluation, the department determines that Vue Home Health **meets** the applicable 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 246-310-220(1) does not contain specific 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 direct what the operating revenues and expenses should be for projects of this type and size. Therefore, using its experience and expertise the department evaluates if each

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.

Vue Home Health, LLC

Vue Home Health's proposal to offer Benton County residents Medicare and Medicaid-certified home health services includes operating out of office space in Kennewick, within Benton County. Vue provided the assumptions used to determine the projected number of patients and visits for the proposed agency. These assumptions are restated here.

“The utilization forecast in Table 4 is a function of the need presented in Table 3. From Table 3, we project Benton County residents in need of Home Health services to equal 56,824 visits in 2023, 58,781 in 2024, 60,737 in 2025, and 63,767 in 2026. Extending this forecast for an additional year, we estimate this number to equal 66,797 Visits in 2027. These numbers correspond to 4,735 visits per month, 4,898, 5,061, 5,314, and 5,566 visits per month in 2023-2027, respectively. We assume that, on a monthly basis, Vue Home Health will provide services to 0.00% of these patients in 2023 because Vue Home Health will not yet be operational, 10.0% in 2024, 12.5% in 2025, 15.0% in 2026, and 17.5% in 2027. Furthermore, we assume that, based on 2021 CMS numbers, the number of visits per patient are equal to about 20.6.⁵ These statistics and assumptions, along with the implied utilization, are summarized in Table 5.

...

The number of visits by occupational category are calculated based on our review of similar projects approved in King, Clark, and Spokane counties.⁶ We present these assumptions in Table 6.” [source: Application, pp15-16]

Footnotes in the above quote include:

Footnote 5 states: <https://www.ems.gov/files/document/cy-2021-medicare-home-health-utilization-state.pdf>, Last Accessed June 27, 2023.

Footnote 6 states: *These approved projects include CN19-52 (King County), CN20-24 (Clark County), CN19-67 (Spokane County), and CN21-35 (King County). Because staffing and other statistics vary from applicant to applicant and the Benton County demographics underlying these statistics shift over time, we decided it was most reasonable to apply assumptions which reflected an average across multiple applicants whose projects were approved in representative counties across Washington State.*

Applicant's Tables Referenced Above

Utilization Assumptions	Row	2023	2024	2025	2026	2027
Benton County Visit Projections	1	56,824	58,781	60,737	63,767	66,797
Visits per Month	2	4,735	4,898	5,061	5,314	5,566
Assumed Market Share	3	0.00%	10.00%	12.50%	15.00%	17.50%
HH Visits per Month ((1)*[2]*[3])	4	0	490	633	797	974
Months of Operation	5	0	4	12	12	12
HH Visits ([4]*[5])	6	0	1,960	7,596	9,564	11,688
Visits per Patient	7	20.6	20.6	20.6	20.6	20.6
Unduplicated Admission ((6)/[7])	8	0	95	369	464	567

Applicant and Medicare Home Health Agency Utilization by State, Current Year 2021 (<https://www.cms.gov/files/document/cy-2021-medicare-home-health-utilization-state.pdf> , Last Accessed June 27, 2023.)

Occupational Category	Proportion
RNs	40.00%
Physical Therapy	35.00%
Occupational Therapy	12.00%
Speech Pathology	2.00%
Medical Social Services	1.00%
Home Health Aide	10.00%

Sources: Applicant

[source: Application, pp15-16]

Based on these assumptions, Vue provided the following projections for utilization of the home health agency.

Applicant's Table

Benton County Need Model	Row	Base Year 2023	Forecast Year 1 2024	Forecast Year 2 2025	Forecast Year 3 2026
<u>Step 1: Population</u>					
0-64 Years Old	1	178,935	180,477	182,019	183,656
65-79 Years Old	2	28,451	29,371	30,291	30,831
80+ Years Old	3	7,898	8,239	8,581	9,262
<u>Step 2: Visits per Capita</u>					
0-64 Years Old (0.005 * 10)	4	0.05	0.05	0.05	0.05
65-79 Years Old (0.044 * 14)	5	0.616	0.616	0.616	0.616
80+ Years Old (0.183 * 21)	6	3.843	3.843	3.843	3.843

<u>Step 3: Projected Visits</u>					
Total ((1)*[4]+[2]*[5]+[3]*[6])	10	56,824	58,781	60,737	63,767
Supply (# Agencies*10,000)	11	40,000	40,000	40,000	40,000
<u>Step 4: Net Need</u>					
Visits ([10]-[11])	12	16,824	18,781	20,737	23,767
Agencies ([12]/10,000)	13	1	1	2	2

Gross Need Source: As described in 1987 SHP, B-35, the maximum number of agencies needed in a planning area is determined by dividing the total projected number of visits (Step 3) by 10,000.

Supply source: See supply worksheet included in Exhibit 2B for inclusion/exclusion determination.

Net Need source: calculated by subtracting supply from gross need. Per the 1987 SHP methodology, fractions are rounded down to the nearest whole number.

[source: Application, pp12-13]

**Department's Table 9
Vue Home Health's Projected Utilization**

	Full Year 1 2025	Full Year 2 2026	Full Year 3 2027
Unduplicated Patients	369	464	567
Total Visits	7,596	9,564	11,688
Visits Per Patient	20.6	20.69	20.6
Market Share of Total Benton County Unmet Visits	12.5%	15.0%	17.5%

Vue provided the following assumptions used to determine the financial feasibility of the proposed Benton County project.

“Unless otherwise noted, the assumptions are based on average of public documents for other home projects similar to Vue's proposed project ("Washington Benchmarks"). These included the approvals of Unity Home Health (CN#22-38), Amicable Healthcare, Inc (CN #19-52), and Wellspring Home Health (CN #21-35) in King County, Providence Home Health (CN #20-24) in Clark County, and Eden Home Health (CN #19-67) in Spokane County.” [source: August 21, 2023, screening response, Revised Exhibit 7]

Applicant's Tables

		Sep - Dec 2024	2025	2026	2027	
# of Months		4	12	12	12	
Visits		2024	2025	2026	2027	
	Skilled Nursing	784	3,038	3,826	4,675	
	Physical Therapy	686	2,659	3,347	4,091	
	Occupational Therapy	235	912	1,148	1,403	
	Speech Pathology	39	152	191	234	
	Medical Social Services	20	76	96	117	
	Home Health Aide	196	760	956	1,169	
	Total Visits	1,960	7,596	9,564	11,688	
Clinical FTEs		FTEs Per 1,000 Visits	2024	2025	2026	2027
	Skilled Nursing	1.01	0.79	3.07	3.86	4.72
	Physical Therapy	0.86	0.59	2.29	2.88	3.52
	Occupational Therapy	0.82	0.19	0.75	0.94	1.15
	Speech Pathology	0.84	0.03	0.13	0.16	0.20
	Medical Social Services	0.86	0.02	0.07	0.08	0.10
	Home Health Aide	0.77	0.15	0.58	0.74	0.90
	Respiratory Therapy	Assumed equal to Speech	0.03	0.13	0.16	0.20
	Total Clinical FTEs		1.80	7.02	8.82	10.79
Management and Non-Clinical FTEs	Manager / Administrator		0.90	0.90	0.90	0.90
	Medical Director		0.10	0.10	0.10	0.10
	Clinical Director		1.00	1.00	1.00	1.00
	Business/Clerical		2.50	2.50	3.00	3.00
		Total Non-Clinical FTEs		4.50	4.50	5.00
Total FTEs	Total FTEs		6.30	11.52	13.82	15.79
Salaries		Salaries Per FTE	2024	2025	2026	2027
	Skilled Nursing	84,406	66,681	259,128	325,809	398,398
	Physical Therapy	84,344	49,763	193,148	242,911	296,891
	Occupational Therapy	83,637	15,891	62,728	78,619	96,182
	Speech Pathology	94,869	2,846	12,333	15,179	18,974
	Medical Social Services	66,061	1,321	4,624	5,285	6,606
	Home Health Aide	36,816	5,522	21,353	27,244	33,134
	Respiratory Therapy	78,603	2,358	10,218	12,577	15,721
	Manager / Administrator	106,101	31,830	95,491	95,491	95,491
	Medical Director	250,000	8,333	25,000	25,000	25,000
	Clinical Director	106,101	35,367	106,101	106,101	106,101
	Administrative and Clerical	44,782	37,319	111,956	134,347	134,347
	Total Salaries		257,232	902,079	1,068,561	1,226,845

Applicant's Tables continued

<i>Gross Revenue Per Visit</i>	Calculation Method	Estimate
Skilled Nursing	Gross Revenue Per Visit	\$243
Physical Therapy	Gross Revenue Per Visit	\$207
Occupational Therapy	Gross Revenue Per Visit	\$213
Speech Pathology	Gross Revenue Per Visit	\$242
Medical Social Services	Gross Revenue Per Visit	\$228
Home Health Aid	Gross Revenue Per Visit	\$124
<i>Gross Revenue Payer Mix</i>		
<i>Gross Revenue Payer Mix</i>	Calculation Method	Estimate
Medicare	% of Gross Revenue	77%
Medicaid	% of Gross Revenue	6%
Commercial/Other	% of Gross Revenue	17%
<i>Deductions from patient service revenue</i>		
<i>Deductions from patient service revenue</i>	Calculation Method	Estimate
Contractual Adjustments		
Medicare	% of [Payer] Gross Revenue	7%
Medicaid	% of [Payer] Gross Revenue	53%
Commercial/Other	% of [Payer] Gross Revenue	37%
Bad Debt	% of Gross Revenue	1.3%
Charity Care*	% of Gross Revenue	1.30% based on CY2021 Benton County hospital average.**
<i>Operating Expenses</i>		
<i>Operating Expenses</i>	Calculation Method	Estimate
Salaries*	Hourly wage multiplied by 2,080 hours per year per FTE	Salaries based on BLS' May 2022 Kenniwick-Richland MSA Median wages by occupation. Medical director assumed to be 0.1 FTE at annual rate of \$250k per FTE.
Benefits	% of Salaries	30.2%
Supplies	Per Visit	\$3.7
Base Rent*	Lease Sections 8, 13, and 15.	\$550/month until Aug 1, 2024; 5% annual increase every August.
Other Property Expenses*	% of Base Rent	20% of base rent throughout forecast period.
Information Technology	Annual Amount Adj by # Months	\$22,700
Equipment	Annual Amount Adj by # Months	\$5,600
Maintenance	Annual Amount Adj by # Months	\$700
Purchased Services	Per Visit	\$9.3
Mileage & Travel	Per Visit	\$5.0
B & O Tax	% of Net Revenue	1.50%
Licensing Fee*	WAC 246-335-990	24-month renewal fee in CY2024 based on FTEs in that time period.
Other Expenses	Per Visit	\$1.1
<i>Non-Operating Expenses</i>		
<i>Non-Operating Expenses</i>	Calculation Method	Estimate
Depreciation & Amortization*	See Depreciation Worksheet	See Depreciation Worksheet
Interest Expense*	Not Applicable	Not Applicable

*Not based on Washington Benchmarks
**Charity care percentage based on average of Kadlec Regional Medical Center, Trios Health, Prosser Memorial Hospital, and Lourdes Counseling Center's respective CY2021 charity care percentage estimates (% of gross revenue) presented in the DOH 2021 Charity Care Report.

Applicant's Tables continued

	Capital Expenditures	Useful Life (Years)	Monthly Depreciation
Tenant Improvements	\$0	7	\$0
Equipment	\$20,033	5	\$334
	2024	2025	2026
# of Months	4	12	12
Depreciation (TI)	\$0	\$0	\$0
Depreciation (Equipment)	\$1,336	\$4,007	\$4,007
Total Depreciation	\$1,336	\$4,007	\$4,007

[source: August 21, 2023, screening response, Revised Exhibit 7]

The applicant provided the following clarification regarding specific line items in its financial statements.

“To delineate the medical director expenses more clearly, please see a revised FTE schedule presented below in Table 1 that breaks out the FTE allocation for Veerpal Kaur, ARNP between “Manager / Administrator” and “Medical Director” responsibilities. It is assumed that the medical director responsibilities will be equivalent to 0.1 FTE. This is based on the medical director FTE estimate found in MultiCare Health System’s recently CN-approved home health project in Kitsap County where the medical director was employed and has similar roles and responsibilities outlined as those proposed for Vue Home Health.

A revised financial pro forma is attached as Revised Exhibit 7 that includes the updated FTE schedule breaking out the medical director FTE and salary expenses. Because the assumed wage rate² for medical director services is higher in comparison to management / administrative services, there is a minor increase in overall salaries and benefits in Revised Exhibit 7 compared to the forecast presented in the application.” [source: August 21, 2023, screening response, p4]

Applicant's Table

	Sep – Dec 2024	2025	2026	2027
Clinical FTEs				
Skilled Nursing	0.79	3.07	3.86	4.72
Physical Therapy	0.59	2.29	2.88	3.52
Occupational Therapy	0.19	0.75	0.94	1.15
Speech Pathology	0.03	0.13	0.16	0.20
Medical Social Services	0.02	0.07	0.08	0.10
Home Health Aide	0.15	0.58	0.74	0.90
Respiratory Therapy	0.03	0.13	0.16	0.20
Total Clinical FTEs	1.80	7.02	8.82	10.79
Management and Non-Clinical FTEs				
Manager / Administrator	0.90	0.90	0.90	0.90
Medical Director	0.10	0.10	0.10	0.10
Director of Nursing and Clinical Services	1.00	1.00	1.00	1.00
Business/Clerical	2.50	2.50	3.00	3.00
Total Non-Clinical FTEs	4.50	4.50	5.00	5.00
Total FTEs	6.30	11.52	13.82	15.79

Source: Applicant

[source: August 21, 2023, screening response, p5]

Based on these assumptions, Vue provided its projected revenue, expenses, and net income for the agency for projection years 2025 through 2027, which are summarized in the following table. [source: August 21, 2023, screening response, Revised Exhibit 7]

Department’s Table 10
Vue Home Health’s Projected Revenues and Expenses Summary
Years 2025 through 2027

	Full Year 1 2025	Full Year 2 2026	Full Year 3 2027
Net Revenue	\$1,346,301	\$1,695,106	\$2,071,559
Total Expenses	\$1,681,281	\$1,645,904	\$1,894,032
Net Profit / (Loss)	(\$34,981)	\$49,202	\$177,527

In the above table, *Net Revenue* includes gross revenue minus charity care, bad debt, and contractual allowances; and *Total Expenses* includes all operating and non-operating expenses.

Vue additionally submitted projected balance sheets for the proposed agency. The following table summarizes the projection years of the project. [source: August 21, 2023, screening response, Revised Exhibit 7]

Department’s Table 11
Vue Home Health’s Balance Sheet Summary
Years 2025 through 2027

ASSETS	Full Year 1 2025	Full Year 2, 2026	Full Year 3, 2027
Current Assets	\$260,344	\$357,052	\$579,374
Property & Equipment	\$14,691	\$10,684	\$6,678
Other Assets	\$0	\$0	\$0
Total Assets	\$275,035	\$367,736	\$586,051
LIABILITIES	Full Year 1 2025	Full Year 2, 2026	Full Year 3, 2027
Current Liabilities	\$226,401	\$269,901	\$310,689
Long Term Liabilities	\$0	\$0	\$0
Owner’s Equity	48,634	\$97,835	\$275,362
Total Liabilities & Equity	\$275,035	\$367,736	\$586,051

Vue provided copies of agreements associated with this project which include financial commitment and an executed lease. The lease agreement is between HomeSmart Elite Brokers and Vue Home Health LLC and was effective July 3, 2023. The lease has a term of one year but includes five one-year options to renew. The lease includes an annual 5% increase in rent. [source: Application, Exhibit 9]

There were no public comments or rebuttal comments received for the Vue project related to this sub-criterion.

Department Evaluation
Utilization Assumptions

An applicant's utilization assumptions are the foundation for the financial review under this sub-criterion. The department first reviewed the assumptions used by Vue to determine the projected number of patients and visits for the proposed agency. Vue based its assumed admissions and visits on an assumed market share increasing in each projection year, of unmet visits projected by the numeric methodology for Benton County. The department concludes these assumptions and resulting projected utilization are reasonable.

Pro Forma Financial Statements

Vue currently provides private duty nursing services to Medicaid patients and if approved, plans to include on this license home health services for Medicare and Medicaid Benton County patients. The department considers not only the new services but also their impact on the financial feasibility of the whole licensed agency. Vue provided the following statements to demonstrate compliance with this standard.

- Pro forma revenue and expense statements for the proposed agency. [source: August 21, 2023, screening response, Revised Exhibit 7]
- Pro forma balance sheet for the entire agency including new home health services. [source: August 21, 2023, screening response, Revised Exhibit 7]
- Letters of financial commitment from each owner and letters from area banks demonstrating the funds available to meet projected startup costs. [source: Application, Exhibits 10A and 10B; August 21, 2023, screening responses, Exhibits 10C, 10D, 10E, and 10F]

The applicant provided pro forma financial statements, including its revenue and expense statement and balance sheet statement, which allows the department to evaluate the financial viability of the proposed project.

These various statements were helpful for the department to determine the potential impacts of this project on the agency as a whole. The department first examined the assumptions used by Vue when projecting revenue and expenses. Many expected revenue and expense figures were based on Washington State research Vue conducted and referenced in its application. Based on this research and assumptions, Vue expects \$34,998 in net losses for its agency in its first calendar year of operation. By the next year, \$49,205 in net profit is expected, which grows to \$177,510 in net profit for the agency's third full calendar year, 2027.

As summarized earlier in this section, the applicant provided several agreements with costs associated. Each of these agreements included its terms, and all related costs were included as expenses in the agency's projected income statement.

Based on the information provided the department concludes that the financial information provided reasonably represents the financial feasibility of the project. As a result, the department concludes that Vue Home Health's Benton County project **meets this sub-criterion**.

(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 246-310-220(2) does not contain specific 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 direct what an unreasonable impact on costs and charges would be for

projects of this type and size. Therefore, using its experience and expertise the department compared each proposed project’s costs with those previously considered by the department.

Vue Home Health, LLC

Vue Home Health’s proposed project does not require construction. The project’s estimated capital cost is \$20,033, which includes office furniture, office equipment, and related sales tax. Start-up costs are \$13,860 which includes pre-operational expenses, such as medical director, rent, other property, IT, supplies, recruitment, and training. [sources: Application, pdf 19 and August 21, 2023, screening response, pdf 5 and Revised Exhibit 6]

Applicant’s Tables

[source: Application, pp19-20, 22]

Item	Cost
a. Land Purchase	\$
b. Utilities to Lot Line	\$
c. Land Improvements	\$
d. Building Purchase	\$
e. Residual Value of Replaced Facility	\$
f. Building Construction (Tenant Improvements)	\$
g. Fixed Equipment (not already included in the construction contract)	\$
h. Movable Equipment	\$ 18,430
i. Architect and Engineering Fees	\$
j. Consulting Fees	\$
k. Site Preparation	\$
l. Supervision and Inspection of Site	\$
m. Any Costs Associated with Securing the Sources of	
1. Land	\$
2. Building	\$
Equipment	\$
4. Other	\$
n. Washington Sales Tax	\$ 1,603
Total Estimated Capital Expenditure	\$ 20,033

Vue Home Health, LLC Capital Expenditure			
Furniture	Units	Cost per Unit	Total Cost
Desks	7	\$450	\$3,150
Office Chairs	7	\$120	\$840
Technology Equipment			
Computers	7	\$900	\$6,300
Printer/Fax/Copier	1	\$440	\$440
Tablets	10	\$470	\$4,700
Cellphones	10	\$300	\$3,000
Subtotal			\$18,430
Sales Tax (8.7%)			\$1,603
Total			\$20,033

Source: Applicant

Vue provided the following statement related to the capital costs and their lack of impact on costs and charges. [source: Application, p21]

“...we expect over 4/5s of all patients to be from Medicare and Medicaid. As such, Vue’s rates will be primarily based on fee schedules set by CMS. Thus, the proposed project will not impact costs and charges for health services.”

There were no public comments or rebuttal comments received for the Vue project related to this sub-criterion.

Department Evaluation

The estimated capital expenditure for this project is \$20,033 with no construction. All the estimated capital costs are for office furniture, office equipment, and related sales tax. Start-up costs are \$17,818 which includes pre-operational expenses such as medical director, rent, other property, IT, supplies, recruitment, and training. Vue provided itemized tables to demonstrate how the amounts were determined. This applicant also stated that the majority of its patients will be from Medicare and Medicaid, which have set rates and therefore are not impacted by the project’s costs.

Vue provided letters dated June 26 and August 11, 2023, from each partner, demonstrating financial commitment to this project, including the projected capital expenditure and any other costs of operating the agency. To demonstrate sufficient capital to fund the project, Vue also submitted

statements from the owner's banks dated June 29 and August 14, 2023, with collective *Current Balances* of over \$1,756,000. [source: Application, Exhibits 10A and 10B; August 21, 2023, screening response, Exhibits 10C, 10D, 10E, and 10F]

The department does not have an adopted standard on what constitutes an unreasonable impact on charges for health services. Medicare patients typically make up the largest percentage of patients served in home health care. For this project, the applicant projected that 77.0% of its patients would be eligible for Medicare while Medicaid patients are projected to be 6.0%, for a combined Medicare and Medicaid total of 83.0%. Gross revenue from Medicare and Medicaid is also projected to be 83.0% of total revenue. Thus, standard reimbursement amounts and related discounts are not likely to increase with the approval of this project.

Vue further states that it does not anticipate the costs of its project to impact charges for healthcare services. The department does not expect an unreasonable impact on costs and charges for healthcare services in Benton County as a result of this project. Vue Home Health's project **meets this sub-criterion**.

(3) The project can be appropriately financed.

WAC 246-310-220(3) 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 direct how projects of this type and size should be financed. Therefore, using its experience and expertise the department compared each proposed project's source of financing to those previously considered by the department.

Vue Home Health, LLC

Vue provided the following statements related to this sub-criterion.

"Vue Home Health, LLC, will be responsible for the estimated capital costs identified above. Please see Exhibit 10A for a signed Letter of Financial Commitment and Exhibit 10B for a letter from JPMorgan Chase Bank, N.A. identifying sufficient available funds from Veerpal Kaur, one of Vue Home Health's owners." [source: Application p20]

"All three owners will be contributing equally to the financing of the proposed project. Please see attached new Exhibit 10C and Exhibit 10D for financial commitment letters from Dhanwant Kaur and Harbans Kaur, as well as new Exhibit 10E and Exhibit 10F for bank letters demonstrating sufficient funds for Dhanwant Kaur and Harbans Kaur." [source: August 21, 2023, screening response, p2]

"Vue Home Health, LLC, will be responsible for the estimated startup costs. Please see Exhibit 10A for a signed Letter of Financial Commitment and Exhibit 10B for a letter from JPMorgan Chase Bank, N.A. identifying sufficient available funds."

The financial model assumes approximately \$150,000 in startup capital from Vue Home Health to cover capital expenditures, startup costs, and initial operating periods. Although only \$150,000 is modeled, Exhibits 10A and 108 demonstrate Vue Home Health's commitment and ability to fund project as needed." [source: Application pp20-21]

There were no public comments or rebuttal comments received for the Vue project related to this sub-criterion.

Department Evaluation

The combined total of capital expenditure and start-up costs for this project is \$37,851; initial years’ losses are estimated to total \$83,566. Combined costs and losses equal \$121,417. The applicant states all costs will be funded by the applicant, Vue Home Care LLC, and provided letters from its partners demonstrating financial commitment to this project. This approach is appropriate because this applicant also provided bank statements showing funds to cover costs.

If this project is approved, the department would include a condition requiring the applicant to fund the project as described in the application. Based on Vue Home Health’s information and subject to the applicant’s agreement to the condition described above, the department concludes this project **meets this sub-criterion.**

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

Based on the source information reviewed and agreement to the conditions identified in the conclusion section of this evaluation, the department determines that the Vue Home Health project **meets** the applicable 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 246-310-230(1) does not contain specific 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 direct what specific staffing patterns or numbers of FTEs should be employed for projects of this type or size. Therefore, using its experience and expertise the department concludes that the planning area would allow for the required coverage.

Vue Home Health, LLC

Vue provided the following staffing ratios and assumptions used to determine the types and numbers of FTEs for this project.

Applicant’s Table

Table 11: Staff to Visit Ratio by Occupational Category	
Staff to Visit Ratio	FTEs Per 1,000 Visits
Skilled Nursing	1.01
Physical Therapy	0.86
Occupational Therapy	0.82
Speech Pathology	0.84
Medical Social Services	0.86
Home Health Aide	0.77
Source: Applicant	

[source: Application, p24]

“Respiratory therapy is not listed above, as Medicare billing does not recognize respiratory therapy as a separate discipline, but rather sees the services in accordance with the revenue code used on the claims, such as 042x (physical therapy). Therefore, Vue Home Health’s utilization forecast does not separate out respiratory therapy-specific visit counts. Vue Home Health assumes that intensity

of respiratory therapy will be similar to speech therapy, therefore, respiratory therapy FTE estimates are assumed equal to the speech therapy FTE projections (Table 10).

The staff to visit ratios were constructed based on Washington Benchmarks based on public documents for other home projects similar to Vue’s proposed project. These other home projects used as benchmarks for the proposed project include the approvals of Unity Home Health (CN#22-38), Amicable Healthcare, Inc (CN #19-52), and Wellspring Home Health (CN #21-35) in King County, Providence Home Health (CN #20-24) in Clark County, and Eden Home Health (CN #19-67) in Spokane County.

As described above, Medicare billing does not recognize respiratory therapy as a separate discipline, but rather sees the services in accordance with the revenue code used on the claims, such as 042x (physical therapy). Therefore, Vue Home Health’s utilization forecast does not separate out respiratory therapy-specific visit counts. Vue Home Health assumes that intensity of respiratory therapy will be similar to speech therapy, therefore, respiratory therapy FTE estimates are assumed equal to the speech therapy FTE projections (Table 10).” [source: Application, pp23-24]

Based on these assumptions Vue provided a table showing its proposed staffing. This information is summarized in the following table. [source: August 21, 2023, screening response, p4]

Applicant’s Table

	Sep – Dec 2024	2025	2026	2027
Clinical FTEs				
Skilled Nursing	0.79	3.07	3.86	4.72
Physical Therapy	0.59	2.29	2.88	3.52
Occupational Therapy	0.19	0.75	0.94	1.15
Speech Pathology	0.03	0.13	0.16	0.20
Medical Social Services	0.02	0.07	0.08	0.10
Home Health Aide	0.15	0.58	0.74	0.90
Respiratory Therapy	0.03	0.13	0.16	0.20
Total Clinical FTEs	1.80	7.02	8.82	10.79
Management and Non-Clinical FTEs				
Manager / Administrator	0.90	0.90	0.90	0.90
Medical Director	0.10	0.10	0.10	0.10
Director of Nursing and Clinical Services	1.00	1.00	1.00	1.00
Business/Clerical	2.50	2.50	3.00	3.00
Total Non-Clinical FTEs	4.50	4.50	5.00	5.00
Total FTEs	6.30	11.52	13.82	15.79
Source: Applicant				

Vue provided the following additional statements related to the recruitment and retention of staff. “Vue Home Health recognizes the challenges to recruiting and retaining health care staff and the shortages of health care professionals across Washington State. To effectively recruit and retain

staff, Vue Home Health will offer competitive wage and benefit packages. Vue Home Health plans to use recruitment portals such as Zip Recruiter, Glassdoor, workforce, etc. to recruit and retain qualified staff for its proposed project. If Vue Home Health does experience barriers to recruiting or retaining staff, it will contract with medical staffing agencies such as All Medical Personnel or other similar agencies.” [source: Application, p25]

Vue also listed its medical director and key staff. [source: Application, pp24-25]

There were no public comments or rebuttal comments received for the Vue project related to this sub-criterion.

Department Evaluation

If approved, Vue would be a new provider of Medicare and Medicaid home health services for Benton County residents. To ensure its staffing ratios are reasonable, the applicant based them on ratios used in recently approved home health applications in the same or similar counties.

If approved, Vue proposes that its Benton County agency would be operational in March 2024. As shown in the table above, 11.52 FTEs are needed in full calendar year one (2025). By full calendar year two (2026), the number of FTEs increases to 13.82, and by the end of full year three (2027), the FTEs increase to 15.79, including its medical director.

For recruitment and retention of staff, Vue intends to use strategies typically seen in home health applications.

Based on the information provided in the application, the department concludes that Vue has the ability and unique operational qualities to recruit and retain a sufficient supply of qualified staff for this project. **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 246-310-230(2) does not contain specific 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. Therefore, using its experience and expertise the department assessed each applicant’s ability to establish and maintain appropriate relationships.

Vue Home Health, LLC

Vue provided the following table related to this sub-criterion. [source: Application, p26]

Applicant's Table

Table 12: Ancillary and Support Services	
Organization	Service
Interpath Laboratory	Laboratory Services
Labcorp	Laboratory Services
Densow's Medical Supplies	DME
Bellevue Health Care	DME
Medline	Medical Supplies
Axxess Technology Solutions	Home Healthcare Software
Horizon Answering Service	Answering Services
LanguageLine Solutions	Interpretation Services
Doctor's Pharmacy	Pharmacy Services
Walgreens Pharmacy Home Delivery	Pharmacy Services
CVS Pharmacy Home Delivery	Pharmacy Services
Express Scripts Online Pharmacy	Pharmacy Services
Walmart Mail Order Pharmacy	Pharmacy Services
FedEx	Shipping / Postage
Source: Applicant	

[source: Application, p27]

Additionally, Vue provided the following information regarding patients' access to services. *"The Vue Home Health office will be open from 9:00am - 5:00pm, Monday through Friday.*

We will have staff on call 24 hours a day, 7 days a week, to assist with any patient needs. A qualified RN or a coordinator supported by a RN will be on-call to accept client calls, informational calls, or referrals for service; to coordinate services in an emergency, and to provide support to personnel making home visits after normal business hours. A qualified supervisor will be available at all times to provide supervisory assistance to the on-call nurse and/or coordinator and other staff working after hours." [source: Application, p25]

There were no public comments or rebuttal comments received for the Vue project related to this sub-criterion.

Department Evaluation

Vue does not currently operate a Medicare and Medicaid-certified in-home services agency. This project proposes to serve Benton County patients from an office in Kennewick, within Benton County.

Vue provided a listing of ancillary and support vendors it would use for the new agency. Vue also provided a copy of the job description for its medical director, Veerpal Kaur, ARNP, who is one of the owners and will also serve as manager/administrator of the new agency; Dhanwant Kaur, RN, another of the owners, has been designated as clinical director.

Based on the information reviewed the department concludes that Vue has the initial network in place to establish appropriate ancillary and support relationships for the new home health services in Benton County. The department concludes **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.

Chapter 246-310 WAC does not contain specific WAC 246-310-230(3) 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 a facility must meet when it is to be Medicare-certified and Medicaid-

eligible. Therefore, using its experience and expertise the department assessed each applicant's history in meeting these standards at other facilities owned or operated by each applicant.

As a part of this review, the department must conclude that the proposed services provided by an applicant would be provided in a manner that ensures safe and adequate care to the public.⁵ For in-home services agencies, the department reviews two different areas when evaluating this sub-criterion. One is a review of the Centers for Medicare and Medicaid Services (CMS) *Terminated Provider Counts Report* covering years 2020 through current. The department uses this report to identify facilities that were involuntarily terminated from participation in Medicare reimbursement.

The department also reviews an applicant's conformance with Medicare and Medicaid standards, with a focus on Washington State facilities. The department uses the CMS *Survey Activity Report* to identify Washington State facilities with a history of condition-level findings. For CMS surveys, there are two levels of deficiencies: standard and condition.⁶

- Standard Level
A deficiency is at the Standard level when there is noncompliance with any single requirement (or several requirements) within a particular standard that is not of such character as to substantially limit a facility's capacity to furnish adequate care, or which would not jeopardize or adversely affect the health or safety of patients if the deficient practice recurred.
- Condition Level
Deficiency at the Condition level may be due to non-compliance with requirements in a single standard that, collectively, represent a severe or critical health or safety breach, or it may be the result of noncompliance with several standards within the condition. Even a seemingly small breach in critical actions, or at critical times, can kill or severely injure a patient, and such breaches would represent a serious or severe health or safety threat.

Since Vue Home Health is a new entrant to the market, they do not have any past facility history for the department to review.

Vue Home Health, LLC

In response to the question of whether any facility or practitioner associated with this application has a history of criminal conviction, license revocation, or decertification Vue indicated that none had such history. [source: Application, p28]

Related to quality improvement standards and assessing customer satisfaction the applicant provided the following statements. [source: Application, p26]

“Because Vue Home Health is not an existing agency, it does not yet have a Quality Assurance Performance Improvement Policy (QAPI). Please see below for a summary description of the method Vue Home Health will adopt for assessing customer satisfaction and quality improvement.

- Collecting data: We will collect data on customer satisfaction and quality improvement from various sources, such as patient surveys, caregiver feedback, OASIS measures, clinical outcomes,

⁵ WAC 246-310-230(5).

⁶ Definitions of standard and condition level surveys: <https://www.compass-clinical.com/deciphering-tjc-condition-level-findings/>

adverse events, complaints, referrals, and staff satisfaction. We will use standardized tools and procedures to collect data in a timely, accurate, and consistent manner.

- Analyzing data: We will analyze the data we collect to identify trends, patterns, gaps, strengths, weaknesses, opportunities, and threats in our performance. We will use statistical methods and software to analyze the data in a systematic, objective, and comprehensive way.

- Reporting data: We will report the data we analyze to our administrative leadership, staff members, contractors, patients, caregivers, and other stakeholders. We will use clear and concise formats and language to report the data in a transparent, relevant, and meaningful way.

- Using data: We will use the data we report to monitor our performance and compare it with our goals, benchmarks, standards, and best practices. We will also use the data to prioritize areas of focus and improvement, plan and implement improvement actions, test changes, evaluate results, and sustain improvements.

Vue Home Health will also develop its QAPI to conform with the CMS' QAPI Process Tool Framework.”

There were no public comments or rebuttal comments received for the Vue project related to this sub-criterion.

Department Evaluation

As of the writing of this evaluation, this applicant has a license to operate a home care agency however, it does not currently operate an agency under that license.

Conformance with Medicare and Medicaid Standards

Using the CMS Quality, Certification & Oversight Reports (QCOR) website, the department typically reviews the historical survey information for an applicant’s in-home services agencies⁷. However, as a new entrant to the market, Vue does not have any past facility history for the department to review.

Terminated Provider Counts Report

For this measure, the department typically reviews an applicant’s history for agencies involuntarily terminated from participation in Medicare reimbursement. However, as a new entrant to the market, Vue does not have any past facility history for the department to review.

Although there is no survey history for Vue, a lack of history does not equate to a lack of or sufficient quality. To demonstrate its commitment to quality services Vue provided the process it will follow to assess customer satisfaction and quality improvement. [source: Application, pp25-26]

Vue provided the name and professional license number for its medical director, Veerpal Kaur, ARNP.⁸ Using data from the Washington State Nursing Quality Assurance Commission the department confirmed that Ms. Kaur has an active license with no enforcement action in Washington

⁷ ‘In home service agencies’ are home care agencies, home health agencies, and hospice agencies.

⁸ AP61239312

State. Vue also identified and provided a license number for its clinical director, Dhanwant Kaur, RN⁹. Dhanwant Kaur also has an active license with no enforcement action in Washington State.

Given the compliance history of the agency’s proposed medical and clinical directors, there is reasonable assurance the proposed home health agency would be operated in conformance with applicable state and federal licensing and certification requirements. The department concludes that the Vue project **meets this sub-criterion**.

(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 246-310-230(4) does not contain specific 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 direct how to measure unwarranted fragmentation of services or what types of relationships with a services area’s existing health care system should be for projects of this type and size. Therefore, using its experience and expertise the department assessed the materials in each application.

Vue Home Health, LLC

Vue provided the following statements related to this sub-criterion.

“Vue Home Health anticipates establishing working relationships with planning area acute care and post-acute care providers. These will primarily include Benton County hospitals, assisted living facilities, and nursing homes¹¹. We have included a list of these organizations in Exhibit 11.” [source: Application, p27]

Footnotes in the above quote include:

Footnote 11 states: *Vue Home Health will accept referrals for Benton County residents from out-of-county providers and organizations (e.g. Benton County residents receiving care from Franklin County providers and organizations), but it anticipates its referral sources will primarily be Benton County providers and organizations.*

“A 2022 Community Health Needs Assessment (CHNA) conducted in collaboration between Benton-Franklin Health District, Benton-Franklin Community Health Alliance, Prosser Memorial Health, and Kadlec Regional Medical Center found that community members highlighted need for home visits and services to overcome barriers to care, support discharge planning, and overall ease access to health services.

Older adults: *Technology and transportation can be barriers to care for older adults and they may need support in navigating the health care system. Health care workers that provide home visits may be able to support discharge planning and ensure older adults are safe in their home. Source: 2022 Benton & Franklin Counties CHNA, Page 91*

Provide community-based services to ease access

Partners emphasized the benefits of bringing needed services to people. They shared home visits can be especially helpful for older adults who may have difficulty getting to care. Providing care in the home can be a preventive measure rather than waiting until people have emergent needs. Source: 2022 Benton & Franklin Counties CHNA, Page 103

⁹ RN60491238

These comments from some of the largest health systems operating in Benton County demonstrate that the home health services proposed by Vue Home Health will compliment and support the goals and initiatives by the greater health system to enhance access and improve care for the community.”
[source: Application, pp28-29]

Public Comments

The department received comment in support of Vue Home Health’s project. Following is an excerpt from one of the comments related to this sub-criterion.

Ruth Wright, Marketing Manager, Hawthorne Court [source: Comment Packet, distributed October 26, 2023, p5]

“My name is Ruth Wright, and I am a resident of Benton County, and I am a retired nurse, and working as a marketing manager at an Assisted Living community. I have 30 years of experience and have a passion for working with our seniors. I am writing this letter in support of the Certificate of Need Application

In our community we work with Home Health Care agencies each day and we need more agencies to help our seniors and those who need care in their homes. We know that our community will benefit from their services. We have a lot of baby boomers that will benefit from Home Care Services. Getting assistance from Home Health Care agencies shorten the stay in nursing homes and our residents are happier and thrive in their own surroundings anyway.

I believe that by approving this application the Washington State DOH will have a part in the lives of our seniors that we care for each day.”

Department Evaluation

Given that Vue does not currently provide Medicare and Medicaid-certified home health services in Benton County, the applicant provided examples of potential referral sources and partners for its proposed agency. This approach is acceptable for a new provider.

Public comment supporting this project were received related to this sub-criterion. Several comments were provided by potential referral sources for Vue.

To evaluate this sub-criterion, the department also considers its own analysis and conclusions of this project as related to WACs 246-310-210, 220, and earlier portions 230. The department concluded this application was compliant with the need criterion under WAC 246-310-210 and the financial feasibility criterion under WAC 246-310-220. The application is also consistent with the previous sub-criterion addressed in the structure and process of care under WAC 246-310-230. Based on the information above, the department concludes that approval of the Vue project would likely not result in unwarranted fragmentation of home health services in the planning area, and the Vue project **meets this sub-criterion.**

(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.

Department Evaluation

This sub-criterion is addressed in sub-section (3) above and **is met**.

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

Based on the source information reviewed and agreement to the conditions identified in the conclusion section of this evaluation, the department determines that the Vue Home Health project **meets** the applicable 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 in terms of cost, efficiency, or effectiveness, the department takes a multi-step approach. First, the department determines if an application has met the criteria of WAC 246-310-210 through 230. If a project fails to meet one or more of these criteria, then the project cannot be considered to be the best alternative in terms of cost, efficiency, or effectiveness as a result the application would fail this sub-criterion.

If a project has met the applicable criteria in WAC 246-310-210 through 230 criteria, the department then assesses the other options considered by the applicant. If the department determines the proposed project is better or equal to other options considered by the applicant and the department has not identified any other better options, this criterion is determined to be met unless there are multiple applications.

If there are multiple applications, the department’s assessment is to apply any service or facility superiority criteria contained throughout Chapter 246-310 WAC and the 1987 State Health Plan related to the specific project type.

Vue Home Health, LLC

Step One

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

Step Two

Vue considered the two following options. [source: Application, p30]

“• *Option One: Develop a Medicare/Medicaid Certified Home Health Agency in Benton County—The Project*

• *Option Two: Do Nothing*”

When asked to discuss why its project should be considered the best available alternative for Benton County residents, Vue provided the following statement and tables. [source: Application, pp30-31]

“*Please see Table 13 through Table 17. These tables provide a summary of advantages and disadvantages of each of the options based on the following evaluative criteria: Promoting availability, or access to healthcare services; Promoting Quality of Care; Promoting Cost and Operating Efficiency; and Legal Restrictions.*”

Applicant’s Tables

Table 13. Alternatives Analysis: Promoting Access to Healthcare Services.	
Option:	Advantages/Disadvantages:
Option One Develop a M/M Home Health Agency in Benton County—The Project	<ul style="list-style-type: none"> Addresses unmet need for additional home health agency services based on the Department's numeric need methodology (Advantage, "A")
Option Two Do nothing	<ul style="list-style-type: none"> Would do nothing to improve access (Disadvantage ("D")). Without additional capacity, some patients may have to delay or not receive care altogether. (D)

Table 14. Alternatives Analysis: Promoting Quality of Care.	
Option:	Advantages/Disadvantages:
Option One Develop a M/M Home Health Agency in Benton County—The Project	<ul style="list-style-type: none"> Residents of the Planning Area would have increased home health access--this improves quality of care inasmuch as it improves access and allows continuity of care. (A)
Option Two Do nothing	<ul style="list-style-type: none"> Without sufficient access to home health care, this can lead to preventable, costly emergency room visits or hospitalizations. (D) Without access to home health care, quality of care will also be harmed (D)

Applicant's Tables continued

Table 15. Alternatives Analysis: Cost Efficiency and Capital Impacts.	
Option:	Advantages/Disadvantages:
Option One Develop a M/M Home Health Agency in Benton County—The Project	<ul style="list-style-type: none"> Limited capital expenditures necessary. (A) Improved access prevents unnecessary, costly emergency room and hospitalizations. (A)
Option Two Do nothing	<ul style="list-style-type: none"> Least costly with respect to capital expenditures (A) However, lack of sufficient access to home health services leads to increased use of more expensive alternatives (emergency room utilization, hospitalization, etc.). (D)

Table 16. Alternatives Analysis: Staffing Impacts.	
Option:	Advantages/Disadvantages:
Option One Develop a M/M Home Health Agency in Benton County—The Project	<ul style="list-style-type: none"> Large concentration of skilled health service professionals in Benton County. (A). Competitive market in demand for skilled labor. (D).
Option Two Do nothing	<ul style="list-style-type: none"> No impact. (Neutral, "N")

Table 17. Alternatives Analysis: Legal Restrictions.	
Option:	Advantages/Disadvantages:
Option One Develop a M/M Home Health Agency in Benton County—The Project	<ul style="list-style-type: none"> This option requires certificate-of-need approval. (Neutral, "N")
Option Two Do nothing	<ul style="list-style-type: none"> There are no legal implications with this option. (N)

Step Three

This step is applicable only when there are more approvable projects than available need. Since Vue is the only applicant in this review, this step does not apply.

Public Comments

There were no public comments or rebuttal comments provided under this sub-criterion.

Department Evaluation

The department concluded in the need section of this evaluation that Benton County could accommodate another three home health agencies in the projection year 2026. Vue provided a discussion of alternatives considered, including doing nothing or this proposed project. This applicant explained why the alternative of doing nothing was rejected and why applying for CN approval of the project proposed in this application is appropriate. **This sub-criterion is met.**

(2) In the case of a project involving construction:

- (a) The costs, scope, and methods of construction and energy conservation are reasonable;*
- (b) The project will not have an unreasonable impact on the costs and charges to the public of providing health services by other persons.*

Department Evaluation

This proposal does not involve construction; thus, this sub-criterion does not apply to this project.

(3) The project will involve appropriate improvements or innovations in the financing and delivery of health services which foster cost containment and which promote quality assurance and cost effectiveness.

Vue Home Health, LLC

Vue provided the following statement related to this sub-criterion. [source: Application, p31]

“The proposed project will improve access to home health care in Benton County, hence delivery of health services. In this regard, not only will patient access improve, but patients' costs of receiving home health care will fall, since without the project, some residents might otherwise be forced to move to other counties to obtain care. This promotes cost containment/cost effectiveness and needed access to higher quality home health care.

Public Comments

As previously stated, the department received several letters of support for this project. A few of these letters mentioned anticipated benefits of approving this project such as reducing costs to families by providing care in the home instead of nursing homes and reducing the need for medically fragile patients to seek care in other settings, among others related to this criterion.

Department Evaluation

Vue provided sound and reasonable rationale for establishing a Medicare and Medicaid-certified home health agency to serve the residents of Benton County. If approved, this project has the potential to improve the delivery of necessary in-home services to Benton County residents. For the reasons stated above, the department concludes that this project has the potential to improve the delivery of necessary in-home services to Benton County residents. **This sub-criterion is met.**