



STATE OF WASHINGTON  
DEPARTMENT OF HEALTH  
*Olympia, Washington 98504*

June 22, 2015

CERTIFIED MAIL # 7009 0960 0000 5565 0598

Thomas Brown, RN MSN  
Wesley Homes at Home, LLC  
815 South 216<sup>th</sup> Street  
Des Moines, Washington 98198

RE: Certificate of Need Application #15-13

Dear Mr. Brown:

We have completed review of the Certificate of Need (CN) application submitted by Wesley Homes Community Health Services proposing to establish a Medicare and Medicaid certified hospice agency in King County. Enclosed is a written evaluation of the application.

For the reasons stated in the enclosed decision, the application is consistent with the applicable criteria of the Certificate of Need Program, provided Wesley Homes Community Health Services agrees to the following in its entirety.

**Project Description**

This certificate approves the establishment of Medicare and Medicaid certified hospice agency in Des Moines, within King County. Hospice services to be provided include pain and symptom management, direct nursing care and education, spiritual services, bereavement services, personal care assistance, social services, therapy services, and patient and family education and support. Additionally, hospice staff would be available 24/7 for emergencies.

**Conditions**

1. Wesley Homes Community Health Services agrees with the project description as stated above. Wesley Homes Community Health Services 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. The hospice agency must maintain its Medicare and Medicaid certification throughout the operation of the facility, regardless of ownership.
3. The Medicare and Medicaid certified hospice agency shall be available to all residents of King County.
4. Before providing hospice services, Wesley Homes Community Health Services must provide to the department for review and approval a copy of the adopted Admission

Policy to be used for the hospice agency. The adopted policy must be consistent with the draft policy provided in the application.

5. Before providing hospice services, Wesley Homes Community Health Services must provide to the department for review and approval a copy of the adopted Charity Care Policy to be used for the hospice agency. The adopted policy must be consistent with the draft policy provided in the application.
6. Before providing hospice services, Wesley Homes Community Health Services must provide to the department for review and approval a copy of the executed Medical Director Agreement to be used for the hospice agency. The executed agreement must be consistent with the draft agreement provided in the application and identify the name of the medical director.

**Approved Capital Costs:**

The approved capital expenditure for this project is \$54,416 and is limited to purchase of minor medical equipment, hospice computers and software, and consultant/review fees associated with the establishment of the application.

Please notify the Department of Health within 20 days of the date of this letter whether you accept the above project description, conditions, and capital costs for your project. If you accept these in their entirety, your application will be approved and a Certificate of Need sent to you.

If you reject any of the above provisions, your application will be denied. The department will send you a letter denying your application and provide you information about your appeal rights.

Send your written response to the Certificate of Need Program, at one of the following addresses.

Mailing Address:

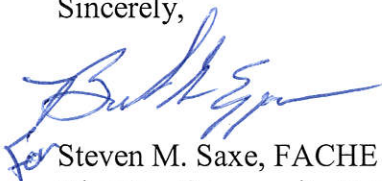
Department of Health  
Certificate of Need Program  
Mail Stop 47852  
Olympia, WA 98504-7852

Physical Address:

Department of Health  
Certificate of Need Program  
111 Israel Road SE  
Tumwater, WA 98501

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

Sincerely,



Steven M. Saxe, FACHE  
Director, Community Health Systems

Enclosure

**EVALUATION DATED JUNE 22, 2015, OF THE CERTIFICATE OF NEED APPLICATION  
SUBMITTED BY WESLEY HOMES COMMUNITY HEALTH SERVICES PROPOSING TO  
ESTABLISH A MEDICARE AND MEDICAID CERTIFIED HOSPICE AGENCY IN KING COUNTY**

**APPLICANT DESCRIPTION**

Pacific Northwest Annual Conference of the United Methodist Church was registered with the Washington State Secretary of State office as a non-profit corporation in 1901. Since that time, three subsidiaries have been established under the corporation. The subsidiaries are listed in the table below [source: Application, Exhibit 1 and Washington State Secretary of State website]

Name
Wesley Homes Foundation
Wesley Homes Corporation
Wesley Homes Community Health Services

No other subsidiaries were created under the Wesley Homes Foundation. Two subsidiaries were established under the Wesley Homes Corporation. They are Wesley Home Des Moines, LLC and Wesley Home Lea Hill, LLC. Each of these two subsidiaries operates an assisted living facility in Washington State. Under the Wesley Homes Community Health Services subsidiary, Wesley Homes at Home LLC is the in-home service subsidiary that currently provides home health services. This LLC was established in March 2007. [source: Application, Exhibit 1]

For this project, Wesley Homes Community Health Services is the applicant and will be referenced in this evaluation as “Wesley Homes CHS.” Wesley Homes at Home is the name that the proposed hospice agency will be operated under and will be referenced as “WHH.”

**PROJECT DESCRIPTION**

Currently WHH operates a Medicare and Medicaid home health agency located in King County that serves the residents of King, Pierce, and Snohomish counties. With this application, Wesley Homes CHS proposes to establish a Medicare and Medicaid certified hospice agency to serve King County residents. The proposed hospice agency would be co-located with the home health agency at 815 South 216th Street in Des Moines [98198], within King County. [source: Application, p2 and p6]

Hospice services to be provided include pain and symptom management, direct nursing care and education, spiritual services, bereavement services, personal care assistance, social services, therapy services, and patient and family education and support. Additionally, hospice staff would be available 24/7 for emergencies. [source: Application, pp6-7]

Since the proposed hospice agency would be co-located with the home health agency, no construction is required. The estimated capital expenditure for this project is \$54,416 and is limited to purchase of minor medical equipment, hospice computers and software, and consultant/review fees associated with the establishment of this application. [source: Application, p19]

If this project is approved, Wesley Homes CHS expects the Medicare and Medicaid hospice services would be available in January 2017. This timeline takes into account the Certificate of Need review timelines and the timeline associated with applying for and obtaining Medicare certification. [source: Application, p8 and January 12, 2015, supplemental information, p2]

## **APPLICABILITY OF CERTIFICATE OF NEED LAW**

This project is subject to review under Revised Code of Washington 70.38.105(4)(a) and Washington Administrative Code 246-310-020(1)(a) as the establishment of a new healthcare facility.

## **EVALUATION CRITERIA**

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

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

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

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

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

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

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

WAC 246-310-290 contains service or facility specific criteria for hospice projects and must be used to make the required determinations. To obtain Certificate of Need approval, the applicant must demonstrate compliance with the applicable criteria found in WAC 246-310-210 (need); 246-310-220 (financial feasibility); 246-310-230 (structure and process of care); 246-310-240 (cost containment); and WAC 246-310-290 (hospice standards and forecasting method).<sup>1</sup>

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<sup>1</sup> Each criterion contains certain sub-criteria. The following sub-criteria are not discussed in this evaluation because they are not relevant to this project: WAC 246-310-210(3), (4), (5), and (6); and WAC 246-310-240(2) and (3).

**TYPE OF REVIEW**

As directed under WAC 246-310-290(3), the department accepted this project under the year 2014 hospice agency concurrent review timeline. The concurrent review process promotes the expressed public policy goal of RCW 70.38 that the development or expansion of health care services is accomplished in a planned, orderly fashion and without unnecessary duplication. For hospice services, concurrent review allows the department to review applications proposing to serve the same planning area as defined in WAC 246-310-290 and simultaneously to reach a decision that serves the best interests of the planning area’s residents. The new hospice services would be provided in the King County hospice planning area.<sup>2</sup> No other hospice applications were submitted for the King County planning area during the 2014 review cycle. As allowed under WAC 246-310-290(5), this application was converted to a regular review. A chronologic summary of the review is summarized below.

**APPLICATION CHRONOLOGY**

<b>Action</b>	<b>Wesley Homes Community Health Services</b>
Letter of Intent Submitted	September 30, 2014
Application Submitted	October 31, 2014
Department’s pre-review activities <ul style="list-style-type: none"> <li>• DOH 1<sup>st</sup> Screening Letter</li> <li>• Applicant Responses Received</li> <li>• DOH 2<sup>nd</sup> Screening Letter</li> <li>• Applicant Responses Received</li> </ul>	November 26, 2014 January 12, 2015 January 26, 2015 March 12, 2015
Beginning of Review <ul style="list-style-type: none"> <li>• public comments accepted throughout review</li> <li>• No public hearing requested or conducted</li> </ul>	March 20, 2015
End of Public Comment	April 24, 2015
Rebuttal Comments Due <sup>3</sup>	May 11, 2015
Department's Anticipated Decision Date	June 25, 2015
Department's Actual Decision Date	June 22, 2015

**AFFECTED PERSONS**

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

“...an “interested person” who:

- (a) *Is located or resides in the applicant's health service area;*
- (b) *Testified at a public hearing or submitted written evidence; and*
- (c) *Requested in writing to be informed of the department's decision.”*

Providence Health Services operates a home health and hospice service in King county under the subsidiary of Providence Senior and Community Services. Providence Health Services was granted interested person status related to this project. Neither Providence Health Services nor its subsidiary

<sup>2</sup> Hospice rules adopted in April 2003 identify the individual counties as the smallest planning or service area for hospice. King County, as a whole, is a single hospice planning area.

<sup>3</sup> There were two letters of support and no letters of opposition submitted for this application. As a result, the applicant chose not to provide rebuttal comments.

Providence Senior and Community Services submitted comments related to the project. As a result, no entities qualified for affected person status.

### **SOURCE INFORMATION REVIEWED**

- Wesley Homes Community Health Services's Certificate of Need application received October 31, 2014
- Wesley Homes Community Health Services's supplemental information received January 12, 2015, and March 12, 2015
- 2014-2015 Hospice Need Methodology [corrected] available November 2014
- Department of Health's Integrated Licensing and Regulatory System [ILRS] compliance data
- Medical Quality Assurance Commission compliance history for credentialed or licensed staff
- Washington State Secretary of State website at [www.sos.wa.gov](http://www.sos.wa.gov)
- Washington State Department of Revenue website at [www.dor.wa.gov](http://www.dor.wa.gov)
- Department of Social and Health Services website at [www.dshs.wa.gov](http://www.dshs.wa.gov)
- Center for Medicare and Medicaid Services website at [www.medicare.gov](http://www.medicare.gov)
- Wesley Homes website at [www.wesleyhomes.org](http://www.wesleyhomes.org)

### **CONCLUSION**

For the reasons stated in this evaluation, the application submitted by Wesley Homes Community Health Services proposing to establish a Medicare and Medicaid certified hospice agency in King County is consistent with applicable criteria of the Certificate of Need Program, provided Wesley Homes Community Health Services agrees to the following in its entirety.

### **Project Description:**

This certificate approves the establishment of Medicare and Medicaid certified hospice agency in Des Moines, within King County. Hospice services to be provided include pain and symptom management, direct nursing care and education, spiritual services, bereavement services, personal care assistance, social services, therapy services, and patient and family education and support. Additionally, hospice staff would be available 24/7 for emergencies.

### **Conditions:**

1. Wesley Homes Community Health Services agrees with the project description as stated above. Wesley Homes Community Health Services 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. The hospice agency must maintain its Medicare and Medicaid certification throughout the operation of the facility, regardless of ownership.
3. The Medicare and Medicaid certified hospice agency shall be available to all residents of King County.
4. Before providing hospice services, Wesley Homes Community Health Services must provide to the department for review and approval a copy of the adopted Admission Policy to be used for the hospice agency. The adopted policy must be consistent with the draft policy provided in the application.
5. Before providing hospice services, Wesley Homes Community Health Services must provide to the department for review and approval a copy of the adopted Charity Care

Policy to be used for the hospice agency. The adopted policy must be consistent with the draft policy provided in the application.

6. Before providing hospice services, Wesley Homes Community Health Services must provide to the department for review and approval a copy of the executed Medical Director Agreement to be used for the hospice agency. The executed agreement must be consistent with the draft agreement provided in the application and identify the name of the medical director.

**Approved Costs:**

The approved capital expenditure for this project is \$54,416 and is limited to purchase of minor medical equipment, hospice computers and software, and consultant/review fees associated with the establishment of the application.

## **CRITERIA DETERMINATIONS**

### **A. Need (WAC 246-310-210) and Hospice Services Standards and Need Forecasting Methodology (WAC 246-310-290)**

Based on the source information reviewed and the applicant's agreement to the conditions identified in the conclusion section of this evaluation, the department determines that Wesley Homes Community Health Services has met the applicable need criteria in WAC 246-310-210 and WAC 246-310-290.

- (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 246-310-290(7)-Hospice Agency Numeric Methodology

The Department of Health's Certificate of Need Program uses the numeric methodology outlined in WAC 246-310-290 for determining the need for additional hospice agencies in Washington State. The methodology is a six-step process of information gathering and mathematical computation. The first step examines historical hospice utilization rates at the statewide level. The remaining five steps apply that utilization to current and future populations at the service area level and are intended to determine total baseline hospice services need and compare that need to the capacity of existing providers. The completed methodology is presented as Appendix A attached to this evaluation.

#### Wesley Homes CHS Numeric Methodology

Wesley Homes CHS provided three separate numeric need methodologies, which are summarized separately below. Also included below is the department's review of each methodology.

#### Methodology #1 – [source: Application, Exhibit 7]

This methodology was calculated by the Certificate of Need Program and released on its website in September 2014. Historical utilization data used is 2011 through 2013; vital statistics data (death data) used is 2013. This methodology counts eight hospice agencies serving King County. The agencies are: Evergreen Hospice, Franciscan Hospice, Good Samaritan/MultiCare, Group Health, Highline Home Care Services, Kline Galland, Odyssey/Gentiva and Providence Hospice of Seattle.<sup>4</sup> This methodology resulted in no need for a hospice agency in King County, or Washington State as a whole.

#### Department's Review of Methodology #1

This methodology counts a facility—Highline Home Care Services—that closed in late 2014. This methodology is incorrect and will not be further addressed in this evaluation.

#### Methodology #2 – [source: Application, Exhibit 8]

This methodology is the same as method #1, but referenced by the applicant as 'Methodology with Adjusted Capacity.' It was released in September 2014. It also counts the same eight agencies listed in Method #1 above. This methodology resulted in need for 2.07 agencies in King County for year 2019; no other counties in Washington showed need for an additional agency.

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<sup>4</sup> On April 27, 2012, Swedish Health Services ceased operation as home health and hospice provider and is no longer included in the count of existing providers.



### Department's Review of Methodology #2

The methodology is similar to the department's methodology posted on its website, but does not include the 'corrected-November 2014' notation. This methodology shows need for an additional hospice agency in the planning area for year 2019. The methodology will not be further addressed in this evaluation.

### Methodology #3 – [source: Application, Exhibit 9]

This methodology is identified in the application as 'WHAH Methodology.' This is the methodology prepared by Wesley Homes CHS and used to support numeric need in the application. Historical utilization data used is 2011 through 2013; vital statistics data (death data) used is 2013. It counts seven hospice agencies serving King County— Highline Home Care Services is not counted because it closed in late year 2014. This methodology resulted in need for 2.01 agencies in King County for year 2019; no other counties in Washington showed need for an additional agency.

### Department's Review of Methodology #3

Historical data used in this methodology is the same as the department's methodology. It correctly counts seven hospice agencies, rather than eight and projects need for an additional 2.01 agencies in projected year 2019. A comparison of this methodology with the department's methodology shows slight differences in the projected population used for years 2016 through 2019. This methodology will not be further addressed in this evaluation.

### Department's Numeric Methodology and Review

This portion of the evaluation will describe, in summary, the calculations made at each step and the assumptions and changes made in that process. The titles for each step are excerpted from WAC. The completed methodology is presented as an appendix to this evaluation.

*Step 1: Calculate the following four statewide predicted hospice use rates using CMS and department of health data or other available sources.*

- (i) The predicted percentage of cancer patients sixty-five and over who will use hospice services. This percentage is calculated by dividing the average number of hospice admissions over the last three years for patients the age of sixty-five and over with cancer by the average number of past three years statewide total deaths sixty-five and over from cancer.*
- (ii) The predicted percentage of cancer patients under sixty-five who will use hospice services. This percentage is calculated by dividing the average number of hospice admissions over the last three years for patients under the age of sixty-five with cancer by the current statewide total of deaths under sixty-five with cancer.*
- (iii) The predicted percentage of non-cancer patients sixty-five and over who will use hospice services. This percentage is calculated by dividing the average number of hospice admissions over the last three years for patients age sixty-five and over with diagnoses other than cancer by the current statewide total of deaths over sixty-five with diagnoses other than cancer.*
- (iv) The predicted percentage of non-cancer patients under sixty-five who will use hospice services. This percentage is calculated by dividing the average number of hospice*

*admissions over the last three years for patients under the age of sixty-five with diagnoses other than cancer by the current statewide total of deaths under sixty-five with diagnoses other than cancer.*

For these sub-steps within Step 1, the department obtained utilization data for 2011 through 2013 from the licensed and Certificate of Need approved hospice providers throughout the state. The department asked providers to report their admissions by age group (under 65 and 65 and over) and diagnosis (cancer/non-cancer) for each of the most recent three years. This information is provided by county of residence. The results of this survey were compared with data provided by the Department of Health's Center for Health Statistics and Cancer Registry office to determine the percentages of deaths due to cancer and non-cancer causes for the two age groups.

*Step 2: Calculate the average number of total resident deaths over the last three years for each planning area.*

This step was completed using death statistics from the Department of Health's Center for Health Statistics. The total deaths in each of the planning areas for 2011-2013 were averaged for each planning area.<sup>5</sup>

*Step 3: Multiply each hospice use rate determined in Step 1 by the planning area's average total resident deaths determined in Step 2.*

In this step, the use rates from Step 1 are multiplied by the applicable age group's death rate for each planning area to determine the number of likely hospice patients for each of the four age/diagnosis categories.

*Step 4: Add the four subtotals derived in Step 3 to project the potential volume of hospice services in each planning area.*

The numbers of likely hospice patients from each of the four categories derived in Step 3 are added together for each planning area. This number is described as the "potential volume" of hospice services in the area. This represents the number of patients expected to elect hospice services in the area.

*Step 5: Inflate the potential volume of hospice service by the one-year estimated population growth (using OFM data).*

The values derived in Step 4, above, were inflated by the expected populations for each planning area. The age-specific population projections for each county were obtained from the state's Office of Financial Management. The most recent age-specific data set is the "Population Projections developed for Growth Management Act based on year 2012 census. This age-specific data is available for 5-year intervals only. The department used these 5-year interval values to estimate population projections for the interstitial years. The department applied the one-year estimated population growth to the potential volume of hospice services derived in Step 4 to estimate potential hospice volume in 2014, the first year following the three-year data range.

*Step 6: Subtract the current hospice capacity in each planning area from the above projected volume of hospice services to determine unmet need. Determine the number of hospice agencies in the proposed planning area which could support the unmet need with an ADC [average daily census] of thirty-five.*

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<sup>5</sup> In applying Step 2, the department reads "total" to mean the total number of death for each of the four categories of patients identified in Step 1. The department adopts this reading because the various steps in the methodology build on each other and should be read together.

Current hospice capacity is defined in the rule as the average number of admissions for the most recent three years of operation for those agencies that have operated or have been approved to operate in the planning area for three years or more. For the remaining agencies that have not operated in the planning area for at least three years, an average daily census (ADC) of thirty-five is assumed for that agency. There is one agency—Island County Public Hospital District #1—that has been operational for less than three years. An ADC of 35 was assumed for this agency.

In order to provide a numeric need methodology as described above, data from existing Washington State hospice providers must be obtained. On April 18, 2014, the department conducted its annual survey of agencies that provide hospice services in Washington State. At that time, there were eight Medicare and Medicaid certified hospice agencies serving King County. These agencies are: Evergreen Hospice, Franciscan Hospice, Good Samaritan/MultiCare, Group Health, Highline Home Care Services, Kline Galland, Odyssey/Gentiva and Providence Hospice of Seattle.

In November 2014, two months after the department prepared and released its Hospice Methodology for Cycle 2014, Highline Home Care Services ceased providing hospice services. This action required revisions to the numeric methodology; the revised methodology was posted on the department’s website in November 2014. The significant change in the numeric methodology is the number of existing providers counted for King County. Since Highline Home Care Services closed, it is no longer counted, resulting in seven Medicare and Medicaid hospice agencies serving King County.

The department calculated the ADC for each hospice agency by multiplying the state’s most recent average length of stay (ALOS), calculated from responses to the agency’s survey, by each hospice agency’s average admissions for the past three years and divided that total by 365 (days per year). The result of this calculation shows an unmet need for King County. The unmet need is divided by the minimum ADC of 35. The calculations and results for years 2015 through 2017 are shown in the table below.

**Table 1  
King County Hospice Methodology Summary for Years 2016- 2018**

	<b>Year 2016</b>	<b>Year 2017</b>	<b>Year 2018</b>
Unmet Need for Patients Days	14,975	18,619	22,262
Unmet Patient Days divided by 365	41	51	61
Number of Agencies Needed (subtract 35)	1	1	1

In conclusion, the numeric methodology is a population-based assessment used to determine the projected need for hospice services in a county (planning area). Based solely on the numeric methodology applied by the department there is a need for one additional hospice agency to serve King County in year 2016. Although not shown in Table 1 above, the numeric need increases to two agencies in year 2019.

There was no public comment submitted related to the numeric methodology.

In summary, based on the department’s numeric methodology, numeric need for additional hospice service in King County is demonstrated. **This sub-criterion is met.**

**Need (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 246-310-290(8) also requires the department to evaluate all hospice applications based on the population's need for the service and determine whether other services and facilities of the type proposed are not, or will not be sufficiently available or accessible to meet that need as required in WAC 246-310-210. The results of numeric methodology as described above project need for an additional hospice agency in King County. Below is an evaluation of whether existing services and facilities in King County are not, or will not be, sufficiently available or accessible to meet the numeric need projected in the methodology.

Wesley Homes CHS states that it has been providing healthcare services to the residents of King, Pierce, and Snohomish counties for many years through its home health, nursing home, and assisted living facilities. Since hospice care focuses on quality of life for patients facing life-limiting illness, hospice services would complement the continuum of care offered by Wesley Homes CHS. Further, the applicant asserts that many of its patients and families facing end of life prefer that their care be provided by organizations with which they are familiar and comfortable. The addition of hospice services would allow for this continuum of care with these patients. [source: Application, p10]

Wesley Homes CHS has staff trained in various multicultural beliefs regarding death and dying. In the past three years, the home health agency has hired staff from Ukraine, Philippines, and Kenya. Multicultural staff is extremely well-received at the home health agency, and is expected to be an asset for the hospice agency as patients reach their end of life. [source: Application, p12]

Additionally, Wesley Homes CHS asserts that with the closure of both Swedish Health Services' hospice agency in 2012 and Highline Homecare Services in 2014, hospice patients have fewer choices for a hospice provider. [source: Application, p10]

Finally, the 2010 Patient Protection and Affordable Care Act establish the Hospice Readmission Reduction Program, which requires CMS to reduce payments to hospitals with excess readmissions. This makes hospice a much more valuable service in the healthcare infrastructure because it allows for patients to spend their last days at home, rather than in a hospital. [source: Application, p11]

**Department's Evaluation**

As a current provider of healthcare services in the planning area, the department expects Wesley Homes CHS to rely on its own facilities to assist with patient volume for the hospice agency. This approach is reasonable.

Recruiting, training, and retaining multicultural staff for a hospice agency shows respect and compassion for the patients requiring this care. However, by itself, it is not rationale to approve an additional hospice agency in a county.

Closure of Swedish Health Services in 2012 and Highline Homecare Services in 2014 certainly impacted the availability of hospice providers in King County. With the number of providers reducing from nine to seven in two years, coupled with the expected population growth in the county, and the inevitable aging of the baby boomer populations, approval of another hospice agency in King County is prudent.

Healthcare planning impacts resulting from the 2010 Affordable Care Act are unknown. While it is essential to consider the possible impacts of the act on the healthcare system, it is premature to assume the act should result in the addition of hospice agencies in a planning area.

There was no public comment submitted related to this sub-criterion. Based on the information reviewed, the department concludes need for an additional hospice agency in King County has been demonstrated. **This sub-criterion is met.**

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

Even though Wesley Home CHS has been providing healthcare services through its existing healthcare facilities, for CN purposes, the hospice agency is a new healthcare facility. Wesley Home CHS must demonstrate that the proposed hospice services would be available to all residents of the planning area, including low income, racial and ethnic minorities, handicapped, and other underserved groups. The hospice agency must also participate in the Medicare and Medicaid programs.

#### Admission Policy and Non-Discrimination Policy

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

To demonstrate compliance with this sub-criterion, Wesley Homes CHS provided a copy of the draft Admission Policy that would be used for hospice services. The draft policy was created specifically for this project and provides the process and identifies the criteria to be used to admit patients for hospice services. The draft policy also includes the non-discrimination language referenced above. [source: Application, Exhibit 6]

Since the policy is a draft, if this project is approved, the department would attach a condition requiring Wesley Homes CHS to provide the adopted policy for review.

#### Medicare and Medicaid Programs

The department uses Medicare certification to determine whether the elderly would have access, or continue to have access, to services. Wesley Homes CHS currently contracts with Medicare and provides services to Medicare patients in the planning area through its healthcare facilities, including the home health agency. The department uses the facility's Medicaid certification to determine whether low-income residents would have access, or continue to have access, to services. Wesley Homes CHS also contracts with Medicaid and provides services to Medicaid patients in the planning area through its healthcare facilities, including the home health agency.

For this project, Wesley Homes CHS stated that the hospice agency would be Medicare and Medicaid certified and provided its projected sources of revenue by payer for the hospice agency.

Medicare is expected to be 93.8% of revenues and Medicaid is 4.3% of revenues. Financial documents provided in the application demonstrate that Wesley Homes CHS intends to continue providing services to the Medicare and Medicaid population through the hospice agency. [source: Application, p21 and January 12, 2015, supplemental information, Exhibit 7]

To ensure that Wesley Homes CHS would continue participation in both the Medicare and Medicaid programs, if this project is approved, the department would attach a condition related to this sub-criterion requiring the hospice agency to maintain Medicare and Medicaid certification throughout operation of the facility, regardless of ownership.

#### Charity Care Policy

A facility's charity care policy should confirm that all residents of the service area including low-income, racial and ethnic minorities, handicapped and other underserved groups have, or would have, access to healthcare services of the applicant. The policy should also include the process one must use to access charity care at the facility.

To demonstrate compliance with this sub-criterion, Wesley Homes CHS provided a draft Charity Care Policy that would be used for hospice services. The draft policy was created specifically for this project and provides the process and identifies the criteria to be used to access the charity care for hospice services. The draft policy also includes the non-discrimination language referenced above. Also, the pro forma financial documents provided in the application include a charity care 'line item.' [source: Application, Exhibit 10 and January 12, 2015, supplemental information, Exhibit 7]

Since the policy is a draft, if this project is approved, the department would attach a condition requiring Wesley Homes CHS to provide the adopted policy for review.

There was no public comment submitted related to this sub-criterion. With the conditions described above, the department concludes that all residents of the service area would have access to the hospice services proposed to be provided at WHH. **This sub-criterion is met.**

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

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

To evaluate this sub-criterion, the department first reviewed the assumptions used by Wesley Homes CHS to determine the projected number of hospice admissions for WHH. The assumptions used are summarized on the following page. [source: Application, p12-18]

- WHH already has a home health presence in King, Pierce, and Snohomish counties. Many of its home health patients would take advantage of hospice services.
- The 2014 closure of Highline Home Care Services means that some hospice patients would elect to receive services at WHH.
- A year one ADC of 35 is assumed for WHH because of its current presence in King County and its ability to refer patients from its own healthcare facilities, such as its nursing home and assisted living facilities located in the county.
- The assumption that approximately 27% of WHH’s hospice admissions would be from Wesley Homes CHS’s healthcare facilities is based its home health admission experience.
- An average length of stay of 55.2 days was assumed. This is based on the experience of the existing King County hospice providers.
- The projected hospice patient admissions by diagnoses are identified in Table 2 below.

**Table 2**  
**Wesley Homes Hospice Agency**  
**Hospice Patient Diagnoses for Years 2017 through 2019**

<b>Diagnoses</b>	<b>Year 2017</b>	<b>Year 2018</b>	<b>Year 2019</b>	<b>Year 2019 Percentage of Total</b>
Cancer	81	86	91	35.0%
Cardiac/Heart	42	44	47	18.1%
Alzheimer’s/Dementia	28	29	31	11.9%
COPD	18	20	21	8.1%
Stroke	16	17	18	6.9%
Renal	9	10	10	3.8%
Other*	37	39	42	16.2%
<b>Total for Admissions</b>	<b>231</b>	<b>245</b>	<b>260</b>	<b>100.0%</b>

\* = Other includes HIV, MS, and other diagnoses.

Using the assumptions stated above, Wesley Homes CHS projected the number of admissions, total days, and average daily census for years 2017 through 2019. [source: Application p13] The projections are shown in the table below.

**Table 3**  
**Years 2017 through 2019**  
**Projected Number of Patients and Patient Days**

	<b>Year 2017</b>	<b>Year 2018</b>	<b>Year 2019</b>
Admissions	231	245	260
Average Length of Stay	55.2	55.2	55.2
Total Days	12,751	13,524	14,352
Average Daily Census	35	37	39

After reviewing the assumptions and projections stated above, the department concludes they are reasonable.

Using the assumptions stated above, Wesley Homes CHS projected revenue, expenses, and net income for WHH. It is noted that all financial statements assumed the hospice agency would become operational in January 2017. As a result, all years shown are full calendar years. Year

2017 is the first full calendar year of operation and year 2019 is year three. The projections are shown in the table below. [source: March 12, 2015, supplemental information, Application, Attachment 2]

**Table 4**  
**Wesley Homes at Home**  
**Projected Years 2017 through 2019**

	Year 2017	Year 2018	Year 2019
Net Revenue	\$ 1,911,482	\$ 1,986,815	\$ 2,086,940
Total Expenses	\$ 1,760,514	\$ 1,877,139	\$ 1,985,068
Net Profit / (Loss)	\$ 150,968	\$ 109,676	\$ 101,872

The ‘Net Revenue’ line item is gross patient revenue, minus any deductions from revenue for contractual allowances, bad debt, and charity care. The ‘Total Expenses’ line item includes salaries and wages and all costs associated with operations of the hospice agency. The ‘Total Expense’ line item also includes allocated costs for administrative and billing staff [source: March 12, 2015, supplemental information, p1-2 and Attachment 2]

As shown in Table 3 above, Wesley Homes CHS projected net profits in all projection years, however it is noted that the net profit is decreasing each year. In response to the department’s inquiry regarding the decrease in profits for years 2017 through 2019, Wesley Homes CHS stated that the future years—2020 and after show that the agency’s profits remain constant at approximately \$100,000 each year. [source: January 12, 2015, supplemental information, p11]

Wesley Homes CHS has owned the site where the home health agency is located since 1945. There are no lease expenses related to this project. [source: Application, p9 and Exhibit 5]

There was no public comment submitted related to this sub-criterion. Based on the source documents evaluated, the department concludes that the projected revenues and expenses at the proposed hospice agency are reasonable and can be substantiated for this application. The department concludes that the immediate and long-range operating costs of the project can be met. **This sub-criterion is met.**

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

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

As previously stated, the estimated capital expenditure for this project is \$54,416 and is limited to purchase of minor medical equipment, hospice computers and software, and consultant and review fees for this project. [source: Application, p19]

Related to the payer mix, Wesley Homes CHS assumed a higher Medicare and Medicaid payer mix based on its experience in providing home health services in the county. The projected payer mix is shown in the table on the following page. [source: Application, p21]



**Table 5**  
**Projected Hospice Agency Payer Mix**

Payer Source	Percentage
Medicare/Medicare Managed Care	93.8%
Medicaid	4.3%
Other Insurance <sup>6</sup>	1.9%
<b>Total</b>	<b>100.0%</b>

Table 4 above demonstrates that Medicare and Medicaid patients would make up the majority of the revenues for the hospice agency. Since these revenue sources are not cost based reimbursement, they are not expected to have an unreasonable impact on charges for services.

There was no public comment submitted related to this sub-criterion. Based on the source documents evaluated, the department concludes that 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. **This sub-criterion is met.**

(3) *The project can be appropriately financed.*

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

Wesley Homes CHS intends to finance the capital costs of \$54,416 with board designated reserves and provided a letter from the president of the company demonstrating a financial commitment to the project. Wesley Homes CHS also provided historical financial statements for years 2011, 2012, and 2013. [source: Application, p20, and Exhibit 12 and Appendix 1]

There was no public comment submitted related to this sub-criterion. After reviewing the historical statements, the department concludes that Wesley Homes CHS has sufficient cash assets to fund the project. The capital expenditure of \$54,416 is not expected to adversely impact reserves, total assets, total liability, or the general financial health of Wesley Homes CHS in a significant way.

Based on the source documents evaluated, the department concludes that the project can be appropriately financed. **This sub-criterion is met.**

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

Based on the source information reviewed and the applicant’s agreement to the conditions identified in the conclusion section of this evaluation, the department determines that Wesley Home Community Health Services has met the applicable structure and process of care criteria in WAC 246-310-230.

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<sup>6</sup> ‘Other’ payers include self-pay and other government payers.

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

WAC 246-310 does not contain specific WAC 246-310-230(1) criteria as identified in WAC 246-310-200(2)(a)(i). There are also no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that directs what specific staffing patterns or numbers of FTEs that should be employed for projects of this type or size. Therefore, using its experience and expertise the department concludes that the planning would allow for the required coverage.

The department recognizes that Wesley Homes CHS is currently operating a Medicare and Medicaid certified home health agency. The proposed hospice agency would be co-located with the home health agency. [source: Application, p6]

To demonstrate compliance with this sub-criterion, Wesley Homes CHS provided its projected number of FTEs [full-time equivalents] for the hospice agency. A breakdown of FTEs is shown in the table below. [source: Application, p25 and February 19, 2015, supplemental information, p8]

**Table 6  
Wesley Homes at Home Hospice Agency  
2017– 2019 Projected FTEs**

<b>Staff/FTEs</b>	<b>Year 1 2017</b>	<b>Year 2018 Increase</b>	<b>Year 2019 Increase</b>	<b>Total FTEs</b>
Medical Director	Services Provided Under Contract			
RNs/Nurse Manager	4.90	0.30	0.30	5.50
Hospice Aid	2.90	0.20	0.10	3.20
Social Services/Volunteer Coordinator	2.80	0.10	0.20	3.10
Therapists	0.10	0.00	0.00	0.10
Spiritual Care/Bereavement	1.20	0.00	0.10	1.30
Executive Director/Director	0.50	0.00	0.00	0.50
Administrative Assistant/Billing	0.50	0.00	0.00	0.50
<b>Total FTEs</b>	<b>12.90</b>	<b>0.60</b>	<b>0.70</b>	<b>14.20</b>

Wesley Homes CHS states it should have no difficulty recruiting staff because it is a well-known provider in King and adjacent counties through its home health and other healthcare facilities. [source: Application, p25]

As noted in Table 6 above, the medical director services will be provided under contract. Wesley Homes CHS has not yet recruited a medical director, but provided a draft contract that will be used for the hospice agency. The contract describes the roles and responsibilities for the medical director and identifies all costs associated with the services. [source: January 12, 2015, supplemental information, Attachment 3]

Since the medical director agreement is a draft, if this project is approved, the department would attach a condition requiring Wesley Homes CHS to provide the executed agreement for review, which identifies the medical director for the hospice agency.

Wesley Homes CHS also provided its proposed staff to patient ratios for the hospice agency. The ratios are shown in Table 7 on the following page. [source: January 12, 2015, supplemental information, p8]

**Table 7**  
**Wesley Homes at Home Hospice Agency**  
**2017– 2019 Staff to Patient Ratios**

<b>Type of Staff</b>	<b>Year 1-2017</b>	<b>Year-2-2018</b>	<b>Year-3 2019</b>
Skilled Nursing – RN & LPN	1:9.0	1:8.9	1:8.7
Hospice Aide	1:12.1	1:12.1	1:12.1
Medical Social Worker	1:12.6	1:12.6	1:12.6
Spiritual Care	1:30.1	1:30.1	1:30.1

Wesley Homes CHS states that the staffing ratios above are modeled after national hospice staffing ratios and the formula used to calculate the ratios uses the average daily census for each year divided by the FTE discipline. [source: January 12, 2015, supplemental information, p7]

Wesley Homes CHS also provided a copy of its Staff Orientation Policy and Procedures. [source: Application, Exhibit 13] This document is currently used at the home health agency and would be used for the hospice agency. The policy outlines roles, responsibilities, and expectations for all staff. The document includes a listing of existing policies that each staff member must review and provide documentation of review and understanding of the policy. Examples of these policies include, emergency care, infection control, abuse and neglect, and sexual harassment.

There was no public comment submitted related to this sub-criterion. Based on the source documents evaluated, the department concludes adequate and qualified staffing for the hospice agency is available or can be recruited. Additionally the staffing ratios are consistent with past hospice applications reviewed by the program. **This sub criterion is met.**

- (2) The proposed service(s) will have an appropriate relationship, including organizational relationship, to ancillary and support services, and ancillary and support services will be sufficient to support any health services included in the proposed project.

WAC 246-310 does not contain specific WAC 246-310-230(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 the applicant’s history in meeting these standards at other facilities owned or operated by the applicant.

Wesley Homes CHS plans to co-locate the proposed hospice agency with its operational home health agency located in Des Moines. Because of the co-location, the two agencies would share administrative and clinical staff. Further, Wesley Homes CHS has some ancillary services already in place for the home health agency that would continue with the hospice agency as appropriate. No new agreements are anticipated for this project. [source: Application, p24 and January 12, 2015, supplemental information, p8]

Wesley Homes CHS provided an example of a Hospice Services Transfer Agreement to be used for the hospice agency. The agreement would be used if a patient’s condition required transfer to a hospital or a nursing home. The agreement provides the process the hospice agency would use to continue providing hospice services to a patient in an acute care setting. [source: January 12, 2015, supplemental information, Attachment 5]

There was no public comment submitted related to this sub-criterion. The department concludes that adequate ancillary and support services are available for the for the hospice agency. **This sub criterion is met.**

- (3) There is reasonable assurance that the project will be in conformance with applicable state licensing requirements and, if the applicant is or plans to be certified under the Medicaid or Medicare program, with the applicable conditions of participation related to those programs.

WAC 246-310 does not contain specific WAC 246-310-230(3) criteria as identified in WAC 246-310-200(2)(a)(i). There are 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 the applicant's history in meeting these standards at other facilities owned or operated by the applicant.

Wesley Homes CHS has been a healthcare provider in Washington State for many years through its nursing homes, assisted living facilities, and Medicare and Medicaid certified home health agency. [source: Application, p4]

As part of this review, the department must conclude that the proposed services provided by WHH would be provided in a manner that ensures safe and adequate care to the public.<sup>7</sup> To accomplish this task, the department reviewed the quality of care compliance history for all healthcare facilities that are either owned, operated, or managed by Wesley Homes CHS.

Wesley Homes Health Center is a 148-bed nursing home operating in Des Moines, within King County. It has been operational since 1993. Most recent quality of care surveys obtained through the Department of Social and Health Services (DSHS) website demonstrate that the facility has been operating in compliance.<sup>8</sup> Additionally, documentation obtained from the Center for Medicare and Medicaid (CMS) website demonstrates that the facility's staffing and services provided are comparable to nursing homes within King County. [source: DSHS and CMS websites]

Additionally, on October 6, 2014, Certificate of Need #1534 was issued to Seattle University approving the establishment of a 36-bed nursing home in Auburn, within King County. While Seattle University would be the licensee of the new nursing home, the facility would be managed by Wesley Homes. While the new nursing home is expected to become operational in year 2015, it is not yet operational as of the writing of this evaluation.<sup>9</sup> No quality of care data is available for this new nursing home.

Wesley Homes CHS also owns and operates two assisted living facilities in King County. Wesley Homes Des Moines Assisted Living has 43 beds and is located at 816 South 216<sup>th</sup> Street in Des Moines. This facility does not carry a Medicaid contract, so it does not accept Medicaid patients. Quality of care reports are not available for this facility as of the writing of this evaluation. The second facility is Wesley Homes Lea Hill, LLC, a 20-bed facility located at 32049 – 109<sup>th</sup> Place Southeast in Auburn. This facility also does not carry a Medicaid contract, so it does not accept Medicaid patients. Quality of care reports reveal that in year 2013, Wesley Homes Lea Hill, LLC

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<sup>7</sup> WAC 246-310-230(5).

<sup>8</sup> Compliance surveys conducted by Department of Social and Health Services in May 2013 and July 2014.

<sup>9</sup> On May 15, 2015, Certificate of Need #1534R was issued to Seattle University reconfirming approval of the project.

was issued two civil fines. The civil fines were related to implementation of negotiated service agreement (May 23, 2013) and food sanitation (October 17, 2013).<sup>10</sup> Both civil fines required submission of a plans of correction for the deficiencies. The facility has submitted and implemented plans of correction for the deficiencies.

Using the department's internal database, the department obtained survey data for Wesley Homes at Home, LLC home health agency in Des Moines. Since 2011, three surveys have been conducted and completed by Washington State surveyors. All three surveys revealed no significant non-compliance issues, but resulted in plans of corrections to be submitted by Wesley Homes at Home, LLC.<sup>11</sup> In each instance, the facility submitted and implemented plans of correction for the deficiencies. [source: ILRS survey data]

Since the hospice agency would not become operational until year 2017, staff for the facility is not yet recruited. For this project, Wesley Homes CHS identified its Executive Director and Director of Clinical Services staff. Thomas Harrison Brown is the executive director and Melinda Jean Moore is the director of clinical services. A review of the compliance history for the executive director and director of clinical services revealed no recorded sanctions. [source: Compliance history provided by Medical Quality Assurance Commission]

Given the compliance history of the health care facilities owned and operated by Wesley Homes CHS and the management staff, there is reasonable assurance that the hospice agency would be operated and managed in conformance with applicable state and federal licensing and certification requirements.

There was no public comment submitted related to this sub-criterion. Based on the above information, the department concludes that Wesley Homes CHS demonstrated reasonable assurance that the hospice agency would operate in compliance with state and federal requirements. This sub criterion is met.

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

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

In response to this criterion Wesley Homes CHS states that it is already a provider of long-term services in King County, and works closely with local physicians, hospitals, and other healthcare providers to ensure patient needs are met. Wesley Homes CHS provided a listing of entities with which it has already established working relationship through its existing healthcare facilities. [source: Application, p27]

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<sup>10</sup> The implementation of negotiated service agreement violation resulted in a \$3,300 civil fine. The food sanitation violation resulted in a \$100 civil fine.

<sup>11</sup> Quality of care surveys conducted in June 2011, May 2014, and September 2014.

Wesley Homes CHS plans to establish a Hospice Quality Assurance Committee to oversee all quality assurance/performance improvement activities that would meet the CMS requirements for hospice agencies. Wesley Homes CHS provided a timeline for creating the committee and stated oversight would begin with the acceptance of the first patient in 2017. Additionally, the hospice agency's hours of operation are Monday through Friday, 8:30 am to 5:00 pm, with a hospice team available for emergencies 24/7. [source: Application, pp25-26]

Wesley Homes CHS also identified the proposed interdisciplinary team which would include the patient, patient's family/caregiver, physicians, hospice medical director, RNs, CNAs, medical social workers, chaplains, and a variety of other staff as needed.<sup>12</sup> All staff would be trained in end-of-life care, plus pain and disease management. Recruitment and education for the staff is to be completed six months before the facility becomes operational in year 2017. [source: Application, p25]

There was no public comment submitted related to this sub-criterion. Based on this information, the department concludes that approval of this project would promote continuity in the provision of health care for the planning area, and would not result in an unwarranted fragmentation of services. Further, Wesley Homes CHS demonstrated the hospice agency would have appropriate relationships to the service area's existing health care system within the planning area. **This sub-criterion is met.**

- (5) There is reasonable assurance that the services to be provided through the proposed project will be provided in a manner that ensures safe and adequate care to the public to be served and in accord with applicable federal and state laws, rules, and regulations.  
This sub-criterion is addressed in sub-section (3) above and is **considered met.**

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

Based on the source information reviewed and the applicant's agreement to the conditions identified in the conclusion section of this evaluation, the department determines that Wesley Home Community Health Services has met 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, the department takes a multi-step approach. Step one determines if the application has met the other criteria of WAC 246-310-210 thru 230. If it has failed to meet one or more of these criteria then the project is determined not to be the best alternative, and would fail this sub-criterion.

If the project 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.

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<sup>12</sup> Other staff may include pharmacists, all types of therapists, including massage and/or music/art therapists, grief counselors, and dieticians.

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

This application was appropriately submitted during year 2014 hospice agency concurrent review cycle. Since this application was not competing with any other hospice applications for King County, the department converted the review to a regular review timeline.

For this project, Wesley Homes CHS met the applicable review criteria under WAC 246-310-210, 220, and 230.

Wesley Homes CHS states it has been planning to submit an application to establish a Medicare and Medicaid hospice agency in King County for several years. However, the hospice numeric need methodology has not calculated need for an additional agency in King County until the 2014 review cycle. Before submitting this application, Wesley Homes CHS considered and rejected the following two options discussed below. [source: Application, p29-30 and January 12, 2015, supplemental information, p9]

Acquire an existing, operational home health agency in King County

Wesley Homes CHS stated that it pursued purchasing each of the two hospice agencies that recently closed in King County—Swedish Health Services and Highline Home Care Services. For reasons unknown to Wesley Homes CHS, each elected to close hospice services in the county, rather than selling the agency. As a result, this option could not be pursued and was ultimately rejected by Wesley homes CHS.

Establishment of referral relationships with existing agencies for hospice services

Wesley Homes CHS explored this option, but found that the existing agencies required formal affiliation, rather than a referral relationship. This option was rejected as well.

**Department's Review**

Once Wesley Homes CHS concluded that it wanted to establish its own Medicare and Medicaid certified hospice agency, the only option available was to submit this Certificate of Need application. No other options were identified by the department.

Wesley Homes CHS submitted a hospice agency application during the year 2012 concurrent review cycle. The project was denied in August 2013 based on lack of demonstrated need for another hospice agency in King County. Wesley Homes CHS was granted reconsideration review of the denial, which resulted in a second denial of the project in January 2014.

The 2014 closure of Highline Home Care Services resulted in a numeric need for an additional hospice agency in King County. As a result, submission of this application during the 2014 review cycle was timely for the numeric need calculations.

No public comments were submitted for this sub-criterion. Based on the requirement of Wesley Homes CHS to submit an application to establish a Medicare and Medicaid certified hospice agency in King County, the department concludes that that this option was its only alternative.

Further, the department concluded that need for the project had been demonstrated. This conclusion was based, in part, on the numeric need methodology, the applicant's documentation that the addition of a hospice agency in King County is reasonable, and the facility would provide services to all residents of the service area. **This sub-criterion is met.**



# APPENDIX A

Step 1. Calculate the following four statewide predicted hospice use rates using CMS and department of health data or other available data sources.									
(i) The predicted percentage of cancer patients sixty-five and over who will use hospice services. This percentage is calculated by dividing the average number of hospice admissions over the last three years for patients the age of sixty-five and over with cancer by the average number of past three years statewide total deaths sixty-five and over from cancer.									
(ii) The predicted percentage of cancer patients under sixty-five who will use hospice services. This percentage is calculated by dividing the average number of hospice admissions over the last three years for patients under the age of sixty-five with cancer by the current statewide total of deaths under sixty-five with cancer.									
(iii) The predicted percentage of noncancer patients sixty-five and over who will use hospice services. This percentage is calculated by dividing the average number of hospice admissions over the last three years for patients age sixty-five and over with diagnoses other than cancer by the current statewide total of deaths over sixty-five with diagnoses other than cancer.									
(iv) The predicted percentage of noncancer patients under sixty-five who will use hospice services. This percentage is calculated by dividing the average number of hospice admissions over the last three years for patients under the age of sixty-five with diagnoses other than cancer by the current statewide total of deaths under sixty-five with diagnoses other than cancer.									
i.	Hospice Admissions 65+ w/cancer			# of deaths 65+ w/cancer			Hospice Use Rates by age and diagnosis		
	2011	7030	Average	2011	8286	Average	65+ w/Cancer	83.86%	
	2012	6758	6978.33	2012	8383	8321.67	<65 w/Cancer	74.15%	
	2013	7147		2013	8296		65+ w/o Cancer	51.45%	
							<65 w/o Cancer	14.51%	
ii.	Hospice Admissions <65 w/cancer			# of deaths <65 w/cancer			Rates of Cancer as cause of death		
	2011	2759	Average	2011	3637	Average	65+	22.34%	
	2012	2750	2645.00	2012	3549	3567.33	<65	27.62%	
	2013	2426		2013	3516				
							Hospice use rate by age only		
iii.	Hospice Admissions 65+ w/o cancer			# of deaths 65+ w/o cancer			<65	30.98%	
	2011	14290	Average	2011	28343	Average	65+	58.69%	
	2012	15230	14881.00	2012	28712	28923.33			
	2013	15123		2013	29715				
iv.	Hospice Admissions <65 w/o cancer			# of deaths <65 w/o cancer					
	2011	1338	Average	2011	9119	Average			
	2012	1374	1356.33	2012	9412	9347.33			
	2013	1357		2013	9511				
Sources: Vital Statistics report C3 for 2013									

Step 2. Calculate the average number of total resident deaths over the last three years for each planning area.									
0-64					65+				
County	2011	2012	2013	Average	County	2011	2012	2013	Average
Adams	30	27	36	31	Adams	74	86	85	82
Asotin	51	62	42	52	Asotin	185	201	195	194
Benton	310	298	338	315	Benton	934	944	932	937
Chelan	137	154	136	142	Chelan	531	493	553	526
Clallam	182	166	173	174	Clallam	768	737	770	758
Clark	765	773	831	790	Clark	2,233	2,239	2,255	2,242
Columbia	5	8	13	9	Columbia	52	30	38	40
Cowlitz	266	270	273	270	Cowlitz	743	769	806	773
Douglas	49	65	63	59	Douglas	234	239	241	238
Ferry	23	24	29	25	Ferry	66	58	59	61
Franklin	113	119	122	118	Franklin	264	232	238	245
Garfield	5	5	3	4	Garfield	30	26	22	26
Grant	171	177	181	176	Grant	495	480	490	488
Grays Harbor	218	228	210	219	Grays Harbor	546	574	599	573
Island	136	124	144	135	Island	493	536	496	508
Jefferson	67	63	61	64	Jefferson	274	261	263	266
King	3,081	3,189	3,090	3,120	King	8,932	9,075	9,330	9,112
Kitsap	500	483	446	476	Kitsap	1,430	1,488	1,543	1,487
Kittitas	80	70	73	74	Kittitas	198	201	231	210
Klickitat	51	44	37	44	Klickitat	142	139	121	134
Lewis	207	187	187	194	Lewis	623	655	614	631
Lincoln	23	30	21	25	Lincoln	84	83	90	86
Mason	169	174	156	166	Mason	451	442	485	459
Okanogan	130	107	91	109	Okanogan	298	311	304	304
Pacific	71	72	51	65	Pacific	216	212	239	222
Pend Oreille	40	35	37	37	Pend Oreille	99	107	106	104
Pierce	1,718	1,717	1,782	1,739	Pierce	4,004	3,966	4,217	4,062
San Juan	26	32	33	30	San Juan	104	116	101	107
Skagit	238	226	240	235	Skagit	872	847	834	851
Skamania	29	26	21	25	Skamania	55	63	53	57
Snohomish	1,331	1,317	1,275	1,308	Snohomish	3,324	3,358	3,581	3,421
Spokane	1,000	1,053	1,105	1,053	Spokane	2,999	3,122	3,119	3,080
Stevens	110	116	105	110	Stevens	319	295	295	303
Thurston	479	486	526	497	Thurston	1,469	1,512	1,485	1,489
Wahkiakum	10	11	13	11	Wahkiakum	44	36	41	40
Walla Walla	106	129	116	117	Walla Walla	388	430	429	416
Whatcom	308	338	378	341	Whatcom	1,121	1,228	1,206	1,185
Whitman	39	43	59	47	Whitman	205	192	201	199
Yakima	482	513	530	508	Yakima	1,330	1,312	1,344	1,329

Step 3. Multiply each hospice use rate determined in Step 1 by the planning areas average total resident deaths determined in Step 2.

Step 3. Multiply each hospice use rate determined in Step 1 by the planning areas average total resident deaths determined in Step 2.													
0-64			Cancer		Non-Cancer		65+			Cancer		Non-Cancer	
County	Average Deaths		Projected	Projected			County	Average		Projected	Projected		
Adams	31		6	3			Adams	82		15	33		
Asotin	52		11	5			Asotin	194		36	77		
Benton	315		65	33			Benton	937		175	374		
Chelan	142		29	15			Chelan	526		98	210		
Clallam	174		36	18			Clallam	758		142	303		
Clark	790		162	83			Clark	2242		420	896		
Columbia	9		2	1			Columbia	40		7	16		
Cowlitz	270		55	28			Cowlitz	773		145	309		
Douglas	59		12	6			Douglas	238		45	95		
Ferry	25		5	3			Ferry	61		11	24		
Franklin	118		24	12			Franklin	245		46	98		
Garfield	4		1	0			Garfield	26		5	10		
Grant	176		36	19			Grant	488		91	195		
Grays Hart	219		45	23			Grays Hart	573		107	229		
Island	135		28	14			Island	508		95	203		
Jefferson	64		13	7			Jefferson	266		50	106		
King	3120		639	328			King	9112		1707	3641		
Kitsap	476		98	50			Kitsap	1487		279	594		
Kittitas	74		15	8			Kittitas	210		39	84		
Klickitat	44		9	5			Klickitat	134		25	54		
Lewis	194		40	20			Lewis	631		118	252		
Lincoln	25		5	3			Lincoln	86		16	34		
Mason	166		34	17			Mason	459		86	184		
Okanogan	109		22	11			Okanogan	304		57	122		
Pacific	65		13	7			Pacific	222		42	89		
Pend Oreill	37		8	4			Pend Oreill	104		19	42		
Pierce	1739		356	183			Pierce	4062		761	1623		
San Juan	30		6	3			San Juan	107		20	43		
Skagit	235		48	25			Skagit	851		159	340		
Skamania	25		5	3			Skamania	57		11	23		
Snohomish	1308		268	137			Snohomish	3421		641	1367		
Spokane	1053		216	111			Spokane	3080		577	1231		
Stevens	110		23	12			Stevens	303		57	121		
Thurston	497		102	52			Thurston	1489		279	595		
Wahkiakur	11		2	1			Wahkiakur	40		8	16		
Walla Wall	117		24	12			Walla Wall	416		78	166		
Whatcom	341		70	36			Whatcom	1185		222	473		
Whitman	47		10	5			Whitman	199		37	80		
Yakima	508		104	53			Yakima	1329		249	531		

Step 4. Add the four subtotals derived in Step 3 to project the potential volume of hospice services in each planning area.							
		<65 w/Cancer	<65 w/o Cancer	65+ w/Cancer	65+ w/o Cancer	Total	
County	Average Deaths	Projected	Projected	Projected	Projected	Projected Patients	
Adams	113	6	3	15	33	58	
Asotin	246	11	5	36	77	130	
Benton	1252	65	33	175	374	647	
Chelan	668	29	15	98	210	353	
Clallam	933	36	18	142	303	499	
Clark	3032	162	83	420	896	1561	
Columbia	49	2	1	7	16	26	
Cowlitz	1043	55	28	145	309	537	
Douglas	297	12	6	45	95	158	
Ferry	86	5	3	11	24	44	
Franklin	363	24	12	46	98	180	
Garfield	30	1	0	5	10	17	
Grant	664	36	19	91	195	341	
Grays Hart	792	45	23	107	229	404	
Island	643	28	14	95	203	340	
Jefferson	330	13	7	50	106	176	
King	12232	639	328	1707	3641	6315	
Kitsap	1963	98	50	279	594	1020	
Kittitas	284	15	8	39	84	146	
Klickitat	178	9	5	25	54	92	
Lewis	825	40	20	118	252	430	
Lincoln	111	5	3	16	34	58	
Mason	625	34	17	86	184	321	
Okanogan	413	22	11	57	122	212	
Pacific	287	13	7	42	89	151	
Pend Oreil	141	8	4	19	42	73	
Pierce	5801	356	183	761	1623	2923	
San Juan	137	6	3	20	43	72	
Skagit	1086	48	25	159	340	572	
Skamania	82	5	3	11	23	41	
Snohomish	4729	268	137	641	1367	2413	
Spokane	4133	216	111	577	1231	2134	
Stevens	413	23	12	57	121	212	
Thurston	1986	102	52	279	595	1028	
Wahkiakur	52	2	1	8	16	27	
Walla Wall	533	24	12	78	166	280	
Whatcom	1526	70	36	222	473	801	
Whitman	246	10	5	37	80	132	
Yakima	1837	104	53	249	531	937	

Step 5. Inflate the potential volume of hospice service by the one-year estimated population growth (using OFM data).														
County	Projected Patients	2011-2013 average population	2014	2015	2016	2017	2018	2019	2014 Potential volume	2015 Potential volume	2016 Potential volume	2017 Potential volume	2018 Potential volume	2019 Potential volume
Adams	58	19,340	19,951	20,257	20,534	20,810	21,087	21,363	59	60	61	62	63	64
Asotin	130	21,701	21,779	21,818	21,861	21,904	21,947	21,990	130	130	131	131	131	131
Benton	647	179,059	182,941	184,882	187,467	190,052	192,636	195,221	661	668	678	687	697	706
Chelan	353	73,544	74,635	75,180	75,861	76,542	77,224	77,905	358	360	364	367	370	374
Clallam	499	71,590	71,775	71,868	72,218	72,567	72,917	73,266	500	501	503	506	508	511
Clark	1561	434,098	442,833	447,201	453,338	459,474	465,611	471,747	1592	1608	1630	1652	1674	1696
Columbia	26	4,066	4,053	4,047	4,040	4,033	4,027	4,020	26	26	26	26	26	26
Cowlitz	537	103,498	104,586	105,130	105,822	106,513	107,205	107,896	543	546	549	553	556	560
Douglas	158	39,300	40,169	40,603	41,206	41,809	42,413	43,016	161	163	166	168	170	173
Ferry	44	7,578	7,605	7,619	7,636	7,654	7,671	7,689	44	44	44	44	44	44
Franklin	180	82,000	85,837	87,755	90,389	93,023	95,658	98,292	189	193	199	204	210	216
Garfield	17	2,255	2,244	2,238	2,234	2,231	2,227	2,224	17	16	16	16	16	16
Grant	341	91,801	94,482	95,822	97,473	99,124	100,776	102,427	351	356	362	368	375	381
Grays Harbor	404	73,108	73,419	73,575	73,742	73,908	74,075	74,241	406	407	408	408	409	410
Island	340	79,238	79,971	80,337	80,817	81,296	81,776	82,255	343	345	347	349	351	353
Jefferson	176	30,111	30,350	30,469	30,779	31,088	31,398	31,707	177	178	180	182	183	185
King	6315	1,963,862	1,996,475	2,012,782	2,031,988	2,051,195	2,070,401	2,089,608	6420	6472	6534	6596	6657	6719
Kitsap	1020	255,493	259,852	262,032	264,735	267,438	270,140	272,843	1038	1046	1057	1068	1079	1090
Kittitas	146	41,586	42,257	42,592	43,125	43,657	44,190	44,722	149	150	152	154	155	157
Klickitat	92	20,433	20,548	20,606	20,673	20,741	20,808	20,876	93	93	93	94	94	94
Lewis	430	76,321	77,188	77,621	78,174	78,727	79,279	79,832	435	437	441	444	447	450
Lincoln	58	10,588	10,607	10,616	10,634	10,652	10,671	10,689	58	58	58	58	58	58
Mason	321	61,701	62,702	63,203	64,071	64,940	65,808	66,677	326	329	333	338	342	347
Okanogan	212	41,564	42,008	42,230	42,417	42,603	42,790	42,976	215	216	217	218	219	220
Pacific	151	20,896	20,872	20,860	20,886	20,912	20,938	20,964	150	150	150	151	151	151
Pend Oreille	73	13,116	13,231	13,289	13,370	13,450	13,531	13,611	73	74	74	74	75	75
Pierce	2923	809,913	824,600	831,944	840,868	849,792	858,717	867,641	2976	3003	3035	3067	3099	3131
San Juan	72	15,824	15,879	15,907	15,977	16,047	16,116	16,186	72	73	73	73	74	74
Skagit	572	118,790	120,679	121,624	122,949	124,274	125,599	126,924	581	586	592	599	605	611
Skamania	41	11,152	11,239	11,282	11,335	11,388	11,442	11,495	42	42	42	42	42	43
Snohomish	2413	728,144	742,953	750,358	761,289	772,221	783,152	794,084	2462	2487	2523	2559	2595	2631
Spokane	2134	478,529	485,837	489,491	494,375	499,259	504,142	509,026	2166	2183	2204	2226	2248	2270
Stevens	212	43,823	44,116	44,262	44,452	44,642	44,832	45,022	213	214	215	216	217	218
Thurston	1028	257,848	263,432	266,224	270,632	275,040	279,449	283,857	1050	1061	1079	1096	1114	1131
Wahkiakum	27	3,959	3,940	3,931	3,920	3,909	3,899	3,888	27	27	27	27	27	27
Walla Walla	280	59,275	59,768	60,015	60,349	60,683	61,017	61,351	283	284	285	287	288	290
Whatcom	801	204,704	208,268	210,050	213,101	216,153	219,204	222,256	815	822	834	846	858	870
Whitman	132	45,321	45,866	46,139	46,476	46,814	47,151	47,489	133	134	135	136	137	138
Yakima	937	248,475	253,719	256,341	258,942	261,543	264,145	266,746	957	967	977	987	996	1006



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Step 6. Subtract the current hospice capacity in each planning area from the above projected volume of hospice services to determine unmet need.																												
(g) Determine the number of hospice agencies in the proposed planning area which could support the unmet need with an ADC of thirty-five.																												
	2014 Potential volume	2015 Potential volume	2016 Potential volume	2017 Potential volume	2018 Potential volume	2019 Potential volume	Current Capacity	2014 Unmet Need admits	2015 Unmet Need admits	2016 Unmet Need admits	2017 Unmet Need admits	2018 Unmet Need admits	2019 Unmet Need admits	Statewide ALOS #	2014 Unmet Need Patient Days	2015 Unmet Need Patient Days	2016 Unmet Need Patient Days	2017 Unmet Need Patient Days	2018 Unmet Need Patient Days	2019 Unmet Need Patient Days	2014 Unmet Need ADC	2015 Unmet Need ADC	2016 Unmet Need ADC	2017 Unmet Need ADC	2018 Unmet Need ADC	2019 Unmet Need ADC	Need for Add'l Agency	# of Add'l Agencies Needed
Adams	59	60	61	62	63	64	30.67	29	30	30	31	32	33	59.00	1,693	1,746	1,795	1,843	1,892	1,940	5	5	5	5	5	5	FALSE	FALSE
Asotin	130	130	131	131	131	131	48.33	82	82	82	83	83	83	59.00	4,826	4,840	4,855	4,871	4,886	4,901	13	13	13	13	13	13	FALSE	FALSE
Benton	661	668	678	687	697	706	682.33	(21)	(14)	(4)	5	14	24	59.00	(1,231)	(817)	(265)	286	837	1,389	(3)	(2)	(1)	1	2	4	FALSE	FALSE
Chelan	358	360	364	367	370	374	295.00	63	65	69	72	75	79	59.00	3,708	3,862	4,055	4,248	4,440	4,633	10	11	11	12	12	13	FALSE	FALSE
Columbia	1,592	1,608	1,630	1,652	1,674	1,696	1,779.67	(188)	(172)	(150)	(128)	(106)	(84)	59.00	(11,066)	(10,140)	(8,838)	(7,536)	(6,234)	(4,933)	(30)	(28)	(24)	(21)	(17)	(14)	FALSE	FALSE
Cowlitz	543	546	549	553	556	560	751.33	(209)	(206)	(202)	(199)	(195)	(191)	59.00	(12,311)	(12,144)	(11,932)	(11,721)	(11,509)	(11,297)	(34)	(33)	(33)	(32)	(32)	(31)	FALSE	FALSE
Douglas	161	163	166	168	170	173	155.00	6	8	11	13	15	18	59.00	381	484	627	770	913	1,056	1	1	2	2	3	3	FALSE	FALSE
Ferry	44	44	44	44	44	44	38.33	5	6	6	6	6	6	59.00	323	328	333	339	345	351	1	1	1	1	1	1	FALSE	FALSE
Franklin	189	193	199	204	210	216	156.67	32	36	42	48	53	59	59.00	1,883	2,132	2,473	2,815	3,156	3,498	5	6	7	8	9	10	FALSE	FALSE
Garfield	17	16	16	16	16	16	5.67	11	11	11	11	11	11	59.00	640	638	636	635	633	632	2	2	2	2	2	2	FALSE	FALSE
Grant	351	356	362	368	375	381	250.00	101	106	112	118	125	131	59.00	5,971	6,265	6,627	6,989	7,351	7,714	16	17	18	19	20	21	FALSE	FALSE
Grays Harbor	406	407	408	408	409	410	240.67	165	166	167	168	169	170	59.00	9,741	9,792	9,846	9,900	9,955	10,009	27	27	27	27	27	27	FALSE	FALSE
Island	343	345	347	349	351	353	201.67	142	143	145	147	149	151	59.00	8,351	8,444	8,565	8,687	8,808	8,930	23	23	23	24	24	24	FALSE	FALSE
Jefferson	177	178	180	182	183	185	127.00	50	51	53	55	56	58	59.00	2,964	3,005	3,112	3,218	3,325	3,432	8	8	9	9	9	9	FALSE	FALSE
King *#	6,420	6,472	6,534	6,596	6,657	6,719	6,597.00	(177)	(125)	(63)	(1)	60	122	59.00	(10,465)	(7,372)	(3,728)	(84)	3,559	7,203	(29)	(20)	(10)	(0)	10	20	FALSE	FALSE
Kitsap *	1038	1046	1057	1068	1079	1090	1,009.33	28	37	48	59	69	80	59.00	1675	2189	2825	3462	4099	4736	5	6	8	9	11	13	FALSE	FALSE
Kittitas	149	150	152	154	155	157	90.67	58	59	61	63	65	67	59.00	3420	3490	3601	3711	3822	3932	9	10	10	10	10	11	FALSE	FALSE
Klickitat	93	93	93	94	94	94	57.33	35	36	36	36	37	37	59.00	2092	2108	2126	2144	2162	2180	6	6	6	6	6	6	FALSE	FALSE
Lewis	435	437	441	444	447	450	368.67	66	69	72	75	78	81	59.00	3915	4059	4243	4427	4611	4795	11	11	12	12	13	13	FALSE	FALSE
Lincoln	58	58	58	58	58	58	22.67	35	35	36	36	36	36	59.00	2086	2089	2095	2101	2107	2112	6	6	6	6	6	6	FALSE	FALSE
Mason	326	329	333	338	342	347	240.67	86	88	93	97	102	106	59.00	5054	5208	5475	5741	6008	6275	14	14	15	16	16	17	FALSE	FALSE
Okanogan	215	216	217	218	219	220	131.67	83	84	85	86	87	88	59.00	4902	4969	5026	5082	5138	5195	13	14	14	14	14	14	FALSE	FALSE
Pacific	150	150	150	151	151	151	105.00	45	45	45	46	46	46	59.00	2676	2671	2682	2693	2704	2715	7	7	7	7	7	7	FALSE	FALSE
Pend Oreille	73	74	74	74	75	75	47.33	26	26	27	27	28	28	59.00	1529	1547	1574	1600	1626	1653	4	4	4	4	4	4	FALSE	FALSE
Pierce	2976	3003	3035	3067	3099	3131	3,224.67	(249)	(222)	(190)	(158)	(126)	(93)	59.00	-14671	-13107	(11207)	(9306)	(7406)	(5506)	(40)	(36)	(31)	(25)	(20)	(15)	FALSE	FALSE
San Juan	72	73	73	73	74	74	44.67	28	28	28	29	29	29	59.00	1639	1647	1665	1684	1703	1722	4	5	5	5	5	5	FALSE	FALSE
Skagit	581	586	592	599	605	611	543.33	38	42	49	55	62	68	59.00	2238	2506	2883	3259	3636	4012	6	7	8	9	10	11	FALSE	FALSE
Skamania *	42	42	42	42	42	43	31.67	10	10	10	11	11	11	59.00	587	597	608	620	632	643	2	2	2	2	2	2	FALSE	FALSE
Snohomish	2,462	2,487	2,523	2,559	2,595	2,631	2,577.33	(115)	(91)	(55)	(18)	54	54	59.00	(6,803)	(5,355)	(3,218)	(1,080)	1,057	3,194	(19)	(15)	(9)	(3)	3	9	FALSE	FALSE
Spokane*	2,166	2,183	2,204	2,226	2,248	2,270	2,337.00	(171)	(154)	(133)	(111)	(89)	(67)	59.00	(10,065)	(9,104)	(7,819)	(6,534)	(5,249)	(3,964)	(28)	(25)	(21)	(18)	(14)	(11)	FALSE	FALSE
Stevens	213	214	215	216	217	218	131.67	82	82	83	84	85	86	59.00	4,824	4,866	4,920	4,974	5,029	5,083	13	13	13	14	14	14	FALSE	FALSE
Thurston	1,050	1,061	1,079	1,096	1,114	1,131	1,051.67	(2)	9	27	45	62	80	59.00	(101)	555	1,592	2,628	3,665	4,702	(0)	2	4	7	10	13	FALSE	FALSE
Wahkiakum	27	27	27	27	27	27	25.00	2	2	2	2	2	2	59.00	121	117	113	109	104	100	0	0	0	0	0	0	FALSE	FALSE
Walla Walla	283	284	285	287	288	290	271.00	12	13	14	16	17	19	59.00	681	750	843	936	1,029	1,122	2	2	2	3	3	3	FALSE	FALSE
Whatcom	815	822	834	846	858	870	896.67	(81)	(75)	(63)	(51)	(39)	(27)	59.00	(4,807)	(4,396)	(3,691)	(2,986)	(2,282)	(1,577)	(13)	(12)	(10)	(8)	(6)	(4)	FALSE	FALSE
Whitman	133	134	135	136	137	138	103.00	30	31	32	33	34	35	59.00	1,778	1,825	1,882	1,940	1,998	2,056	5	5	5	5	5	6	FALSE	FALSE
Yakima	957	967	977	987	996	1,006	823.00	134	144	154	164	173	183	59.00	7,911	8,494	9,073	9,652	10,231	10,810	22	23	25	26	28	30	FALSE	FALSE
							25,867.33	Each hospice in first three years is assumed 35 adc at statewide ALOS or 216 admits																				
# Excludes capacity recorded for Swedish																												
## Washington State ALOS as reported by CMS Table VII.3 for 2012 as of December 2013																												



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Step 6 -Corrected

Step 6. Subtract the current hospice capacity in each planning area from the above projected volume of hospice services to determine unmet need.																												
(g) Determine the number of hospice agencies in the proposed planning area which could support the unmet need with an ADC of thirty-five.																												
	2014 Potential volume	2015 Potential volume	2016 Potential volume	2017 Potential volume	2018 Potential volume	2019 Potential volume	Current Capacity	2014 Unmet Need admits	2015 Unmet Need admits	2016 Unmet Need admits	2017 Unmet Need admits	2018 Unmet Need admits	2019 Unmet Need admits	Statewide ALOS #	2014 Unmet Need Patient Days	2015 Unmet Need Patient Days	2016 Unmet Need Patient Days	2017 Unmet Need Patient Days	2018 Unmet Need Patient Days	2019 Unmet Need Patient Days	2014 Unmet Need ADC	2015 Unmet Need ADC	2016 Unmet Need ADC	2017 Unmet Need ADC	2018 Unmet Need ADC	2019 Unmet Need ADC	Need for Add'l Agency	# of Add'l Agencies Needed
Adams	59	60	61	62	63	64	30.67	29	30	30	31	32	33	59.00	1,693	1,746	1,795	1,843	1,892	1,940	5	5	5	5	5	5	FALSE	FALSE
Asotin	130	130	131	131	131	131	48.33	82	82	82	83	83	83	59.00	4,826	4,840	4,855	4,871	4,886	4,901	13	13	13	13	13	13	FALSE	FALSE
Benton	661	668	678	687	697	706	682.33	(21)	(14)	(4)	5	14	24	59.00	(1,231)	(817)	(265)	286	837	1,389	(3)	(2)	(1)	1	2	4	FALSE	FALSE
Chelan	358	360	364	367	370	374	295.00	63	65	69	72	75	79	59.00	3,708	3,862	4,055	4,248	4,440	4,633	10	11	11	12	12	13	FALSE	FALSE
Columbia	500	501	503	506	508	511	360.67	140	140	143	145	147	150	59.00	8,231	8,269	8,413	8,556	8,700	8,844	23	23	23	23	24	24	FALSE	FALSE
Clark	1,592	1,608	1,630	1,652	1,674	1,696	1,779.67	(188)	(172)	(150)	(128)	(106)	(84)	59.00	(11,066)	(10,140)	(8,838)	(7,536)	(6,234)	(4,933)	(30)	(28)	(24)	(21)	(17)	(14)	FALSE	FALSE
Cowlitz	26	26	26	26	26	26	13.33	13	13	13	13	13	13	59.00	752	750	747	745	742	739	2	2	2	2	2	2	FALSE	FALSE
Douglas	543	546	549	553	556	560	751.33	(209)	(206)	(202)	(199)	(195)	(191)	59.00	(12,311)	(12,144)	(11,932)	(11,721)	(11,509)	(11,297)	(34)	(33)	(33)	(32)	(32)	(31)	FALSE	FALSE
Ferry	161	163	166	168	170	173	155.00	6	8	11	13	15	18	59.00	381	484	627	770	913	1,056	1	1	2	2	3	3	FALSE	FALSE
Franklin	44	44	44	44	44	44	38.33	5	6	6	6	6	6	59.00	323	328	333	339	345	351	1	1	1	1	1	1	FALSE	FALSE
Garfield	189	193	199	204	210	216	156.67	32	36	42	48	53	59	59.00	1,883	2,132	2,473	2,815	3,156	3,498	5	6	7	8	9	10	FALSE	FALSE
Grant	17	16	16	16	16	16	5.67	11	11	11	11	11	11	59.00	640	638	636	635	633	632	2	2	2	2	2	2	FALSE	FALSE
Grays Harbor	351	356	362	368	375	381	250.00	101	106	112	118	125	131	59.00	5,971	6,265	6,627	6,989	7,351	7,714	16	17	18	19	20	21	FALSE	FALSE
Island	406	407	408	408	409	410	240.67	165	166	167	168	169	170	59.00	9,741	9,792	9,846	9,900	9,955	10,009	27	27	27	27	27	27	FALSE	FALSE
Jefferson	343	345	347	349	351	353	201.67	142	143	145	147	149	151	59.00	8,351	8,444	8,565	8,687	8,808	8,930	23	23	23	24	24	24	FALSE	FALSE
King *#	177	178	180	182	183	185	127.00	50	51	53	55	56	58	59.00	2,964	3,005	3,112	3,218	3,325	3,432	8	8	9	9	9	9	FALSE	FALSE
Kitsap *	6,420	6,472	6,534	6,596	6,657	6,719	6,280.00	140	192	254	316	377	439	59.00	8,238	11,331	14,975	18,619	22,262	25,906	23	31	41	51	61	71	TRUE	2.03
Kittitas	1038	1046	1057	1068	1079	1090	1,009.33	28	37	48	59	69	80	59.00	1675	2189	2825	3462	4099	4736	5	6	8	9	11	13	FALSE	FALSE
Klickitat	149	150	152	154	155	157	90.67	58	59	61	63	65	67	59.00	3420	3490	3601	3711	3822	3932	9	10	10	10	10	11	FALSE	FALSE
Lewis	93	93	93	94	94	94	57.33	35	36	36	36	37	37	59.00	2092	2108	2126	2144	2162	2180	6	6	6	6	6	6	FALSE	FALSE
Lincoln	435	437	441	444	447	450	368.67	66	69	72	75	78	81	59.00	3915	4059	4243	4427	4611	4795	11	11	12	12	13	13	FALSE	FALSE
Mason	58	58	58	58	58	58	22.67	35	35	36	36	36	36	59.00	2086	2089	2095	2101	2107	2112	6	6	6	6	6	6	FALSE	FALSE
Okanogan	326	329	333	338	342	347	240.67	86	88	93	97	102	106	59.00	5054	5208	5475	5741	6008	6275	14	14	15	16	16	17	FALSE	FALSE
Pacific	215	216	217	218	219	220	131.67	83	84	85	86	87	88	59.00	4902	4969	5026	5082	5138	5195	13	14	14	14	14	14	FALSE	FALSE
Pend Oreille	150	150	150	151	151	151	105.00	45	45	45	46	46	46	59.00	2676	2671	2682	2693	2704	2715	7	7	7	7	7	7	FALSE	FALSE
Pierce	73	74	74	74	75	75	47.33	26	26	27	27	28	28	59.00	1529	1547	1574	1600	1626	1653	4	4	4	4	4	4	FALSE	FALSE
San Juan	2976	3003	3035	3067	3099	3131	3,224.67	(249)	(222)	(190)	(158)	(126)	(93)	59.00	-14671	-13107	(11207)	(9306)	(7406)	(5506)	(40)	(36)	(31)	(25)	(20)	(15)	FALSE	FALSE
Skagit	72	73	73	73	74	74	44.67	28	28	28	29	29	29	59.00	1639	1647	1665	1684	1703	1722	4	5	5	5	5	5	FALSE	FALSE
Skamania *	581	586	592	599	605	611	543.33	38	42	49	55	62	68	59.00	2238	2506	2883	3259	3636	4012	6	7	8	9	10	11	FALSE	FALSE
Snohomish	42	42	42	42	42	43	31.67	10	10	10	11	11	11	59.00	587	597	608	620	632	643	2	2	2	2	2	2	FALSE	FALSE
Spokane*	2,462	2,487	2,523	2,559	2,595	2,631	2,577.33	(115)	(91)	(55)	(18)	54	54	59.00	(6,803)	(5,355)	(3,218)	(1,080)	1,057	3,194	(19)	(15)	(9)	(3)	3	9	FALSE	FALSE
Stevens	2,166	2,183	2,204	2,226	2,248	2,270	2,337.00	(171)	(154)	(133)	(111)	(89)	(67)	59.00	(10,065)	(9,104)	(7,819)	(6,534)	(5,249)	(3,964)	(28)	(25)	(21)	(18)	(14)	(11)	FALSE	FALSE
Thurston	213	214	215	216	217	218	131.67	82	82	83	84	85	86	59.00	4,824	4,866	4,920	4,974	5,029	5,083	13	13	13	14	14	14	FALSE	FALSE
Wahkiakum	1,050	1,061	1,079	1,096	1,114	1,131	1,051.67	(2)	9	27	45	62	80	59.00	(101)	555	1,592	2,628	3,665	4,702	(0)	2	4	7	10	13	FALSE	FALSE
Walla Walla	27	27	27	27	27	27	25.00	2	2	2	2	2	2	59.00	121	117	113	109	104	100	0	0	0	0	0	0	FALSE	FALSE
Whatcom	283	284	285	287	288	290	271.00	12	13	14	16	17	19	59.00	681	750	843	936	1,029	1,122	2	2	2	3	3	3	FALSE	FALSE
Whitman	815	822	834	846	858	870	896.67	(81)	(75)	(63)	(51)	(39)	(27)	59.00	(4,807)	(4,396)	(3,691)	(2,986)	(2,282)	(1,577)	(13)	(12)	(10)	(8)	(6)	(4)	FALSE	FALSE
Yakima	133	134	135	136	137	138	103.00	30	31	32	33	34	35	59.00	1,778	1,825	1,882	1,940	1,998	2,056	5	5	5	5	5	6	FALSE	FALSE
	957	967	977	987	996	1,006	823.00	134	144	154	164	173	183	59.00	7,911	8,494	9,073	9,652	10,231	10,810	22	23	25	26	28	30	FALSE	FALSE
							25,550.33																					
*County contains one hospice in first three years of service							Each hospice in first three years is assumed 35 adc at statewide ALOS or 216 admits																					
Corrected - # Excludes capacity recorded for Swedish and Highline																												
## Washington State ALOS as reported by CMS Table VII.3 for 2012 as of December 2013																												