STATE OF MARYLAND

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MEMORANDUM

TO: Commissioners

FROM: Kevin R. McDonald
Chief, Certificate of Need

DATE: May 17, 2018

SUBJECT: Staff Report and Recommendation
Minerva Home HealthCare, Inc.
Docket No. 17-R3-2402

Enclosed is the staff report and recommendation for a Certificate of Need application filed by Minerva Home HealthCare, Inc. ("Minerva").

Minerva currently operates as a residential services agency that serves clients within an 80-mile radius of its office in Glen Burnie (Anne Arundel County). Minerva seeks to establish a home health agency that will serve clients in Calvert and St. Mary's Counties.

The total cost of establishing the proposed home health agency is estimated to be $75,000, and the applicant expects to begin operations within three months of approval.

Staff recommends **APPROVAL** of the application, based on its conclusion that the proposed project complies with the applicable standards in COMAR 10.24.16: the State Health Plan for Facilities and Services: Home Health Agency Services ("HHA Chapter"), and the other review criteria enumerated in COMAR 10.24.01.08, with the following conditions:

1. Minerva shall maintain compliance with the provisions of COMAR 10.24.16.08E(1)-(4) regarding charity care and a sliding scale of discounted charges for low income individuals who do not qualify for full charity care;

2. Minerva shall provide an amount of charity care equivalent to the average amount of charity care provided by home health agencies in the two-jurisdiction region (Calvert County and St. Mary's County) it will serve; and

3. Minerva shall provide documentation regarding its links with hospitals, nursing homes, continuing care retirement communities, hospice programs, assisted living providers, Adult Evaluation and Review Services, adult day care programs, the local Department of Social Services, and home delivered meal programs located within its proposed service area when it requests first use approval.

IN THE MATTER OF	*	**BEFORE THE**
	*	
MINERVA HOME	*	**MARYLAND**
	*	
HEALTHCARE, INC.	*	**HEALTH CARE**
	*	
Docket No. 17-R3-2402	*	**COMMISSION**
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Staff Report and Recommendation

June 21, 2018

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I. INTRODUCTION

A. The Applicant

Minerva Home HealthCare, Inc. ("Minerva") operates two residential services agencies ("RSAs") out of its main office located at 2301 Dorsey Road in Glen Burnie (Anne Arundel County) and also operates a Medicare-certified home health agency in Virginia.[1] Minerva's RSAs in Maryland serve clients within an 80-mile radius of the Glen Burnie location. One of Minerva's RSAs (Minerva Home Healthcare, Inc.) provides skilled nursing and aides, and its other RSA (Minerva Rehabilitation Services, Inc.) provides only occupational therapy, physical therapy, and speech therapy. The applicant provides skilled nursing visits at home including skilled nursing care for adults and children, home health aide services, and home infusion, while under another license it provides physical and occupational therapy to clients in Anne Arundel and Baltimore Counties. In the last year, Minerva's Maryland RSAs served 369 clients and delivered more than 28,000 2-hour visits per year. (DI #8, Att. A, pp. 120 & 123).

B. The Project

Minerva seeks approval to establish a home health agency ("HHA") to serve residents of Calvert and St. Mary's Counties. If authorized as an HHA in these counties, Minerva would accept Medicare patients and add physical and occupational therapy, speech therapy, and medical social work to its service offerings for clients residing in Calvert and St. Mary's Counties. Minerva proposes to open a main office for the proposed HHA in Dunkirk in Calvert County. The applicant projects a case load of more than 400 HHA clients by the fourth year of operation. (DI #43, Table 2bF).

Minerva estimates that it will need to expend $75,000 to start up this new HHA, for the purchase of moveable and electronic equipment, rent, CON consulting and legal fees, and funding for debt service and contingencies. The applicant plans to use a line of credit from M&T Bank for these expenditures and projects that it can be fully operational in the proposed counties within 18

[1] Under Maryland regulations, at COMAR 10.07.05B(25), a residential service agency is an "entity of any kind that is engaged in a nongovernmental business of employing or contracting with individuals to provide at least one home health care service for compensation to an unrelated sick or disabled individual in the residence of that individual or an agency that employs or contracts with individuals directly for hire as home health care providers." The personal home health care services that an RSA may provide are audiology and speech pathology; dietary and nutritional services; drug services; home health aid; laboratory; medical social services; nursing; occupational therapy; physical therapy; provision of invasive medical equipment; and home medical equipment services. Md. Code Ann., Health-General ("Health-General") §19-4A-01(b). An RSA is not a health care facility under Maryland law, is not subject to certificate of need regulation, and cannot be certified for Medicare participation. In contrast, a home health agency is a health-related organization, institution, or part of an institution that directly, or through a contractual arrangement, provides to a sick or disabled individual in the residence of that individual skilled nursing and home health aide services, and at least one other home health care service that is centrally administered. Health-General §19-401(b). The other centrally administered home health care services can include speech pathology services, medical social services, occupational therapy, or physical therapy. HHAs are subject to CON regulation and are Medicare-certified.

months of CON approval, consistent with the Maryland Health Care Commission's performance requirements for HHAs. (DI #8, p. 7-8; DI #19, p. 17, Att. 2).

C. Staff Recommendation

Staff concludes that this project is in compliance with the applicable standards of COMAR 10.24.16, the State Health Plan chapter for Home Health Agency Services ("HHA Chapter"), that the need for additional home health agency services has been identified, and that Minerva's proposal to operate in Calvert and St. Mary's Counties is a viable and cost-effective approach to meeting that need. Staff concludes that the CON criteria outlined in COMAR 10.24.01.08G(3) have been met, and thus recommends **APPROVAL** of the project with the following conditions:

1. Minerva shall maintain compliance with the provisions of COMAR 10.24.16.08E(1)-(4) regarding charity care and a sliding scale of discounted charges for low income individuals who do not qualify for full charity care;

2. Minerva shall provide an amount of charity care equivalent to the average amount of charity care provided by home health agencies in the two-jurisdiction region (Calvert County and St. Mary's County) it will serve; and

3. Minerva shall provide documentation regarding its links with hospitals, nursing homes, continuing care retirement communities, hospice programs, assisted living providers, Adult Evaluation and Review Services, adult day care programs, the local Department of Social Services, and home delivered meal programs located within its proposed service area when it requests first use approval.

II. PROCEDURAL HISTORY

For the procedural history, please see the Record of the Review in Appendix 1. The Maryland Health Care Commission ("Commission") did not receive comments on this project from any persons or entities requesting interested party status in the review. No comments from local governments or letters of support for this project were submitted.

III. BACKGROUND

The HHA Chapter regulates the development and expansion of home health agency services in Maryland based on a policy decision by the Commission that consumers need a choice of high quality HHA providers. The HHA Chapter, at COMAR 10.24.16.04, provides that a jurisdiction shall be identified as having a need for additional home health agency services if it is determined that the jurisdiction has: (1) insufficient consumer choice of HHAs; (2) a highly concentrated HHA service market; or (3) insufficient choice of HHAs with high quality performance.[2] Based on these provisions, Calvert and St. Mary's Counties show a need for

[2] As noted in the Background and Policies section of the HHA Chapter, the Commission regulates HHA services by emphasizing the importance of providing consumers with meaningful choices for obtaining high quality services, in which one HHA or a small number of HHAs do not command overwhelming

additional HHA services. While these counties were found to have a sufficient number of competing HHAs, they were also found to be highly concentrated HHA markets based on the Herfindahl-Hirschman Index (HHI).[3] In the HHA Chapter, the HHI is used to target regions for consideration of additional HHA providers to increase the likelihood of more competitive market conditions.

To submit an application that can be accepted for review, a potential applicant must: meet performance-related qualifications specified in COMAR 10.24.16.06.D and .07; and provide documentation that the applicant is currently in conformance with COMAR 10.24.16.06C. In Minerva's case, it is currently a residential services agency that operates from its office in Anne Arundel County. As an RSA, it has met the requirements for Home Care Accreditation by the Joint Commission. It provided skilled nursing services to 369 existing clients last year. It described quality measures and performance levels that it monitors and uses for quality improvement. (DI #15). Thus, Minerva qualified to apply for a CON to establish a home health agency for the 2017 CON review cycle.

IV. STAFF REVIEW AND ANALYSIS

The Commission reviews CON applications using six criteria found in COMAR 10.24.01.08G(3). The first of these considerations is compliance with the applicable standards and policies in the State Health Plan for Facilities and Services ("State Health Plan").

COMAR 10.24.01.08G(3)(a) THE STATE HEALTH PLAN

An application for a Certificate of Need shall be evaluated according to all relevant State Health Plan standards, policies, and criteria.

In this review, the relevant chapter of the State Health Plan for Facilities and Services is the HHA Chapter, COMAR 10.24.16.

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dominance. The HHA Chapter sets a benchmark of sufficient consumer choice as the availability of at least three high performing agencies in each jurisdiction. It targets highly concentrated HHA markets, as measured by the Herfindahl-Hirschman Index (HHI), for consideration of new HHA providers, through existing HHA expansion, or new agency establishment.
See COMAR 10.24.17.03B (p. 10).

[3] The Herfindahl-Hirschman Index is a measure of the competitiveness, or the lack of competitiveness, exhibited in a market served by competing firms. It is usually characterized as a measure of the level of concentration of market power within the market. In the HHA Chapter, the HHI is defined as the sum of the squares of the market shares of all the HHAs authorized and actually serving a jurisdiction. In theory, results can range from 0 to 1.0. An HHI of 1.0 indicates a monopoly in which one firm has total market power. Conversely, a competition index close to 0.0 indicates a condition of highly dispersed market power in which no one firm or small group of firms is dominant. The HHA Chapter uses U.S. Department of Justice and Federal Trade Commission Horizontal Merger Guidelines established in 2010, to establish an HHI threshold of 0.25 or greater as defining a highly concentrated jurisdictional market for HHA services.

COMAR 10.24.16.08 STANDARDS

A. ***GENERAL STANDARDS. The following general standards encompass Commission expectations for the delivery of home health services by all existing home health providers in Maryland, as defined in Health General §19-120(j)(3)(ii). Each applicant that seeks a Certificate of Need for a project covered by this Chapter shall address and document its compliance with each of the following general standards as part of its application***.

A. Service Area

An applicant shall:

(1) Designate the jurisdiction or jurisdictions in which it proposes to provide home health agency services; and (2) Provide an overall description of the configuration of the parent home health agency and its interrelationships, including the designation and location of its main office, each subunit, and each branch, as defined in this Chapter, or other major administrative offices recognized by Medicare.

Minerva proposes the establishment of an HHA that will serve Calvert and St. Mary's Counties, with a main office in Dunkirk in Calvert County. (DI #8, p. 9).

The applicant complies with this standard.

B. Population and Services.

An applicant shall describe the population to be served and the specific services it will provide.

Minerva proposes to provide HHA services to clients in Calvert and St. Mary's Counties, including skilled nursing services, occupational therapy, physical therapy, home health aide services, and home infusions. According to the applicant, establishing a home health agency will allow the applicant to expand the services it currently offers as an RSA to include physical and occupational therapy in Calvert and St. Mary's Counties. HHA licensure will also allow it to provide services to Medicare patients in those counties, which it cannot do at present. Minerva maintains that this will provide improved continuity of care, allowing clients in those counties to receive all needed services from one agency, rather than needing to coordinate the services of several agencies for services at home. (DI #8, Att. A).

This standard has been met.

Standard .08C Financial Accessibility, .08D Fees and Time Payment Plan, .05H Financial Solvency, .08J Discharge Planning, and .08K Data Collection and Submission.

Among the remaining applicable standards are several that prescribe policies, staffing and/or service requirements that an applicant must meet, or agree to meet prior to commencement of operations and some that require documentation or proof of compliance. Staff has reviewed Minerva's CON application and subsequent completeness materials. Staff has confirmed that the

applicant provided information and affirmations that demonstrate full compliance with the following standards:

.08C Financial Accessibility,
.08D Fees and Time Payment Plan,
.08H Financial Solvency,
.08J Discharge Planning, and
.08K Data Collection and Submission.

Staff has concluded that the proposed project meets the requirements of these standards. The applicant agrees to maintain Medicaid certification and apply for Medicare certification, which will permit it to serve Medicare clients in Calvert and St. Mary's Counties. It states that it will continue to serve Medicaid patients, and will serve Medicare clients in those counties as soon as it meets the criteria. (DI #8, p. 10). Regarding Minerva's fees and time payment policy, Minerva will make fees known to clients before services are provided, as well as provide the opportunity to set up monthly payment plans for individuals unable to make full payment at the time services are rendered. (DI #19, pp. 6-8; DI #38, Exh. B, p. 7). Minerva has the financial resources necessary to implement the establishment of a new HHA and to sustain its expanded operations, as exemplified by a letter from M&T Bank regarding a line of credit equivalent to the amount of the project budget. (DI #19, Att. 2). Minerva has a discharge planning process that starts upon admission, and that identifies a list of valid reasons upon which it may discharge clients. (DI #8, pp. 17-18). Minerva states that it is prepared or is preparing to comply with federal and State data collection and reporting requirements with the appropriate technology and data collection processes. (*Id.*, p. 18). The text of these standards and the locations within the application file where compliance is documented are attached as Appendix 2.

E. Charity Care and Sliding Fee Scale.

Each applicant for home health agency services shall have a written policy for the provision of charity care for indigent and uninsured patients to ensure access to home health agency services regardless of an individual's ability to pay and shall provide home health agency services on a charitable basis to qualified indigent and low income persons consistent with this policy. The policy shall include provisions for, at a minimum, the following:

Minerva submitted a copy of its charity care policy, which describes its procedure for providing services to uninsured, underinsured, and indigent patients who may qualify for charity care or reduced fees. (DI #38, Exh. B).

> ***(1) Determination of Eligibility for Charity Care and Reduced Fees. Within two business days following a client's initial request for charity care services, application for medical assistance, or both, the home health agency shall make a determination of probable eligibility for medical assistance, charity care, and reduced fees, and communicate this probable eligibility determination to the client.***

Minerva's Charity Care & Financial Assistance policy provides that it will make a determination of probable eligibility for financial assistance within two business days after an initial request for charity care, application for Medical Assistance, or both, or request for reduced

fees. The applicant's submitted policy states, "that determination of probable eligibility does not require clients to fill out an application or provide documentation." (*Id.*, Exh. B, p. 4).

> ***(2) Notice of Charity Care and Sliding Fee Scale Policies. Public notice and information regarding the home health agency's charity care and sliding fee scale policies shall be disseminated, on an annual basis, through methods designed to best reach the population in the HHA's service area, and in a format understandable by the service area population. Notices regarding the HHA's charity care and sliding fee scale policies shall be posted in the business office of the HHA and on the HHA's website, if such a site is maintained. Prior to the provision of HHA services, a HHA shall address clients' or clients' families concerns with payment for HHA services, and provide individual notice regarding the HHA's charity care and sliding fee scale policies to the client and family.***

Minerva provided a copy of its charity care notice that will be published in the patient booklet and on the company website, as well as in the Conditions of Admission form and patient bills. Additionally, brochures will be available at in-patient access sites and places in the community served by Minerva that include information on the applicant's charity care policies. (*Id.*, Exh. B, pp. 8-9).

> ***(3) Discounted Care Based on a Sliding Fee Scale and Time Payment Plan Policy. Each HHA's charity care policy shall include provisions for a sliding fee scale and time payment plans for low-income clients who do not qualify for full charity care, but are unable to bear the full cost of services.***

Minerva provided a copy of its policy that includes a provision for the sliding fee schedule and time payment plan options available for low-income clients ineligible for charity care. (*Id.*, Exh. B, p. 7).

> ***(4) Policy Provisions. An applicant proposing to establish a home health agency or expand home health agency services to a previously unauthorized jurisdiction shall make a commitment to, at a minimum, provide an amount of charity care equivalent to the average amount of charity care provided by home health agencies in the jurisdiction or multi-jurisdictional region it proposes to serve during the most recent year for which data is available. The applicant shall demonstrate that:***
>
> > ***(a) Its track record in the provision of charity care services, if any, supports the credibility of its commitment; and***

To illustrate its track record of charity care provision, the applicant provided the following data for its 2017 RSA and HHA operations combined:

Gross revenue:	$1,127,304
Net Income:	$ 54,256
Charity Care:	$ 7,447 (DI#44).

Thus in 2017 the applicant's RSA and HHA provided charity care amounting to .6% of Gross Revenue.

Going forward, Minerva's client volume and financial projections include projections for the provision of charity care. Minerva's volume projections for charity care visits amount to 0.15% of total client visits at full utilization, with a corresponding revenue allowance. (DI#43, pp. 5-6). Thus, in addressing the charity care standard, Minerva has demonstrated that it plans for a volume of charity care in line with that reported by Calvert and St. Mary's HHAs.

According to data reported on the MHCC HHA Annual Survey for Fiscal Year 2014, there were nine agencies serving Calvert County with a total of 18,885 visits. Two of these nine HHAs reported providing charity care in Calvert County, with a total of 37 charity care visits (0.20% of total visits). In St. Mary's County, there were five HHAs with a total of 20,008 visits. Two of these five HHAs provided 23 charity care visits (0.11% of total visits). Thus, the jurisdictional total of 38,893 visits of which 60 visits, amounts to 0.15% of visits provided for charity care. For comparison, the statewide amount of charity care was approximately 0.16%.

Going forward, Minerva's client volume and financial projections include projections for the provision of charity care. Minerva's volume projections for charity care visits amount to 0.15% of total client visits at full utilization, with a corresponding revenue allowance. (DI#43, pp. 5-6). Thus, in addressing the charity care standard, Minerva has demonstrated that it plans for a volume of charity care in line with that reported by Calvert and St. Mary's HHAs.

Minerva's track record of charity care provision compares favorably to that of the incumbent agencies and supports its level of commitment.

(b) It has a specific plan for achieving the level of charity care to which it is committed.

Minerva provided specific plans for community outreach. Direct client outreach will take place at the hospital when clients identify as self-pay. Minerva will post notices on its website, as required, and encourage providers to provide materials to patients. Minerva stated that it will also include advertisements about its services in resource guides in the service area. Minerva described a collaboration it currently has with Fire Ministries Church in Prince George's County to connect with uninsured and undocumented persons. Minerva plans to replicate this type of relationship with faith-based organizations in Calvert and St. Mary's Counties. Minerva plans to participate in a Senior Expo to reach those needing home health care. Minerva stated that associate providers have practices throughout the services area, which "casts a wide net for reaching persons in areas with higher poverty levels." The applicant also described other relationships and collaboration building efforts, including outreach to the Office of Veterans and Military Families and Social Services. It plans to mail letters that describe the Financial Assistance Program to the veterans' office to circulate to the veteran community and provide materials as a resource to case managers and social workers. (DI #23, pp. 10-12).

To monitor progress on this measure, Minerva will prepare a quarterly report for the Board of Directors. Charitable contributions will be recorded in the annual report and Minerva will make the information available to the public upon request. (DI #23, p. 12)

Minerva provided polices and plans to administer an amount of charity that meets the requirements of this standard. Staff recommends that any approval of this project be issued with the following conditions:

1. Minerva shall maintain compliance with the provisions of COMAR 10.24.16.08E(1)-(4) regarding charity care and a sliding scale of discounted charges for low income individuals who do not qualify for full charity care; and

2. Minerva shall provide an amount of charity care equivalent to the average amount of charity care provided by home health agencies in the two-jurisdiction region (Calvert County and St. Mary's County) it will serve.

F. Financial Feasibility.

An applicant shall submit financial projections for its proposed project that must be accompanied by a statement containing the assumptions used to develop projections for its operating revenues and costs. Each applicant must document that:

(1) Utilization projections are consistent with observed historic trends of HHAs in each jurisdiction for which the applicant seeks authority to provide home health agency services;

In its application, Minerva projects that it will serve 185 clients and deliver more than 2,700 visits in the first year of operation and will ramp up to 413 clients and delivery of nearly 6,200 visits at full operation in 2021. (DI #DI#43, p. 5). Minerva cited population projections from Maryland's Departments of Aging, Planning, and Health that show the 65 and older cohort growing at a faster rate than other age groups, and faster than the growth of that age cohort in the state as a whole. (DI #8, pp. 21-22; DI #19, pp. 1-5, 15-17). Minerva also noted that, as an RSA, it currently is unable to service approximately 30% of the referrals it receives because the patient needs a Medicare-certified HHA or physical, occupational, or social work services in addition to nursing services. (DI #8, p. 22).

Table IV-1 below shows the most recent population projections for these two counties. The population aged 65 and older is projected to be growing rapidly in this part of Maryland, with a projected increase of more than 21,000 elderly (86%) in the two-county area between 2015 and 2030. This compares to projected growth for this age group statewide of approximately 56% over the same time period.

Table IV-1: Population Estimates and Projections, Calvert and St Mary's Counties, CY 2015-2030

Age	2015	2020	2025	2030	Percent change (2015-2030)	Actual population change
Calvert County						
0-14	17,299	16,797	17,140	17,916	3.6%	617
15-64	61,152	62,390	61,087	58,302	-4.7%	-2,850
65-84	10,724	13,644	17,031	20,338	89.6%	9,614
85+	1,471	1,775	2,096	2,642	79.6%	1,171
Total	90,646	94,606	97,354	99,198	9.4%	8,552
St. Mary's County						
0-14	23,829	24,606	25,758	28,363	19.0%	4,534
15-64	75,203	79,584	83,640	88,122	17.2%	12,919
65-84	11,683	14,259	17,697	21,515	84.2%	9,832
85+	1,485	1,705	2,106	2,748	85.1%	1,263
Total	112,200	120,154	129,201	140,748	25.4%	28,548
Maryland						
0-14	1,113,476	1,110,018	1,131,539	1,166,062	4.7%	52,586
15-64	4,037,428	4,049,118	4,053,582	4,042,302	0.1%	4,874
65-84	723,952	859,185	1,012,192	1,140,280	57.5%	416,328
85+	113,544	123,487	139,274	170,154	49.9%	56,610
Total	5,988,400	6,141,808	6,336,587	6,518,798	8.9%	530,398

Source: Maryland Department of Planning, Projections, and State Data Center, Total Population Projections (January 2018)

The following Table IV-2 summarizes HHA visit volume in the two counties for six years. In Calvert County, total HHA visits increased 48% between 2010 and 2015, and increased by 55% in St. Mary's County over this same time period. For the two counties combined, visit volume increased nearly 52%, incremental growth of more than 14,500 actual visits.

Table IV-2: Home Health Utilization (Total Visits) in Calvert and St Mary's Counties, FY 2010-2015

	2010	2011	2012	2013	2014	2015
Chesapeake-Potomac Home Health Agency, Inc.	17,309	18,891	19,809	20,904	18,320	21,838
MedStar Health VNA- Calverton	3	-	-	2,106	5,858	5,896
HomeCall – Annapolis	4,030	3,798	4,962	7,561	6,383	5,556
Southern Maryland Home Health Services	5,257	6,053	5,796	1,820	5,183	4,801
VNA of Maryland, LLC	734	2,587	2,699	1,285	1,981	3,615
Gentiva Health Services	11	8	105	325	471	551
Adventist Home Health Services, Inc.	542	928	1,164	791	391	274
Community Home Health of Maryland	65	55	191	98	215	200
Johns Hopkins Pediatrics at Home, Inc.	3	0	0	6	1	36

MedStar Health Visiting Nurse Association- Baltimore	237	833	294	189	90	0
Two-County Jurisdiction Total	**28,191**	**33,153**	**35,020**	**35,085**	**38,893**	**42,767**

Source: HHA Annual Survey, Table 16

Comparing Minerva's projected 2,775 visits in the first year of operation in 2018 to the experience of the existing HHAs in the two-county jurisdiction in 2015 would place Minerva in the middle of the pack – below five service providers in terms of volume of home health visits and more than the other five existing home health providers. Minerva projects 15 visits per client (2,775 visits for 185 clients in 2018, and 6,195 visits for 413 clients in 2021). (DI # DI#43, p. 7). Comparatively, the aggregate visits per client for incumbent agencies in the two jurisdictions is 15.04 (38,893 visits/2585 total clients, according to HHA Annual Survey data).

Staff analysis also revealed that Calvert and St. Mary's residents had among the lowest utilization rates of Maryland jurisdictions, highlighting a scenario in which it is likely for Minerva to find additional home health clients.

Table IV-3: Utilization Rate for Home Health Clients per 1,000 Population by Jurisdiction of Residence and Age Group

Jurisdiction of Client's Residence	Client's Years of Age						
	0-24	**25-44**	**45-64**	**65-74**	**75-84**	**85+**	**Total**
Allegany County	1.47	4.35	27.49	73.88	133.10	230.85	31.01
Anne Arundel County	1.44	2.05	10.68	48.09	102.08	248.53	15.51
Baltimore County	2.11	2.90	17.21	65.23	133.90	247.20	24.67
Calvert County	***0.27***	***1.97***	***9.99***	***41.63***	***98.73***	***188.33***	***13.42***
Caroline County	0.56	3.74	20.48	57.87	113.31	230.11	20.74
Carroll County	4.61	4.14	16.23	57.91	119.98	224.92	23.00
Cecil County	1.48	4.19	14.66	57.36	123.02	224.76	18.73
Charles County	0.30	3.31	13.76	51.66	125.86	211.95	14.47
Dorchester County	0.43	3.80	18.62	66.36	139.25	282.38	28.31
Frederick County	1.61	3.48	15.81	56.68	113.88	198.07	18.19
Garrett County	1.40	3.09	14.37	41.18	86.00	129.95	17.91
Harford County	2.75	4.27	15.09	58.47	135.41	316.22	22.79
Howard County	0.97	1.99	11.42	39.79	106.48	294.66	14.41
Kent County	2.16	5.13	17.06	33.28	83.41	170.69	23.02
Montgomery County	4.57	1.83	10.49	42.61	99.19	215.67	16.38
Prince George's County	1.81	2.29	13.16	50.42	108.49	216.15	13.93
Queen Anne's County	1.14	2.85	10.46	42.40	96.00	213.39	17.18
St. Mary's County	***0.28***	***2.54***	***12.18***	***40.98***	***93.90***	***184.08***	***12.40***
Somerset County	0.11	3.61	23.47	57.87	115.89	193.98	20.46
Talbot County	0.43	2.56	12.44	36.92	103.63	266.27	27.71
Washington County	5.49	5.12	17.82	50.13	105.04	174.64	21.21
Wicomico County	0.27	4.85	24.45	69.12	168.32	307.02	26.26
Worcester County	0.48	3.69	19.44	57.14	125.18	301.28	33.50
Baltimore City	2.52	3.81	22.26	70.09	129.96	239.12	21.41
MARYLAND TOTAL	**2.32**	**2.83**	**14.68**	**53.62**	**115.95**	**234.94**	**18.73**

Source: Maryland Department of Planning, Projections, and State Data Center, Total Population Projections (January 2018); with interpolation by MHCC staff; 2014 HHA Annual Survey, Table 15

Minerva projects that the largest portion of home health visits will be skilled nursing visits, followed by physical therapy, and occupational therapy, followed by home health aide visits, with

speech therapy and medical social services making up less than five percent. Table IV-4 shows a comparison of Minerva's projections and those of other existing HHAs that operate in the two-county jurisdiction. Minerva projects similar proportion of visits compared to existing HHAs in the two jurisdictions, with a slightly higher percentage of physical therapy visits.

Table IV-4: Percentage of Home Health Visit Type for HHAs that operate in Calvert and St. Mary's County, FY 2014 and Minerva's Proposed Project

Visit Type	Existing HHAs 2014	Minerva Year 1
Skilled Nursing	42.5%	42.5%
Home Health Aide	5.1%	6.5%
Occupational Therapy	9.4%	10.0%
Physical Therapy	40.5%	37.0%
Speech/Language Therapy	1.7%	3.0%
Medical Social Work	0.7%	1.0%
Total	100%	100%

Source: HHA Annual Survey, Table 9; DI#43, p. 5, with analysis by MHCC staff

(2) Projected revenue estimates are consistent with current or anticipated charge levels, rates of reimbursement, contractual adjustments and discounts, bad debt, and charity care provision, as experienced by the applicant if an existing HHA or, if a proposed new HHA, consistent with the recent experience of other Maryland HHAs serving each proposed jurisdiction; and

Minerva based its revenue estimates on current reimbursement rates by discipline with modest increases in rates. The applicant tied those rates to projected volume and charity care, with increases for contractual allowances and bad debt. (DI #DI#43, p. 7).

(3) Staffing and overall expense projections are consistent with utilization projections and are based on current expenditure levels and reasonably anticipated future staffing levels as experienced by the applicant if an existing HHA or, if a proposed new HHA, consistent with the recent experience of other Maryland HHAs serving each proposed jurisdiction.

The applicant projects it will not generate income in the first year of operation, but will generate income in the following projected three years. Minerva will employ approximately 5.1 full-time equivalent ("FTE") patient care staff in 2018, and 9.2 FTEs by 2021, including both agency and contractual staff. (DI#43, pp. 7).

Table IV-5: Projected Operating Results for the Proposed Home Health Agency in Calvert and St. Mary's Counties, Minerva Home Healthcare, CY2018-2021

	2018	2019	2020	2021
Visits	2,775	3,720	4,501	6,196
Net revenue	$292,269	$417,186	$518,223	$706,746
Expenses	$366,375	$382,928	$461,084	$616,799
Net income from operations	($74,106)	$34,257	$57,139	$89,946
Net income after taxes	($51,874)	23,980	39,997	62,963

Source: DI#43, p. 7

Table IV-6 summarizes the applicant's the projected productivity of each discipline. It also provides the staffing productivity experienced at HHAs that operate in the applicant's proposed service area. Minerva's plan to staff at the proposed level indicates that it projects increased efficiency for clinical personnel over time, using the ratio of visits per patient care FTE as the measure.

Table IV-6: Applicant's Projected Staffing Ratio (Year 4) and 2014 Staffing Ratio for Selected Home Health Agencies Operating in Calvert or St Mary's Counties, FY 2014

	Visits/FTE					
Discipline	**Ratio for all HHAs that operate in Calvert and St. Mary's Counties (2014)**	**Projections**				**Year 4, % of statewide average productivity/FTE**
		Year 1	**Year 2**	**Year 3**	**Year 4**	
Skilled Nursing	1,063	943	1,235	1,245	1,286	121%
Home Health Aide	1,121	900	930	966	930	83%
Physical Therapy	1,525	1,027	1,251	1,665	1,273	84%
Occupational Therapy	1,412	1,112	1,240	1,286	1,240	88%
Speech Therapy	1,475	830	1,120	1,350	1,860	126%
Medical Social Work	454	112	148	180	248	55%

Source: HHA Annual Survey, Tables 9 & 11; DI# DI#43, pp. 5 & 12.

Staff concludes that Minerva's financial projections are based on reasonable utilization, revenue, expense, and staffing assumptions. The applicant has met this standard.

G. Impact.

An applicant shall address the impact of its proposed home health agency service on each existing home health agency authorized to serve each jurisdiction or regional service area affected by the proposed project. This shall include impact on existing HHAs' caseloads, staffing and payor mix.

Impact on Caseloads

In response to this standard, the applicant highlighted the need for more providers and referenced population growth as evidence that there will be an increase in the number of home health clients in the service area. (DI #8, pp. 15, 28; DI #19, pp. 15-16).

Staff notes that reported HHA visit volume in the two-county area increased 38% between 2010 and 2014. The service area experienced growth in the number of HHA clients in each of the past five years reported on MHCC's HHA Annual Survey. Most recently, from 2013 to 2014, the existing HHAs reported 3,808 more visits over the course of one year. They reported growth of more than 10,700 visits from 2010 to 2014. Considering this, and that Calvert and St. Mary's Counties have the lowest utilization rate per population among the state's jurisdictions, Minerva could likely absorb, or other agencies could also experience, an organic increase in visits in its first year of operation. Staff analysis also revealed that only one of the existing agencies serving the two county area – Chesapeake-Potomac – relies on that area for a substantial proportion of its HHA patients (71%). No other agency relies on these two jurisdictions for more than 13.5% of its total HHA patients. Chesapeake-Potomac is the market share leader in this area, reporting almost

22,000 patient visits in those counties in 2015. As such, it is likely to experience the most impact if the applicant is successful in penetrating this market in any significant way.

Impact on Staffing

To staff the HHA, Minerva projected hiring four administrative employees, two registered nurses, 1.8 physical therapists, 0.5 occupational therapist and home health aide, 0.25 medical social worker, and 0.1 speech therapist, as shown in Table IV-5. (DI #DI#43, pp. 5 & 12).

Minerva acknowledged that a new HHA will create a greater demand for registered nursing services in the area. To address this, Minerva plans to provide educational grants to L.P.N.s and C.N.A.s currently employed at Minerva to attend the College of Southern Maryland for additional training. (DI #8, p. 16).

Table IV-7: Minerva Home Health Projected Staffing in First Year of Operation and at Full Utilization

Position Title	Projected No. of FTE's First Year of Operation		Projected No. of FTEs, Full Utilization	
	Staff	Contract	Staff	Contract
Administrative Personnel	2.0		4.0	
Registered Nurse	1.0	0.25	1.0	1.0
Licensed Practical Nurse				
Physical Therapist	1.0		1.0	0.8
Occupational Therapist		0.25		0.5
Speech Therapist		0.1		0.1
Home Health Aide	0.2		0.5	
Medical Social Worker		0.25		0.25
Total	**5.05**		**9.15**	

Source: DI #DI#43, pp. 9-12.

Impact on Payer Mix

Minerva's projected payer mix (shown in Table IV-7 below) is only slightly different from existing HHAs in the two jurisdictions. In line with existing HHAs, it projects that most visits will be generated from Medicare (87% of visits at full utilization, compared to 84% at existing HHAs). Medicaid visits will make up 2% of visits, private insurance will make up 11%, and self-pay will account for the remaining less than one percent of visits. (DI #38, Exh. F, p. 6).

Minerva states that it does not expect payer mix or the cost of health care services to change in any appreciable way as result of adding an HHA to this service area. It states that, as a current RSA, adding home health services to its menu of services will allow the agency to provide an improved continuum of services for clients in the authorized jurisdictions.

Table IV-6: Minerva Home Health Projected Payer Mix at Full Utilization

Description	Minerva's Proposed Payer Mix (Percent of Total Visits)				Existing HHAs	
					Calvert	St. Mary's
	2018	2019	2020	2021	2014	2014
Client Visits	2,775	3,720	4,500	6,195		
Medicare	86.9%	86.7%	87.0%	86.9%	81.6%	83.8%
Medicaid	1.8%	1.9%	1.9%	2%	2.1%	1.5%
Private Insurers					9.1%	9.8%
Blue Cross	3.8%	3.2%	3.5%	3.7%		
Commercial	7.3%	8.0%	7.3%	7.2%		
Self-pay	0.2%	0.2%	0.3%	0.2%	0.3%	0.1%
Other gov't					4.5%	3.5%
HMO					2.4%	1.4%
Total	100%	100%	100%	100%	100%	100%

Source: 2014 HHA Annual Survey, Table 20; DI # DI#43, p. 8

Staff recommends that the Commission find that the applicant complies with this standard. The addition of Minerva as a home health agency will meet the objectives of the HHA Chapter to provide more consumer choice and create the potential for more competitive balance in the region at an acceptable level of impact. The applicant identified this need based on a growing market and provided a plan to address an increase in staffing needs, which would likely minimize that impact on other agencies in the jurisdictions.

I. Linkages with Other Service Providers.

An applicant shall document its links with hospitals, nursing homes, continuing care retirement communities, hospice programs, assisted living providers, Adult Evaluation and Review Services, adult day care programs, the local Department of Social Services, and home delivered meal programs located within its proposed service area.

(1) A new home health agency shall provide this documentation when it requests first use approval.

(2) A Maryland home health agency already licensed and operating shall provide documentation of these linkages in its existing service area and document its work in forming such linkages before beginning operation in each new jurisdiction it is authorized to serve.

Minerva reported that it currently has linkages with other service providers for RSA clients within its existing service area (pharmaceutical companies providing infusion at home, social workers, and discharge planners), which includes Calvert and St. Mary's Counties. It also supplied a list of providers that its existing HHA in Virginia works with, including hospitals and pharmaceutical companies. In Virginia, Minerva participates in a consortium of providers that works to coordinate a continuum of care through a social worker. (DI #19, pp. 17-18).

Because the applicant would be a new home health agency, Staff recommends that any approval of this project be issued with the following condition:

3. Minerva shall provide documentation regarding its links with hospitals, nursing homes, continuing care retirement communities, hospice programs, assisted living providers, Adult Evaluation and Review Services, adult day care

programs, the local Department of Social Services, and home delivered meal programs located within its proposed service area when it requests first use approval.

COMAR 10.24.01.08G(3)(b) Need

The Commission shall consider the applicable need analysis in the State Health Plan. If no State Health Plan need analysis is applicable, the Commission shall consider whether the applicant has demonstrated unmet needs of the population to be served, and established that the proposed project meets those needs.

In accordance with the HHA Chapter, at COMAR 10.24.16.04, Calvert and St. Mary's Counties were identified as qualifying for consideration of new home health agency service providers as a result of meeting the definition of highly concentrated markets. To further support this de facto case for need, Minerva also supplied population data sources that project growth in Maryland and the proposed service areas, to suggest population growth will lead to an increase in the number of home health clients requiring service. (DI #19, pp. 1-3, 15-16). Lower utilization rates compared to other jurisdictions across the state provide additional evidence of potential unmet need. See discussion of COMAR 10.24.16.08F, the financial feasibility standard.

Staff recommends that the Commission find that need has been established in Southern Maryland in accordance with the HHA Chapter.

COMAR 10.24.01.08G(3)(c) Availability of More Cost-Effective Alternatives

The Commission shall compare the cost effectiveness of the proposed project with the cost effectiveness of providing the service through alternative existing facilities, or through an alternative facility that has submitted a competitive application as part of a comparative review.

Minerva did not identify alternatives to establishing a new HHA, but noted that it is more cost-effective to provide many medical services in a home setting than in a hospital. As an RSA, the applicant is an established provider of home-based care in Maryland at the RSA level. Approval of Minerva as an HHA creates the potential for a more competitive HHA service market in the two targeted. Minerva notes that its authorization as an HHA in Calvert and St. Mary's Counties will allow it to provide better, more efficient care to clients in these counties, expanding its continuum of care for Medicare patients. Minerva stated that it already has the professional, management, and technological structure in place to serve these types of clients and is prepared to offer scholarship assistance to increase the number of R.N.s in the area. (DI #8, p. 23).

No other applicants responded to the Commission's opening of these two counties to new or expanded HHAs. Staff concludes that the proposed project, which would extend the services of an existing RSA by approving it as a new HHA for Calvert and St. Mary's Counties is a cost-effective approach to providing more choices and a higher level of competition in the region.

COMAR 10.24.01.08G(3)(d) Viability of the Proposal
The Commission shall consider the availability of financial and nonfinancial resources, including community support, necessary to implement the project within the time frames set forth in the Commission's performance requirements, as well as the availability of resources necessary to sustain the project.

See discussion of COMAR 10.24.16.08F, the financial feasibility standard.

Availability of Resources Necessary to Implement the Project

The $75,000 total estimated cost of this project will be funded with a line of credit. M&T Bank provided a letter stating this line of credit is immediately available. (DI #19, Att. 2). The total project budget is shown in Appendix 3. (*Id.*, pp. 18-19).

Availability of Resources Necessary to Sustain the Project

Minerva's utilization and financial projections, as well as its historic ability to operate and sustain operation of RSAs from its Anne Arundel County office, indicate that it should be able to expand its RSA home care services to deliver Medicare-certified HHA services, and sustain delivery of those services.

Staff concludes that the applicant demonstrated it has the resources necessary to implement and sustain this project and recommends a finding that the project is financially viable.

COMAR 10.24.01.08G(3)(e) Compliance with Conditions of Previous Certificates of Need
An applicant shall demonstrate compliance with all terms and conditions of each previous Certificate of Need granted to the applicant, and with all commitments made that earned preferences in obtaining each previous Certificate of Need, or provide the Commission with a written notice and explanation as to why the conditions or commitments were not met.

Minerva Home Health has had no previous Certificate of Need awards. This criterion is not applicable.

COMAR 10.24.01.08G(3)(f) Impact on Existing Providers and the Health Care Delivery System
An applicant shall provide information and analysis with respect to the impact of the proposed project on existing health care providers in the health planning region, including the impact on geographic and demographic access to services, on occupancy, on costs and charges of other providers, and on costs to the health care delivery system.

As discussed earlier under COMAR 10.24.16.08G, the impact standard, Minerva does not project a negative impact on existing HHAs operating in the two-county area, because it projects growth in demand for HHA services in this area that will largely offset the impact it would otherwise have. Data for the last five-year period for which data has been reported to MHCC shows that demand for HHA services has grown at a rate that roughly accounts for the applicant's projected number of clients by Year 4 of operation. The applicant states that there should be more home health agencies in these counties to accommodate a growing home health client base and to

provide more options for clients, as well as help to address a difficulty that placement teams are having in placing home health patients. (DI #8, p. 28). Staff also identified a comparatively low home health utilization rates in the jurisdictions. See discussion of COMAR 10.24.16.08F, the financial feasibility standard.

Regarding charges, Minerva stated that the introduction of a new agency should not increase charges because most reimbursement received by HHAs is not charged-based. (DI #8, p. 28).

Based on the observed volume growth at HHA clients and visits in these counties and projected population growth in the 65 and older population, it is possible that Minerva's slice of the total HHA market would be roughly equal to the market's organic growth, with little or no impact on the volumes of existing providers. Essentially, what a new entrant does in such a scenario is prevent the incumbents from growing and, perhaps, strengthening their bottom lines and economic standing.

Staff notes that the Commission adopted an HHA Chapter that supports the need for additional choice of quality providers in this region. For this reason and other reasons noted elsewhere in this staff report, staff recommends that the Commission find that the impact of this application is positive.

V. SUMMARY AND STAFF RECOMMENDATION

Based on its review of the proposed project's compliance with the Certificate of Need review criteria in COMAR 10.24.01.08G(3) and the applicable standards in COMAR 10.24.16, the Home Health Agency Services Chapter of the State Health Plan, Commission staff recommends that the Commission approve the project. It complies with the applicable State Health Plan standards, is needed, is a cost-effective approach to meeting the project objectives, is viable, and will have a positive impact on Minerva's ability to provide additional home health services without adversely affecting costs or chargers to the health care system.

Staff recommends that the Commission **APPROVE** the application of Minerva Home Health Care, Inc. for a Certificate of Need authorizing Minerva to establish a home health agency for Calvert and St. Mary's Counties with the following conditions:

1. Minerva shall maintain compliance with the provisions of COMAR 10.24.16.08E(1)-(4) regarding charity care and a sliding scale of discounted charges for low income individuals who do not qualify for full charity care; and

2. Minerva shall provide an amount of charity care equivalent to the average amount of charity care provided by home health agencies in the two-jurisdiction region (Calvert County and St. Mary's County) it will serve.

Minerva shall provide documentation regarding its links with hospitals, nursing homes, continuing care retirement communities, hospice programs, assisted living providers, Adult Evaluation and

Review Services, adult day care programs, the local Department of Social Services, and home delivered meal programs located within its proposed service area when it requests first use approval.

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IN THE MATTER OF	*	**BEFORE THE**
	*	
MINERVA HOME	*	**MARYLAND**
	*	
HEALTHCARE, INC.	*	**HEALTH CARE**
	*	
Docket No. 17-R3-2402	*	**COMMISSION**
	*	

*** ***

FINAL ORDER

Based on the analysis and recommendations in the Staff Report and Recommendation, it is this 17th day of May, 2018, by a majority of the Maryland Health Care Commission, **ORDERED**:

That the application of Minerva Home HealthCare, Inc. for a Certificate of Need to add home health services in Calvert and St. Mary Counties, at a cost of $75,000, is **APPROVED,** subject to the following conditions:

1. Minerva shall maintain compliance with the provisions of COMAR 10.24.16.08E(1)-(4) regarding charity care and a sliding scale of discounted charges for low income individuals who do not qualify for full charity care;

2. Minerva shall provide an amount of charity care equivalent to the average amount of charity care provided by home health agencies in the two-jurisdiction region (Calvert County and St. Mary's County) it will serve; and

3. Minerva shall provide documentation regarding its links with hospitals, nursing homes, continuing care retirement communities, hospice programs, assisted living providers, Adult Evaluation and Review Services, adult day care programs, the local Department of Social Services, and home delivered meal programs located within its proposed service area when it requests first use approval.

MARYLAND HEALTH CARE COMMISSION

APPENDIX 1:

Record of the Review

RECORD OF THE REVIEW

Item #	Description	Date
1	Commission staff acknowledged receipt of Letter of Intent.	5/11/17
2	Commission staff requests documentation for Amedisys that applicant meets baseline qualifications	5/18/17
3	Commission staff acknowledged letter of intent from Kadie Pro and requested documentation that applicant meets baseline qualifications	5/18/17
4	Commission staff acknowledged letter of intent from Linac Services and requested documentation that applicant meets baseline qualifications	5/18/17
5	Commission staff acknowledged letter of intent from Revival Home Care and requested documentation that applicant meets baseline qualifications	5/18/17
6	Commission staff acknowledged letter of intent for Minerva and requested documentation that applicant meets baseline qualifications	5/18/17
7	Commission staff acknowledged letter of intent from Mun's Heart Nursing and requested documentation that applicant meets baseline qualifications	5/18/17
8	The applicant filed their Certificate of Need application.	7/7/17
9	Commission staff acknowledged receipt of application for completeness review.	7/13/17
10	Commission staff requested that the *Maryland Independent* publish notice of receipt of application.	7/13/17
11	Commission staff requested that the *St. Mary's Enterprise* publish notice of receipt of application.	7/13/17
12	Commission staff requested that the *Maryland Register* publish notice of receipt of application.	7/13/17
13	Commission staff sent second request for documentation that applicant meets baseline qualifications.	7/21/17
14	Notice of receipt of application was published in Charles County	7/28/17
15	The applicant filed baseline qualifications as required for review.	7/28/17
16	The applicant filed a correction to completion of qualifying material	8/2/17
17	Commission staff requested completeness information on application.	8/24/17
18	Commission staff received a request for an extension to file completeness information.	9/2/17
19	The applicant filed completeness information.	9/27/17
20	Commission staff requested second round of completeness information.	10/16/17
21	Commission staff received a request for an extension to file completeness information.	3/29/17
22	Commission staff received a request for an additional extension to file completeness information.	11/8/17
23	The applicant filed additional completeness information.	11/21/17
24	Commission staff requested additional information on application material.	12/14/17
25	Commission staff requested additional information on charity care policies.	1/9/18
26	The applicant filed additional information as requested.	1/19/18
27	Commission staff requested additional information on charity care policies.	2/5/18
28	The applicant filed additional information as requested.	2/14/18
29	Commission staff notified the applicant of the formal start of review of the application effective 3/16/18.	2/28/18
30	Commission staff requested that the *Maryland Independent* publish notice of the formal start of the review.	2/28/18
31	Commission staff requested that *Maryland Register* publish notice of the formal start of the review.	2/28/18
32	Request made for comments from the Local Health Planning Department of the CON application.	2/28/18
33	Commission staff requested additional information to application materials	3/13/18
34	Commission staff received a request for an extension to file completeness information.	3/29/18

35	Commission staff requested additional information to acquire application tables that would be internally consistent.	3/30/18
36	Commission staff received a request for an extension to file completeness information.	4/16/18
37	Commission staff advises applicant that “draft responses” were not adequate.	4/25/18
38	The applicant filed additional completeness information.	4/27/18
39	Applicant sent modified application tables to MHCC.	5/28/18
40	MHCC sends questions on the Modified application tables.	5/31/18
41	Notice of Modification as posted to MHCC Website for comments.	5/31/18
42	MHCC sends additional questions and comments to the applicant on the Modified application tables.	6/1/18
43	Applicant submits revised application tables	6/11/18
44	Email from applicant.	6/14/18

APPENDIX 2:

Excerpted CON Standards for Home Health Services from the State Health Plan Chapter 10.24.16

Excerpted CON standards for Home Health Services
From State Health Plan Chapter 10.24.16

Each of these standards prescribes policies, staffing, services, or documentation necessary for CON approval that MHCC staff have determined the applicant has met. Also included are references to where in the application or completeness correspondence the documentation can be found.

STANDARD	**Docket Item #**
.08C. Financial Accessibility. An applicant shall be or agree to become licensed and Medicare- and Medicaid-certified, and agree to maintain Medicare and Medicaid certification and to accept clients whose expected primary source of payment is either or both of these programs.	DI #8, p. 10
.08D. Fees and Time Payment Plan. An applicant shall make its fees known to prospective clients and their families at time of patient assessment before services are provided and shall: (1) Describe its special time payment plans for an individual who is unable to make full payment at the time services are rendered; and (2) Submit to the Commission and to each client a written copy of its policy detailing time payment options and mechanisms for clients to arrange for time payment.	DI #19, pp. 6-8 DI #38, Exh. B, p. 7
.08H. Financial Solvency. An applicant shall document the availability of financial resources necessary to sustain the project. Documentation shall demonstrate an applicant's ability to comply with the capital reserve and other solvency requirements specified by CMS for a Medicare-certified home health agency.	DI #19, Att. 2
.08J. Discharge Planning. An applicant shall document that it has a formal discharge planning process including the ability to provide appropriate referrals to maintain continuity of care. It will identify all the valid reasons upon which it may discharge clients or transfer clients to another health care facility or program.	DI #8, pp. 17-18
.08K. Data Collection and Submission. An applicant shall demonstrate ongoing compliance or ability to comply with all applicable federal and State data collection and reporting requirements including, but not limited to, the Commission's Home Health Agency Annual Survey, CMS' Outcome and Assessment Information Set (OASIS), and CMS' Home Health Consumer Assessment of Healthcare Providers (HHCAHPS).	DI #8, p. 18

APPENDIX 3:

Project Budget

Project Budget Estimate– Uses and Sources of Funds (dollars)

A. USE OF FUNDS	
Other Capital Costs	
Minor Movable Equipment	2,500
Contingencies	5,000
Other (Rent)	9,600
Subtotal – Other Capital Costs	**17,100**
TOTAL PROPOSED CAPITAL COSTS	**$17,100**
Financing and Other Cash Requirements	
Legal Fees	2,500
Consultant Fees CON Application Assistance	5,000
Debt Service Reserve Fund	27,400
Other (Computers, Tablets, EMR)	23,000
Subtotal – Financing and Other Cash Requirements	**$57,900**
TOTAL USES OF FUNDS	**$75,000**
B. SOURCES OF FUNDS FOR PROJECT	
Line of Credit	75,000
TOTAL SOURCES OF FUNDS	**$75,000**

Source: DI#43, p. 3.