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May 21, 2019

VIA E-MAIL (kevin.mcdonald@maryland.gov)
& HAND DELIVERY

Stephen B. Thomas, Ph.D.
Commissioner/Reviewer
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, Maryland 21215

Re: Baltimore City Hospice Review
BAYADA Home Health Care, Inc. d/b/a BAYADA
Hospice (Docket No. 16-24-2387)

Dear Commissioner Thomas:

I am writing on behalf of BAYADA Home Health Care Inc., d/b/a BAYADA Hospice ("BAYADA") in response to the Project Status Conference held on April 8, 2019 and your letter dated April 10, 2019. Our modification of application and response to your recommendations is enclosed.

We thank you for your attention to this matter.

Sincerely,



Leslie M. Cumber

cc: Suellen Wideman, Assistant Attorney General (via email)
Sarah E. Pendley, Assistant Attorney General (via email)
Paul Parker, Director, Center for Health Care Facilities Planning & Development (via email)
Kevin McDonald, Chief, CON (via email)
Howard L. Sollins, Esquire (via email)
Marta Harding, Esquire (via email)

BAYADA HOME HEALTH CARE, INC.

CERTIFICATE OF NEED

Matter No. 16-24-2387

MODIFICATION OF APPLICATION AND
RESPONSE TO RECOMMENDATIONS FROM
PROJECT STATUS CONFERENCE

BALTIMORE CITY

May 21, 2019

Our Service Promise to You



The **BAYADA** Way[®]

*We believe our clients deserve home health care services
delivered with compassion, excellence, and reliability.*



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BAYADA HOME HEALTH CARE, INC.
HOSPICE PROGRAM CERTIFICATE OF NEED APPLICATION
RESPONSE TO RECOMMENDATIONS FROM PROJECT STATUS CONFERENCE

MAY 21, 2019

EXHIBITS

Revised Exhibit 54	BAYADA's Charity Care Policy
Exhibit 65	BAYADA's "Interview for Determination of Probable Eligibility for Charity Care and Reduced Fees" Form
Exhibit 66	BAYADA's Charity Care and Reduced Fees Application
Exhibit 67	Screenshot of the charity care policy available on BAYADA's website
Exhibit 68	Notice of charity care and reduced fees provided to prospective patients
Revised Exhibit 1	Revised Table 4 Part 1

MINIMUM SERVICES

Recommendation 1: Regarding minimum services, Bayada must clarify how it will provide the required services. It may provide the information in the attached table.

APPLICANT RESPONSE

See Table 6, below, regarding minimum services.

Table 6: COMAR.10.24.13.05C: Minimum Services

COMAR 10.24.13.05C. MINIMUM SERVICES			
(1) An applicant shall provide the following services directly:			
Service	Provided directly by agency employees? (Y/N)		
(a) Skilled nursing care	Y		
(b) Medical social services	Y		
(c) Counseling (including bereavement and nutrition counseling)	Y		
(2) An applicant shall provide the following services, either directly or through contractual arrangements			
Service	Provided directly by employees of the hospice? (Y/N)	Provided via contract? (Y/N)	If by contract, with whom?
(a) Physician services and medical direction	Y	Y	Physician/Medical Director has not been identified at this point, but could

			either be contracted or employed by BAYADA.
(b) Hospice aide and homemaker services	Y		
(c) Spiritual services	Y		
(d) On-call nursing response	Y		
(e) Short-term inpatient care (including both respite care and procedures necessary for pain control and acute and chronic symptom management)		Y	Caton Manor, 3330 Wilkens Avenue, Baltimore, MD; Homewood Center, 6000 Bellona Avenue, Baltimore, MD Perring Parkway Center, 1801 Wentworth Road, Baltimore, MD; in addition, BAYADA also has the ability to contract with any facility of patient's choosing.
(f) Personal care	Y		
(g) Volunteer services	Y		
(h) Bereavement services	Y		
(i) Pharmacy services		Y	Enclara Pharmacia, Cherry Street, Philadelphia, PA
(j) Laboratory, radiology, and chemotherapy services as needed for palliative care		Y	Lab: Laboratory Corporation of America; 13900 Park Center Road, Herndon, VA Radiology: Mobilex,

			<p>101 Rock Road, Horsham, PA;</p> <p>Chemotherapy: In order to provide continuity of care for any patient enrolled in hospice and wishing to receive palliative chemotherapy, BAYADA will contract with the patient's oncologist.</p>
(k) Medical supplies and equipment		Y	<p>Medical Supplies: Med Cal Sales (Medline), One Medline Place, Mundelein, IL</p> <p>Medical Equipment: HospiceLink, 2145 Highland Avenue, Birmingham, AL</p>
(l) Special therapies, such as physical therapy, occupational therapy, speech therapy, and dietary services	Y	Y	<p>PT/OT/ST: BAYADA Home Health Care, 8600 LaSalle Road, Suite 335, Towson, MD</p> <p>Dietary: Individual will be employed by BAYADA</p>

CHARITY CARE AND SLIDING FEE SCALE STANDARD

Recommendation 2: Revise its Charity Care and Sliding Fee Scale policy and procedures to be consistent with the standard. Procedures must differentiate a probable determination of eligibility for charity care, reduced fee care, or Medicaid from a final determination. Please detail how you provide individual notice of these policies to patients and/or their families prior to the provision of services.

APPLICANT RESPONSE

BAYADA has revised its charity care policy, Form #0-8407 (see Revised Exhibit 54). The revised charity care policy describes the two-step process used to determine eligibility of charity care or reduced fees.

The probable eligibility determination is based on an in-person or phone interview between the prospective client or representative and a BAYADA office director or designee, and takes into account the financial resources available to the client, as well as whether the prospective client has insurance or is eligible for Maryland Medicaid. The BAYADA office director or designee will complete the “Interview for Determination of Probable Eligibility for Charity Care and Reduced Fees – Maryland Home Health and Hospice” form (see Exhibit 65, Form #0-9748). BAYADA will communicate its determination of probable eligibility to the prospective client/representative within two (2) business days of the initial request.

The final eligibility determination is based on a completed application (see Exhibit 66, “Charity Care and Reduced Fees Application – Maryland Home Health and Hospice”, Form #0-9506) and the submission of the required documentation.

Recommendation 3: Bayada must submit a copy of the Financial Hardship Policy (Policy #0-3682). This policy must be consistent with the Charity Care and Sliding Fee Scale standard.

APPLICANT RESPONSE

BAYADA has revised its charity care policy (Form #0-8407, see Revised Exhibit 54), to incorporate what was previously a financial hardship policy (Form #0-3682).

Recommendation 4: Revise all applicable forms, notices, and information provided to comply with the Charity Care and Sliding Fee Scale standard. This includes all public notices, posted notices, notices to potential patients/families, application(s) for charity care or reduced fees, and other similar documents. The wording of these materials should be in a format understandable by the service area population.

APPLICANT RESPONSE

See attached revised forms and notices. In addition to posting the policy on its website (see Exhibit 67 for a screenshot of BAYADA's charity care policy available on its website), all prospective patients will be provided with a copy of "Notice of Charity and Reduced Fees – Maryland Home Health and Hospice" (see Exhibit 68, Form #0-7657). Additionally, when BAYADA has established an office, the charity care policy will be posted in the office, as well as on the office's Facebook page.

Recommendation 5: Include details on the terms and types of time payment plans available to patients.

APPLICANT RESPONSE

The revised charity care policy (see Section 4.3.3) and the “Notice of Charity and Reduced Fees – Maryland Home Health and Hospice” form provide for a time payment plan available to patients. If a patient qualifies for reduced fees, the patient will be offered a time payment plan of \$25 per month (see Revised Exhibit 54 and Exhibit 68).

Recommendation 6: Assure that notices on its website are correct, easily located, and understandable.

APPLICANT RESPONSE

BAYADA's hospice website has a link to "Read more about BAYADA's Charity Care policy for Maryland Residents" at the bottom of its main page under the heading "How to pay for hospice services." See Exhibit 67 for a screenshot of the policy available on the website.

Recommendation 7: Provide copies of all forms, applications, notices, and procedures (as revised or not) regarding charity care, reduced fees, sliding fee scale, and time payment plans that will apply or be provided to a prospective patient.

APPLICANT RESPONSE

See attached revised policies and forms.

VIABILITY OF THE PROPOSAL

Recommendation 8: Regarding the viability criterion, make any needed corrections to projected revenue and cost per patient day. Include all assumptions upon which each projection is based and provide replacement Tables 2b, 4, and 5 as necessary.

APPLICANT RESPONSE

BAYADA is submitting a Revised Table 4, Part 1 to clarify that certain projected revenues and expenses (particularly Medicaid room and board) are 100% pass-throughs and should be excluded from calculations of revenue and cost per patient day, and when comparing to Maryland State averages, to adjust its General Inpatient level of care distribution to the Maryland average of 2.3% instead of the projected 4.1%. With these adjustments, BAYADA's projected revenue-per-patient day is \$184.88, instead of \$221.20, and cost-per-patient-day is \$164.23, instead of \$210.23. Although these projected revenues and expenses are still higher than the Maryland average, BAYADA believes that its projections are well-founded and reasonable, and that its proposed hospice program fully satisfies the Viability criterion.

BAYADA's Projected Net Operating Revenue

The "Comparisons of Visit Frequency, Staff Productivity, and Cost and Revenue/Patient-Day" chart provided in the Project Status Conference Summary states that BAYADA's Revenue/Pt-day is \$221.20, which is approximately 24% higher than the average for Maryland general hospices. This number was calculated by dividing BAYADA's projected net operating revenue for 2021 (Line 1.j. of Table 4) by the number of patient days for 2021 (Table 2b) as follows:

$$\frac{\$3,692,340}{16,692} = \$221.20$$

BAYADA believes that a more appropriate comparison of revenue-per-patient-day to the State of Maryland average revenue-per-patient-day should *exclude* \$516,817 in Medicaid room and board revenue (Line 1.i from Table 4), which is a complete pass-through amount and therefore, not true revenue to BAYADA, and \$89,480 in service intensity add on revenue, which helps offset higher utilization of care in the final week of life.

BAYADA is assuming that either dual eligible patients (Medicare and Medicaid eligible) or primary Medicaid patients residing in skilled nursing facilities will account for approximately 15% of all patient days. For this patient population, BAYADA will bill 100% of the then SNF rate (assumed to be approximately \$205 per day for purposes of modeling year 2021) but they will only collect at 95% of what they bill due to a 5% administrative fee levied on hospice providers. BAYADA then pays the SNFs 100% of what they bill, effectively taking a 5% loss on room and board revenue days billed.

A more accurate calculation of revenue-per-patient-day for comparison to the Maryland State average should use BAYADA's projected net patient services revenue (\$3,086,044, Line 1.h. of Table 4) for the numerator of the equation, not BAYADA's projected net operating revenue (\$3,692,340, Line 1.j. of Table 4), which includes the \$516,817 in pass through income (Line 1.i. of Table 4) attributable to Medicaid room and board income and the \$89,480 in service intensity add on revenue. Thus, the equation would be as follows:

$$\frac{\$3,086,044}{16,692} = \$184.88$$

If net patient services revenue is used as the numerator, the resulting revenue-per-patient-day is less than 4% higher than the Maryland State average.

BAYADA'S Projected Total Operating Expenses

As with its original revenue projections, BAYADA's original Table 4 included Medicaid room and board reimbursements within its projected expenses. However, since Medicaid room and board reimbursements are a 100% pass through to the skilled nursing facilities (see Exhibit 2 "Budget Assumptions"), these amounts should also properly be excluded from BAYADA's cost-per-patient-day calculation for comparison to the Maryland State average. Note that although BAYADA must pass on 100% of the room and board fees to the skilled nursing facilities, it is reimbursed for such fees at only 95%. Accordingly, BAYADA absorbs a 5% write-off for each room and board payment, and must account for these projected losses within its expenses (see Exhibit 2 "Budget Assumptions"). Additionally, BAYADA assumed that general inpatient services would make up 4.1% of the level of care mix, which is based on 2014 data from the Hospice Data Atlas that states that Baltimore City general inpatient services make up 4.1% of patient days. The Baltimore City utilization of general inpatient services at 4.1% is nearly double the Maryland State average at 2.3%. Like Medicaid room and board, general inpatient services reimbursement is pass through income. The hospice usually passes on about 95% of GIP payments to the SNFs or hospitals with which it is contracted.

If the Medicaid room and board projected losses are excluded and BAYADA assumes that only 2.3% of patient days will be general inpatient (the Maryland State average), then BAYADA's cost per patient day decreases to \$164.23, based on the following equation:

$\$3,509,158 - \$232,960$ (reducing the general inpatient losses by approximately 50%) - $\$534,933$ - (Medicaid room and board losses) = $\$2,741,265$ (adjusted total operating expenses). Dividing this new total operating expenses by patient days, BAYADA's resulting cost per patient day is \$164.23.

Other Costs & Expenses

Although BAYADA's projected cost-per-patient-day may still be higher than the Maryland average and other applicants, BAYADA believes that its projections are reasonable and likely include some expenses and factors that may not apply to other applicants.

First, BAYADA recognizes that its projected nursing visits-per-patient-day and hospice aide visits-per-patient day are higher than the Maryland average and other applicants' projections. This is because BAYADA has made a deliberate choice to tailor its visits to each individual patient's care plan and not to shortchange patients on visits, which can be quite frequent when a patient is nearing the end of life. BAYADA believes that the frequency of patient visits are an important part of its mission to provide the best possible care to patients in need of hospice services.

Another reason that BAYADA's costs are higher than the Maryland average may be that BAYADA's projected expenses include an allocation of 6% of revenue that goes to BAYADA's corporate headquarters. These funds are used to pay for services shared by all BAYADA affiliates, including communications, policy development, trainings, and other general business services. This 6% additional expense is reflected on Table 4, Part 1 line 2.j.

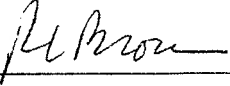
Finally, because BAYADA is new to the Maryland hospice market (BAYADA was recently awarded a CON for hospice services in Prince George's County, but has not begun operations), BAYADA is anticipating potentially higher than normal expenses for initial staffing and patient outreach particularly in minority communities, in the early years of its operation. Once BAYADA's Baltimore City hospice program is established, BAYADA anticipates that some of these expenses will likely come down.

Recommendation 9: Modify other portions of its CON application that are affected by changes made in response to my recommendations.

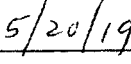
APPLICANT RESPONSE

Other than the modifications submitted with this Response to Recommendations from Project Status Conference, BAYADA does not believe any further modifications to its CON application are necessary.

I hereby declare and affirm under the penalties of perjury that the facts stated in this BAYADA Home Health Care, Inc. response to Modification of Application and Response to Recommendations from Project Status Conference Summary letter dated April 10, 2019, and its attachments are true and correct to the best of my knowledge, information, and belief.



Randolph L. Brown
Division Director



Date

REVISED EXHIBIT 54



0-8407 CHARITY CARE AND REDUCED FEES - MARYLAND HOME HEALTH AND HOSPICE

This policy was adopted on Jan. 11, 2017 and last revised Feb. 25, 2019.

Our Standard:

We believe our clients come first.

Our Policy:

BAYADA Home Health Care provides charity care or reduced fees to our clients with financial hardship in accordance with Maryland regulation.

Our Procedure:

- 1.0 BAYADA ensures access to services regardless of an individual's ability to pay.
- 2.0 The [MARYLAND CHARITY CARE AND REDUCED FEES PUBLIC NOTICE, #0-9485](#) is visibly published for public view and for prospective clients on BAYADA's Website, service office Facebook pages and conspicuously posted in the service office. [NOTICE OF CHARITY CARE AND REDUCED FEES - MARYLAND HOME HEALTH AND HOSPICE, #0-7657](#) is provided to all prospective clients prior to provision of services. Both notices include how determination of charity care and reduced fees are made per sections 3.0 and 4.0 below.
- 3.0 Upon receiving a request for charity care or reduced fees, BAYADA will make a determination of probable eligibility and communicate to the client within two (2) business days of initial request for services or an application for Medical Assistance (Maryland Medicaid).

4.0 TWO STEP PROCESS TO DETERMINE ELIGIBILITY.

BAYADA uses a two-step process to determine eligibility of charity care or reduced fees as follows:

4.1 Step One.

- 4.1.1 A probable eligibility determination takes into account whether the client:
 - a. does not have insurance;
 - b. is not eligible for Medical Assistance (Maryland Medicaid); and
 - c. does not have the financial resources to pay based on the interview of the client/representative.
- 4.1.2 The office director or designee conducts an in-person or phone interview with the prospective client/representative to discuss family size, insurance, estimated annual household income, and approximate annual outstanding medical bills. The interviewer will record this information on [INTERVIEW FOR DETERMINATION OF PROBABLE ELIGIBILITY FOR CHARITY CARE AND REDUCED FEES - MARYLAND HOME HEALTH AND HOSPICE, #0-9748](#). If the client has already applied for Medical Assistance (Maryland Medicaid) and has been approved, BAYADA will determine the client is covered under Medical Assistance (Maryland Medicaid) and not eligible for charity care.

BAYADA will communicate its determination of probable eligibility to the prospective client/representative within two (2) business days of initial request.

4.2 Step Two.

- 4.2.1 Final determination for eligibility for charity care or reduced fees is based on a completed [CHARITY CARE AND REDUCED FEES APPLICATION - MARYLAND HOME](#)



HEALTH AND HOSPICE, #0-9506 (application) by the prospective client/representative with required documentation, proof of annual household income (W2(s), last pay stub(s)) and annual outstanding medical bills. Each application for charity care and reduced fees will be reviewed, and a determination made based upon an assessment of the client's (or guarantor's) ability to pay. This could include, without limitations, the needs of the client and/or guarantor, available income and/or other financial resources. Final charity care and reduced fees determination will be communicated to the client within ten (10) business days of the submission of a completed application for charity care and reduced fees.

4.3 Client Responsibilities.

To be considered for reduced fees, the client must:

- 4.3.1 Provide BAYADA the information and documentation necessary to apply for other existing financial resources that may be available to pay for care, such as Medicare, Medicaid, third-party insurance, etc.
- 4.3.2 Provide BAYADA with financial and other information needed to determine eligibility (proof of annual household income (W2(s), last pay stub(s)) and annual outstanding medical bills), which includes completing the required application forms and working with BAYADA to provide supplemental documentation to complete the assessment.
- 4.3.3 Work with BAYADA to establish a reasonable payment plan if he/she qualifies for a partial discount.
- 4.3.4 The client must immediately notify BAYADA of any change in financial situation that may impact the agreement and so that the change can be reassessed for other financial assistance.

5.0 Prior to provision of services, prospective clients who qualify will be informed of the standard rates sheet available in each service office. BAYADA will determine a potential discount using the following guidelines.

5.1 Based on the final determination of charity care or reduced fees, the client will receive:

5.1.1 **Charity Care** - If the total family income is at or below 224% of the [Federal Poverty Guidelines](#) (as published in the Federal Register) for their family size; or

5.1.2 **Reduced Fees** - If the total family income is between 225% and 324% of the [Federal Poverty Guidelines](#) (as published in the Federal Register) for their family size as shown in the chart below.

Poverty Level	% Discount
100-199%	100%
200-224%	100%
225-249%	80%
250-274%	60%
275-299%	40%
300-324%	20%
325% and above	0%

5.2 If the client does not qualify for charity care or reduced fees under the Federal Poverty Guidelines, but has annual medical bills that are greater than 50% of their total annual income, charity care or reduced fees may be considered by deducting the annual medical bills, after all applicable insurance reimbursement has been determined, from the client's annual income and again comparing against the Federal Poverty Guidelines and applying the sliding fee scale.



- 6.0** Prior to provision of care, prospective clients who do not qualify for charity care or reduced fees are informed, and BAYADA assists with seeking an alternative payment arrangement.
- 7.0** If the client qualifies for charity care or reduced fees, the director will submit a Biller Information Coordination Note to the Reimbursement Services Office indicating the client's payor source as private pay and billing rate as based on the sliding scale.
- 8.0** The provision of charity care is tracked in order to demonstrate commitment to achieving a planned annual level of charity care.
- 9.0** **RELATED POLICIES.**
- a. ADMISSION CRITERIA AND PROCEDURE - MEDICARE CERTIFIED OFFICES, #0-672

0-8407 - CHARITY CARE AND REDUCED FEES - MARYLAND HOME HEALTH AND HOSPICE

Version: 55.0 (28160)

Author(s): JOY STOVER (2016); KIM CUNNINGHAM (2018) (2019)

Owner:

Manual,
Section: MARYLAND, MEDICARE CERTIFIED POLICIES

References: MD Hospice and Home Health CON Application requirement for Charity Care.

Revisions: Feb. 25, 2019, Feb. 25, 2019, May. 10, 2018, Apr. 06, 2018, Jun. 13, 2017, Jun. 13, 2017, Jan. 11, 2017,

Comments:

EXHIBIT 65

**INTERVIEW FOR DETERMINATION OF PROBABLE
ELIGIBILITY FOR CHARITY CARE AND REDUCED FEES—
MARYLAND HOME HEALTH AND HOSPICE**



To be completed by the office director or designee. Determination of probable eligibility for charity care and reduced fees must be communicated to the prospective client within two (2) business days of initial request.

Client Name: _____ Client #: _____ Date: _____

Client Address: _____

Number of family members residing in the household: _____

Estimated Annual Household Income (including any guarantors or other income)*	Client Salary	
	Spouse Salary	
	Disability Payments	
	Other Income	
	Total Income	

Approximate Annual Outstanding Medical Bills*	Facility	Estimated Amount	Estimated Insurance Payment (e.g. medical, auto, other)
	Total		

* No application form, verification or documentation of the estimated annual household or other incomes and approximate annual outstanding medical bills will be requested or required for the determination of probable eligibility.

Director/Designee Name: _____ Title: _____

Director/Designee Signature: _____ Date: _____

EXHIBIT 66

CHARITY CARE AND REDUCED FEES APPLICATION – MARYLAND HOME HEALTH AND HOSPICE



Please complete the top section and return to the Director of your service office.

Date: _____

Client Name: _____ Client Number: _____

Client Address: _____

Number of family members residing in the household: _____

Annual Household Income(including any guarantors or other income)* e.g W2(s), paystub(s)	Client Salary	
	Spouse Salary	
	Disability Payments	
	Other Income	
	Total Income	

Annual Outstanding Medical Bills*	Facility	Amount	Insurance Payment (e.g. medical, auto, other)	Balance due from Client
	Total			

I understand that the information provided above is required for BAYADA Home Health Care solely to determine my eligibility for charity care or reduced fees. I certify that the above information is true, complete, and correct as of the date written above. If any of the above information changes I will notify BAYADA immediately. Final determination of eligibility is based on required documentation of annual household income and annual outstanding medical bills and will be communicated within ten (10) business days of the submission of a completed application and required documentation.

Client Signature: _____ Date: _____

POA Signature (if client unable to sign): _____ Date: _____

Upon approval of the office director, the client is eligible for charity care or reduced fees if the client's total annual household income is at or below 324% of the Federal Poverty level for the size of the household, OR if the client has annual medical bills that are greater than 50% of their total annual income, charity care or reduced fees may be considered by deducting the annual medical bills, after all applicable insurance reimbursement has been determined, from the client's annual income and again comparing against the Federal Poverty Guidelines** and applying the sliding fee scale.

* Documentation must be provided for these amounts
 ** as published by the Federal Government (<https://aspe.hhs.gov/poverty-guidelines>)

Director Signature: _____ Date: _____

EXHIBIT 67



Read more about BAYADA's Charity Care policy for Maryland residents.

Let's connect. You can [call us](#), or [we'll call you](#).

Quick Links
bayada.com
For Our Employees
Partner Portal
Privacy Policy

Specialty Practices
Pediatrics
Home Health Care
Hospice
Habilitation

International
Germany
India Home Health Care
South Korea
Ireland

Blogs
BAYADA Blog
BAYADA News

    [Chat Live Now!](#)

THIS IS AN ACTIVE LINK TO:
"BAYADA Home Health Care-Maryland
Notice of Charity Care and Reduced Fees"

BAYADA Home Health Care—Maryland Notice of Charity Care and Reduced Fees

BAYADA Home Health Care provides charity care or reduced fees to our prospective clients with financial hardship and in accordance with Maryland regulation. BAYADA ensures access to services regardless of an individual's ability to pay.

All prospective clients are provided this notice prior to provision of services.

How the charity care and reduced fee scale works:

Upon receiving a request for charity care or reduced fees, BAYADA uses a two-step process to determine eligibility of charity care or reduced fees. During the first step, BAYADA will interview the prospective client/representative to review family size, estimated annual household income, insurance and approximate annual outstanding medical bills. BAYADA will communicate its determination of probable eligibility to the prospective client/representative within two (2) business days of the initial request for charity care, reduced fees, or an application for medical assistance (Maryland Medicaid).

The second step is the final determination for eligibility for charity care or reduced fees and is determined by a completed application with required documentation and proof of annual household income (W2(s), last pay stub(s)), and annual outstanding medical bills. Prior to provision of services, prospective clients who qualify will be informed of the standard rates sheet available in each service office. As per current Federal Poverty Guidelines, BAYADA will utilize a sliding fee scale to determine a potential discount. Those that qualify for reduced fees will be offered a time payment plan for reduced fees of \$25 per month. Those who do not qualify for charity care or reduced fees will be assisted in seeking alternative payment arrangements.

Based on the information provided, the prospective client will receive:

- a. **Charity Care:** If the total family income is at or below 224% of the Federal Poverty Guidelines (as published in the Federal Register) for their family size; or
- b. **Reduced Fees:** If the total family income is between 225% and 324% of the Federal Poverty Guidelines (as published in the Federal Register) for their family size as shown in the chart below.

Poverty Level	% Discount
100-199%	100%
200-224%	100%
225-249%	80%
250-274%	60%
275-299%	40%
300-324%	20%
325% and above	0%

- c. If the client does not qualify for charity care or reduced fees under the Federal Poverty Guidelines, but has annual medical bills that are greater than 50% of their total annual income, charity care or reduced fees may be considered by deducting the annual medical bills, after all applicable insurance reimbursement has been determined, from the client's annual income and again comparing against the Federal Poverty Guidelines and applying the sliding fee scale.

For more information or questions on BAYADA's Charity Care or Financial Hardship policies, contact your local BAYADA office.



EXHIBIT 68

NOTICE OF CHARITY CARE AND REDUCED FEES— MARYLAND HOME HEALTH AND HOSPICE



Client Name: _____

Client # _____

BAYADA Home Health Care provides charity care or reduced fees to our prospective clients with financial hardship and in accordance with Maryland regulation. BAYADA ensures access to services regardless of an individual's ability to pay.

All prospective clients are provided this notice prior to provision of services.

How the charity care and reduced fee scale works:

Upon receiving a request for charity care or reduced fees, BAYADA uses a two-step process to determine eligibility of charity care or reduced fees. During the first step, BAYADA will interview the prospective client/representative to review family size, estimated annual household income, insurance and approximate annual outstanding medical bills. BAYADA will communicate its determination of probable eligibility to the prospective client/representative within two (2) business days of the initial request for charity care, reduced fees, or an application for medical assistance (Maryland Medicaid).

The second step is the final determination for eligibility for charity care or reduced fees and is determined by a completed application with required documentation and proof of annual household income (W2(s), last pay stub(s)), and annual outstanding medical bills. Prior to provision of services, prospective clients who qualify will be informed of the standard rates sheet available in each service office. As per current Federal Poverty Guidelines, BAYADA will utilize a sliding fee scale to determine a potential discount. Those that qualify for reduced fees will be offered a time payment plan for reduced fees of \$25 per month. Those who do not qualify for charity care or reduced fees will be assisted in seeking alternative payment arrangements.

Based on the information provided, the prospective client will receive:

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225-249%	80%
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275-299%	40%
300-324%	20%
325% and above	0%

c. If the client does not qualify for charity care or reduced fees under the Federal Poverty Guidelines, but has annual medical bills that are greater than 50% of their total annual income, charity care or reduced fees may be considered by deducting the annual medical bills, after all applicable insurance reimbursement has been determined, from the client's annual income and again comparing against the Federal Poverty Guidelines and applying the sliding fee scale.

I acknowledge BAYADA has given me information about charity care or reduced fees.

Signature of Client

Date

Witness

Representative, Relationship & Reason Client Unable to Sign

Date

Witness

Federal Poverty Guidelines (<https://aspe.hhs.gov/poverty-guidelines>)

REVISED EXHIBIT 1

REVISED TABLE 4 Part 1

CY or FY (Circle)	Projected Years (ending with first full year at full utilization)	20_18				20_19				20_20				20--- 21			
1. Revenue																	
a. Inpatient services		\$	55,926	\$	239,041	\$	419,005	\$	516,726								
b. Hospice House services			N/A		N/A		N/A		N/A								
c. Home care services		\$	310,890	\$	1,328,898	\$	2,215,080	\$	2,711,166								
d. Gross Patient Service Revenue		\$	366,816	\$	1,567,849	\$	2,634,085	\$	3,227,892								
e. Allowance for Bad Debt[3]		\$	-	\$	20,386	\$	30,460	\$	37,677								
f. Contractual Allowance		\$	7,483	\$	31,984	\$	53,999	\$	66,495								
g. Charity Care Revenue		\$	77,345	\$	20,386	\$	30,460	\$	37,677								
h. Net Patient Services Revenue		\$	281,988	\$	1,495,093	\$	2,519,167	\$	3,086,044								
i. Other Operating Revenues		\$	104,776	\$	502,717	\$	465,902	\$	606,297								
			Medicaid Room and Board Pass Through Income						516,817								
			Service Intensity Add On Revenue						89,480								
j. Net Operating Revenue		\$	386,764	\$	1,997,810	\$	2,985,069	\$	3,692,340								
2. Expenses																	
a. Salaries, Wages, and Professional Fees, (including fringe benefits)		\$	305,057	\$	811,004	\$	1,360,559	\$	1,618,945								
b. Contractual Services		\$	155,442	\$	722,017	\$	818,108	\$	1,025,823								
			Medicaid Room and Board Expenses						534,933								
			GP Expenses at 4.1% utilization (Baltimore City Average Rate)						465,920								
			Respite Expenses						24,970								
c. Interest on Current Debt		\$	\$0	\$	\$0	\$	\$0	\$	\$0								
d. Interest on Project Debt		\$	\$0	\$	\$0	\$	\$0	\$	\$0								
e. Current Depreciation		\$	3,500	\$	5,000	\$	7,500	\$	8,000								
f. Project Depreciation			N/A		N/A		N/A		N/A								
g. Current Amortization			N/A		N/A		N/A		N/A								
h. Project Amortization			N/A		N/A		N/A		N/A								
i. Supplies		\$	4,176	\$	17,712	\$	28,670	\$	35,964								
j. Other Expenses (Specify)		\$	142,031	\$	450,217	\$	677,036	\$	820,527								
k. Total Operating Expenses		\$	610,206	\$	2,005,950	\$	2,891,872	\$	3,509,158								
3. Income																	
a. Income from Operation			\$471,592		\$2,070,566		\$3,099,988		\$3,834,189								
b. Non-Operating Income			\$0		\$0		\$0		\$0								
c. Subtotal			\$471,592		\$2,070,566		\$3,099,988		\$3,834,189								
d. Income Taxes			See footnote		See footnote		See footnote		See footnote								
e. Net Income (Loss)		\$	(223,442.09)	\$	(8,140.19)	\$	93,197	\$	183,182								

Modifications to this Table 4 Part 1 have been highlighted for ease of reference.