

BAYADA HOME HEALTH CARE, INC.

CERTIFICATE OF NEED

Matter No. 16-16-2383

RESPONSE TO COMPLETENESS QUESTIONS

January 11, 2017

**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  
COMPLETENESS RESPONSE

JANUARY 11, 2017

**EXHIBITS**

Revised Exhibit 1	Tables
Revised Exhibit 23	Charity Care Policy
Exhibit 47	BAYADA's RSA License
Exhibit 48	Description of Adult Nursing and Assistive Care Services
Exhibit 49	BAYADA's CAHPS Scores
Exhibit 50	Letter from BAYADA's Counsel to the OHCQ
Exhibit 51	BAYADA's 2014 and 2015 Consolidated Financial Statements
Exhibit 52	Resubmitted Letters of Support

## PROJECT DESCRIPTION

### QUESTION I:

Chart 2 in the Project Description lists a service called "adult nursing assistive care." Please explain what that is.

### APPLICANT RESPONSE

BAYADA operates as a residential service agency licensed by the Office of Health Care Quality<sup>1</sup> to provide adult nursing and assistive care services in Maryland. These services include the following:

- Adult Nursing services are nursing care services provided by an RN and/or LPN at home for adults and seniors dealing with chronic illness, injury, or disability. Aide care supervised by an RN is also included in these services.
- Assistive Care services are personal care and companionship services for adults and seniors that deal primarily with activities of daily living, including self-care and household support services. Aide care supervised by an RN is also included in these services.

A more full description of these services is enclosed as Exhibit 48.

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<sup>1</sup> A copy of Bayada's RSA license is attached hereto as Exhibit 47.

# PROJECT BUDGET

## QUESTION 2:

Table 1 (Project Budget) does not show sources of funds. Please send a corrected Table 1.

### APPLICANT RESPONSE

Below please find a revised Table 1 showing sources of funds, which has also been included as part of the re-labeled tables in the enclosed revised Exhibit 1.

#### TABLE 1: PROJECT BUDGET

**INSTRUCTIONS: All estimates for 1.a.-d., 2.a.-j., and 3 are for current costs as of the date of application submission and should include the costs for all intended construction and renovations to be undertaken. (DO NOT CHANGE THIS FORM OR ITS LINE ITEMS. IF ADDITIONAL DETAIL OR CLARIFICATION IS NEEDED, ATTACH ADDITIONAL SHEET.)**

#### A. Use of Funds

##### 1. Capital Costs (if applicable):

a.	<u>New Construction</u>	\$ _____
(1)	Building	_____
(2)	Fixed Equipment (not included in construction)	_____
(3)	Land Purchase	_____
(4)	Site Preparation	_____
(5)	Architect/Engineering Fees	_____
(6)	Permits, (Building, Utilities, Etc)	_____
	<b>SUBTOTAL</b>	\$ _____
b.	<u>Renovations</u>	
(1)	Building	\$ _____
(2)	Fixed Equipment (not included in construction)	\$27,500.00 <sup>2</sup>
(3)	Architect/Engineering Fees	_____
(4)	Permits, (Building, Utilities, Etc.)	_____
	<b>SUBTOTAL</b>	\$ _____
c.	<u>Other Capital Costs</u>	
(1)	Major Movable Equipment	_____
(2)	Minor Movable Equipment	\$27,500.00 <sup>3</sup>
(3)	Contingencies	_____
(4)	Other (Specify)	_____

<sup>2</sup> 5 desks at \$1,500, 5 laptops at \$1,500, 1 copier at \$8,000, \$2,500 reserve, \$2,000 for phone installation.

<sup>3</sup> 5 desks at \$1,500, 5 laptops at \$1,500, 1 copier at \$8,000, \$2,500 reserve, \$2,000 for phone installation.

**TOTAL CURRENT CAPITAL COSTS** \$ \_\_\_\_\_  
 (a - c)

- d. Non Current Capital Cost
- (1) Interest (Gross) \$ \_\_\_\_\_
- (2) Inflation (state all assumptions,  
Including time period and rate) \$ \_\_\_\_\_

**TOTAL PROPOSED CAPITAL COSTS (a - d)** \$27,500.00

2. Financing Cost and Other Cash Requirements:

- a. Loan Placement Fees \$ \_\_\_\_\_
- b. Bond Discount \_\_\_\_\_
- c. Legal Fees (CON Related) \$103,500.00
- d. Legal Fees (Other) \_\_\_\_\_
- e. Printing \_\_\_\_\_
- f. Consultant Fees \_\_\_\_\_
- CON Application Assistance \_\_\_\_\_
- Other (Specify) \_\_\_\_\_
- g. Liquidation of Existing Debt \_\_\_\_\_
- h. Debt Service Reserve Fund \_\_\_\_\_
- i. Principal Amortization Reserve Fund \_\_\_\_\_
- j. Other (Specify) \_\_\_\_\_

**TOTAL (a - j)** \$103,500.00

3. Working Capital Startup Costs \$ \_\_\_\_\_

**TOTAL USES OF FUNDS (1 - 3)** \$131,000.00

**B. Sources of Funds for Project:**

- 1. Cash \$131,000.00
- 2. Pledges: Gross \_\_\_\_\_,  
less allowance for  
uncollectables \_\_\_\_\_  
= Net \_\_\_\_\_
- 3. Gifts, bequests \_\_\_\_\_
- 4. Interest income (gross) \_\_\_\_\_
- 5. Authorized Bonds \_\_\_\_\_
- 6. Mortgage \_\_\_\_\_
- 7. Working capital loans \_\_\_\_\_
- 8. Grants or Appropriation \_\_\_\_\_
- (a) Federal \_\_\_\_\_
- (b) State \_\_\_\_\_
- (c) Local \_\_\_\_\_
- 9. Other (Specify) \_\_\_\_\_

**TOTAL SOURCES OF FUNDS (1-9)** \$131,000.00

Lease Costs:

- a. Land \$ \_\_\_\_\_ x \_\_\_\_\_ = \$ \_\_\_\_\_
- b. Building \$16.00/sq. foot x 1200 = \$9,600 (1Q18+2Q18)

c. Major Movable Equipment  
d. Minor Movable Equipment  
e. Other (Specify)

\$ _____	x _____	= \$ _____
\$4583.33	x 6	= \$27,500
\$ _____	x _____	= \$ _____



## PART I – GENERAL INFORMATION

### QUESTION 3:

Will there be a local PG County office?

#### APPLICANT RESPONSE

Yes, there will be a local PG county office. BAYADA has identified occupancy expenses including lease, office equipment and supplies in its budget for that office (please refer to Table 1 contained in the enclosed Revised Exhibit 1).

**CONSISTENCY WITH GENERAL REVIEW CRITERIA (COMAR 10.24.01.08G(3))**

**a) The State Health Plan**

**COMAR 10.24.13.05 - Standards**

## MINIMUM SERVICES

### QUESTION 4:

Bayada's response to part (j) is that it will contract with existing providers for laboratory, radiology and chemotherapy services. Have you identified those providers?

### APPLICANT RESPONSE

#### **Laboratory Services will be contracted with:**

Laboratory Corporation of America  
13900 Park Center Road  
Herndon, VA 20171

#### **Radiology Services will be contracted with:**

Symphony Diagnostic Services No. 1  
d/b/a MobilexUSA  
101 Rock Road  
Horsham, PA 19044

#### **Chemotherapy and Radiation Services:**

BAYADA's practice is to contract with each patient's existing oncologist/radiation oncologist for the provision of palliative chemotherapy/radiation. This practice assures continuity of care for the patient.

## MINIMUM SERVICES

### QUESTION 5:

With whom has Bayada been in contact as potential providers of inpatient and respite care? Please document the nature of those contacts.

### APPLICANT RESPONSE

BAYADA has an existing preferred provider relationship with Genesis Healthcare in markets in which we dually operate. The Genesis regional office (located at 515 Fairmount Avenue, Towson, Maryland 21286) has been notified of BAYADA's intent, following approval of BAYADA's certificate of need application, to execute agreements with Genesis providing for inpatient and respite care at the following Genesis locations:

1. Bradford Oaks Center - 7520 Surratts Road, Clinton, MD 20735.
2. Waldorf Center - 4140 Old Washington Road, Waldorf, MD 20602.
3. Crescent Cities Center - 4409 East West Highway, Riverdale, MD 20737.

## INFORMATION TO PROVIDERS AND THE GENERAL PUBLIC

### QUESTION 6:

Identify and provide the location of the visiting Senior Information and Assistance Offices that Bayada has or intends to connect with information about its hospice.

### APPLICANT RESPONSE

BAYADA plans to disseminate information about its hospice program to those Senior Information and Assistance Offices listed below. Moreover, BAYADA will also provide the public education and provider linkages described in the Application. For example, BAYADA will provide information about its hospice to existing physicians and facilities with which BAYADA has developed relationships through its residential service agency and home health programs in Maryland.

BAYADA will contact the following organizations, at a minimum:

Prince George's County Dept. of Family Services  
Aging and Disabilities Division  
6420 Allentown Road  
Camp Springs, MD 20748

Dimensions Specialty Care Center (as a member of the Health Enterprise Zone 20743)  
4725 Marlboro Pike  
Capitol Heights, MD 20743

Prince George's Senior Provider Network  
9701 Apollo Road, Suite 297  
Largo, MD 20774

Senior Activities Centers in Camp Springs/Brentwood/Hyattsville/Capitol Heights

## FEEs

### QUESTION 7:

Please provide Bayada's prospective fee schedule for hospice services.

#### APPLICANT RESPONSE

BAYADA's prospective fee schedule for hospice services is set forth below. This fee schedule is based on the published Medicare hospice rates for the State of Maryland by core-based statistical area (CBSA). BAYADA continuously updates its fee schedule based on the revised wage index issued annually by Medicare.

<b>2017 Hospice Fee Schedule: Prince George's County, Maryland</b>	
<b>Routine Home Care</b> (Tier 1: 1-60 days on hospice)	\$195.58
<b>Routine Home Care</b> (Tier 2: 61+ days on hospice)	\$153.77
<b>Continuous Home Care</b>	\$41.25 (per hour) or \$990.08 (per day)
<b>Respite Care</b>	\$174.52
<b>General Inpatient Care</b>	\$753.00

## CHARITY CARE AND SLIDING FEE SCALE

### QUESTION 8:

Describe a) what information will be required to be provided; and b) how the process of making this determination would unfold.

#### APPLICANT RESPONSE

In its application, BAYADA noted that it was “modifying existing policies” on charity care “to meet the requirements of the State Health Plan and Maryland regulations” and provided its then-current charity care policy.

BAYADA has expanded and updated its charity care policy since the filing of its application in an effort to conform the policy to Maryland regulations, as well as to specify the use of federal poverty guidelines in making determinations as to the provision of charity care. The enclosed Revised Exhibit 23 contains the most recently updated version of the policy. As indicated in BAYADA’s conversation with Commission staff, this updated policy is awaiting additional updates and input from BAYADA management, as well as final approval from BAYADA ownership. BAYADA will alert the Commission when an updated policy has been approved in final form.

#### (a) Information Required

BAYADA will require applicants to provide the following information to determine patient eligibility for charity care or a sliding scale fee:

- Health plan benefits eligibility and coverage, such as Medicare coverage or commercial insurance coverage;
- Household income;
- Household size;
- Demographic information, such as place of residence.

#### (b) Process

BAYADA’s updated charity care policy now places responsibility for the determination of charity care eligibility with the local BAYADA hospice director. Generally, charity care policy will be communicated to patients prior to admission, and an initial determination of probable eligibility within two business days. Patient financial and demographic information will be reviewed and BAYADA will apply the federal poverty guidelines and sliding fee scale detailed herein. The hospice director will make the final determination of eligibility and inform the patient. BAYADA will seek alternative assistance or financial arrangements with patients who are not eligible for charity care under the policy.

## CHARITY CARE AND SLIDING FEE SCALE

### QUESTION 9:

Describe the means that Bayada would use to disseminate information on charity care. How has Bayada done this in other markets?

#### APPLICANT RESPONSE

BAYADA will disseminate information regarding its charity care policy through the following means (these means are parallel to BAYADA's activities in other markets, such as the Vermont market):

1. BAYADA will post the policy on its website.
2. BAYADA will post the policy in its local Prince George's County office, and will have copies of the policy available at that office.
3. BAYADA will include the policy with information provided to prospective patients and/or their families about BAYADA's hospice program and hospice services (such as BAYADA's admission booklet).
4. BAYADA will distribute the policy to referral sources and health care providers with which BAYADA has a relationship or will develop a relationship.



## CHARITY CARE AND SLIDING FEE SCALE

### QUESTION 10:

Provide the sliding fee scale proposed to be used.

#### APPLICANT RESPONSE

As stated in the enclosed policy referenced in BAYADA's response to Question 8, BAYADA will use federal poverty guidelines to determine eligibility for charity care, including its sliding fee scale. This will be reviewed and updated annually as the new guidelines are published. BAYADA will adhere to the following:

#### Scale:

- 100-125 percent of poverty: 100% reduction of per diem fees
- 125-150 percent of poverty: 75% reduction of per diem fees
- 150-175 percent of poverty: 50% reduction of per diem fees

#### 2016 HHS Poverty Guidelines

For all states (except Alaska and Hawaii) and for the District of Columbia

Size of family unit	100 Percent of Poverty	110 Percent of Poverty	125 Percent of Poverty	150 Percent of Poverty	175 Percent of Poverty	185 Percent of Poverty	200 Percent of Poverty
1	\$11,880	\$13,068	\$14,850	\$17,820	\$20,790	\$21,978	\$23,760
2	\$16,020	\$17,622	\$20,025	\$24,030	\$28,035	\$29,637	\$32,040
3	\$20,160	\$22,176	\$25,200	\$30,240	\$35,280	\$37,296	\$40,320
4	\$24,300	\$26,730	\$30,375	\$36,450	\$42,525	\$44,955	\$48,600
5	\$28,440	\$31,284	\$35,550	\$42,660	\$49,770	\$52,614	\$56,880
6	\$32,580	\$35,838	\$40,725	\$48,870	\$57,015	\$60,273	\$65,160
7	\$36,730	\$40,403	\$45,913	\$55,095	\$64,278	\$67,951	\$73,460
8	\$40,890	\$44,979	\$51,113	\$61,335	\$71,558	\$75,647	\$81,780

For family units with more than 8 members, add for families/households with more than 8 persons, add \$6,240 for each additional person at 100% of poverty; \$6,864 at 110 %; \$7,800 at 125%; \$9,360 at 150%; \$10,920 at 175%; \$11,544 at 185% and \$18,720 at 200% of poverty.

## CHARITY CARE AND SLIDING FEE SCALE

### QUESTION II:

The application states that between 2011 and 2016, BAYADA Hospice provided \$167,443 in charity care services across its multi-state service area. What % of the a) operating budgets, and b) revenues does this \$167,443 in charity care services represent over those six years?

### APPLICANT RESPONSE

Please see the below chart.

In addition to the charity care identified in BAYADA's application (\$167,443), BAYADA has also provided pre-Medicare certification care to patients, including \$114,639 of care never billed or collected from patients. The below chart therefore shows that since 2011, BAYADA has provided \$282,081.90 in total charity care, representing 4.41% of gross revenue (2011-2Q16).

	Revenue (Gross)	Charity Care (\$)	% of Gross Revenue	Pre Medicare Cert	Total	% of Gross Revenue
2011	\$2,750,188.54	\$77,743.12	2.83%		\$77,743.12	2.83%
2012	\$7,069,095.73	\$30,150.00	0.43%		\$30,150.00	0.43%
2013	\$9,223,751.50	\$3,000.00	0.03%		\$3,000.00	0.03%
2014	\$11,959,924.61	\$28,650.00	0.24%	\$5,000.99	\$33,650.99	0.28%
2015	\$16,190,917.67	\$24,300.00	0.15%	\$109,637.79	\$133,937.79	0.83%
2016*	\$20,359,424.27	\$3,600.00	0.02%		\$3,600.00	0.02%
					\$282,081.90	4.41%

\* 2016 totals are only 1Q and 2Q16 totals

## CHARITY CARE AND SLIDING FEE SCALE

### QUESTION 12:

Since its inception, how many grants and of what dollar value have been disbursed to patients and families by the BAYADA Foundation?

### APPLICANT RESPONSE

The BAYADA Hospice Fund has dispersed 45 grants totaling \$20,237.90. BAYADA's client and employee emergency fund, has additionally dispersed \$103,511.64 in assistance to help those in need.

## QUALITY

### QUESTION 13:

This standard requires Bayada to document compliance with federal and applicable state standards in all states in which it, or its subsidiaries or related entities, is licensed to provide hospice services. Please report on your participation in the Hospice Experience of Care Survey and/or CHAPS Hospice Survey Quality Measures, including scores received and any peer comparisons. References are provided below.

[https://www.cms.gov/Research-Statistics-Data-and-Systems/Research/CAHPS/Hospice\\_Survey.html](https://www.cms.gov/Research-Statistics-Data-and-Systems/Research/CAHPS/Hospice_Survey.html)

[http://www.hospicecahpsurvey.org/globalassets/hospice-cahps3/home-page/cahps\\_hospice\\_survey\\_fact\\_sheet\\_october\\_2015.pdf](http://www.hospicecahpsurvey.org/globalassets/hospice-cahps3/home-page/cahps_hospice_survey_fact_sheet_october_2015.pdf)

### APPLICANT RESPONSE

BAYADA Hospice collected data from <https://data.medicare.gov/Hospice-Data-Directory/National-CAHPS-Hospice-Survey-data/sj42-4yv4> wherein CMS sets forth the national averages of the quality of care measure scores of Medicare-certified hospices. National average data are available for the Consumer Assessment of Healthcare Providers and Systems (CAHPS®) Hospice Survey.

The CAHPS® Hospice Survey information contains the national average “top-box” scores of Medicare-certified hospices on the eight NQF-endorsed CAHPS® Hospice Survey measures. Top-box scores reflect the proportion of respondents who gave the most favorable response or responses for each measure. Scores are calculated from CAHPS® Hospice Survey responses that reflect care experiences of informal caregivers (i.e., family members or friends) of patients who died while receiving hospice care in Quarter 2 of 2015 through Quarter 1 of 2016 (April 2015 through March 2016).

A copy of BAYADA’s scores on these metrics for its existing hospice programs, as compared to the national average, is enclosed as Exhibit 49.

## QUALITY

### QUESTION 14:

Please document that Bayada's QAPI is consistent with the requirements of COMAR 10.07.21.09. A letter from the Office of Health Care Quality affirming that your plan has met their standards will suffice.

### APPLICANT RESPONSE

Enclosed as Exhibit 50, please find a letter from BAYADA's counsel to the Office of Health Care Quality (OHCQ) requesting that the OHCQ confirm that BAYADA's QAPI conforms to the requirements of COMAR 10.07.21.09, together with the attachments to such letter. BAYADA will notify Commission staff when OHCQ responds.

## VIABILITY OF THE PROPOSAL

### QUESTION 15:

Provide audited financial statements for Bayada Hospice for the past two years as the criterion requires.

### APPLICANT RESPONSE

Enclosed as Exhibit 51, please find 2014 and 2015 consolidated financial statements for BAYADA Home Health Care, Inc., the applicant, together with the independent auditor's report of PricewaterhouseCoopers, LLP attesting thereto.

## VIABILITY OF THE PROPOSAL

### QUESTION 16:

Several letters of support are not on letterhead, not dated, and have an illegible signature (without the name typed below it). That should be remedied. In addition, while "testimonials" from other markets may speak to Bayada's approach and quality, it does not constitute "community support" for a program in Prince George's County, Maryland.

### APPLICANT RESPONSE

To remedy the issue identified in this question, BAYADA is re-submitting letters of support as Exhibit 52. Moreover, BAYADA is seeking additional letters of support that more directly pertain to local support for BAYADA's proposed project in Prince George's County, Maryland.

## VIABILITY OF THE PROPOSAL

### QUESTION 17:

The tables (besides Table 1) that were submitted were not labelled. Staff does not want to make assumptions regarding what is what. Please submit tables that are labelled. Use of the tables that are provided in Word version on the MHCC website at [http://mhcc.maryland.gov/mhcc/Pages/hcfs/hcfs\\_con/hcfs\\_con\\_applications.aspx](http://mhcc.maryland.gov/mhcc/Pages/hcfs/hcfs_con/hcfs_con_applications.aspx) would facilitate that submission.

### APPLICANT RESPONSE

Please see Revised Exhibit 1, enclosed.



## COMPLIANCE WITH CONDITIONS OF PREVIOUS CERTIFICATES OF NEED

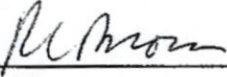
### QUESTION 18:

Has Bayada Home Care received a CON in Maryland? If so, please respond for that organization.

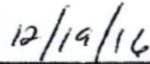
#### APPLICANT RESPONSE

BAYADA acquired its Maryland home health program in the 1990s. BAYADA has not received a certificate of need for that program as BAYADA's acquisition was not then subject to the certificate of need requirement.

I hereby declare and affirm under the penalties of perjury that the facts stated in this application and its attachments are true and correct to the best of my knowledge, information, and belief.



\_\_\_\_\_  
Randolph L. Brown  
Division Director



\_\_\_\_\_  
DATE