

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)	_____

SUBTOTAL \$ _____

b.	<u>Renovations</u>	
(1)	Building	\$ _____
(2)	Fixed Equipment (not included in construction)	\$27,500.00 ⁵
(3)	Architect/Engineering Fees	_____
(4)	Permits, (Building, Utilities, Etc.)	_____

SUBTOTAL \$ _____

c.	<u>Other Capital Costs</u>	
(1)	Major Movable Equipment	_____
(2)	Minor Movable Equipment	\$27,500.00 ⁶
(3)	Contingencies	_____
(4)	Other (Specify)	_____

TOTAL CURRENT CAPITAL COSTS \$ _____
(a - c)

d.	<u>Non Current Capital Cost</u>	
(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	_____

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

⁶ 5 desks at \$1,500, 5 laptops at \$1,500, 1 copier at \$8,000, \$2,500 reserve, \$2,000 for phone installation.

	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	\$ _____ x _____	= \$ _____
d. Minor Movable Equipment	\$4583.33 x 6	= \$27,500
e. Other (Specify)	\$ _____ x _____	= \$ _____

CY or FY (circle)	Projected years - ending with first year at full utilization			
	2018	2019	2020	2021
Admissions	41	141	204	259
Deaths	26	104	158	205
Non-death discharges	6	23	35	45
Patients served	41	150	218	270
Patient days	2,477	8,438	14,247	19,448
Average length of stay	60	60	70	75
Average daily hospice census	9	23	39	53
Visits by discipline				
Skilled nursing	928	3,262	4,720	6,014
Social work	228	799	1,157	1,474
Hospice aides	1,016	3,571	5,168	6,584
Physicians - paid	18	64	93	119
Physicians - volunteer	N/A	N/A	N/A	N/A
Chaplain	139	490	709	903
Other clinical	26	90	131	166
Licensed beds				
Number of licensed GIP beds	N/A	N/A	N/A	N/A
Number of licensed Hospice House beds	N/A	N/A	N/A	N/A
Occupancy %				
GIP (inpatient unit)	N/A	N/A	N/A	N/A
Hospice House	N/A	N/A	N/A	N/A

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	\$ 11,425	\$ 89,263	\$ 150,714	\$ 205,733
b. Hospice House services	N/A	N/A	N/A	N/A
c. Home care services	\$ 437,985	\$ 1,481,543	\$ 2,443,342	\$ 3,255,937
d. Gross Patient Service Revenue	\$ 449,410	\$ 1,570,805	\$ 2,594,056	\$ 3,461,670
e. Allowance for Bad Debt(3)	\$ -	\$ 10,344	\$ 15,102	\$ 20,388
f. Contractual Allowance	\$ 9,078	\$ 31,887	\$ 52,919	\$ 71,310
g. Charity Care	\$ 86,262	\$ 10,344	\$ 15,102	\$ 20,388
h. Net Patient Services Revenue	\$ 354,070	\$ 1,518,230	\$ 2,510,933	\$ 3,349,583
i. Other Operating Revenues (Specify)	\$ 109,294	\$ 529,842	\$ 479,291	\$ 687,290
j. Net Operating Revenue	\$ 463,364	\$ 2,048,072	\$ 2,990,224	\$ 4,036,874
2. Expenses				
a. Salaries, Wages, and Professional Fees, (including fringe benefits)	\$ 397,402	\$ 819,707	\$ 1,301,624	\$ 1,661,955
b. Contractual Services	\$ 120,894	\$ 616,393	\$ 591,959	\$ 808,059
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	\$ 6,454.00	\$ 18,876	\$ 30,494	\$ 40,896
j. Other Expenses (Specify)	\$ 222,459.75	\$ 421,374	\$ 685,616	\$ 897,931
k. Total Operating Expenses	\$ 750,709.71	\$ 1,881,351	\$ 2,617,193	\$ 3,416,840
3. Income				
a. Income from Operation	\$ 558,704	\$ 2,100,647	\$ 3,073,347	\$ 4,148,960
b. Non-Operating Income	\$ 0	\$ 0	\$ 0	\$ 0
c. Subtotal	\$ 558,704	\$ 2,100,647	\$ 3,073,347	\$ 4,148,960
d. Income Taxes	See footnote	See footnote	See footnote	See footnote
e. Net Income (Loss)	\$ (287,345.63)	\$ 146,033.94	\$ 342,827	\$ 579,256

Table 4 Cont. CY or FY (Circle)	Projected Years (ending with first full year at full utilization)			
	20_18_	20_19_	20_20_	20---_21_
4. Patient Mix				
A. As Percent of Total Revenue				
1. Medicare	59.5%	59.5%	59.5%	59.5%
2. Medicaid	39.5%	39.5%	39.5%	39.5%
3. Blue Cross				
4. Other Commercial Insurance				
6. Other (Specify) Charity	1.0%	1.0%	1.0%	1.0%
7. TOTAL	100%	100%	100%	100%
B. As Percent of Patient Days/Visits/Procedures (as applicable)				
1. Medicare	59.5%	59.5%	59.5%	59.5%
2. Medicaid	39.5%	39.5%	39.5%	39.5%
3. Blue Cross				
4. Other Commercial Insurance				
5. Self-Pay				
6. Other (Specify)	1.0%	1.0%	1.0%	1.0%
7. TOTAL	100%	100%	100%	100%

*6. Other includes Charity Care

TABLE 5

Position Title	Current No. FTEs	Change in FTEs (+/-)	Average Salary	Employee/ Contractual	TOTAL COST
Administration					
Administration	-	8.06	\$ 60,088	Employee	\$ 484,172
Direct Care					
Nursing	-	7.67	\$ 60,000	Employee	\$ 460,000
Social work/services	-	2.22	\$ 50,000	Employee	\$ 110,833
Hospice aides	-	5.73	\$ 26,000	Employee	\$ 148,958
Physicians-paid	-	0.27	\$ 312,000	Contractual	\$ 84,600
Physicians-volunteer	N/A	N/A	N/A	N/A	
Chaplains	-	1.38	\$ 40,000	Employee	\$ 55,000
Bereavement staff	-	0.20	\$ 50,000	Employee	\$ 10,000
Other clinical	N/A	N/A	N/A	N/A	
Support					
Other support	N/A	N/A	N/A	N/A	
				Benefits*	\$ 308,391
				TOTAL	\$ 1,661,955

Revised Exhibit 23



0-8407 CHARITY CARE - MARYLAND HOSPICE

This policy was adopted on Jan. 11, 2017.

Our Standard:

We believe our clients come first.

Our Policy:

BAYADA Hospice provides uncompensated, charity care to our clients with financial hardship and in accordance with Maryland regulation.

Our Procedure:

- 1.0** This policy is in furtherance of FINANCIAL HARDSHIP POLICY, #0-3682. BAYADA Hospice ensures access to hospice services regardless of an individual's ability to pay.
- 2.0** Upon receiving a request for charity care, BAYADA will make an initial determination of probable eligibility within two business days.
 - 2.1** The office director will review and approve a request for charity care as follows:
 - 2.1.1** The director will review the FINANCIAL HARDSHIP POLICY, #0-3682 and gather all required data from the client/representative to determine eligibility.
 - 2.1.1.1** Clients who qualify are informed of the rates he/she will qualify for as per the Federal Poverty Guidelines and a sliding fee scale used for per diem rates.
 - 2.1.1.2** Clients who do not qualify are informed and BAYADA assists the client with seeking alternative payment arrangement.
 - 2.1.2** The director will submit a Biller Information Coordination Note to the Billing and Collections Office indicating the client's payor source as private pay and billing rate as per diem based on a sliding scale.
- 4.0** The provision of charity care is tracked in order to demonstrate commitment to achieving a planned annual level of charity care.
- 5.0** Public notice is disseminated annually regarding BAYADA Hospice's charity care, and notice of the charity care policy is posted in the BAYADA Hospice office and on the website.

0-8407 - CHARITY CARE - MARYLAND HOSPICE

Version: 6.0 (3072)
 Author(s): JOY STOVER (2016)
 Owner:
 Manual, Section: MARYLAND, MEDICARE CERTIFIED POLICIES
 References: MD Hospice CON Application requirement for Charity Care.
 Revisions: Jan. 11, 2017,
 Comments:



Maryland Policies and Procedures

Exhibit 47



**STATE OF MARYLAND
DEPARTMENT OF HEALTH AND MENTAL HYGIENE
OFFICE OF HEALTH CARE QUALITY
SPRING GROVE CENTER
BLAND BRYANT BUILDING
55 WADE AVENUE
CATONSVILLE, MARYLAND 21228**

License No: R2377

Issued to: Bayada Home Health Care, Inc.
7175 Security Boulevard
Suite 102
Baltimore, MD 21244

Type of Facility or Community Program:
RESIDENTIAL SERVICE AGENCY

Date Issued: March 20, 2015

Service(s) Provided: Skilled Nursing and Aides; Level of Care: Complex Care Provided by RN/LPN and RN Supervision of Aides

Other: N/A

Authority to operate in this State is granted to the above entity pursuant to The Health-General Article, COMAR Section 19-4A et Seq., Annotated Code of Maryland and is subject to any and all statutory provisions including all applicable rules and regulations promulgated thereunder. This document is not transferable.

Expiration Date: March 20, 2018

Patricia Tomsko May, MD


Director

Falsification of a license shall subject the perpetrator to criminal prosecution and the imposition of civil fines.

Exhibit 48




Adult Nursing Specialty Practice

BAYADA practice business line (internal name)	Home Care
Also known as Other terms that may be used by payor programs or local, state, or regional areas	Home care, private duty nursing (PDN), adult nursing, hourly nursing, shift nursing, adult skilled, extended care, continuous care
Original name	Adult Skilled Care
Definition	RN and LPN nursing care service at home for adults and seniors dealing with chronic illness, injury, or disability provided primarily on an ongoing shift (two-hour or more) basis. Available 24 hours a day, 7 days a week.
Primary length of care	Ongoing (indefinite)
Services A specific activity related to client care and support (terms used at BAYADA)	Nursing care (high-tech nursing, ventilator and tracheostomy care, G-tube care; and NG-tube care), assistive care (self-care assistance, household support services, and activities of daily living [ADLs]), respite care, rehabilitative nursing, palliative care, IV therapy
Client profile	Adults and seniors dealing with chronic illness, injury, or disability who require nursing care services at home primarily on an ongoing shift (two-hour or more) basis.
Professionals	Registered nurses (RNs), licensed practical nurses (LPNs), certified rehabilitation registered nurses (CRRNs)
Primary payor sources	Medicaid, Medicaid waiver, Managed Medicaid, commercial insurance, workers' compensation, catastrophic loss funds, Veterans Administration benefits, private pay
Programs Offering of services for marketing purposes, clinical expertise, or government contract	BAYADAbility, Catastrophic Care Program, Transitional Care Manager Program
Practice leader	Cris Toscano
Doing business as (logo used)	



Assistive Care Specialty Practice

BAYADA practice business line (internal name)	Home Care
Also known as Other terms that may be used by payor programs or local, state, or regional areas	Personal care, support services, home care, private duty, companionship, senior care, non-medical care, attendant care, home health aide care, personal care assistant (PCA), CNA care, CHHA care, homemaker
Original name	Personal Care
Definition	Personal care and companionship for adults and seniors with activities of daily living, including self-care and household support services, primarily on an ongoing shift (two-hour or more) basis. Available 24 hours a day, 7 days a week.
Primary length of care	Ongoing (indefinite)
Services A specific activity related to client care and support (terms used at BAYADA)	Assistive care (self-care assistance, household support services, activities of daily living [ADLs]), companionship, respite care, live-in care
Client profile	Adults and seniors who need assistance with activities of daily living, including, self-care and household support services, primarily on an ongoing shift (two-hour or more) basis.
Professionals	Home health aides (HHAs), certified home health aides (CHHAs), certified nursing assistants (CNAs), licensed nursing assistants (LNAs), homemakers, companions, attendants
Primary payor sources	Private pay, long-term care insurance, workers' compensation
Programs Offering of services for marketing purposes, clinical expertise, or government contract	Dementia Program, Live-In Care Services
Practice leader	Matt Kroll
Doing business as (logo used)	 BAYADA [®] Home Health Care



Assistive Care State Programs Specialty Practice

BAYADA practice business line (internal name)	Home Care
Also known as Other terms that may be used by payor programs or local, state, or regional areas	Personal care, support services, home care, private duty, companionship, senior care, non-medical care, attendant care, home health aide care, personal care assistant (PCA), CNA care, CHHA care, homemaker
Original name	Personal Care
Definition	Personal care and companionship for adults and seniors with activities of daily living, including self-care and household support services, primarily on an ongoing shift (two-hour or more) basis. Available 24 hours a day, 7 days a week.
Primary length of care	Ongoing (indefinite)
Services A specific activity related to client care and support (terms used at BAYADA)	Assistive care (self-care assistance, household support services, activities of daily living [ADLs]), companionship, respite care, live-in care
Client profile	Adults and seniors who need assistance with activities of daily living, including, self-care and household support services, primarily on an ongoing shift (two-hour or more) basis.
Professionals	Home health aides (HHAs), certified home health aides (CHHAs), certified nursing assistants (CNAs), licensed nursing assistants (LNAs), homemakers, companions, attendants
Primary payor sources	Medicaid, Medicaid waiver, Managed Medicaid, Veterans Administration benefits, contracts
Programs Offering of services for marketing purposes, clinical expertise, or government contract	State programs: examples include COMMCARE Waiver in PA, PDA Waiver in PA, Client Assistant Program (CAP) in NJ, and Jersey Assistance for Community Caregiving (JACC) in NJ
Practice contact	Daryl Andress
Doing business as (logo used)	

Exhibit 49

EXHIBIT 49

BAYADA – CAHPS HOSPICE SURVEY SCORES

APRIL 2015 – MARCH 2016

Measure Name National Average (Mean)	National Mean	CCN: 471510 (VT)	CCN: 391741 (PA)	CCN: 311576 (NJ Gloucester)
Hospice Team Communication	80%	79.6%	77.1%	87.4%
Getting Timely Care	78%	79.8%	79.6%	73.8%
Treating Family Member with Respect	90%	91.2%	87.7%	92.9%
Getting Emotional and Religious Support	89%	89.9%	90.6%	95.7%
Getting Help for Symptoms	75%	77.6%	78.7%	85.4%
Getting Hospice Care Training	72%	76.3%	79.7%	86.1%
Rating of Hospice	80%	81.5%	78.6%	85.7%
Willingness to Recommend	85%	84.8%	87.1%	91.2%

<https://data.medicare.gov/Hospice-Data-Directory/National-CAHPS-Hospice-Survey-data/sj42-4yv4>

Exhibit 50

GORDON • FEINBLATT_{LLC}
ATTORNEYS AT LAW

JONATHAN MONTGOMERY
410.576.4088
FAX 410.576.4032
jmontgomery@gfrlaw.com

233 EAST REDWOOD STREET
BALTIMORE, MARYLAND 21202-3332
410.576.4000
www.gfrlaw.com

January 10, 2017

VIA FEDERAL EXPRESS

Tricia Tomsco Nay, M.D.
Executive Director, Office of Health Care Quality
Spring Grove Center - Bland Bryant Building
55 Wade Avenue
Catonsville, MD 21228

Re: BAYADA - Quality Improvement Process

Dear Dr. Nay:

I am writing on behalf of my client, Bayada Home Health Care, Inc. (“**BAYADA**”). BAYADA has filed an application (the “**Application**”) with the Maryland Health Care Commission (the “**Commission**”) to establish new licensed general hospice care programs in Baltimore City and in Prince George’s County. BAYADA is not currently licensed to provide hospice services in Maryland. The Commission has asked BAYADA to seek your input with respect to the Application.

In particular, and as reflected in the enclosed letter, the staff of the Commission has asked BAYADA to “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.”

Therefore, BAYADA hereby requests that the Office of Health Care Quality review BAYADA’s planned quality assurance program, enclosed, for compliance with COMAR 10.07.21.09. Please confirm, in writing, that BAYADA’s plan meets these standards, pursuant to the Commission’s request. Alternatively, please identify how BAYADA may amend its planned quality assurance program to comply with such standards.

Your attention is appreciated. Please contact me if you have any questions or concerns regarding this request.

Sincerely,



Jonathan Montgomery

cc: Mr. Kevin McDonald, Chief, Certificate of Need, Maryland Health Care Commission
BAYADA (internal distribution)

Craig P. Tanlo, M.D.
CHAIR



Ben Steffen
EXECUTIVE DIRECTOR

MARYLAND HEALTH CARE COMMISSION

4160 PATTERSON AVENUE - BALTIMORE, MARYLAND 21215
TELEPHONE: 410-764-3460 FAX: 410-358-1236

December 14, 2016
(Amended Letter)

E-mail and USPS Mail

Randy Brown
BAYADA Home Health Care, Inc.
d/b/a/ BAYADA Hospice-B Health Home Care Agency
290 Chester Ave.
Moorestown, NJ 08057

**Re: CON Application to Establish General Hospice
in Prince George's County
Docket No. 16-16-2383**

CORRECTED INITIAL COMPLETENESS LETTER

Dear Mr. Brown:

Commission staff has reviewed the above-referenced application for Certificate of Need ("CON") approval to establish a general hospice in Prince George's County, Maryland. Staff found the application incomplete, and, accordingly, requests that you provide responses to the following questions:

Project Description and Project Budget

1. Chart 2 in the Project Description lists a service called "adult nursing assistive care." Please explain what that is.
2. Table 1 (Project Budget) does not show sources of funds. Please send a corrected Table 1.

Part I – General Information

3. Will there be a local PG County office?

Part III – Consistency with General Review Criteria at COMAR 10.24.01.08G(3)

A) State Health Plan: COMAR 10.24.13.05 standards

Minimum Services

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

Information to Providers and the General Public

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.

Fees

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

Charity Care and Sliding Fee Scale

8. Describe a) what information will be required to be provided; and b) how the process of making this determination would unfold.
9. Describe the means that Bayada would use to disseminate information on charity care. How has Bayada done this in other markets?
10. Provide the sliding fee scale proposed to be used.
11. 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?
12. Since its inception, how many grants and of what dollar value have been disbursed to patients and families by the BAYADA Foundation?

Quality

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 CAHPS 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

http://www.hospicecahpsurvey.org/globalassets/hospice-cahps3/home-page/cahps_hospice_survey_fact_sheet_october_2015.pdf

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.

D) Viability of the Proposal

15. Provide audited financial statements for Bayada Hospice for the past two years as the criterion requires.
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 Georges County, Maryland.
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 web site at http://mhcc.maryland.gov/mhcc/Pages/hcfs/hcfs_con/hcfs_con_applications.aspx would facilitate that submission.

E) Compliance with Conditions of Previous Certificates of Need.

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

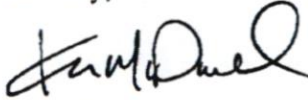
Please submit six copies of the responses to the additional information requested in this letter within ten working days of receipt (Note: extensions are routinely available upon request). Also submit the response electronically, in both Word and PDF format, to Ruby Potter (ruby.potter@maryland.gov).

Randy Brown
December 13, 2016 (Amended)
Page 4

All information supplementing the application must be signed by person(s) available for cross-examination on the facts set forth in the supplementary information, who shall sign a statement as follows: "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."

Should you have any questions regarding this matter, feel free to contact me at (410) 764-5982.

Sincerely,



Kevin McDonald, Chief
Certificate of Need

cc: Jonathan Montgomery, Esquire
Pamela Brown-Creekmur, RN., Health Officer, Prince George's County

2016 BAYADA Hospice Division Quality Assurance and Performance Improvement Plan

BAYADA Hospice is dedicated to supporting patients with terminal illness as well as their families. Our mission is to preserve each patient's dignity and to alleviate the fear associated with dying through pain control, comfort care and symptom management. To help fulfill this mission each BAYADA Hospice conducts an ongoing, comprehensive, integrated, self-assessment of quality and the appropriateness of care provided, as well as evaluating management systems and the identification of best practices. Special attention is given to the evaluation of the ability of the hospice to deal with symptom management, pain control, stress management, continuity of care and inpatient care. The findings are used by the hospice to correct identified problems and to revise hospice policies if necessary. Our Quality Assurance and Performance Improvement (QAPI) Program is based on current quality improvement practice and the quality assurance guidelines published by the Centers for Medicare and Medicaid (CMS) for Quality Assurance and Performance Improvement (QAPI). The program consists of quality and performance improvement activities that are designed to maintain and improve the quality of care and management while meeting licensing and regulatory requirements, e.g. state hospice licensure regulations, OSHA regulations and Medicare Conditions of Participation.

The overall goals of the QAPI Program are:

- I. Program Scope § 418.58(a) (1-2)
 - Measure, Analyze, and Track Operations
 - Measurably improve palliative outcomes and EOL support

- II. Program Data § 418.58(b) (1-3)
 - Drive QAPI with data
 - Monitor and ID opportunities for improvement
 - Timing and detail determined by governing body

- III. QAPI: Program activities § 418.58(c) (1-3)
 - Focus on high risk, high volume, problem prone areas
 - Consider incidence, prevalence, severity
 - Address & prevent adverse events
 - Improve & monitor over time

- IV. Performance Improvement Projects § 418.58(d) (1-2)
 - Reflect scope and complexity of hospice
 - Document what, why and how successful

- V. Executive responsibilities § 418.58(e) (1-3)

- Define, implement, and maintain QAPI
- Address quality and patient safety...

Assignment of Responsibility

The Governing Body representatives of the BAYADA Hospice Practice have oversight responsibility for the quality and effectiveness of the services provided by each Hospice.

The Hospice Director/Associate Director has the responsibility for the administration of the Quality Assurance and Performance Improvement Program including the following activities:

1. Appoint the QA and Performance Improvement Committee chair.
2. Oversee the timely performance of the activities listed in the QA and Performance Improvement Plan.
3. Perform additional or more frequent QA and Performance Improvement activities depending on the needs of the Hospice.
4. Develop, implement and oversee the systems necessary to improve or maintain quality patient care and effective management processes.
5. Submit QAPI meeting minutes monthly to the Division Director or designee.

The QA and Performance Improvement Committee works under the authority of the Hospice Practice Leader and has the responsibility to follow the QA and Performance Improvement Plan, analyze data generated through executing the QAPI plan and develop plans of action.

The Division Director of Clinical Operations and the Practice Quality Committee review data from each hospice for comparison and assists in analyzing trends and identifying best practices.

QA and Performance Improvement Approach

This organization collects data on important processes or outcomes related to patient care, patient/client satisfaction, risk areas and management functions. Important processes are measured on a continuing basis. BAYADA Hospice employs a two-stage ongoing quality improvement approach to evaluate this data and implement plans for remediation and/or improvement.

Stage I - Outcome Analysis

Data collection, analysis and trending for an indicator or target outcome. Data is collected according to specific indicator guides and tracked based on the frequency outlined in the BAYADA Quality Assurance and Performance Improvement Calendar.

Stage II – Outcome Enhancement

Implementation of a performance improvement plan aimed at correcting substandard results or reinforcing exemplary practices. The plan of action is

developed through interpreting outcomes and results, selecting target outcomes for follow up, determining which key processes or practices influence these target outcomes, developing a plan and implementing that plan. The second stage feeds back to Stage I the next time the indicator is monitored or an outcome report is received.

Our QAPI Plan considers five functional areas:

- People
- Service
- Quality
- Growth
- Finance

Target Areas Monitored Under Each Domain

(Responsibility for tracking TBD either Divisional or local, frequency of reporting for each domain will also be determined-annual, quarterly, monthly)

People:

- Human Resource Practices
- Staff Retention
- Employee Satisfaction Surveys
- Home Office field retention
- On boarding Practices
- Management of Injured
- Employee Staff Education

Service:

- Client Satisfaction Surveys
- Patient Incident & Complaints/Events
- Compliance Program
- HIS
- Cahps

Quality: (10% monthly review of clinical record)

- Symptom Management
- Pain Control
- Continuity of Care
- Levels of Care
- Coordination of Care with Nursing Facilities
- Comprehensive Assessment

- Care Planning/Coordination
- Documentation Processes
- Clinical Oversight
- Staff Education
- Staff Competency
- Infection Control
- OSHA/Safety Education
- Internal clinical audit

Growth:

- Year over Year Revenue
- Year over Year Admission Growth
- Live Discharge/Revocation
- Referral management
- Length of Stay

Finance:

- Gross Profit percentage
- Operating Income percentage
- Billing and AR Processes
- AP Management
- Pay practice
- ADR and Pre pay probe processes
- Expense Management
- Budget development and Management
- Internal Operations audit

Identification of Indicators and Other Issues for Monitoring

Each year a Practice wide Master QAPI Calendar containing scheduled indicators is developed in consultation with the Practice Leader, Directors, Clinical Managers and Hospice staff and distributed by the Division Director of Clinical Operations.

The Corporate QAPI Committee will review the calendar quarterly to make necessary adjustments to meet organizational needs. The Hospice may choose to perform more frequent or additional Performance Improvement activities/projects. The data collection process utilizes available reports and tools and analyzes data using systematic and appropriate statistical techniques. The indicators and monitoring issues are represented by one of the five domains and one of the target areas listed that domain.

Development of Appropriate Indicators and Thresholds

After an important aspect of practice or area of risk is identified, indicators are developed to assist in the monitoring and evaluation of that practice or risk area. Indicators are either structural, process or outcome in nature. For each indicator developed, a threshold or

performance target will be established to assist in the identification of potential problems and promotion of best practices.

(Branch)Quality Assurance and Performance Improvement Committee

The QAPI Committee is responsible to review and / or gather, analyze data and formulates and implements remediation and maintenance plans in accordance with the BAYADA Quality Assurance Performance Improvement Plan. The QAPI plan is reflective of the local hospice data.

1. The QAPI committee is led by a chairperson and composed of members from clinical, management, marketing and support staff.
2. Clinical staff and contractors are expected to participate on the committee or in the QAPI activities.
3. Quality Assurance and Performance Improvement committee findings and minutes are prepared and presented to the Hospice's Quality Assurance and Performance Improvement Committee and stored in the Hospice's Quality Assurance and Performance Improvement Manual.
4. The committee chair or is responsible for appointing a performance improvement team, hold meetings, maintaining the Quality Assurance and Performance Improvement Manual, preparing and completing minutes that ensure that indicators are monitored and analyzed according to plan.
 - QAPI meetings will be scheduled monthly (third week of each month) at the local level at least quarterly with the Medical Director attending.
 - Will report quarterly or per individual state requirement to the Governing Body.
5. The committee utilizes Performance improvement teams to further analyze, identified problems and to ensure they are brought to acceptable threshold / resolution.
6. Reports will be forwarded to the Practice level QAPI committee by the last week of the month.

Practice Quality Assurance and Performance Improvement Committee

The Practice QAPI Committee is responsible to review and / or gather, analyze data and formulate and implement remediation and maintenance plans in accordance with the BAYADA Quality Assurance Performance Improvement Plan.

1. The QAPI committee is led by the Division Director of Clinical Operations and composed of member's management, Support and medical staff, contractor appointees may also be appointed as determined by the committee.
2. Quality Assurance and Performance Improvement committee findings and minutes are prepared and presented to the Practice Leader of BAYADA Hospice and stored in the Hospice's Quality Assurance and Performance Improvement Manual.

3. The committee chair is responsible for appointing a performance improvement team, holding meetings, maintaining the Quality Assurance and Performance Improvement Manual, preparing and completing minutes that ensure that indicators are monitored and analyzed according to plan.
4. QAPI meetings will be scheduled the last week of each month and will review the local hospice QAPI reports, as well as the practice level plan
5. Will report quarterly to Hospice Practice leader and Governing Body
6. The committee utilizes Performance improvement teams to further analyze, identified problems and to ensure they are brought to acceptable threshold / resolution.
7. The Practice Leader will be responsible for the communication reporting, obtaining feedback and acceptance of the plan from the Governing Body.

Staff and Contractor's Responsibility

All staff of BAYADA Hospice (full and part time) as well as all contracted individuals performing services on behalf of BAYADA are expected to participate in QAPI activities carried out by the Hospice. Moreover, staff and contracted individuals will be invited to participate in various QAPI activities.

Outcome Analysis and Enhancement

When the data collected for an indicator is not consistent with an established threshold, an evaluation of the data is conducted using the process outlined below or other advanced problem solving methodology.

The Director and/or the QAPI Committee may establish or act as an action team to address specific services or areas of focus following this process.

1. **Select** a Target Outcome
2. **Conduct** a Process Investigation to examine and analyze the processes that produced the target outcome results.
3. **Document** a Problem or Strength Statement that simply states the specific problem or exemplary care/management issue to be addressed by the Plan of Action. The issue must be within the hospice's control. Avoid focusing patient care issues primarily on documentation.
4. **Formulate and Implement** a written Plan of Action for remediation or reinforcement that includes the intervention or actions that are needed to guide the staff in best practice, to implement change and/or learn a new skill or process. The action statements include the start/finish times for each specific intervention and the person(s) responsible for seeing that the specific activity is carried out.
5. **Monitor Outcomes (Implement 4dx principles)** to determine if the staff is following best practices, implementing the changes presented or has learned the presented

material. It is critical that monitoring approaches begin shortly after implementation of the intervention (e.g., within two to four weeks) and include plans to inform the staff. Monitoring may involve interview, observation or focused review. Document the effectiveness of actions in the Quality Assurance and Performance Improvement Committee Minutes

Resolution of Identified Critical Thresholds

When QA data identifies an unsatisfactory aspect of care/service that the QAPI committee deems critical, the Director is immediately notified. The Director may call an ad hoc QAPI meeting or implement other action to address the issue. Follow up evaluation will be conducted to ensure effective resolution and will be presented at the next regularly scheduled Quality Assurance and Performance Improvement Committee meeting.

Annual Appraisal of the BAYADA Plan and System

Annually the Hospice's Quality Assurance and Performance Improvement Plan is assessed for effectiveness and consistency. The results of the review including problems identified and actions taken are documented in an annual evaluation and reported to the Governing Body Representatives. The Annual plan will be completed prior to the second quarter of the following year.

Confidentiality

The information related to Quality Assurance and Performance Improvement activities is collected and analyzed in a manner consistent with existing policy and Health Insurance Portability and Accountability Act (HIPAA) regulations. Since all patient identifiable information contained in the clinical record is considered confidential, the identity of the patient is protected by use of an MR number or other system to safeguard the information. In addition information generated through Quality Assurance and Performance Improvement activities is stored in areas outside of public access or view.

Exhibit 51



Independent Auditor's Report

To the Management of BAYADA Home Health Care, Inc. and Subsidiaries

We have audited the accompanying consolidated financial statements of BAYADA Home Health Care, Inc. and its subsidiaries, which comprise the consolidated balance sheets as of January 3, 2016 and January 4, 2015 and the related consolidated statements of comprehensive income, of shareholder's equity and of cash flows for the years then ended.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of BAYADA Home Health Care, Inc. and its subsidiaries as of January 3, 2016 and January 4, 2015, and the results of their operations and their cash flows for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP

May 24, 2016

BAYADA Home Health Care, Inc. and Subsidiaries
Consolidated Balance Sheets
January 3, 2016 and January 4, 2015

<i>(in thousands except for share and per share amounts)</i>	2015	2014
Assets		
Current assets		
Cash and cash equivalents	\$ 1,336	\$ 973
Available-for-sale securities at fair value	869	-
Accounts receivable, net of allowances of \$14,901 and \$13,136, respectively	181,303	172,131
Prepaid expenses	9,253	6,303
Deposits and other current assets	404	249
Total current assets	<u>193,165</u>	<u>179,656</u>
Property, plant and equipment, net	10,332	10,839
Intangible assets, net	23,689	26,004
Goodwill, net	2,046	1,747
Prepayments of obligations under insurance programs	4,363	3,696
Deferred tax asset	304	269
Investment held to maturity	1,000	2,000
Other investments	472	233
Other assets	1,617	981
Total assets	<u>\$ 236,988</u>	<u>\$ 225,425</u>
Liabilities and Shareholder's Equity		
Current liabilities		
Book overdrafts	\$ 10,697	\$ 5,717
Line of credit	29,167	33,236
Accounts payable	2,693	2,580
Accrued expenses	32,493	29,435
Accrued payroll liabilities	16,456	17,154
Deferred revenue	574	592
Deferred tax liability	859	722
Current portion of obligations under insurance programs	19,597	14,560
Other current liabilities	4,116	4,496
Total current liabilities	<u>116,652</u>	<u>108,492</u>
Obligations under insurance programs	<u>33,126</u>	<u>34,030</u>
Total liabilities	<u>149,778</u>	<u>142,522</u>
Shareholder's equity		
Common stock, par value \$.01; authorized shares - 1,000, issued and outstanding shares - 1,000	-	-
Paid-in capital	20,009	20,009
Retained earnings	67,345	62,894
Accumulated other comprehensive loss	(144)	-
Total shareholder's equity	<u>87,210</u>	<u>82,903</u>
Total liabilities and shareholder's equity	<u>\$ 236,988</u>	<u>\$ 225,425</u>

The accompanying notes are an integral part of these financial statements.

BAYADA Home Health Care, Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income
Fiscal Years Ended January 3, 2016 and January 4, 2015

<i>(in thousands)</i>	2015	2014
Net revenue	\$ 1,053,885	\$ 1,011,412
Reimbursement revenue	562	-
Cost of services	655,992	632,805
Reimbursement expense	562	-
Gross profit	<u>397,893</u>	<u>378,607</u>
Selling, general and administrative expenses	354,638	340,834
Intangible asset impairment	979	-
Operating income	<u>42,276</u>	<u>37,773</u>
Investment income	297	154
Contribution to charitable foundation	(19,500)	(25,000)
Other expenses	(71)	(201)
Income before income taxes	<u>23,002</u>	<u>12,726</u>
Income tax expense	300	169
Net income	<u>22,702</u>	<u>12,557</u>
Unrealized loss from available-for-sale securities	(131)	-
Foreign currency translation adjustment	(13)	94
Other comprehensive (loss) income	<u>(144)</u>	<u>94</u>
Comprehensive income	<u>\$ 22,558</u>	<u>\$ 12,651</u>

The accompanying notes are an integral part of these financial statements.

BAYADA Home Health Care, Inc. and Subsidiaries
Consolidated Statements of Shareholder's Equity
Fiscal Years Ended January 3, 2016 and January 4, 2015

	Common Stock	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Shareholder's Equity
<i>(in thousands)</i>					
Balances at December 29, 2013	\$ -	\$ 9	\$ 70,493	\$ (94)	\$ 70,408
Net income	-	-	12,557	-	12,557
Cumulative translation adjustment	-	-	-	94	94
Capital contribution	-	20,000	-	-	20,000
Dividends to shareholder	-	-	(20,156)	-	(20,156)
Balances at January 4, 2015	-	20,009	62,894	-	82,903
Net income	-	-	22,702	-	22,702
Unrealized loss from available-for-sale securities	-	-	-	(131)	(131)
Cumulative translation adjustment	-	-	-	(13)	(13)
Dividends to shareholder	-	-	(18,251)	-	(18,251)
Balances at January 3, 2016	\$ -	\$ 20,009	\$ 67,345	\$ (144)	\$ 87,210

The accompanying notes are an integral part of these financial statements.

BAYADA Home Health Care, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
Fiscal Years Ended January 3, 2016 and January 4, 2015

<i>(in thousands)</i>	2015	2014
Cash flows from operating activities		
Net income	\$ 22,702	\$ 12,557
Adjustments to reconcile net income to cash provided by operating activities		
Depreciation	3,338	3,375
Amortization	1,527	4,545
Amortization of bond premium	(10)	-
Impairment on intangible asset	979	-
Loss on disposal of assets	65	76
Contribution of fixed assets to related party	142	-
Loss on sale of available-for-sale securities	10	-
Provision for accounts receivable allowances	1,765	894
Deferred income taxes	102	(9)
Reclass of translation adjustment from dissolved entity	-	94
Changes in assets and liabilities		
Accounts receivable	(10,937)	(9,643)
Prepaid expenses	(2,950)	(691)
Deposits and other current assets	(155)	787
Prepayments of obligations under insurance programs	(667)	115
Other assets	(636)	(79)
Accounts payable	113	(1,088)
Accrued expenses	3,058	3,103
Accrued payroll liabilities	(698)	1,179
Deferred revenue	(18)	201
Other current liabilities	(380)	(525)
Obligations under insurance programs	4,133	4,531
Net cash provided by operating activities	<u>21,483</u>	<u>19,422</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,038)	(3,726)
Other investment	(239)	-
Acquisition of businesses	(489)	(6,400)
Net cash used in investing activities	<u>(3,766)</u>	<u>(10,126)</u>
Cash flows from financing activities		
Book overdrafts	4,980	(2,749)
Repayments on line of credit	(57,807)	(102,072)
Borrowings on line of credit	53,737	96,207
Dividends to shareholder	(18,251)	(20,156)
Capital contribution	-	20,000
Net cash used in financing activities	<u>(17,341)</u>	<u>(8,770)</u>
Impact of changes in foreign exchange rates on cash flows	(13)	-
Net increase in cash	363	526
Cash and cash equivalents		
Beginning of fiscal year	973	447
End of fiscal year	<u>\$ 1,336</u>	<u>\$ 973</u>
Supplemental disclosure of cash flow information		
Cash paid for income taxes	\$ 443	\$ 624
Cash received from income tax refunds	(4)	-
Cash paid for interest	39	34

The accompanying notes are an integral part of these financial statements.

Exhibit 52



A BAYADA Home Health Care
specialty practice

Gryphon Bldg, Suite 310
56 1/2 Merchants Row
Rutland, VT 05701

802-282-4122
802-775-5600 fax
www.bayada.com

September 29, 2016

Mr. Kevin McDonald
Chief, Certificate of Need
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, Maryland 21215

Re: Letter of Support for BAYADA Home Health Care
Certificate of Need Application

Dear Kevin:

I hope this letter finds you well since our days of working together in Bennington. I have made career transitions as well since we last crossed paths, and, among other things, provide predominantly hospice and palliative care services for the communities in Southwestern Vermont. I am very fortunate to be working with our local BAYADA Hospice team since 2012.

I understand that BAYADA Home Health Care is seeking a certificate of need to become a licensed general hospice care program in certain jurisdictions in the State of Maryland. I would like to offer support for this application with my first hand experience with this organization, as well as offer my perspective as a physician practicing in the field of Hospice and Palliative Medicine.

Hospice is the best model for providing patient-centered, cost-effective, and compassionate care for people facing a life-limiting illness or injury. It is a service that is tremendously underutilized in our country. Since the establishment of Hospice and Palliative Care as a subspecialty in 2006, there has been increasing education and awareness regarding hospice services with a growing demand for trained providers, as well as access to high quality hospice programs.


BAYADA is the largest private home health and hospice organization in the country, and has extensive experience providing high quality hospice services. With existing home health operations in Maryland, BAYADA is well positioned to bring high quality hospice care to underserved areas in the state.

Compassion. Excellence. Reliability.

BAYADA is unique in being a national, mission driven, community-based health care organization that is converting from family to not-for-profit ownership and control. People at BAYADA are guided daily by a unique mission, vision, values and long-term orientation as is expressed in the *The BAYADA Way*, which is their commitment to bring compassion, excellence and reliability to every client and every community interaction throughout the organization.

It is my first hand experience as a physician working with the BAYADA team and as a referring provider that *The BAYADA Way* is not just a phrase, it is a way of caring for patients that is truly superior to any other home program with which I have worked. I am certain that the addition of BAYADA hospice services will improve access and quality of hospice care for the residents in Maryland as it has done for those in Vermont. I am hopeful that you will grant BAYADA the opportunity to provide compassionate and high quality hospice care to the people of the State of Maryland.

Sincerely,

A handwritten signature in cursive script, appearing to read "Nancy Schuster MD".

Nancy Schuster, MD
Internal Medicine
Hospice and Palliative Medicine
Bennington, VT

BRIGHTVIEW
SENIOR LIVING

December 14, 2016

Mr. Kevin McDonald
Chief, Certificate of Need
Maryland Health Care Commission
4160 Patterson Ave.
Baltimore, Maryland 21215

Re: Letter of Support for BAYADA Home Health Care, Certificate of Need application

Dear Mr. McDonald,

I am writing this letter in support of BAYADA Home Health Care as it seeks a certificate of need to become a licensed general hospice care program in certain jurisdictions in the State of Maryland.

Hospice is the best model for providing patient-centered, cost effective, and compassionate care for people facing a life-limiting illness or injury. BAYADA is the largest private home health and hospice organization in the country, and has extensive experience providing high quality hospice services. With existing home health operations in Maryland, BAYADA is well positioned to bring high quality hospice care to underserved areas in the state.

BAYADA is unique in being a national. Mission driven, community based health care organization that is converting from family to not-for-profit ownership and control. People at BAYADA are guided daily by their unique missions, vision, values and long term orientation as is expressed in the *BAYADA Way*, which is their commitment to bring compassion, excellence and reliability to every client and every community interaction throughout the organization.

Please grant BAYADA the opportunity to provide compassionate and high quality hospice care to the people of the State of Maryland.

Sincerely,



Eileen Adams

Regional Director of Operations, Brightview Senior Living