

**BEFORE THE MARYLAND HEALTH CARE COMMISSION**

**IN THE MATTER OF**

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**P-B HEALTH HOME  
CARE AGENCY**

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**Docket No. 16-16-2385**

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**COMMENTS SUBMITTED BY MONTGOMERY HOSPICE, INC.  
IN OPPOSITION TO THE CON APPLICATION OF  
P-B HEALTH HOME CARE AGENCY**

Montgomery Hospice, Inc. ("Montgomery Hospice"), as an interested party, submits the following comments opposing the application submitted to the Maryland Health Care Commission ("Commission") by P-B Health Home Health Care, Inc. d/b/a/ P-B Health Home Care Agency ("P-B Health") on October 7, 2016 with the objective of satisfying the Commission's review criteria and applicable State Health Plan standards for Hospice Services. The submitted comments will state with particularity the review criteria and State Health Plan standards that Montgomery Hospice believes have not been met by P-B Health and the reasons why P-B Health does not meet those standards. COMAR 10.24.01.08.F(c).

- 1. The P-B Health application fails to demonstrate its proposed project is financially viable as required by COMAR 10.24.01.08.G(3)(d).**

The Commission's review of each application must consider the availability of financial resources necessary to implement the applicant's proposed project as well as the availability of resources necessary to sustain the proposed project. A general review of the P-B Health application and completeness questionnaire responses suggests a lack of financial viability presenting potential difficulties for P-B Health if they are authorized to initiate a new operation in Prince George's County. Illustrative red flags include:

- a. P-B Health has provided no audited financial records to the Commission;

- b. Its federal corporate income tax returns for 2014 and 2015 show P-B Health suffered net financial losses in both years;
- c. Its current cash assets, outside of its payroll account, were only \$120,000 at the end of 2015 and no updated financial report was provided to the Commission that would indicate that its financial viability has improved;
- d. P-B Health asserts that it will rely on a loan from its ownership to fund its project in Prince George's County despite its unaudited 2015 balance sheet providing that there is already a long-term liability totaling \$661,000 from "Notes Payable Officers" and "Deferred Compensation – Owners" indicating the organization could experience cash flow problems in meeting its current financial obligations; and
- e. P-B Health's **Table 1: Project Budget** and **Table 5: Manpower Information** shows the startup costs of \$7,500, which does not include an allowance for an office lease, for staff salaries, for equipment, or any working capital to cover the costs of doing business.<sup>1</sup>

The financial concerns may be exacerbated by the fact that P-B Health, as a new hospice provider, would need to be in operation for several weeks while awaiting Medicare certification. During that time, P-B Health would be unable to bill for its services and would have to rely upon working capital and cash funds to keep its operations afloat while awaiting approval to bill federal health care programs.

**2. P-B Health would limit its Admission criteria by excluding pediatric patients.**

COMAR 10.24.13.05B requires each applicant to identify its admission criteria and proposed limits by age, disease, or caregiver. In its application, P-B Health cites the State Health Plan's Methodology for Projecting Need for General Hospice Services provision at COMAR 10.24.13.06D and states:

According to guidelines (COMAR 10.24.13 D) established by the Maryland Health Care Commission, P-B Health Hospice will service Patients 35 years of age and older with the exclusion of a Patient with a contagious malady not manageable per the protocol requirements of 42 C.F.R. s418.60; and pediatric

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<sup>1</sup> It should also be noted that P-B Health's "Table 4: Revenues and Expenses – Proposed Project" identifies revenue sources of \$265,000 but gives a total revenue of \$310,000. It is unclear where the additional \$35,000 in revenue comes from.

patients, other than in exceptional circumstances. (COMAR 10.24.13.04(D); P-B Health Hospice shall work diligently with licensed general hospices in neighboring jurisdictions to coordinate care for these patients, as appropriate. (sic).

While the State Health Plan methodology provision cited by P-B Health states that "[p]rojections are calculated for the 35+ age group," there is no guideline that would limit an applicant to only providing general hospice services to Prince George's County residents under the age of 35. P-B Health's admission limitation to only accept adult patients 35 years old and older would significantly limit the hospice services made available to meet the needs of the Prince George's County population.

**3. The P-B Health application fails to demonstrate the availability of trained volunteers as required by COMAR 10.24.13.05.E.**

The State Health Plan requires each applicant to have available sufficiently trained caregiving volunteers to meet the needs of patients and families in the hospice program. P-B Health's application does not provide clear guidance as to how it will assemble an effective corps of volunteers. It is concerning that P-B Health states that it will use "patient family and friends" as volunteers, which is counter to general hospice standards and the goal of having volunteers as support for the patient and family in hospice care.

Having an effective volunteer corps is necessary to provide the high level of quality hospice services needed for the residents of Prince George's County. By way of example, Montgomery Hospice currently has 300 active volunteers in Montgomery County. In 2015, these volunteers provided a total of more than 19,000 hours of service, made more than 14,000 patient visits, and drove more than 110,000 miles in order to help our patients. Montgomery Hospice is confident that its incumbent volunteers along with newly-committed volunteers will devote their time and efforts with the same rigor they have in the past to their neighbors in Prince George's County.

**4. The bereavement services P-B Health will offer are unclear.**

The State Health Plan requires an applicant to attest that it will provide bereavement services either directly or through contractual arrangements in order to satisfy COMAR 10.24.13.05C(2)(h). P-B Health is unclear in its application as to who will provide bereavement care.

In contrast, Montgomery Hospice directly employs a staff of eight bereavement counselors, all with Masters level education. During CY2015, the Montgomery Hospice Bereavement Department supported more than 4,000 family members of patients. Members of the Bereavement Department made approximately 15,000 phone calls and visits to hospice families. The Bereavement Team sent more than 15,000 packets via mail, and conducted 60 grief workshops and support groups.

If granted the authority by the Commission to provide general hospice services in Prince George's County, Montgomery Hospice will hire an additional bereavement counselor to serve the County. As the census increases, Montgomery Hospice will expand the number of paid bereavement counselors to reflect a ratio of 250-300 bereaved family members per bereavement counselor. Montgomery Hospice's bereavement services in Prince George's County will include grief workshops and support groups that will be held in the Montgomery Hospice Prince George's office, and where possible, in other venues throughout the county such as places of worship and senior centers.

**5. The P-B Health application fails to demonstrate its organizational commitment to charity care as required by COMAR 10.24.13.05.J.**

The State Health Plan requires each applicant to present a written policy illustrating how the applicant will ensure access to hospice services regardless of an individual's ability to pay. The applicant's policy is required to, at a minimum, demonstrate the applicant's track record in

providing charity care in order to support the credibility of its commitment. The applicant must also provide a specific plan for achieving the level of charity care to which it has committed in its application.

It is difficult to determine how much charity care, if any, P-B Health has given in the past. As its only evidence of past charity care, P-B Health responded to the first round of completeness questions with copies of its Home Health Surveys for non-consecutive years 2012, 2010 and 2009. In those three years, P-B Health reported an average of \$21,600 in charity care. Inferring that this is the extent of the charity care provided by P-B Health, P-B Health has averaged approximately \$9,260 in annual charity care from 2009 through 2015. Such a minimal amount of charity care fails to show that P-B Health meets the standard that an applicant shall make a commitment to provide charity care in its hospice to indigent patients. Nor has P-B Health demonstrated that its track record in the provision of charity care services supports the credibility of its commitment.

By way of comparison, Montgomery Hospice provided \$467,316 in charity care in 2015, serving 62 patients, representing 2.8% of the patients it served. Montgomery Hospice has budgeted to provide \$450,000 to \$694,000 depending on patient census in charity care each year within Prince George's County once it begins providing hospice services there.

P-B Health Charity Care According to Table 4: Revenues and Expenses-Proposed Project

CY2018	\$7,650
CY2019	\$22,950
CY2020	\$68,850
CY2021	\$91,800

## **CONCLUSION**

It is incumbent upon each CON applicant to understand the significant amount of resources necessary to provide the additional high-quality, reliable hospice services to the residents of Prince George's County that will be required in the approaching Target Years. The Commission has required the applicants to demonstrate how well they understand the scale of financial commitment it will take to be a reliable hospice services provider to Prince George's County residents through the completion of six tables documenting relevant financial projections. It is not clear in the data provided by the P-B Health tables that P-B Health fully understands the scale of resources required to satisfy the need of Prince George's County residents. For instance, P-B Health's Project Budget raises concerns that it has not planned to devote adequate working capital startup costs to initiate what would be its first general hospice services operation. These working capital startup costs are essential to initiate the provision of general hospice services in a new geographic area. Indeed, Montgomery Hospice has allocated over \$2.1 million to working capital startup costs in its Project Budget. Included in these costs are such vital outlays as public education programs, lease arrangements for requisite space and equipment, and costs associated with the additional interdisciplinary personnel needed to provide hospice services in the new area.

In sum, the Commission is responsible for reviewing each Certificate of Need application to ensure that it satisfies the review criteria published at COMAR 10.24.01.08G and, in this instance, the State Health Plan standards incorporated at COMAR 10.24.13 applicable to general hospice services Certificate of Need applicants. The application submitted by P-B Health does not appear to meet the required minimum standards and review criteria.

Respectfully Submitted, \_\_\_\_\_

A large, stylized handwritten signature in black ink, appearing to read 'T. Adelman', is written over a horizontal line.

Timothy B. Adelman  
Hall Render Killian Health & Lyman, P.C.  
180 Admiral Cochrane Drive, Suite 370  
Annapolis, Maryland 21401  
Counsel for Montgomery Hospice, Inc.

I hereby declare and affirm under the penalties of perjury that the facts states in Montgomery Hospice's Comments on P-B Health Home Health Care, Inc.'s CON Application for Hospice Services in Prince George's County are true and correct to the best of my knowledge, information and belief.

5/30/17  
Date

Ann Mitchell  
Ann Mitchell, MPH  
President and CEO  
Montgomery Hospice



## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 30<sup>th</sup> day of May, 2017 a copy of the a copy of the COMMENTS SUBMITTED BY MONTGOMERY HOSPICE, INC. IN OPPOSITION TO THE CON APPLICATION OF P-B HEALTH HOME CARE AGENCY was sent via First Class Mail and Electronic Mail to the following:

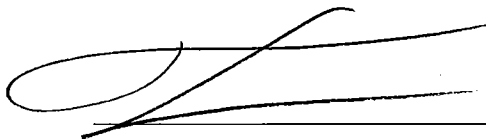
Marta D. Harting  
Venable LLP  
750 E. Pratt Street, Suite 900  
Baltimore, Maryland 21202  
[MDHarting@venable.com](mailto:MDHarting@venable.com)

Lena M. Woody  
Danielle Hodges  
2535 Saint Paul Street  
Baltimore, Maryland 21218  
[woodyl@p-bhealth.com](mailto:woodyl@p-bhealth.com)  
[hodgesd@p-bhealth.com](mailto:hodgesd@p-bhealth.com)

Andrew Solberg  
5612 Thicket Lane  
Columbia, Maryland 21044  
[asolberg@earthlink.net](mailto:asolberg@earthlink.net)

Randy Brown  
110 N. Tallahassee Ave.  
Atlantic City, New Jersey  
08401  
[Rbrown2@bayada.com](mailto:Rbrown2@bayada.com)

Jonathan Montgomery, Esquire  
223E. Redwood Street  
Baltimore, Maryland 21202  
[jmontgomery@grflaw.com](mailto:jmontgomery@grflaw.com)

A handwritten signature in black ink, appearing to read 'Timothy B. Adelman', is written over a horizontal line.

Timothy B. Adelman