

Marta D. Harting

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August 14, 2017

**VIA ELECTRONIC MAIL
AND HAND DELIVERY**

Ruby Potter, Administrator
Maryland Health Care Commission
Center for Health Care Facilities
Planning & Development
4160 Patterson Avenue
Baltimore, MD 21215

Re: Amedisys Maryland, LLC d/b/a Amedisys Home Health Expansion of Existing Home
Health Agency (HHA License #7048) to Frederick County (D.N. 17-R2-2398)

Dear Ms. Potter:

Enclosed for filing in the above-captioned matter are an original and six copies of
Response to July 19, 2017 Completeness Questions by Amedisys Maryland, LLC d/b/a
Amedisys Home Health.

Thank you for your attention to this matter.

Sincerely,



Marta D. Harting

MDH:rlh
Enclosures

**RESPONSE TO JULY 19, 2017 COMPLETENESS QUESTIONS BY AMEDISYS
MARYLAND, LLC D/B/A AMEDISYS HOME HEALTH (D.N. 17-R2-2398)**

Charity Care and Sliding Fee Scale

1. Please provide documentation that Amedisys Home Health published its Charity Care Policy in Anne Arundel, Baltimore, Carroll, Harford, and Howard Counties and Baltimore City, giving the name of the publication and the date this notice last published.

APPLICANT RESPONSE: The Amedisys home health agencies in these counties were acquisitions. These agencies were not established by Amedisys pursuant to the issuance of a CON to Amedisys in which it committed to publish an annual notice of its charity care policy. While Amedisys does not believe it is under any obligation to publish this notice, the notice attached as **Exhibit 30** will be published on August 15, 2017 in a newspaper of general circulation in these counties. Additionally, as stated in the Application, Amedisys has committed to publishing a notice of its charity care policy in Frederick County on an annual basis.

2. Regarding Question #5, the standard states that "(N)otices regarding the HHA's charity care and sliding fee scale policies shall be posted...on the HHA's website, if such a site is maintained." Please post and provide evidence that Amedisys has posted the policy for charity care and sliding fee scale on its website.

APPLICANT RESPONSE: A link to the full charity care policy for Maryland is posted on the Amedisys website, and is found at this link:
<https://www.amedisys.com/non-discrimination-notice/>.

3. Regarding Question #6, Amedisys reports that it did not provide any charity care in 2013 and only provided charity care in Howard County for 2014, with no charity care provided in either Carroll or Baltimore Counties for that year. Amedisys track record in these three existing jurisdictions and the fact you have a 23-person sales team presently working in Maryland does not indicate that these efforts by themselves will support your claim that the applicant will provide 0.1% of charity care equivalent to the average amount of charity care provided by home health agencies in Frederick County, as reported in 2014. The applicant does not have a strong history of providing charity care in either Baltimore or Howard Counties, which are larger in total population than Frederick County. As stated in the standard under Paragraph 10.24.16.08E(4)(b), please provide a specific plan for achieving the level of charity care in Frederick County.

APPLICANT RESPONSE:

In responding to this question, the Applicant discovered that it incorrectly stated Amedisys' charity care record in Baltimore County (as disclosed in the public use dataset) in its response to Question 6 in the prior completeness questions. In fact, Amedisys provided charity care in Baltimore County in all three years (2012, 2013 and 2014). The revised table is below:

Baltimore County			
	2012	2013	2014
All HHAs	0.3%	0.10%	0.12%
Amedisys (HH7045, 7048, 7094, 7108)	1.9%	0.18%	0.05%

In 2012, Amedisys exceeded the overall average percentage of charity care visits in Baltimore County by **more than 6 times**, providing over **42% of all charity care visits in Baltimore County** (454 of 1085 total visits), while its market share (measured in visits) was 8%.

2012 Baltimore County Data

	Total Visits	Total Charity Care Visits	%
Amedisys (7045)	550	38	6.9%
Amedisys (7048)	3,115	70	2.2%
Amedisys (7094)	18,053	254	1.4%
Amedisys (7108)	3,149	112	3.5%
All HHAs	316,659	1,085	0.3%

Further, Amedisys exceeded the overall average in Baltimore County in 2013. While it did not exceed the overall average in 2014, if the Baltimore County Department of Health is excluded, the overall average becomes 0.05%, equal to what Amedisys provided.

As shown in the response to Question 6 in the prior completeness questions, while Amedisys did not have charity care visits in Carroll County in 2013 and 2014, Amedisys substantially exceeded the overall percentage of charity care visits in 2012 in Carroll County. In Howard County, Amedisys had charity care visits in excess of the overall average in two of the three years (2012 and 2014).

Accordingly, Amedisys respectfully disagrees that it does not have a strong charity care record in these counties. Amedisys had charity care visits in most (two-thirds) of the three years across these three counties (all three years in Baltimore County, two of three years in Howard County and one of three years in Carroll County), and met or exceeded the average most of the time in these three counties (two of three years in Baltimore County and Howard County, and one of three years in Carroll County). Amedisys

further notes that, because the agencies in these counties were acquisitions, its charity care record is based on a voluntary decision to provide charity care, not on a commitment it made to obtain a CON.

To achieve the charity care level to which it has committed for Frederick County, Amedisys will hire a full time outreach employee familiar with the Frederick County community who will be responsible for establishing, growing and maintaining relationships with institutional and non-institutional referral sources exclusively in Frederick County, including referral sources of indigent patients. (This employee is part of the budget for the project.) He/she will be educated regarding Amedisys' charity care commitment and policy, and will be required to educate all referral sources about Amedisys' charity care policy and willingness to accept referrals of charity care patients. This employee will be required to call on a minimum of 30 referral sources per week and will continually notify the referral sources as to our indigent policy and capabilities.

Charity care referral outreach by this employee will specifically include the Frederick County-owned nursing home (Citizens Care) and assisted living facility (Montevue) that has a mission of caring for indigent residents of Frederick County.

The employee will also be expected to identify and work with local community organizations (including churches, organizations serving indigent and underserved populations) to market Amedisys's ability to accept and care for patients regardless of ability to pay. This employee will also be expected to establish a relationship with the Frederick County Department of Social Services and Department of Health for charity care referrals.

Additionally, as stated above, Amedisys's charity care policy is posted on its website and Amedisys will publish an annual notice in a newspaper of general circulation in Frederick County.

4. Please contact the Office of Healthcare Quality and have the agency confirm in writing that Amedisys Home Health is in good standing with the state.

APPLICANT RESPONSE: Attached as **Exhibit 31** is a copy of the Applicant's current license (effective June 1, 2017) demonstrating that the Applicant is in good standing with the State. Per instruction from Staff, further documentation from OCHQ is not required to be provided.

Need

5. Regarding Question #11, please provide a copy of the four sources of data used to create Table 5.

APPLICANT RESPONSE:

Table 5 merges information from three sources (Tetrad, HMR and CMS) on "vlookups" to the counties of interest. **Please note that the data from Tetrad and HMR is**

proprietary data that Amedisys is licensed to use and is not permitted to be used by other 3rd parties outside of work product prepared by/for Amedisys projects.

We obtained the population data from Tetrad. Please refer to spreadsheet entitled "Population Growth Data 2014" provided with these responses. This includes Tetrad's based population data by county. We simply added the CAGR column to Table 5 based on the standard CAGR equation. The compounded annual growth rate (CAGR) is the mean annual growth rate over a specified period of time longer than one year.

$$\text{CAGR} = ((\text{Ending Value} / \text{Beginning Value})^{(1/\# \text{ of Yrs})}) - 1.$$

We obtained Medicare claims data from Home Health & Hospice Medicare Claims Data from healthmr.com. The website allows us to download the info in various formats (mostly by state). Please refer to the spreadsheet entitled "MD Regional HH Claims" provided with this response for the direct download from HMR of information contained in Table 5. Attached as **Exhibit 32** are two screen shots of this data source, but because it is a subscription, only subscribers can use the website to recreate the data.

The Medicare Advantage penetration information in Table 5 is an estimate based on CMS data found at <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MCRAdvPartDENrolData/MA-State-County-Penetration.html>, specifically the most recent data as of the time Table 5 was compiled by Amedisys in 2016. (By way of example, the spreadsheet entitled "State County Penetration MA 2015-12 provided with this Response provides this data as of December 2015. All months are publicly available on the above-referenced website.) Please note that the Medicare Advantage information in Table 5 is compiled by Amedisys for planning purposes using CMS data but it is not relevant to the home health utilization rate for which Amedisys relied on Table 5 in its Application.

Table 2B

6. The applicant only provides a response for the first year of operation in Frederick County. Please provide more details as to the assumptions or evidence to support the utilization projections that Amedisys will increase the number of clients by over 585% from CY 2018 through CY 2021.

APPLICANT RESPONSE: We budgeted a conservative year 1 budget due to initiating relationships with referral sources in Frederick County as well as the addition of a business development team that will market to physicians and hospitals in the currently underserved area, with no anticipated impact on current providers' volume. We anticipate significant growth over year one through CY 2021 through the business development efforts as well as a 5.3% 65+ anticipated growth rate in 2019 compared to 2014 per Medicare Claims Data illustrated in Table 5. We also assume we will grow at least at the current rate as the parent in Carroll County which grew in 2016 at >40% over 2015, and is trending at similar growth rates in 2017 over 2016 Medicare admissions. We also believe that through our business development team, we can increase home health

utilization over 2014 statistics of 8% (according to Table 5) to be more in line with state averages of 8.6%.

Table 3

7. Please provide more details on what is the new ERM system and which Amedisys agencies were affected by this implementation that occurred between CY 2015 and CY 2016. As for the CY 2018 losses, where was the location for this one-time start-up costs and what was the reason for the significant loss of at least \$350,000 between CY 2017—CY 2018.

APPLICANT RESPONSE: At the end of 2015, Amedisys began a company-wide conversion from its home grown electronic medical records system, AMS, to the independent system, HomeCare HomeBase system. This conversion spanned through the end of 2016, and affected every single Amedisys location. Amedisys is currently seeing integration efficiencies and clinical improvements from this implementation.

<http://homehealthcarenews.com/2015/04/amedisys-pushes-forward-with-big-operational-changes-mulls-name-change/>

<http://www.prweb.com/releases/2015/05/prweb12694350.htm>

The estimated losses in 2018 are related to one time startup costs that will only be realized with the licensing of a new location in Frederick County, if this application is approved. We will employ a Director, nursing staff, therapy staff, business office manager, and others during this implementation/licensing period, as well as incur one-time costs of furniture. In the model, for 6 months, there is no revenue recognized, but expenses of approximately \$50,000 per month.

Table 5


8. Please discuss how Amedisys calculated the \$414,785 in Estimated Taxes and Benefits.

APPLICANT RESPONSE: Taxes and benefits for an average Amedisys location are approximately 18-20% of the total Agency Staff costs. These taxes and benefits include health insurance, health savings accounts, 401k benefits, life insurance, workers compensation insurance, unemployment taxes, and FICA. In this model, agency staff salaries totaled \$2,073,925. Twenty percent of this total is \$414,785.

AFFIRMATION

I hereby declare and affirm under the penalties of perjury that the facts stated in the Response to July 19, 2017 Completeness Questions are true and correct to the best of my knowledge, information and belief.

Date: August 13, 2017



Michelle Gee

Name:

8/13/17

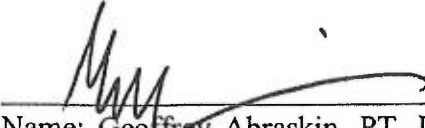
Title:

Regional Director of Financial Operations

AFFIRMATION

I hereby declare and affirm under the penalties of perjury that the facts stated in the Response to July 19, 2017 Completeness Questions are true and correct to the best of my knowledge, information and belief.

Date: August 13, 2017



Name: Geoffrey Abraskin, PT, DPT, CWS
Title: Vice President of Operations

EXHIBIT 30



Printed: 8/14/2017 11:19:51 AM

Page 1 of 2

* Agency Commission not included

GROSS PRICE * : **\$219.65**

PACKAGE NAME: BSMG Legal Notices



Order ID: 5132453

Printed: 8/14/2017 11:19:51 AM

Page 2 of 2

* Agency Commission not included

GROSS PRICE * : \$219.65

PACKAGE NAME: BSMG Legal Notices

Product(s): The Baltimore Sun, Affidavit, classified.baltimoresun.com, classified.MDDC.com_TBS

AdSize(s): 1 Column (8BRD),

Run Date(s): Tuesday, August 15, 2017

Color Spec. B/W

Preview

AMEDISYS HOME HEALTH FINANCIAL ASSISTANCE POLICY

Amedisys Home Health provides home health care to residents of Anne Arundel, Baltimore, Carroll, Harford and Howard Counties and Baltimore City. Amedisys Home Health is committed to providing accessible home health care to its community. Home health care is available to patients regardless of their race, color, national origin, gender or ability to pay. Amedisys Home Health offers financial assistance to eligible residents of these jurisdictions who are unable to pay for its services and who apply for financial assistance under the program. Eligibility is determined on an individual basis based on income, as explained in the financial assistance policy. If you have any questions about Amedisys' financial assistance policy, please contact us at 410-590-4926 or visit our website to review the policy at <https://www.amedisys.com/non-discrimination-notice/>.

EXHIBIT 31



**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. HH7048

Issued to: Amedisys Home Health
511 Jermor Lane
Suite 200
Westminster, MD 21157-6153

Type of Facility or Community Program: HOME HEALTH AGENCY

Date Issued: June 1, 2017

Services Provided: SKILLED NURSING, HOME HEALTH AIDES, PHYSICAL & OCCUPATIONAL THERAPY, SPEECH LANGUAGE PATHOLOGY, MEDICAL SOCIAL SERVICES AND INFUSION SERVICES

AREAS SERVED: ANNE ARUNDEL, BALTIMORE, CARROLL, HARFORD, HOWARD COUNTIES AND BALTIMORE CITY

Authority to operate in this State is granted to the above entity pursuant to The Health-General Article, Title 19 Annotated Code of Maryland, including all applicable rules and regulations promulgated there under. This document is not transferable.

Expiration Date: June 1, 2018

Patricia Tomsko May, M.D.

Director

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



EXHIBIT 32

														Provider Type					Facility Type						
File Year	County	No. of Providers	Discharges	Discharge share (%)	Revenues (\$)	Revenue share (%)	Patients	Patient share (%)	Episodes	Episode share (%)	Visits	Visit share (%)	Non-Profit-Rel	Non-Profit-Priv	For-Profit	Gov't	Other	VNA	Freestanding	Hospital-Based	Rehab/SNF	Other Facility	Average Case Weight		
2014	ALLEGANY	2	1,563	2.2	3,663,001	1.4	1,271	1.8	1,684	1.8	24,094	1.7	0	1	0	1	0	0	1	1	0	0	0.99		
2014	ANNE ARUNDEL	14	6,110	8.4	25,242,526	9.6	5,874	8.5	8,504	9.1	136,673	9.8	1	3	10	0	0	4	1	1	0	8	1.15		
2014	BALTIMORE	26	12,878	17.7	44,950,805	17.1	12,113	17.5	15,882	17.1	246,136	17.6	2	7	16	1	0	5	4	1	1	15	1.11		
2014	BALTIMORE CITY	19	8,822	12.1	30,122,266	11.5	8,531	12.3	11,009	11.8	162,590	11.6	2	3	13	1	0	4	4	1	0	10	1.09		
2014	CALVERT	6	803	1.1	2,805,120	1.1	782	1.1	1,013	1.1	14,623	1.0	0	2	4	0	0	2	0	0	0	4	1.07		
2014	CAROLINE	2	507	0.7	1,934,130	0.7	478	0.7	723	0.8	11,322	0.8	0	1	1	0	0	0	0	1	0	1	1.11		
2014	CARROLL	14	2,567	3.5	9,609,894	3.7	2,492	3.6	3,410	3.7	51,050	3.7	2	5	7	0	0	4	3	1	0	6	1.10		
2014	CECIL	4	1,363	1.9	4,842,880	1.8	1,286	1.9	1,778	1.9	25,297	1.8	0	2	2	0	0	2	0	0	0	2	1.02		
2014	CHARLES	6	1,273	1.8	4,494,008	1.7	1,256	1.8	1,667	1.8	22,998	1.6	1	2	3	0	0	2	0	0	0	4	1.02		
2014	DORCHESTER	3	681	0.9	2,915,213	1.1	685	1.0	1,062	1.1	17,225	1.2	0	1	2	0	0	0	0	1	0	2	1.14		
2014	FREDERICK	8	2,685	3.7	11,549,307	4.4	2,536	3.7	3,774	4.1	61,392	4.4	1	3	4	0	0	0	2	2	0	4	1.16		
2014	GARRETT	2	394	0.5	1,026,199	0.4	354	0.5	452	0.5	5,658	0.4	0	1	0	1	0	0	1	1	0	0	0.96		
2014	HARFORD	13	3,448	4.7	11,500,274	4.4	3,219	4.7	4,289	4.6	61,793	4.4	1	3	9	0	0	4	3	0	0	6	1.06		
2014	HOWARD	15	2,434	3.3	9,371,670	3.6	2,307	3.3	3,093	3.3	48,588	3.5	3	3	9	0	0	4	1	2	0	8	1.20		
2014	KENT	1	456	0.6	1,255,133	0.5	402	0.6	523	0.6	6,898	0.5	0	1	0	0	0	0	0	0	0	1	0.97		
2014	MONTGOMERY	23	10,674	14.7	37,861,200	14.4	10,104	14.6	13,026	14.0	180,799	12.9	3	5	14	0	1	4	2	4	1	12	1.14		
2014	OTHER	0	---	---	29,648	0.0	---	---	11	0.0	154	0.0	0	0	0	0	0	0	0	0	0	0	1.02		
2014	PRINCE GEORGES	23	7,983	11.0	31,452,765	12.0	8,002	11.6	10,628	11.4	162,630	11.6	3	5	15	0	0	5	1	3	0	14	1.13		
2014	QUEEN ANNES	4	534	0.7	1,963,149	0.7	522	0.8	704	0.8	9,869	0.7	0	2	2	0	0	1	0	1	0	2	1.11		
2014	SAINT MARYS	5	949	1.3	3,040,331	1.2	926	1.3	1,235	1.3	18,152	1.3	1	2	2	0	0	2	0	0	0	3	1.02		

http://www.healthmr.com/hmrwebreports/hh_home.php

Home Health Help 10HOS RDFO Hospice Scorecard...

Payment Interface Ex-Sheriff Arpaio says... Agency Table - All Docu... cms FAQs EMAIL ARCHIVE Free Hotmail MA - Home MyUnivrs - Login

Healthcare
Market
Resources
Growing Bottom Lines with Information

[Hospice](#)
[National](#) [Regional](#) [Provider](#) [Provider State](#) [Logout](#) [Help](#)

Home Health Help

cmccrossen cmccrossen logged on.

GUIDELINES FOR WEB-BASED REPORTS

Select Home Health or Hospice Database.

National Report-details key information by state(Only available to national purchasers)

1. Click on [National](#)

State Report-details key information for each county within a state(Only available for state(s) purchased)

1. Click on [Regional](#)
2. Select state abbreviation desired
3. Click on "County" box on top of list to see all counties in the given state
4. Click on "Select Counties"

Provider by State-details key information for each provider in the state(Only available for state(s) purchased)

1. Click on [Provider](#)
2. Select state abbreviation desired
3. Click on "County" box on top of list to see all counties in the given state
4. Click on "Select Counties"