Application for Certificate of Need
Hospice Services:
Health Care Facility exceeding the Cap

Application to Construct a 12 Bed Hospice House (Residential) and Outreach Center

Submitted to
Maryland Health Care Commission
Centers for Health Care Facilities Planning and Development
Certificate of Need

Submitted By
Coastal Hospice, Inc.

Coastal Hospice
& Palliative Care

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For internal staff use:

_____

MATTER/DOCKET NO.

_____

DATE DOCKETED

MARYLAND HEALTH CARE COMMISSION

APPLICATION FOR CERTIFICATE OF NEED: HOSPICE SERVICES

ALL APPLICATIONS MUST FOLLOW THE FORMATTING REQUIREMENTS DESCRIBED IMMEDIATELY BELOW. NOT FOLLOWING THESE FORMATTING INSTRUCTIONS WILL RESULT IN THE APPLICATION BEING RETURNED.

REQUIRED FORMAT:
TABLE OF CONTENTS. The application must include a Table of Contents referencing the location of application materials. Each section in the hard copy submission should be separated with tabbed dividers. Any exhibits, attachments, etc. should be similarly tabbed, and pages within each should be numbered independently and consecutively. The Table of Contents must include:

- Responses to PARTS I, II, III and IV of the following application form
- Attachments, Exhibits, or Supplements

Application pages must be consecutively numbered at the bottom of each page. Exhibits attached to subsequent correspondence during the completeness review process shall use a consecutive numbering scheme, continuing the sequencing from the original application. (For example, if the last exhibit in the application is Exhibit 5, any exhibits used in subsequent responses should begin with Exhibit 6.)

SUBMISSION FORMAT:
We require submission of application materials in three forms: hard copy; searchable PDF; and in Microsoft Word.

- **Hard copy:** Applicants must submit six (6) hard copies of the application to:
  Ruby Potter
  Health Facilities Coordinator
  Maryland Health Care Commission
  4160 Patterson Avenue
  Baltimore, Maryland 21215

- **PDF:** Applicants must also submit *searchable* PDF files of the application, supplements, attachments, and exhibits.[1]. All subsequent correspondence should also be submitted as *searchable PDFs*.

- **Microsoft Word:** The application responses and responses to completeness questions should also be electronically submitted in Word. Applicants are strongly encouraged to submit any spreadsheets or other files used to create the original tables (the native format). This will expedite the review process.

PDFs and spreadsheets should be submitted to ruby.potter@maryland.gov and kevin.mcdonald@maryland.gov.

[1] PDFs may be created by saving the original document directly to PDF on a computer or by using advanced scanning technology

PART I - PROJECT IDENTIFICATION AND GENERAL INFORMATION

1. FACILITY

Name of Hospice Provider : Coastal Hospice, Inc

Address:

2604 Old Ocean Rd.	Salisbury	21804	Wicomico
Street	City	Zip	County

Name of Owner (if differs from applicant):
Same

2. OWNER

Name of owner: Coastal Hospice, Inc. (a freestanding 501(c)3 governed by a Board of Directors)

3. APPLICANT. *If the application has a co-applicant, provide the detail in section 3 and 4 as an attachment.*

Legal Name of Project Applicant (Licensee or Proposed Licensee):

Address:

Street	City	Zip	State	County

Telephone: 410-742-8732

Name of Owner/Chief Executive:

Is this applicant one of the following? (Circle or highlight description that applies.)

****Licensed and Medicare certified general hospice in Maryland****
Licensed and Medicare certified hospice in another state
Licensed hospital in Maryland/ other state
Licensed nursing home in Maryland/other state
Licensed and Medicare certified home health agency in Maryland/other state
Limited license hospice in Maryland
IF NONE OF THE ABOVE, NOT ELIGIBLE TO APPLY (See COMAR 10.24.13.04A.)
DO NOT COMPLETE REMAINDER OF APPLICATION

4. LEGAL STRUCTURE OF LICENSEE

Check ☑ or fill in one category below.

A.	Governmental	☐
B.	Corporation	
	(1) Non-profit	X
	(2) For-profit	☐
C.	Partnership	
	General	☐
	Limited	☐
	Other (Specify):	_____
D.	Limited Liability Company	☐
E.	Other (Specify):	_____

5. PERSON(S) TO WHOM QUESTIONS REGARDING THIS APPLICATION SHOULD BE DIRECTED

A. Lead or primary contact:

Name and Title: Alane Capen, President

Mailing Address:

PO Box 1733	Salisbury	MD	21802-1733
Street	City	Zip	State

Telephone: 410-742-8732

E-mail Address (required): acapen@coastalhospice.org

Fax: 410-548-5080

B. Additional or alternate contact: Susan Olischar

Mailing Address:

PO Box 1733	Salisbury	MD	21802-1733
Street	City	Zip	State

Telephone: 410-742-8732

E-mail Address (required): solischar@coastalhospice.org

Fax: 410-543-8213

6. Brief Project Description (for identification only; see also item #13):

Response: Coastal Hospice, Inc. plans to create a 12 bed Hospice House residential facility and outreach center called the Macky and Pam Stansell House at Coastal Hospice at the Ocean (the House). This building, which currently exists as an unfinished shell, will be finished to house the patient residence, space for the home hospice interdisciplinary team serving Worcester and Somerset Counties to work from, room for grief support and other community education groups, and exam rooms for community based palliative care consultations. This facility will be built, run and managed in accordance with COMAR Title 10.07.22 Hospice Care Programs: Hospice House Requirements.

7. Project Services (check applicable description):

Service	(check if description applies)
Establish a general hospice	
Establish a General Inpatient Unit (GIP)	
Add beds to a GIP	
Create a Hospice House and outreach center	X

8. Current Capacity and Proposed Changes:

A) List the jurisdictions in which the applicant is currently authorized to provide general hospice services. (If services provided in other state(s), list them.) _

Response: Dorchester Co., Somerset Co., Wicomico Co. and Worcester Co. _____

B) Jurisdiction applicant is applying to be authorized in:
Response: N/A_____

9. Project Location and Site Control *(Applies only to applications proposing establishment or expansion of a GIP unit):*
Response: This application is solely an application for expenditure that exceeds the cap threshold for health care facilities. We are building a residential Hospice House for routine home hospice care only, consistent with COMAR Title 10.07.22. Hospice Care Programs: Hospice House Requirements.

A. Site Size _11.58___ acres

B. Have all necessary State and Local land use approvals, including zoning, for the project as proposed been obtained? YES_____ NO __X___ (If NO, describe below the current status and timetable for receiving necessary approvals.)

Response: We have already received confirmation from the Maryland Historic Trust that there is no impact, a variance for use as a "special exception" from the Board of Zoning Appeals. We will need to get our final zoning and building permit including the site plan for the 3,000 sq ft addition portion of the construction project only which we will pursue once we have a certificate of need and can proceed._____

C. Site Control and utilities:

(1) Title held by: ___**Coastal Hospice, Inc.**____

(2) Options to purchase held by: _____

(i) Expiration Date of Option _____
(ii) Is Option Renewable? _____ If yes, Please explain

_____

_____

(iii) Cost of Option _____

(3) Land Lease held by: _____
(i) Expiration Date of Lease _____
(ii) Is Lease Renewable _____ If yes, please explain

_____

_____

(iii) Cost of Lease _____

(4) Option to lease held by: _____
(i) Expiration date of Option _____
(ii) Is Option Renewable?_____ If yes, please explain

_____

_____

(iii) Cost of Option _____

(5) If site is not controlled by ownership, lease, or option, please explain how site control will be obtained.

_____

_____

(6) Please discuss the availability of utilities (water, electricity, sewage, etc.) for the proposed project, and the steps that will be necessary to obtain utilities.

_____

_____

(INSTRUCTION: IN COMPLETING THE APPLICABLE OF ITEMS 10, 11 or 12, PLEASE CONSULT THE PERFORMANCE REQUIREMENT TARGET DATES SET FORTH IN COMMISSION REGULATIONS, COMAR 10.24.01.12)

10. For new construction or renovation projects.

Project Implementation Target Dates

A. Obligation of Capital Expenditure __6_____months from approval date.
B. Beginning Construction _____4_____months from capital obligation.
C. Pre-Licensure/First Use _____12_____months from capital obligation.
D. Full Utilization _____18_____months from first use.

11. **For projects <u>not</u> involving construction or renovations.**
<u>Project Implementation Target Dates</u>

A. Obligation or expenditure of 51% of Capital Expenditure _____ months from CON approval date.
B. Pre-Licensure/First Use _____ months from capital obligation.
C. Full Utilization _____ months from first use.

12. For projects <u>not</u> involving capital expenditures.
<u>Project Implementation Target Dates</u>

A. Obligation or expenditure of 51% Project Budget _____ months from CON approval date.
B. Pre-Licensure/First Use _____ months from CON approval.
C. Full Utilization _____ months from first use.

13. PROJECT DESCRIPTION

Executive Summary of the Project: The purpose of this BRIEF executive summary is to convey to the reader a holistic understanding of the proposed project: what it is, why you need to do it, and what it will cost. A one-page response will suffice. Please include:

(1) Brief Description of the project – what the applicant proposes to do
(2) Rationale for the project – the need and/or business case for the proposed project
(3) Cost – the total cost of implementing the proposed project

Executive Summary:

The Macky and Pam Stansell House at Coastal Hospice at the Ocean (the House) will be a hospice residence and outreach center for patients who live in the four counties comprising Maryland's Lower Eastern Shore. For Coastal Hospice patients who lack adequate support at home, the Coastal Hospice at the Ocean Residence will provide a safe place to receive care. Twelve individual rooms will be equipped to deliver medical care yet designed and furnished to feel like home. Each patient room will also modestly accommodate family members who wish to remain close at hand. In addition to patient care areas, the building will support hospice care staff and volunteers, as well outreach programs. These include a palliative care clinic, community education programming, and grief support for any in the community who would benefit. We care for many in our community without adequate care-giving resources, some whose safety and hygiene is at risk as they near the end of life. For these hospice patients, home hospice care with daily or twice daily visits is not enough to provide for their needs.

A bed needs assessment conducted in 2008 determined that by the year 2015 we would need 10.48 residential hospice house beds, and by 2016 we would need 13.86. This same study evaluating five year census and mortality trends estimated that our 2015 total patient days for our

hospice agency would be 39,672. Our actual days of care for 2015 was far greater at 55,297 and in 2016 the number was 66,000. Therefore the need will be greater than earlier estimates. In 2016 eighty three of our home hospice patients lived alone, and another eighty three lived with a compromised caregiver. Those 166 people could have benefited from a residence such as this, and some who had to make the choice between hospice or a Medicare skilled bed in a nursing home, would have been able to choose hospice if a safe alternative were available and affordable.

Coastal Hospice, Inc. currently serves patients in private homes, nursing and assisted living facilities and at Coastal Hospice at the Lake, an inpatient hospice unit located in a wing of Deer's Head Hospital. Medicare, Medicaid and commercial insurance reimburse Hospice at a per diem rate, irrespective of individual patient expenses. On average 94% of Coastal Hospice patients receive routine home hospice care (a category that includes nursing and assisted living and will include our residence, the Macky and Pam Stansell House). Coastal Hospice, Inc. intends to request room and board payment for those residing at the House on a sliding scale, based on ability to pay. No one who is eligible for hospice care is ever turned away by Coastal Hospice. Charity care is supported by community donations, including the United Way. The Coastal Hospice Thrift Shop, opened in 2011, provides an estimated $100,000 in annual support earmarked for operational revenue for Coastal Hospice at the Ocean. Two signature fundraising events will also be dedicated to offset room and board.

Coastal Hospice has achieved a capital campaign goal to raise $5 million toward this project and has negotiated a construction loan of up to 4 million at 2% interest. An unfinished building, located on a waterfront property in Ocean Pines was abandoned by the developer and offered at deep discount ($1,500,000) to become the Macky and Pam Stansell House at Coastal Hospice at the Ocean. The Capital Campaign Committee continues to seek donations in support of the project. We have secured a guaranteed maximum price of $5,409,000 for the construction/renovations. The total cost inclusive of land, architectural fees, legal fees, FF and E, and start up costs is $7,998,114.

14. PROJECT DRAWINGS

Projects involving new construction and/or renovations should include scalable schematic drawings of the facility at least a 1/16" scale. Drawings should be completely legible and include dates.

These drawings should include the following before (existing) and after (proposed), as applicable:
(See Exhibit 1, architectural drawings and site plan)

A. Floor plans for each floor affected with all rooms labeled by purpose or function, room sizes, number of beds, location of bath rooms, nursing stations, and any proposed space for future expansion to be constructed, but not finished at the completion of the project, labeled as "shell space".

B. For projects involving new construction and/or site work a Plot Plan, showing the "footprint" and location of the facility before and after the project.

C. For projects involving site work schematic drawings showing entrances, roads, parking, sidewalks and other significant site structures before and after the proposed project.

D. Exterior elevation drawings and stacking diagrams that show the location and relationship of functions for each floor affected.

15. FEATURES OF PROJECT CONSTRUCTION:

A. Please Complete **"CHART 1. PROJECT CONSTRUCTION CHARACTERISTICS and COSTS"** (next page) describing the applicable characteristics of the project, if the project involves new construction**.**

Response: CHART 1 is absent from the on line application

Attached is the table of actual bids that Whiting Turner has obtained by which they have developed the guaranteed maximum price. Our construction drawings are 80+ percent complete and our choices for materials have been made. There is additional flexibility as they have prepared a value engineering option schedule for us that we have not yet committed to, but our building committee has identified an additional $100,000 in savings that we will choose in substitutions.

COASTAL HOSPICE - Coastal Hospice at the Ocean - DRAFT			
GMP **Ocean Pines, Maryland**		**Summary of Accounting**	
SIZE: 26,870	**Lump Sum Base Bid**	**Recommended Contractor**	
Div 01A - General Requirements	**$ 369,228**	**Whiting-Turner**	
Div 01B - Allowance	**$ 33,600**	**Whiting-Turner**	
Div 02A - Demo	**$ 155,750**	**Interior Specialists**	
Div 02B - Saw Cutting	**$ 16,000**	**Innovative Cutting**	
Div 03A - Concrete	**$ 188,228**	**Evans Builders**	
Div 04A - Masonry	**$ 15,000**	**ESTIMATE**	
Div 05A - Misc Metals	**$ 46,298**	**Bay Steel**	
Div 05A - Steel Trusses			**In**
Div 06A - General Trades	**$ 182,625**	**KB Coldiron**	
Div 06B - Casework & Columns	**$ 176,540**	**Bowmar**	
Div 06C - Exterior Architectural	**$ 112,854**	**ESTIMATE**	
Div 07A - Roofing	**$ 54,500**	**ServiceMAX**	
Div 07B - Caulking	**$ 10,500**	**Allowance**	
Div 08A - Door / Hardware Supply	**$ 141,107**	**Salisbury Door**	
Div 08B - Glazing	**$ 20,000**	**Allowance**	
Div 09A - Framing, Insulation, Sheathing, Ceilings, & Drywall	**$ 709,048**	**SpaceCon**	
Div 09B - Flooring	**$ 123,063**	**Hall Distributions**	
Div 09C - Painting	**$ 109,850**	**Maccari**	
Div 09D - Ceramic & Porcelain Tile	**$ 114,218**	**East Coast Tile**	
Div 10A - Accessories	**$ 11,606**	**Salisbury Door**	
Div 14A - Elevator	**$ 89,250**	**Delaware Elevator**	
Div 21A - Fire Suppression	**$ 196,780**	**Bear Industries**	

Div 22 & 23 - Plumbing & HVAC	$	1,122,300	J.M. Zimmer	
Div 26 & 28- Electrical	$	550,000	Rommel Electricic Co.	
Div 32A - Sitework & Utilities	$	54,900	A-Del	
SUBTOTAL OF ALL DIVISIONS	$	4,603,245		
Contingency (4%)	$	184,130	Contingency	
Allowance for Additional Fit Out	$	400,000		
General Liability Insurance (1%)	$	51,874		
Building Permit	$	7,500		
SUBTOTAL	$	5,246,748		
Construction Manager @ Risk Fee (3%)	$	157,402		
Builders Risk	$	5,404		
GMP	**$**	**5,409,555**		

B. Explain any plans for bed expansion subsequent to approval which are incorporated in the project's construction plan.

Response: There are no beds subject to approval, the overall project exceeds the health facilities cap threshold. Details below.

Our "Macky and Pam Stansell House" project will complete the interior of a building that is currently an exterior shell. This building has been empty for 10 years and became the property of the Farmers Bank of Willards. It sits on 11+ acres of waterfront property overlooking the Isle of Wight Bay.

Coastal Hospice, Inc. has engaged architect Tom Mullinax from Hospice Design Resources along with local architects, the Becker Morgan Group for this project. Whiting Turner is the construction manger we have chosen from the three RFP responses we received. We engaged them to begin preconstruction work which has included bidding out the project, and we have a guaranteed maximum price from them which will be held until January 1, 2018.

The current building at 1500 Ocean Parkway is essentially a shell with metal studs for supporting structures at the above ground levels, with poured concrete walls at the basement level. It has three levels: the lowest is below ground from the front of the building, with a walk-out back patio (ground floor) and yard which meet the grading sloping down from the front of the first floor. The main level (first floor) is entered from the front rotunda at first floor level. This is where the patient residence will be created. The north side will include the patient rooms, sun room, charting area, spa bath and locked medication room. Three thousand (3021) square feet will be added to the front of this main level to create an additional four patient rooms, totaling twelve rooms with a porch across the front. The center of that floor has the family room and a deck overlooking the bay, and the south side plan for the building has a family kitchen, children's area, dining room and the elevator. The residential main floor is a bit over 11,000 square feet.

The upper level will have a physician's office and two exam rooms built for future palliative care services.

The ground floor will provide work spaces for the home hospice team who work in Worcester and Somerset Counties. We will be able to stop leasing space on Race Track Road in Berlin

which is where that team works now. There will be space for bereavement, social work, volunteers, team leaders and team member charting spaces. Additionally there will be a large conference room to provide bereavement groups and community education. This lower level is where the laundry room and the main kitchen for food preparation will be located. There are also staff lockers and shower area for staff that may need to stay in a weather emergency. An elevator serves all levels, the shaft is present already. Our plans include a labyrinth in the back yard for meditation. There will be several gardens.

Existing geothermal wells are located on site. As a result of the shell having been constructed a decade ago, the energy and fire codes utilized then are no longer legitimate. The entire building, existing and new, will meet the current level of building, energy, and fire codes.

Demolition: There are two pools which need to be filled in, one indoors and one outside in back. The brick on the back patio is damaged and will incur more damage with construction, so it will be removed. The existing roof trusses were originally designed to be fire rated, but through early investigation, were discovered not to be built as such. Due to the nature of this project, all patient areas must be fire rated, including the roofs, walls and floors. Demolition will remove the existing walls and roof down to the first floor slab. New construction will meet current codes and provide proper protection for the patients. This has proven to be more cost effective than selective demolition, as the existing walls would have to have been stripped of siding and sheathing, as wood is not allowed in fire-rated walls, and the existing structure did not meet the current energy code. The portion of the building to remain falls under a different occupancy, so is allowed to remain structurally, with minor improvements to meet the energy code.
Completion allows us to provide safe residential care for up to 12 routine home care patients for whom we currently are unable to provide around the clock safety.

If we receive our Certificate of Need by the end of November we will break ground in December. Whiting Turner anticipates a nine month construction schedule which would allow us to have construction complete by October 1, 2018.

C. Please discuss the availability of utilities (water, electricity, sewage, etc.) for the proposed project, and the steps that will be necessary to obtain utilities

Response:

County sewer and water services already exist, and the property has 19 Equivalent Dwelling Units (EDUs) that belong to it which is more than adequate for our purposes. Choptank electric is already connected. Chesapeake Utilities will supply gas, Mediacom is the neighborhood cable company and Verizon phone lines are all adjacent.

PART II - PROJECT BUDGET: COMPLETE TABLE 1 - PROJECT BUDGET
Response: See Table 1.

PART III - CONSISTENCY WITH REVIEW CRITERIA AT COMAR 10.24.01.08G(3):

(INSTRUCTION: Each applicant must respond to all applicable criteria included in

COMAR 10.24.01.08G. Each criterion is listed below.)

10.24.01.08G(3)(a). <u>The State Health Plan</u>.

Applicant must address each standard from the applicable chapter of the State Health Plan (10.24.13 .05); these standards are excerpted below. (All applicants must address standards A. through O. Applicants proposing a General Inpatient facility must also address P.)

Please provide a direct and concise response explaining the project's consistency with each standard. Some standards require specific documentation (e.g., policies, certifications) which should be included within the application. Copies of the State Health Plan are available on the Commission's web site
http://mhcc.dhmh.maryland.gov/shp/Pages/default.aspx

10.24.13 .05 Hospice Standards. The Commission shall use the following standards, as applicable, to review an application for a Certificate of Need to establish a new general hospice program, expand an existing hospice program to one or more additional jurisdictions, or to change the inpatient bed capacity operated by a general hospice. **For clarification, our application is solely for residential hospice house that exceeds the cap for health facilities.**

A. Service Area. An applicant shall designate the jurisdiction in which it proposes to provide services.

Response: The Macky and Pam Stansell House is located in Ocean Pines, Worcester County. We anticipate that patients from our four county service area will use this facility when they have no caregiver at home. Our four county service area consists of Dorchester, Somerset, Wicomico and Worcester Counties.

B. Admission Criteria. An applicant shall identify:
(1) Its admission criteria; and
(2) Proposed limits by age, disease, or caregiver.

Response: Coastal Hospice, Inc. admits patients regardless of age, gender, nationality, race, creed, sexual orientation, disability, diagnosis, ethnicity, handicap, prior modality of treatment, availability of health care agent or the ability to pay. The decision to admit is made by the patient's attending physician in conjunction with the Coastal Hospice Medical Director and is based on the patient's disease history and clinical status. Admissions are completed within 24-48 hours of the referral, unless otherwise specified by the physician, and/or the patient. **Coastal Hospice's Admission Policy is attached as Addenda 1.**

ADMISSION CRITERIA

1) The patient is under the care of a physician who orders and approves the hospice care.
   a. If the patient does not have their own physician, the patient will be offered to select another physician of their choice or the hospice physician act as their primary physician.
2) The patient identifies a family/caregiver or legal representative who agrees to be a primary support care person when needed.
3) Patients without an identified primary care person but who are independent in their activities of daily living (ADL's) will have a plan to be developed with the Medical Social Worker.

4) The patient has a terminal illness with a life expectancy generally of about six (6) months or less if their disease follows its normal course, as determined by the Attending Physician and/or the Coastal Hospice Medical Director. (Because some insurers cover for hospice services if the prognosis is one year or less, Coastal Hospice will make exceptions so as to not deprive their beneficiaries of this coverage.)
5) The patient desires hospice services and is aware of the diagnosis and prognosis.
6) The focus of care desired is palliative rather than curative. (However, with pediatric patients and some insurers there is allowance for concurrent care.)
7) The patient and his/her family caregiver agree to participate in the Plan of Care.
8) The patient or legal representative signs the election and consent form.

PROPOSED CHANGES FOR THIS PROJECT:
Patients referred to The House are exempt from items 2) and 3).
Patients will be admitted based on an assessment that:

1) there is no able and/or willing caregiver available to meet the patients needs and
2) The patient is not independent in one or more activities of daily living or
3) The patient is a high fall risk.

C. Minimum Services.

(1) An applicant shall provide the following services directly:

(a) Skilled nursing care;

Response: Consistent with COMAR 10.07.22.05, the new Macky and Pam Stansell House at Coastal Hospice at the Ocean (The House) will have a full time Registered Nurse, Delegating Nurse to manage and supervise the house staff Medication Technicians. There will be a minimum of two Medication Technicians on staff at all times (9.4 FTEs). Additionally, as this house is a residence, the existing home hospice team will provide the patients with a Registered Nurse Care Coordinator to provide skilled nursing care. The home team will be housed in the lower level of this building and be readily available. We use Multiview Hospice guidelines for case load planning.

(b) Medical social services;

Response: Coastal Hospice has two full time social workers trained in end of life care for the Worcester/Somerset team. One of the two will be assigned to provide social services to The House. The medically-trained social worker will provide comfort care in the form of patient and family emotional support, help with establishing patient goals and advance directives as needed. Visits will be determined by the patient centered plan of care.

(c) Counseling (including bereavement and nutrition counseling)

Response: Coastal Hospice employs bereavement counselors to provide assessment and support to the bereaved for a minimum of 13 months post death of their loved one. The department is led by a chaplain certified in Thanatology and Palliative Care.

Dietary counseling, when identified in the plan of care, will be performed by a qualified individual who may include a registered dietician, a nurse or other individuals who are able to address and assure that the dietary needs of the patient are met. We plan to hire a consulting nutritionist or dietician specifically to assist with meal planning for the residence.

(2) An applicant shall provide the following services, either directly or through contractual arrangements:

(a) Physician services and medical direction;

Response: Coastal Hospice employs two full time and four part time physicians with training in hospice and palliative care. The two full time physicians hold certification in this specialty. One is assigned to oversee the plan of care for the Worcester County patients and makes home visits. He will visit the The House as needed for symptom management and/or face to face visits.

(b) Hospice aide and homemaker services;

Response: Coastal Hospice employs trained aides who are cross trained as homemakers. The new residence will employ its own homemaker to assist with laundry and meals in addition to the home team aides and the Medication Technicians will provide personal care.

(c) Spiritual services;

Response: Coastal Hospice employs two full time chaplains for the Worcester/Somerset team who serve all faiths for spiritual care and support. The House will be included in this care team's service. Visitation frequency will be determined by the patient centered plan of care. A meditation area between the planned patient wing and family room provides space for quiet personal reflection and for small services. If need is identified, we will conduct group spiritual services on a regularly scheduled basis.

(d) On-call nursing response

Response: Staffed by experienced RNs and LPNs, Coastal Hospice's after-hours clinical team is available 24-hours a day, seven days a week, 365 days a year to quickly address concerns from patients, family members and staff. Consistent with the Hospice Conditions of Participation; all clinical disciplines are on-call 24/7/365. We plan to have our evening and weekend on call nurse for the Worcester/Somerset territory start and work their shift from The House every day for additional support to The House staff.

(e) Short-term inpatient care (including both respite care and procedures necessary for pain control and acute and chronic symptom management);

Response: Coastal Hospice has its own inpatient unit for pain and symptom management located at the Deer's Head Hospital Center in Salisbury. Our own hospice trained registered nurses provide care 24/7 and our physicians visit daily. Additionally, we contract for inpatient services in Berlin at the Atlantic General Hospital for those patients who prefer that environment, at McCready Hospital in Crisfield and at Peninsula Regional Hospital in Salisbury.

(f) Personal care;

Response: Coastal Hospice's aides will provide a full range of personal care for patients consistent with the patients' assessed needs. The Medication Technicians will provide for 24/7 personal safety and medication management at The House.

(g) Volunteer services;

Response: Coastal Hospice has a robust volunteer program, consistently providing well above the required 5% of patient care hours as required by the Conditions of Participation. We

currently have over 230 volunteers and 30 of those are Worcester County direct patient care volunteers.

(h) Bereavement services;

Response: Coastal Hospice provides a robust and comprehensive bereavement program throughout Worcester County which includes one on one calls and visits, luncheons, support groups and memorial services. In the new Macky and Pam Stansell House at Coastal Hospice at the Ocean, we will have a community room where we can conduct support activities for the bereaved on site.

(i) Pharmacy services;

Response: Delta Care Rx, our pharmacy benefits manager, provides 24/7 consultation services to our staff. We use local pharmacies to provide the medications to our patients and Coastal Drug is our preferred provider in Worcester County. We have purchased a computerized locked medication cart for The House for safe medication management.

(j) Laboratory, radiology, and chemotherapy services as needed for palliative care;

Response: Coastal Hospice works collaboratively with area providers to assure that patients receive palliative care services consistent with their plan of care. Our good working relationships with both Atlantic General Hospital and with Peninsula Regional Medical Center provide access to multiple services.

(k) Medical supplies and equipment; and

Response: Coastal Hospice contracts with Apple Discount Drugs and with MedLine to provide equipment and supplies for our patients.

(l) Special therapies, such as physical therapy, occupational therapy, speech therapy, and dietary services.

Response: Coastal Hospice provides special therapies by our own employed per diem physical therapist, respiratory therapist and speech therapist. We have current openings for occupational therapy and dietary services but will contract with providers as required to meet patient needs.

(3**) An applicant shall provide bereavement services to the family for a period of at least one year following the death of the patient.**

Response: Coastal Hospice provides bereavement services for 13 months minimum after the death of the patient and for 24 months after the death of a patient who is a child.

D. Setting. An applicant shall specify where hospice services will be delivered: in a private home; a residential unit; an inpatient unit; or a combination of settings.

Response: Coastal Hospice currently provides services in the four county area for which we hold CON, those being Dorchester, Somerset, Wicomico and Worcester counties. This includes patients residing in private homes, nursing facilities, assisted living facilities and short term inpatient care either in our own inpatient unit or within hospital contracts. The House will be licensed as a hospice house, is located in Northern Worcester County, and will be available to patients in need from anywhere in our service area.

E. Volunteers. An applicant shall have available sufficient trained caregiving volunteers to meet the needs of patients and families in the hospice program.

Response: Coastal Hospice currently has 30 patient care volunteers from Worcester County and we anticipate that with the opening of The House we will attract more. The community has been very interested in this project.

F. Caregivers. An applicant shall provide, in a patient's residence, appropriate instruction to, and support for, persons who are primary caretakers for a hospice patient.

Response: Coastal Hospice consistently provides education for all aspects of the care of the patient. Education of the caregiver is the responsibility of each of the members of the interdisciplinary team as they interact with the family members or caregivers for each hospice patient. Education includes the physical aspects of patient care, medication management, and understanding the dying processes. End-of-life preparations are also discussed. In the proposed Macky and Pam Stansell House, much of the care giving will be directly provided by the staff of the unit; however, family/caregivers when they are present will be encouraged to take an active role in supporting the patient throughout the stay in the house. Education will be provided to support patient needs, and families will be offered education as needed to remain informed and involved in the care of their loved one.

G. Impact. An applicant shall address the impact of its proposed hospice program, or change in inpatient bed capacity, on each existing general hospice authorized to serve each jurisdiction affected by the project. This shall include projections of the project's impact on future demand for the hospice services provided by the existing general hospices authorized to serve each jurisdiction affected by the proposed project.

Response: Coastal Hospice is the sole provider in our four county service area. There will be no impact on any other hospice provider in the state.

H. Financial Accessibility. An applicant shall be or agree to become licensed and Medicare-certified, and agree to accept patients whose expected primary source of payment is Medicare or Medicaid.

Response: Coastal Hospice is a licensed general hospice program and is Medicare certified. We accept Medicare and Medicaid as well as commercial insurance, private pay and charity patients. No one is ever turned away from Coastal Hospice services for lack of a pay source.

I. Information to Providers and the General Public.

(1) General Information. An applicant shall document its process for informing the following entities about the program's services, service area, reimbursement policy, office location, and telephone number:

(a) Each hospital, nursing home, home health agency, local health department, and assisted living provider within its proposed service area;

(b) At least five physicians who practice in its proposed service area;

(c) The Senior Information and Assistance Offices located in its proposed service area; and

(d) The general public in its proposed service area.

Response: Coastal Hospice will produce a brochure specific to The Macky and Pam Stansell House, providing information about the services, reimbursement, fees, location, phone number, process for making a referral to The House and other relevant information. This information will be sent by letter to the Atlantic General Hospital, McCready Hospital, Peninsula Regional

Hospital and UM Shore Medical Center at Dorchester. Our hospice Provider Relations staff will educate and personally deliver information on our Hospice House to our referring physicians, MAC, Inc. (agency on aging) and to our four departments of health. Our NPR radio spot will be used to educate the general public as well as press releases to local papers and articles in our newsletter and on our website.

(2) Fees. An applicant shall make its fees known to prospective patients and their families before services are begun.

Response: Coastal Hospice has a financial authorization form signed by patients/families before admission, that will be adapted to the room and board fee that will be charged for The House. Information about the room and board fee will be clearly stated in our brochure.

J. **Charity Care and Sliding Fee Scale**. Each applicant shall have a written policy for the provision of charity care for indigent and uninsured patients to ensure access to hospice services regardless of an individual's ability to pay and shall provide hospice services on a charitable basis to qualified indigent persons consistent with this policy. The policy shall include provisions for, at a minimum, the following:

(1) Determination of Eligibility for Charity Care. Within two business days following a patient's request for charity care services, application for medical assistance, or both, the hospice shall make a determination of probable eligibility.

Response: Coastal Hospice has a process for determining eligibility for charity care through the use of a financial assessment form and a sliding scale form. This information is then presented to the patient/family on a "notice of financial responsibility" form. **See Addenda 2 for Self Pay Policy, Addenda 3 for Financial Responsibility Policy, and Addenda 4 for waiver application and sliding scale.**

(2) Notice of Charity Care Policy. Public notice and information regarding the hospice's charity care policy shall be disseminated, on an annual basis, through methods designed to best reach the population in the hospice's service area, and in a format understandable by the service area population. Notices regarding the hospice's charity care policy shall be posted in the business office of the hospice and on the hospice's website, if such a site is maintained. Prior to the provision of hospice services, a hospice shall address any financial concerns of patients and patient families, and provide individual notice regarding the hospice's charity care policy to the patient and family.

Response: Coastal Hospice provides the "notice of financial responsibility" form to patients/families at the time of admission before service is begun. It is our commitment to provide care "regardless of patient resources available to pay" and this is published in our brochures, on our website, and in our presentations to the public. We have never turned anyone down for lack of funds for care.

(3) Discounted Care Based on a Sliding Fee Scale and Time Payment Plan Policy. Each hospice's charity care policy shall include provisions for a sliding fee scale and time payment plans for low-income patients who do not qualify for full charity care, but are unable to bear the full cost of services.

Response: If during the admission discussions, Coastal Hospice learns that the patient has no

payer source for hospice care services, a discussion ensues about financial costs. If a patient has no payer and limited funds, the patient's income is evaluated on a sliding scale based on the poverty scale of the current year as published by the HHS poverty guidelines.

(4) Policy Provisions. An applicant proposing to establish a general hospice, expand hospice services to a previously unauthorized jurisdiction, or change or establish inpatient bed capacity in a previously authorized jurisdiction shall make a commitment to provide charity care in its hospice to indigent patients. The applicant shall demonstrate that:

(a) Its track record in the provision of charity care services, if any, supports the credibility of its commitment; and

(b) It has a specific plan for achieving the level of charity care to which it is committed.

Response: (a) As demonstrated in our audited financials, Coastal Hospice, Inc. has been providing charity care of over $500,000 in each of the last five years. **(b)** In addition to our usual fundraising events, memorials, and angel appeal which provide for general charity care, three signature events and our thrift shop are board designated to fund charity care for The House. Together these account for approximately $130,000 in revenue to offset charity room and board for The House. The thrift shop and events have thus far been providing this level of support to help fund construction of the hospice house.

K. Quality.

(1) An applicant that is an existing Maryland licensed general hospice provider shall document compliance with all federal and State quality of care standards.

Response: Coastal Hospice is Medicare Certified and Joint Commission Accredited. Both the State of MD and the Joint Commission each survey Coastal Hospice every three years, and we are in good standing. Additionally, the Joint Commission requires a self assessment every year after which we participate in a conference call with them to discuss the process and findings for education and process improvement. Coastal Hospice participates in an organizational Quality Assessment Performance Improvement (QAPI) program designated to monitor, evaluate, and improve hospice quality and standards. Coastal Hospice's QAPI program is patient-centered, outcome-oriented and data-driven, consistent with the Center for Medicare and Medicaid Service (CMS) regulatory requirement. The QAPI plan for Coastal Hospice monitors aspects of care which are high risk, high volume or have demonstrated a trend toward potential negative patient outcome (problem prone). Quality indicators are identified and chosen for monitoring through a collaborative effort utilizing information obtained from nursing, social services, spiritual support, bereavement support, pharmacology services, regulatory body reports, medical staff evaluation, Human Resources and Finance, and other clinical services and support services, as appropriate. **See Addenda 5 for the 2018 QAPI plan**.

(2) An applicant that is not an existing Maryland licensed general hospice provider shall 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 or other applicable licensed health care services.

Response: N/A

(3) An applicant that is not a current licensed hospice provider in any state shall demonstrate how it will comply with all federal and State quality of care standards.

Response: N/A

(4) An applicant shall document the availability of a quality assurance and improvement program consistent with the requirements of COMAR 10.07.21.09.

Response: Coastal Hospice has adopted a quality assurance program consistent with COMAR 10.07.21.09. The Coastal Hospice QAPI plan is reviewed by the Board of Directors each year. The QAPI committee meets every other month and reports to the Board. A registered nurse supervises the quality improvement and staff education departments.

(5) An applicant shall demonstrate how it will comply with federal and State hospice quality measures that have been published and adopted by the Commission.

Response: Coastal Hospice complies with Federal and State hospice quality measures and will comply with any and all future quality initiatives adopted by the Commission.

We have a robust audit program and a solid foundation for excellence. Direct supervisory visit expectations for each program leader provide regular opportunity to identify best practices, opportunities for improvement and acknowledge high performing team members. Currently, through Deyta Analytics, Coastal Hospice participates in the Hospice CAHPS quality measures as required by CMS. In this past fiscal year (July1, 2016 to June 30, 2017) Coastal Hospice met or exceed the national benchmark in all domains that includes global measures for: Rating of Patient Care; Recommending This Hospice; Support for Religious and Spiritual Beliefs; Information Continuity, Understanding Side Effects of Pain Medications; Hospice Team Communications; Getting Timely Care; Treating Family Members with Respect; Providing Emotional Support; Getting Help with Symptoms and Getting Hospice Care Training. **See Quality Measures, Addenda 6.**

L. Linkages with Other Service Providers.

(1) An applicant shall identify how inpatient hospice care will be provided to patients, either directly, or through a contract with an inpatient provider that ensures continuity of patient care.

Response: Coastal Hospice, Inc. manages its own inpatient unit, Coastal Hospice at the Lake at Deer's Head Hospital Center in Salisbury for General Inpatient Care (GIP). This unit is staffed, run and managed entirely by Coastal Hospice while renting the space and paying for meal service, utilities, maintenance, and security from Deer's Head Hospital Center. Additionally, Coastal Hospice contracts with Atlantic General Hospital for GIP and Respite Care, and with Peninsula Regional Medical Center, and McCready Hospital for GIP care. We currently have a Palliative Care Partnership with Peninsula Regional Medical Center whereby we provide inpatient and outpatient palliative consultations to those seriously ill who have not yet chosen hospice and to our hospice patients who are General Inpatient there rather than in our unit. We coordinate to provide End of Life training (ELNEC program) to professionals twice a year hosted at Peninsula Regional.

(2) An applicant shall agree to document, before licensure, that it has established links with hospitals, nursing homes, home health agencies, assisted living providers, Adult Evaluation and Review Services (AERS), Senior Information and Assistance Programs, adult day care programs, the local Department of Social Services, and home delivered meal programs located within its proposed service area.

M. Respite Care. An applicant shall document its system for providing respite care for the family and other caregivers of patients.

Response: Respite care is provided at Coastal Hospice at the Lake (in Deer's Head Hospital Center). Additionally, Coastal Hospice contracts with Atlantic General Hospital and several nursing facilities in the area including Berlin Nursing and Rehabilitation, Alice B Tawes Nursing and Rehabilitation, Harrison House of Snow Hill, Salisbury Genesis Nursing and Rehabilitation and others.

N. Public Education Programs. An applicant shall document its plan to provide public education programs designed to increase awareness and consciousness of the needs of dying individuals and their caregivers, to increase the provision of hospice services to minorities and the underserved, and to reduce the disparities in hospice utilization. Such a plan shall detail the appropriate methods it will use to reach and educate diverse racial, religious, and ethnic groups that have used hospice services at a lower rate than the overall population in the proposed hospice's service area.

Response: Each year for the last five years, Coastal Hospice has partnered with MAC Inc. our area agency on aging, to provide education to both the public and to professionals on topics related to chronic illness or care-giving. Partly supported by grants and sponsorships we have been able to bring nationally known speakers. Leisa Eason from the Rosalind Carter Caregiver Center was our most recent speaker. Last year, Coastal Hospice sent three staff members to Gunderson Health Systems in Lacrosse Wisconsin to be certified as Respecting Choices facilitators. Respecting Choices (RC) is an internationally recognized, evidence-based model of advance care planning (ACP) that creates a healthcare culture of person-centered care; care that honors an individual's goals and values for current and future healthcare. Respecting Choices is a coordinated, systematic approach to ACP and has been successfully replicated in diverse communities and cultures worldwide and integrated into major healthcare organizations. Partners include African American churches in our service area. We also have a dynamic speaker's bureau made up of clinical staff and liaisons, whereby we educate the community at large throughout our four county area, generally providing forty or more educational sessions per year. We routinely run television advertisements, print stories and ads in African American Pride magazine, and have a strategic plan whereby strategic goal #6 is to "Increase access to underserved populations" which includes children and minorities.

O. Patients' Rights. An applicant shall document its ability to comply with the patients' rights requirements as defined in COMAR 10.07.21.21.

Response: On admission patients are given a handout on Hospice Patient Rights and Responsibilities, which identifies the rights that a hospice patient has as well as the expected responsibilities of the patient. In summary, this policy states a patient has the right to receive care from a team of professionals to provide quality and appropriate care based on the plan of care. A Coastal Hospice patient receives appropriate and compassionate care regardless of age, gender, nationality, race, creed, sexual orientation, disability, availability of a primary caregiver, or ability to pay. Patients of Coastal Hospice have the right to receive informed consent, be treated with respect, and receive training for the family so that they may assist with care. Patients of Coastal Hospice can expect confidentiality of medical records, financial and social circumstances. Patients have the right to voice complaints without being subject to discrimination or reprisal, be informed about payment and treatments, and any changes in

charges of fees. Patients will also have their pain believed and treated appropriately. Patients have the responsibility to participate in the plan of care, provide Coastal Hospice with accurate and complete health information, remain under a physician's care while receiving services and assist with development and maintenance of a safe environment.

Coastal Hospice adapts the policy on patients' rights from the Medicare Regulations for Hospice Care, including the Conditions of Participation for Hospice Care 42 CFR 418.52 – Patient's Rights. **See Policy in Addenda 7**

P. **Inpatient Unit**: In addition to the applicable standards in .05A through O above, the Commission will use the following standards to review an application by a licensed general hospice to establish inpatient hospice capacity or to increase the applicant's inpatient bed capacity.

Response: N/A Coastal Hospice is building a residential Hospice House (COMAR 10.07.22) not an inpatient unit.

(1) **Need.** An applicant shall quantitatively demonstrate the specific unmet need for inpatient hospice care that it proposes to meet in its service area, including but not limited to:

(a) The number of patients to be served and where they currently reside;
(b) The source of inpatient hospice care currently used by the patients identified in subsection (1) (a); and
(c) The projected average length of stay for the hospice inpatients identified in subsection (1) (a).

(2) **Impact.** An applicant shall quantitatively demonstrate the impact of the establishment or expansion of the inpatient hospice capacity on existing general hospices in each jurisdiction affected by the project, that provide either home-based or inpatient hospice care, and, in doing so, shall project the impact of its inpatient unit on future demand for hospice services provided by these existing general hospices.

(3) **Cost Effectiveness**. An applicant shall demonstrate that:
(a) It has evaluated other options for the provision of inpatient hospice care, including home-based hospice care, as well as contracts with existing hospices that operate inpatient facilities and other licensed facilities, including hospitals and comprehensive care facilities; and
(b) Based on the costs or the effectiveness of the available options, the applicant's proposal to establish or increase inpatient bed capacity is the most cost-effective alternative for providing care to hospice patients.

10.24.01.08G(3)(b). <u>Need</u>.

For purposes of evaluating an application under this subsection, the Commission shall consider the applicable need analysis in the State Health Plan. If no State Health Plan need analysis is applicable, the Commission shall consider whether the applicant has demonstrated unmet

needs of the population to be served, and established that the proposed project meets those needs.

Please discuss the need of the population served or to be served by the Project.

Responses should include a quantitative analysis that, at a minimum, describes the Project's expected service area, population size, characteristics, and projected growth. For applications proposing to address the need of special population groups identified in this criterion, please specifically identify those populations that are underserved and describe how this Project will address their needs.

Response:

There is no State Health Plan for a residential Hospice House. The concept of Hospice House was developed by hospices to meet a need they recognized in their communities. Maryland developed regulatory requirements in COMAR 10.07.22 Hospice Care Programs: Hospice House Requirements. A Hospice House is designed to care for the custodial needs of the individual on routine home care level of care, for days, weeks or even months. As a contrast, general inpatient care is designed to meet the acute symptom management needs of the patient lasting only a few days.

Coastal Hospice sponsored a bed needs assessment in 2008. The firm of Evolve Consulting Group, Inc. was retained to conduct the assessment. The assessment found that Coastal Hospice would need 10.48 residential hospice house beds by 2015 and 13.86 such beds by 2016. The assessment utilized five years of census and mortality trends from our 4 county service area to arrive at the residential bed need. The assessment also utilized that same census and mortality data to estimate the total patient days of care that would be delivered by Coastal Hospice programs (exclusive of any residential beds) in 2015. The estimate predicted 39,672 days of care for 2015. Our actual days of care in 2015 were 55,297, a nearly 40% increase over the estimate. Our growth has continued. In 2016, our total patient days were 66,000 and in 2017 our days were 72,116. The growth of Coastal Hospice has surpassed the growth that was estimated in the 2008 study and the target numbers that supported a bed need of 13.86. We believe the request of Coastal Hospice to build a 12 bed residential Hospice House is a prudent response to a documented need in our 4 county service area.

Talbot County Hospice operates a 6 bed residential Hospice House. They report that they frequently turn patients away because their beds are full. Talbot Hospice believes that they could better serve the needs of their population if they had 9 residential beds. Using the current experience of our neighboring provider; 6 beds constitutes 1 bed per 6,217 population or 1 bed per 4,145 population for 9 beds. The population of Coastal Hospice's service area is 212,207. Using the ratio of beds to population in operation and successful in Talbot County, the Coastal Hospice residential Hospice House bed need would be 34 based on 1 bed per 6,217 or 51 beds based on 1 bed per 4,145 population. Clearly this approach is crude and represents only the most basic of indications regarding bed need. However, if Talbot County believes that they are turning people away with 6 beds serving a service area population of approximately 37,300 people; then Coastal Hospice should expect to experience the same excess of demand for service with the building of a 12 bed facility to serve a service area of 212,207 people.

In 2016, eighty three of our home hospice patients lived alone, and another eighty three lived with a compromised caregiver. Those **166** people could have benefited from a residence such as this, and some who had to make the choice between hospice or a Medicare skilled bed in a nursing home, would have been able to choose hospice if a residential hospice were available and affordable.

At Coastal Hospice at the Lake (CHL) we see the need for a hospice residence. Although CHL is a General Inpatient Hospice facility, we have requests for terminal patients to stay there and privately pay room and board. We also find ourselves in a bind at times when a patient who is alone has no safe place to go and cannot or will not go to a nursing facility has no option but to come to our inpatient unit as a routine home care patient. Often they come to us from the emergency room. We do not encourage, and in fact we limit routine home care at CHL so that our beds can be reserved for acute symptom management. In calendar year 2016, **62** unduplicated patients received 1130 days of routine home care at Coastal Hospice at the Lake. That is an average of 18.23 days per patient, which is shorter than we would experience at a residence because many of those days of care were acutely ill patients on General Inpatient Level, who had a few stable days that could not be billed at the GIP rate and converted to the home hospice level. The room and board revenue for 1130 days at CHL is $248,600, and we collected $191,152 (a 77% collection rate). We have estimated only a 50% collection rate for our new project, to be conservative.

The Coastal Hospice Palliative Team members who are members of the Peninsula Regional Medical Center's palliative care program report that each week they see, on average, two patients who could and would choose a hospice residence for placement. That is another **104** potential patients as residents.

Adding the 166 patients, with the 62 and 104 for a total of 332 potential patients, assume only 50% of them would choose the Macky and Pam Stansell House, that would leave 166 potential residential patients. Using Talbot's Hospice's experience of a 33 day stay per patient, we would have 5,478 days of care. Divided by 365 days per year and we will need 15 beds filled. Assuming a 90% occupancy rate due to turn over, we would actually need 17 beds to accommodate 15 people per day. Our current experience therefore supports the need for 17 beds. We believe 12 beds is prudent response to our service area demands.

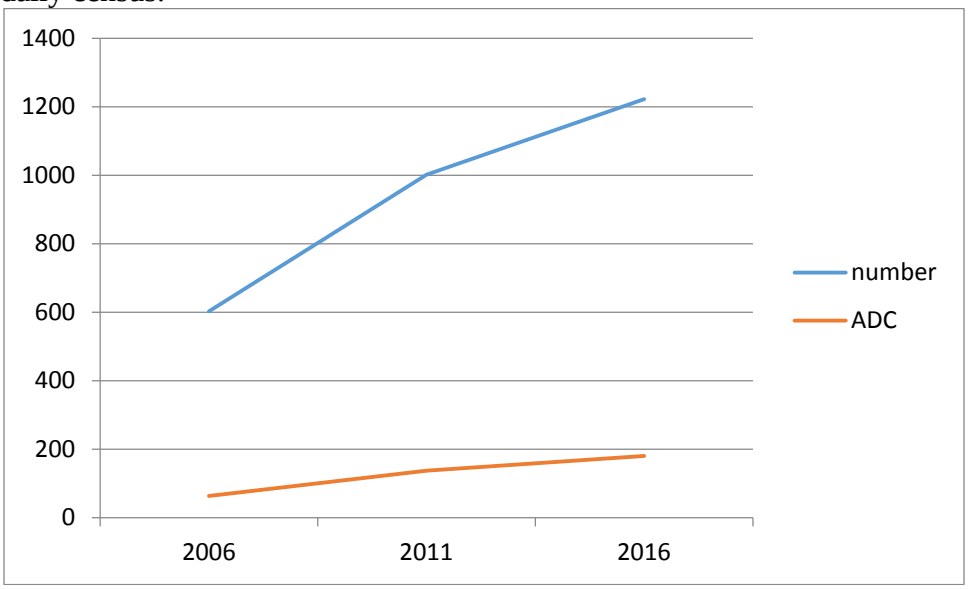
Our colleagues in the field have experience with Hospice Houses. Queen Anne's Hospice, (before they became "Compass Hospice", had an overall hospice average daily census (ADC) of 30 and a residential average of 5 patients per day in the hospice house before it became a general inpatient unit.

Talbot Hospice has an overall average length of stay of 33 days (total hospice) and an ADC of 30 overall. The average ADC in the Talbot Hospice House last year was 6.0 but recently they have been at 9 and having to deny admissions. They plan to expand.

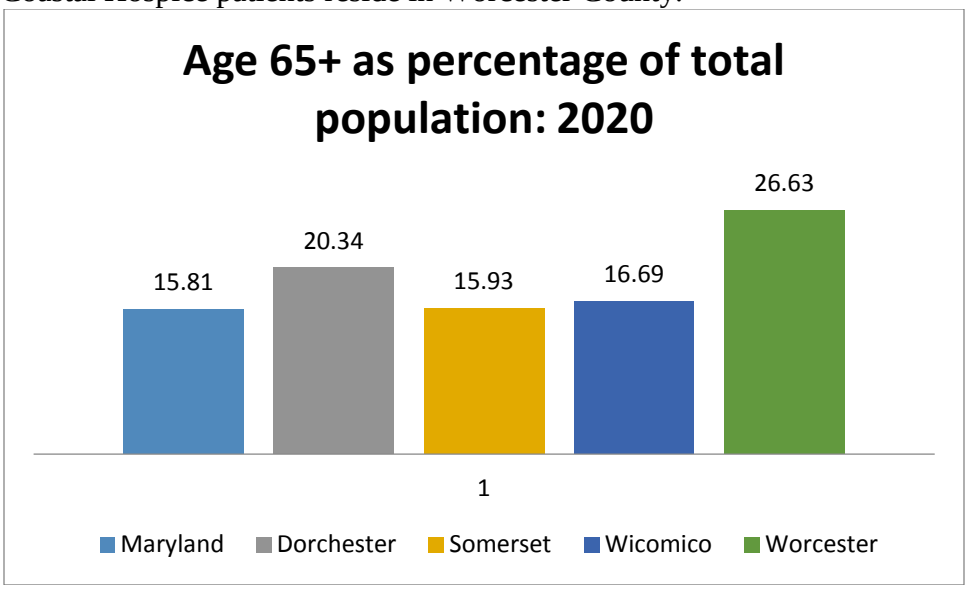
These hospices mentioned above experience 16 to 20 percent of their total ADC residing in their Hospice Houses. Coastal Hospice had an ADC of 196 for FY 17. Applying the more

conservative 16% residential use rate we would need 31 beds. Clearly this approach demonstrates solid need for the 12 residential beds we are proposing.

Coastal Hospice has experienced a growth at a rate of over 6 % a year and over the past 10 years our census has doubled. We anticipate the need for residential care to grow as well. The following chart shows the number of patients served by Coastal Hospice as well as the average daily census.



Coastal Hospice serves a four county area. Nationally, the percentage of residents over the age of 65 is 15% and in Maryland it is 15.8%. All four counties within our service area are above the national and state percentage. Northern Worcester County is the ideal location for the residential Hospice House due to the concentration of people retiring there, often away from family, as they age. The following table developed from statistics from the Maryland Department of Planning (2014) demonstrates this. 86% of Coastal Hospice's patients are over the age of 65. 33% of Coastal Hospice patients reside in Worcester County.



10.24.01.08G(3)(c). Availability of More Cost-Effective Alternatives.

For purposes of evaluating an application under this subsection, the Commission shall compare the cost-effectiveness of providing the proposed service through the proposed project with the cost-effectiveness of providing the service at alternative existing facilities, or alternative facilities which have submitted a competitive application as part of a comparative review.

Please explain the characteristics of the Project which demonstrate why it is a less costly or a more effective alternative for meeting the needs identified.

Response: There are no facilities proposed or present in our service area that are licensed Hospice Houses. Our reimbursement from Medicare or Medicaid will be exactly as it is for patients in their own home, therefore there is no additional cost to the health care system. Skilled nursing facilities charge Medicare a per diem rate that is higher than the Hospice per diem.* Hospice has been shown to decrease re-hospitalizations and as this residence will provide for safety, medication management and skilled personal care around the clock, we believe we will have a positive impact on the health system.
*Genworth Cost of Care Survey 2015.

For applications proposing to demonstrate superior patient care effectiveness, please describe the characteristics of the Project that will assure the quality of care to be provided. These may include, but are not limited to: meeting accreditation standards, personnel qualifications of caregivers, special relationships with public agencies for patient care services affected by the Project, the development of community-based services or other characteristics the Commission should take into account.

Response: Hospice care is recognized to improve the quality of care by providing emotional and spiritual support, providing symptom management, empowering patients in a decision-making role, and reducing readmissions/emergency room visits. There is growing evidence to demonstrate that hospice care is correlated with reduced hospital care at the end of life and reduced Medicare expenditures for most enrollees. A recent study reported that hospice use over 2 weeks duration was associated with decreased hospital days for all beneficiaries (1-5 days overall), with greater decreases for longer hospice use (citation: Journals of Gerontology: Social Sciences 2015).

Coastal Hospice, Inc. is Joint Commission Accredited and a member of our state and national professional organizations. We encourage Hospice and Palliative certification and a number of team members have attained this including our two full time physicians.

Beneficial to the community will be our ability to hold bereavement groups, volunteer trainings and community education on site. The uppermost level of The House will have two exam rooms that will serve as clinic space for palliative consultations, expanding on our current partnerships for palliative care.

10.24.01.08G(3)(d). Viability of the Proposal.

For purposes of evaluating an application under this subsection, the Commission shall consider the availability of financial and non-financial resources, including community support, necessary to implement the project within the time frame set forth in the Commission's performance requirements, as well as the availability of resources necessary to sustain the project.

Response: Evident in our audited financials, is the strength of our programs operations, community support and fundraising. We experienced a strong positive margin again in FY 2017, which just concluded and is not yet audited. For the purpose of this new project, we assume that:

- We will have a waiting list of patients by the time we open.
- We will have a 90% occupancy rate.
- We will only collect 50% of room and board charges and the rest will be written off to charity (Our experience with room and board charges is a 77% collection rate at CHL. We are choosing to be more conservative in our budget)
- We will continue to hold three signature events each year dedicated to offset charity care in the residence. Over the last five years, these events have brought on average $23, 016 for Taste of Finer Things and $25,174 for Blues on the Bay net income.

We have a loan agreement with the Farmers Bank of Willards for a sum of up to $4,000,000 at 2% interest for 20 years. Our budget was based on this without consideration of the fact that we have an active campaign committee who continues to solicit donations. We believe the loan amount will be substantially less than budgeted.

We currently pay $23,000 per year plus CAM for rental space in Berlin which we will not continue to lease once we have built this facility, and those savings have not yet been factored into the building budget.

Operationally, the thrift store continues to provide on average $100,000 per year dedicated to offset the loss of revenue to charity that the The House will incur. Although table 4 shows a loss of $156,000 for the project in 2019, the first full year of operation, depreciation is estimated at $262,000 for the entire building. The overall operation of the agency can easily absorb the depreciation cost since we demonstrate a potential $463,000 operating income for the entire agency. Other administrative and clinical functions will be housed in the new Macky and Pam Stansell House, such as the home hospice team currently operating out of leased office space. A share of the depreciation will be allocated to the home team.

Coastal Hospice, Inc. retains an investment fund which has a current value of over $1,000,000 and has an endowment fund with the Community Foundation of the Eastern Shore of over $1,000,000. The income from both of these funds adds to Coastal Hospice's financial stability.

Please include in your response:

a. Audited Financial Statements for the past two years. In the absence of audited financial statements, provide documentation of the adequacy of financial resources to fund this project signed by a Certified Public Accountant who is not directly employed by the applicant. The availability of each source of funds listed in Part II, B. Sources of Funds for Project, must be documented.

Response: Audited financial statements are attached with documentation of our loan agreement and the project balance sheet as Addenda 8.

b. Existing facilities shall provide an analysis of the probable impact of the Project on the costs and charges for services at your facility. N/A

c. A discussion of the probable impact of the Project on the cost and charges for similar services at other facilities in the area. N/A

d. All applicants shall provide a detailed list of proposed patient charges for affected services.

Response: Coastal Hospice will bill Medicaid, Medicare and private insurance the routine home care rate as published by CMS each fiscal year, for professional hospice services. A private pay room and board charge of $275 per day will be billed to patients with an assumed collection, rate due to the sliding scale, of 50%. Our experience at CHL is 77% collection of private pay rate.

10.24.01.08G(3)(e). Compliance with Conditions of Previous Certificates of Need.

To meet this subsection, an applicant shall demonstrate compliance with all conditions applied to previous Certificates of Need granted to the applicant.

List all prior Certificates of Need that have been issued to the project applicant by the Commission since 1995, and their status.

Response: Coastal Hospice has not applied or been issued a Certificate of Need since 1995. Our original Certificate of Need for the three lower counties of Wicomico, Worcester, and Somerset was issued in 1981. There was a transfer of assets from the Dorchester Health Department and Dorchester Hospice Foundation to Coastal Hospice in 1996. The Coastal Hospice 14 bed inpatient unit at Deer's Head was formed in 2004 before a Certificate of Need for hospice inpatient beds was required. Coastal Hospice remains the sole provider of hospice services in the four county service area and complies with all State and Federal required reporting.

10.24.01.08G(3)(f). Impact on Existing Providers.

For evaluation under this subsection, an applicant shall provide information and analysis with respect to the impact of the proposed project on existing health care providers in the service area, including the impact on geographic and demographic access to services, on occupancy when there is a risk that this will increase costs to the health care delivery system, and on costs and charges of other providers.

Indicate the positive impact on the health care system of the Project, and why the Project does not duplicate existing health care resources. Describe any special attributes of the project that will demonstrate why the project will have a positive impact on the existing health care system.

Response: Within the Coastal Hospice service area, there are no licensed Hospice Houses, therefore no duplication of service. The special end of life training, compassionate care and small caseloads at the residence will create an environment that is more conducive to a dignified quality of life than any other type of care facility.

There will be a positive impact to the area hospitals since The House will provide another option, a specialized hospice facility, for the discharge of hospice eligible patients. Re-admissions to the hospitals will be reduced as demonstrated in the Wicomico County study of cancer patients published in the Journal of Oncology Practice, Vol. 8, Issue 4. This study of 390 patients

demonstrated that 54% of cancer patients died in the hospital when they did not have hospice services, compared to 2% of cancer patients when they had hospice support.

Assisted Living facilities will not be affected as the hospice patients residing in our planned Hospice House will need care in the activities of daily living that are beyond the abilities of Assisted Living facilities to accommodate. We anticipate minimal, if any, impact on skilled nursing facilities. Some hospice patients will continue to choose to use their Medicare skilled days to pay for care and thus will not choose our hospice house. Other patients may choose the Macky and Pam Stansell House instead of either skilled Medicare days (thus saving Medicare money) or private pay in the nursing facility. With only 12 beds in a growing community of elderly, we believe this impact is negligible.

As part of this criterion, complete Table 5, and provide:

1. **an assessment of the sources available for recruiting additional personnel;**

Response: Recruitment: Our recruitment efforts include posting vacancies internally, and across a range of electronic social media outlets such as; CareerBuilder, our website CoastalHospice.org, Facebook, local and regional papers and national organizations and industry-specific publications for hard-to-fill positions, such as the Journal of Palliative Medicine and the National Hospice and Palliative Care Organization's job board.

Digital advertising campaigns expand our postings to platforms including Indeed and Monster.com. Candidates may submit their resume electronically, or in paper at our facility. Sign on bonuses are offered to qualified full time Registered Nurses and Social Workers.

Periodically throughout the year, Human Resourses staff attend job fairs at our local university and community college. The WorWic Community College Allied Health Department is a source of Nurses Aides, Delegating Nurse courses, and Medical Technician training. We have not hired Medical Technicians in the past and this role will be new to our agency.

Contracts are in place with the local university and college to provide clinical observation experiences for LPN, CNA, GNA and RN students. Memberships in regional Society for Human Resource Management and Association of Healthcare Human Resources Administration affords us additional outreach opportunities as well as tools for the administration of our HR policies.

2. **recruitment and retention plans for those personnel believed to be in short supply;**

Response: Recruitment is as outlined above. Retention:
Coastal Hospice policies establish staffing ratios based on benchmarking standards. Coastal Hospice uses the Multiview Hospice, Inc. model for setting staffing ratios. All positions have clear and well defined job descriptions.

Employees are encouraged to engage in continuing education and their own professional development. Certification bonuses are afforded those who achieve industry and role-related credentials. Tuition reimbursement is available for role-related education as resources permit.
A wide variety of education is offered through webinars, teleconferences, virtual training,

national conferences, vendors and more. External education is encouraged and as resources permit, Coastal Hospice covers the cost for staff to attend national conferences, memberships in role-related organizations and to obtain certification to increase staff qualifications.

Coastal Hospice offers bonuses to employees who refer Registered Nurses or Social Workers and encourages the referral of candidates for other positions.

Merit increases are given accordingly with annual employee review, and market adjustments are made as industry wage increases dictate. A 403 B plan is in place for employees with up to 3% company matching. In November (Hospice Month) a special staff meeting is held and employees are recognized for their years of service.

Grief support is offered to our employees by our bereavement department in regularly scheduled activities. These sometimes utilize external professionals. Quarterly support meetings are planned and implemented by each clinical Team Leader and Coastal Hospice provides a quarterly stipend to encourage supportive activities. Two employee assistance programs are available for staff and their families to assist them when the need arises.

Policies are in place to provide staff with multiple avenues to report any allegation of discrimination, harassment or workplace wrong-doing, free from retaliation. An anonymous tip line is available as part of our corporate compliance plan.

Annual end of year or holiday events are arranged and offered by Coastal Hospice for the enjoyment of staff and in recognition and appreciation for the work they do. (Holiday party, game tickets, end of year bonus when resources permits, grocery store gift card at Christmas)

3. (for existing facilities) a report on average vacancy rate and turnover rates for affected positions,

This past year the vacancy rate has hovered around 10% largely due to our continued growth. Our budget was for a patient average daily census of 155 but actual average daily census was 197.6. Our turnover rate for the past year was 22.7%, just slightly higher than the industry standard at about 20% as published by Compensation Force and the National Association of Home Care and Hospice. Reorganization as we created a third home hospice team and care choices team may have been a contributing factor. One key person, the Inpatient Team Leader, moved out of state resulting in instability on that unit leading to increased turnover.

PART IV - APPLICANT HISTORY, STATEMENT OF RESPONSIBILITY, AUTHORIZATION AND SIGNATURE

1. List the name and address of each owner or other person responsible for the proposed project and its implementation. If the applicant is not a natural person, provide the date the entity was formed, the business address of the entity, the identity and percentage of ownership of all persons having an ownership interest in the entity, and the identification of all entities owned or controlled by each such person.

Coastal Hospice, Inc.
2604 Old Ocean City Rd.
Salisbury, MD 21804

Incorporated in 1980 and governed by a voluntary Board of Directors. Key members and staff are listed below.

Mike Dunn
Chairman
409 Forest Lane
Salisbury, MD 21801

Steve Farrow
Vice Chairman
4142 Nicholas Mews
Salisbury, MD 21804

Alane Capen, (staff)
President
27215 Patriot Dr.
Salisbury, MD 21801

Susan Olischar (staff)
CFO Director, Finance
1104 New Bedford Way
Salisbury, MD 21804

Robert Purcell
Chairman of Building Committee
10732 Piney Island
Bishopville MD 21813

Organizational Chart attached as Addenda 9

2. Is the applicant, or any person listed above now involved, or ever been involved, in the ownership, development, or management of another health care facility? If yes, provide a listing of each facility, including facility name, address, and dates of involvement.

No

3. Has the Maryland license or certification of the applicant facility, or any of the facilities listed in response to Questions 1 and 2, above, ever been suspended or revoked, or been subject to any disciplinary action (such as a ban on admissions) in the last 5 years? If yes, provide a written explanation of the circumstances, including the date(s) of the actions and the disposition. If the applicant, owner or other person responsible for implementation of the Project was not involved with the facility at the

time a suspension, revocation, or disciplinary action took place, indicate in the explanation.

No

4. Is any facility with which the applicant is involved, or has any facility with which the applicant or other person or entity listed in Questions 1 & 2, above, ever been found out of compliance with Maryland or Federal legal requirements for the provision of, payment for, or quality of health care services (other than the licensure or certification actions described in the response to Question 3, above) which have led to an action to suspend, revoke or limit the licensure or certification at any facility. If yes, provide copies of the findings of non-compliance including, if applicable, reports of non-compliance, responses of the facility, and any final disposition reached by the applicable governmental authority.

No

Has the applicant, or other person listed in response to Question 1, above, ever pled guilty to or been convicted of a criminal offense connected in any way with the ownership, development or management of the applicant facility or any health care facility listed in response to Question 1 & 2, above? If yes, provide a written explanation of the circumstances, including the date(s) of conviction(s) or guilty plea(s).

No

One or more persons shall be officially authorized in writing by the applicant to sign for and act for the applicant for the project which is the subject of this application. Copies of this authorization shall be attached to the application. The undersigned is the owner(s), or authorized agent of the applicant for the proposed or existing facility. **See Board Minutes, Addenda 10**

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.

Signature of Owner or Authorized Agent of the Applicant

Alane K Capen, President

Date: 7/31/2017

Print name and title

Signature of Owner or Authorized Agent of the Applicant

Mike Dunn, Board Chairman

Date: 7/31/2017

Print name and title

Hospice Application: Charts and Tables Supplement

TABLE 1 - PROJECT BUDGET

TABLE 2A: STATISTICAL PROJECTIONS – ENTIRE FACILITY

TABLE 2B: STATISTICAL PROJECTIONS – PROPOSED PROJECT

TABLE 3: REVENUES AND EXPENSES - ENTIRE FACILITY

TABLE 4: REVENUES AND EXPENSES - PROPOSED PROJECT

TABLE 5: MANPOWER INFORMATION

TABLE 1: Project Budget

Instructions: All estimates for 1a- d; 2a- f; 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. Inflation from date of submission of project completion should only be included on the Inflation line 1e. (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. New Construction	
1) Building	$400,000
2) Fixed Equipment (not included in construction)	Included
3) Architect/Engineering Fees	
4) Permits, (Building, Utilities, Etc)	
5) Site and Infrastructure	$54,900
a. SUBTOTAL New Construction	**$454,900**
1) Building	$4,763,025
2) Fixed Equipment (not included in construction)	
3) Architect/Engineering Fees	$479,000
4) Permits, (Building, Utilities, Etc.)	$7,500
b. SUBTOTAL Renovations	**$5,249,525**
1) Movable Equipment (**includes furnishings, small equip, delivery etc.)**	$340,000
2) Contingency Allowance	$184,130
3) Gross Interest During Construction	$29,040
4) Other (Specify) **Oxygen**	$100,000
c. SUBTOTAL Other Capital Cost	**$653,170**
TOTAL CURRENT CAPITAL COSTS (sum of a - c)	**$6,357,595**
a. Land Purchase Cost or Value of Donated Land	$1,530,919
b. Inflation (state all assumptions, including time period and rate	
TOTAL PROPOSED CAPITAL COSTS (sum of a - e)	**$7,888,512**
a. Loan Placement Fees	
b. Bond Discount	
c. CON Application Assistance	
c1. Legal Fees	
c2 Other (Specify and add lines as needed)	
d. Non-CON Consulting Fees	
d1. Legal Fees	$21,152
d2. Other (Specify and add lines as needed)	
e. Debt Service Reserve Fund	
f. Other (Specify)	
TOTAL (a - e)	**$21,152**
3. WORKING CAPITAL STARTUP COSTS	**$88,450**
TOTAL USES OF FUNDS (sum of 1 - 3)	**$7,998,114**

B. SOURCES OF FUNDS FOR PROJECT	
1. Cash (for construction)	$1,200274.77
2. Cash (Operating Support Fund)	$126,169.93
3. Pledges: Gross __$841,650.52_____,less allowance for uncollectables _$45,370.87_____= Net	$746,279.65
4. Gifts, bequests	

5. Authorized Bonds	
6. Interest income (gross)	
7. Mortgage	$4,000,000.00
8. Working capital loans	
9. Grants or Appropriation	
a. Federal	
b. State	$500,000
c. Local	
10. Other (Specify) **Land for sale**	$375,000
11. Cash Paid out for Building and Land	$1,530,917
TOTAL SOURCES OF FUNDS (sum of 1-9)	**$8,528,691.**
ANNUAL LEASE COSTS (if applicable)	
• Land	
• Building	
• Moveable equipment	
• Other (specify)	

Updated June 20, 2017

Instructions: Complete Table 2A for the Entire General Hospice Program, including the proposed project, and **Table 2B** for the proposed project only using the space provided on the following pages. **Only existing facility applicants should complete Table 2A. All Applicants should complete Table 2B. Please indicate on the Table if the reporting period is Calendar Year (CY) or Fiscal Year (FY).**

TABLE 2A: STATISTICAL PROJECTIONS – ENTIRE Hospice Program

Fiscal Years beginning July 1	**Two Most Current Actual Years**		**Projected years – ending with first year at full utilization**			
CY or FY (circle)	2016	2017	2018_	2019_	20__	20__
Admissions	1043	1113	1168	1227		
Deaths	936	992	1042	1093		
Non-death discharges	94	123	115	120		
Patients served	1186	1292	1356	1424		
Patient days	58771	72116	75555	79205		
Average length of stay	49.6	56	56	56		
Average daily hospice census	160.6	197.6	207	217		
Visits by discipline						
Skilled nursing	10485	13479				
Social work	4183	5644				
Hospice aides	11047	14047				
Physicians - paid	2404	2924				
Physicians - volunteer	0	0				
Chaplain	5298	5327				
Other clinical (**Therapies and Music)**	305	351				
Licensed beds						
Number of licensed GIP beds	14 dual license	14 dual license	14 dual license	14 dual license		
Number of licensed Hospice House beds	0	0	0	12		
Occupancy %						
GIP(inpatient unit)	76%	76%	76%	76%		
Hospice House				90%		

TABLE 2B: STATISTICAL PROJECTIONS – PROPOSED PROJECT

Fiscal Years beginning July 1	**Projected years – ending with first year at full utilization**			
CY or FY (circle)	2018__	2019__	20__	20__
Admissions	0	121		
Deaths		99		
Non-death discharges		11		
Patients served		121		
Patient days		4015		
Average length of stay		33		
Average daily hospice census		11		
Visits by discipline				
Skilled nursing **(40 hour/week delegating nurse on the unit plus evening and weekend call to be triaged from the unit to increase RN oversight)**		1232 RN Care Coordinator visits from Home Team		
Social work		364		
Hospice aides		1144		
Physicians - paid		132		
Physicians - volunteer		0		
Chaplain		364		
Other clinical **(24 hour staffing will be provided by Medication Technicians)**		24090 Med Tech "visits" 40 visits from therapies and music		
Licensed beds				
Number of licensed GIP beds	0	0		
Number of licensed Hospice House beds	0	12		
Occupancy %				
GIP(inpatient unit)				
Hospice House		90%		

TABLE 3: REVENUES AND EXPENSES - ENTIRE Hospice Program (including proposed project)

(INSTRUCTIONS: ALL EXISTING FACILITY APPLICANTS MUST SUBMIT AUDITED FINANCIAL STATEMENTS)

	Two Most Recent Years -- Actual		**Current Year Projected**	**Projected Years (ending with first full year at full utilization)**			
CY or **FY**** (Circle)	2015	2016	2017	2018	2019	20__	20__
1. Revenue							
a. Inpatient services	1,524,040	1,701,575	2,042,629	1,879,126	1,973,082		
b. Hospice house services	259,518	500,943	410,140	412,864	2,214,176		
c. Home care services	7,217,654	8,374,366	11,106,797	11,166,084	11,724,388		
d. Gross Patient Service Revenue	9,001,212	10,576,884	13,559,566	13,458,074	15,911,646		
e. Allowance for Bad Debt	(14,521)	(105,573)	(305,791)	(61,173)	(64,232)		
f. Contractual Allowance	(214,668)	(248,178)	(894,939)	(1,099,614)	(1,210,790)		
g. Charity Care	(445,843)	(430,046)	(789,148)	(333,917)	(911,757)		
h. Net Patient Services Revenue	8,326,180	9,793,087	11,569,688	11,963,370	13,724,867		
i. Other Operating Revenues (Specify)	20,266	71,302	21,983	28,150	29,558		
j. Net Operating Revenue	8,346,446	9,864,389	11,591,671	11,991,520	13,754,425		
2. Expenses							
a. Salaries, Wages, and Professional Fees, (including fringe benefits)	6,344,453	6,896,122	8,173,019	8,488,045	9,442,320		
b. Contractual Services	1,753,130	2,074,745	2,336,829	2,544,668	2,978,813		
c. Interest on Current Debt	654	268	8	550	577		
d. Interest on Project Debt	-	-	-	29,040	68,687		
e. Current Depreciation	81,601	81,197	67,520	44,269	20,554		
f. Project Depreciation	-	-	27,642	51,031	262,950		
g. Current Amortization	-	-	-	-	-		
h. Project Amortization	-	-	-	-	-		
i. Supplies	323,478	383,975	404,418	472,590	517,365		
j. Other Expenses (Specify)	-	-	-	-	-		
k. Total Operating Expenses	8,503,316	9,436,307	11,009,436	11,630,193	13,291,266		

3. Income							
a. Income from Operation	(156,870)	428,082	582,235	361,327	463,159		
b. Non-Operating Income	1,210,871	971,034	1,867,826	1,551,941	1,057,003		
c. Subtotal	1,054,001	1,399,116	2,450,061	1,913,268	1,520,162		
d. Income Taxes	-	-	-	-	-		
e. Net Income (Loss)	1,054,001	1,399,116	2,450,061	1,913,268	1,520,162		

Table 3 Cont.	**Two Most Actual Ended Recent Years**		**Current Year Projected**	**Projected Years (ending with first full year at full utilization)**			
CY or **FY**** (Circle)	2015	2016	2017	2018	2019	20___	20-___
4. Patient Mix							
A. As Percent of Total Revenue							
1. Medicare	87%	82%	85%	84%	70%		
2. Medicaid	3%	5%	4%	4%	4%		
3. Blue Cross	4%	5%	4%	4%	4%		
4. Other Commercial Insurance	2%	3%	2%	3%	2%		
5. Self-Pay	1%	3%	3%	2%	14%		
6. Other (Specify)	3%	2%	2%	3%	6%		
7. TOTAL	100%	100%	100%	100%	100%	100%	100%
B. As Percent of Patient Days/Visits/Procedures (as applicable)							
1. Medicare	90%	85%	87%	86%	81%		
2. Medicaid	3%	5%	4%	4%	4%		
3. Blue Cross	3%	4%	3%	3%	3%		
4. Other Commercial Insurance	2%	3%	2%	4%	4%		
5. Self-Pay	1%	2%	2%	2%	6%		
6. Other (Specify)	1%	1%	2%	1%	2%		
7. TOTAL	100%	100%	100%	100%	100%	100%	100%

TABLE 4: REVENUES AND EXPENSES - PROPOSED PROJECT

	Projected Years (ending with first full year at full utilization)			
CY or FY** (Circle)	2018	2019	20___	20___
1. Revenue				
a. Inpatient services	-	-		
b. Hospice House services	-	1,780,668		
c. Home care services	-	-		
d. Gross Patient Service Revenue	-	1,780,668		
e. Allowance for Bad Debt	-	-		
f. Contractual Allowance	-	(56,195)		
g. Charity Care	-	(561,144)		
h. Net Patient Services Revenue	-	1,163,329		
i. Other Operating Revenues (Specify)	-	-		
j. Net Operating Revenue	-	1,163,329		
2. Expenses				
a. Salaries, Wages, and Professional Fees, (including fringe benefits)	50,202	571,873		
b. Contractual Services	46,556	350,493		
c. Interest on Current Debt	-	-		
d. Interest on Project Debt	29,040	68,687		
e. Current Depreciation	-	-		
f. Project Depreciation*	51,031	262,950		
g. Current Amortization	-	-		
h. Project Amortization	-	-		
i. Supplies	42,450	65,718		
j. Other Expenses (Specify)	-	-		
k. Total Operating Expenses	219,279	1,319,721		
3. Income				
a. Income from Operation	(219,279)	(156,392)		
b. Non-Operating Income**	1,167,700	672,700		
c. Subtotal	871,421	416,308		
d. Income Taxes	-	-		
e. Net Income (Loss)	948,421	516,308		

* Depreciation can be funded by the overall organization as other administrative and clinical functions will be housed there. This table has all of depreciation allocated to the House income.

** Includes pledge revenue, contributions, net fundraising revenue, and thrift shop income.

See addenda 11, Macky and Pam Stansell House Operating Cost Projections

Table 4 Cont.	**Projected Years (ending with first full year at full utilization)**			
CY or **FY**** (Circle)	2018	2019	20___	20___
4. Patient Mix				
A. As Percent of Total Revenue				
1. Medicare	0%	37%		
2. Medicaid	0%	2%		
3. Blue Cross	0%	1%		
4. Other Commercial Insurance	0%	1%		
5. Self-Pay		39%		
6. Other (Specify)	0%	20%		
7. TOTAL	0%	100%	100%	100%
B. As Percent of Patient Days/Visits/Procedures (as applicable)				
1. Medicare	0%	44%		
2. Medicaid	0%	2%		
3. Blue Cross	0%	1%		
4. Other Commercial Insurance	0%	2%		
5. Self-Pay	0%	38%		
6. Other (Specify)	0%	13%		
7. TOTAL	0%	100%	100%	100%

TABLE 5. MANPOWER INFORMATION

INSTRUCTIONS: List by service the staffing changes (specifying additions and/or deletions and distinguishing between employee and contractual services) required by this project. FTE data shall be calculated as 2,080 paid hours per year. Indicate the factor to be used in converting paid hours to worked hours.

Position Title	Current No. FTEs	Change in FTEs (+/-)	Average Salary	Employee/ Contractual	TOTAL COST
Administration					
Administration (includes RN supervisors)	19.9	1.4	59,596	Employee	1,269,395
Direct Care					
Nursing	37.0		59,887	Employee	2,215,819
Social work/services	5.7		52,491	Employee	298,674
Hospice aides	22.0		29,914	Employee	658,108
Physicians-paid	2.8		147,658	Employee	413,442
Physicians-volunteer	-		-	Employee	-
Chaplains	2.8		60,161	Employee	170,857
Bereavement staff	5.6		41,572	Employee	232,803
Other clinical (Medication Technicians)	0.2	9.4	33,799	Employee	324,470
Support					
Other support (includes receptionsist, house cleaning	15.5	2.4	53,512	Employee	957,865
				Benefits*	1,618,647
				TOTAL	8,160,081

***** Indicate method of calculating benefits cost

_Benefits cost is calculated as 24.7% of salary cost

ADDENDA

EVALUATION FOR AND ADMISSION INTO HOSPICE SERVICES

Policy No: 2-047.1

PURPOSE

To establish standards and a process by which a patient can be evaluated and accepted for admission to the hospice program.

POLICY

Referrals shall be accepted twenty-four hours a day, seven days per week.
Personnel shall be available twenty-four hours a day to admit patients.
Patients shall be accepted based on eligibility need for hospice services. Consideration shall be given to the adequacy and suitability of Coastal Hospice personnel, resources to provide the required services, and a reasonable expectation that the patient's hospice care needs can be adequately met in the patient's place of residence or at Coastal Hospice at the Lake if level of care there is warranted.
Although patients are accepted for services based on their hospice care needs, the patient's ability to pay for such services, either through state or federal assistance programs, private insurance or personal assets, shall be assessed and patients shall be informed of any financial liability for payment and given an opportunity to apply for need-based reduced fees.
Admission shall not be affected because a patient cannot afford to pay for services.
Coastal Hospice reserves the right not to accept those patients who do not meet its eligibility criteria.
Patients may be referred to other resources if Coastal Hospice cannot meet their needs.

PROCEDURE

1) Referrals to hospice come from various sources including health care professionals, patient family and other sources.
2) Referrals to hospice can be for routine home hospice or General Inpatient Care.
3) Referrals are accepted and processed 24 hours a day, 365 days a year and documented in the electronic medical record.
4) Referrals are responded to immediately either by the admissions department or the on call staff under the direction of the on call team leader.
5) Any type of insurance or self pay patients are accepted for admission. Authorization for private insurance is acquired by the finance department during normal business hours. Authorization for charity care is provided by the on call administrator.
6) After referral, the admission or on call staff arranges a visit to the patient to establish eligibility and for patient election of hospice services. This visit is offered as immediately available and is modified based on patient family needs.
7) Staff visits the patient/family, explains hospice services, gathers information for eligibility for hospice and obtains patient election of hospice services. Note: any patient who has previously had two certification periods of hospice services will receive a Face to Face physician visit prior to admission. Staff reviews eligibility information with the admissions Team Leader. The Team Leader or RN designee reviews the case with the Hospice Medical Director and Attending Physician and receives verbal certification of terminal illness from both physicians. (see policy 2-010.1 Physician Certification)
8) The Medical Director, in conjunction with the RN determines the appropriate level of care for the patient (see policies 2-066.1 and 2-067.1
9) Following election of hospice, the professional assessment and care planning process begins. The initial assessment and initial plan of care are established by the IDT within 48 hours of admission. Comprehensive assessment and plan of care are completed within five days of admission. (see policies 2-035.1 Initial Assessment and 2-036.1 Interdisciplinary Group comprehensive Assessment)

Reviewed: 12/03/96, 5/1/97, 10/99; 1/00; 2/16/00, 9/01, 9/27/02, 4/03; 5/03; 1/06, 6/06, 7/08; 11/08; 12/08, 6/11, 12/11, 9/13, 2/14, 3/17

ADMISSION CRITERIA

1) The patient is under the care of a physician who orders and approves the hospice care.
    a. If the patient does not have their own physician, the patient will be offered to select another physician of their choice or the hospice physician act as their primary physician.
2) The patient identifies a family/caregiver or legal representative who agrees to be a primary support care person when needed.
3) Patients without an identified primary care person but who are independent in their activities of daily living (ADL's) will have a plan to be developed with the Medical Social Worker.
4) The patient has a terminal illness with a life expectancy generally of about six (6) months or less if their disease follows its normal course, as determined by the Attending Physician and/or the Coastal Hospice Medical Director. (Because some insurers cover for hospice services if the prognosis is one year or less, Coastal Hospice will make exceptions so as to not deprive their beneficiaries of this coverage.)
5) The patient desires hospice services and is aware of the diagnosis and prognosis.
6) The focus of care desired is palliative rather than curative. (However, with pediatric patients and some insurers there is allowance for concurrent care.)
7) The patient and his/her family caregiver agree to participate in the Plan of Care.
8) The patient or legal representative signs the election and consent form.

Rev. 2/14

Reviewed: 12/03/96, 5/1/97, 10/99; 1/00; 2/16/00, 9/01, 9/27/02, 4/03; 5/03; 1/06, 6/06, 7/08; 11/08; 12/08, 6/11, 12/11, 9/13, 2/14, 3/17

SELF-PAY POLICY
Policy No: 1-008.1

PURPOSE:

To define the method by which uninsured patients will be billed and may pay for hospice services.

POLICY:

Part of the values statement of Coastal Hospice is to provide service to patients regardless of their ability to pay. To meet this goal, Coastal Hospice will, for those patients who have no third party reimbursement for service, apply a financial assessment and sliding scale fee structure. Patients may be billed for service or a portion of service depending on their financial ability. The sliding scale may be used to determine what portion of the fee is waived for patients who 1) have no insurance for hospice services, 2) have a co-pay on their insurance for hospice services, or 3) for short term residential care (room and board fees) at Coastal Hospice at the Lake.

Short term residential care is defined as: those patients who were at Coastal Hospice at the Lake receiving General Inpatient level of care, whose condition has stabilized and are changed to the Routine Home Care level of care, and the hospice physician estimates that the patient has a prognosis of two (2) weeks or less. Placement elsewhere is not in the best interest of the patient due to a short prognosis of approximately two (2) weeks or less.

Revised: 6/24/2014

	Reviewed: 12/03/96, 5/1/97, 10/99; 1/00; 2/16/00, 4/7/03, 7/04, 2/07, 11/08; 3/09, 10/09, 06/14	15

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FINANCIAL RESPONSIBILITY
Policy No: 1-007.1

PURPOSE

To outline the process by which Coastal Hospice enables the patient and/or family/caregiver to understand his/her financial responsibility for Coastal Hospice services

POLICY

Upon admission, but before care is initiated, a clinician shall inform the patient of his/her responsibilities regarding payment for hospice services. The patient also shall be informed of any subsequent changes regarding payment that alters his or her responsibilities.

PROCEDURE

1. All known insurance coverage and the patient's responsibility known at the time of admission is discussed and presented in writing to the patient and family/caregiver. The clinician discusses the document *Notice of Patient Financial Responsibility for Services provided by Coastal Hospice* with the patient and family/caregiver. The clinician assures that the patient family/caregiver understands the financial responsibility, obtains his/her signature, and leaves a copy of the document in the patient's residence. See *Addendum 1-001.B.*

2. Should we be unable to verify insurance coverage before admission, the patient/family will be asked to sign that they are 100% responsible for any services not covered by their insurance along with a request for reduction of fees.

3. Patients who incur financial liability because of unexpected circumstances, such as a change in insurance status, must be notified in writing within thirty (30) calendar days from the date Coastal Hospice is notified of such changes.

4. Document written and/or verbal notifications of the patient's financial responsibility in the clinical and/or billing record.

5. All Notice of Patient Financial Responsibility forms ***that indicate that there may be a patient financial responsibility*** must be accompanied by an Application for Reduction/Waiver of Fees form and corresponding Waiver Letter.

6. See G: Forms/Admissions/Insurance/*Sliding Fee Scale*

Revised: 4/7/03, 8/14/2004; 11/08; 3/17/09, 4/22/11, 6/24/14

	Reviewed: 12/03/96, 5/1/97, 10/99; 1/00; 2/16/00, 4/7/03, 7/04, 2/07, 11/08; 3/09, 10/09, 06/14	14

ATTN: PATIENT ACCOUNTS

Coastal Hospice, Inc.

APPLICATION FOR REDUCTION/WAIVER OF FEES

Patient's Name _____ Date of Birth_____ SS# _____

Address _____

_____

Phone # _____ Other Phone # _____

Contact person for more information _____ Relationship to patient _____

Address _____

_____

Phone # _____ Other Phone # _____

****** If you choose not to provide financial information, check line below and sign. *****

I decline to provide financial information and thereby assume responsibility for fees and services associated with care.

_____ _____ _____

DECLINE **SIGNATURE** **DATE**

Patient's Health Insurance Coverage:

Medicaid # _____

Medicare # _____

Other _____ Policy # _____ Employee/Group# _____

Other _____ Policy #_____ Employee/Group# _____

Veteran? ☐ Yes ☐ No If yes, from which branch of Armed Services? _____

Is patient receiving assistance from any other agency or source? ☐ Yes ☐ No If yes, explain below.

_____

_____

_____

FINANCIAL RESOURCES

INCOME:	**Patient**	**Household**
Salary (after deductions)	_____/month	_____/month
Social Security	_____/month	_____/month
Social Security Disability	_____/month	_____/month
Unemployment Compensation	_____/month	_____/month
Pension	_____/month	_____/month
Children's Income (if living with patient)	_____/month	_____/month
Income from Property (rentals)	_____/month	_____/month
Other: _____	_____/month	_____/month
_____	_____/month	_____/month
TOTALS	**_____/month**	**_____/month**

Total number of people living in household: _____

Signature of person completing form _____

Relationship to the Patient _____

Date_____ Phone Number _____

Office Use Only:

Resolution:

_____

_____

Patient is eligible for support from (check one):

_____ Parsons Fund _____ Shockley Fund _____ Weinberg Grant

CHI 8/85, 9/92, 10/94, 11/95 , 2/96 , 3/96. 9/08
reduce

	200%	220%	240%	260%	280%	300%	325%
	Coastal Hospice Patient/Family Responsibility Sliding Scale – ***Annual Income*** 2017 - 2018						
	Family Size	100% Waived	90% Waived	80% Waived	60% Waived	40% Waived	20% Waived	0% Waived
11880	1	23,760 - 26,135	26,136 - 28,511	28512.00 - 30,887.00	30,888.00 - 33,263.00	33,264.00 - 35,639.00	35,640.00 - 38,609.00	38,610.00 or greater
16020	2	32,040	35,244	38,448	41,652	44,856	48,060	52,065
20160	3	40,320	44,352	48,384	52,416	56,448	60,480	65,520
24300	4	48,600	53,460	58,320	63,180	68,040	72,900	78,975
28440	5	56,880	62,568	68,256	73,944	79,632	85,320	92,430
32580	6	65,160	71,676	78,192	84,708	91,224	97,740	105,885
36730	7	73,460	80,806	88,152	95,498	102,844	110,190	119,373
40890	8	81,780	89,958	98,136	106,314	114,492	122,670	132,893
	For family units of more than 8 members, add $4,160 for each additional person.							
	Monthly Income							
	1	1,980 - 2,177	2,178 - 2,375	2,376.00 - 2,573.00	2,574.00 - 2,771.00	2,772.00 - 2,969.00	2,970.00 - 3,216.00	3 ,217.00 or greater
	2	2,670.00	2,937.00	3,204.00	3,471.00	3,738.00	4,005.00	4,338.75 or greater
	3	3,360.00	3,696.00	4,032.00	4,368.00	4,704.00	5,040.00	5,460.00 or greater
	4	4,050.00	4,455.00	4,860.00	5,265.00	5,670.00	6,075.00	6,581.25 or greater
	5	4,740.00	5,214.00	5,688.00	6,162.00	6,636.00	7,110.00	7,702.50 or greater
	6	5,430.00	5,973.00	6,516.00	7,059.00	7,602.00	8,145.00	8,823.75 or greater
	7	6,121.67	6,733.83	7,346.00	7,958.17	8,570.33	9,182.50	9,947.75 or greater
	8	6,815.00	7,496.50	8,178.00	8,859.50	9,541.00	10,222.50	11,074.42 or greater

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COASTAL HOSPICE
Quality Assessment and Performance and Safety Improvement Plan
Fiscal Year 2018

PURPOSE

This plan outlines the Coastal Hospice Quality Assessment and Performance Improvement (QAPI) program and identifies the focus of QAPI activities for Fiscal Year 2018.

Coastal Hospice strives to continually improve its services to ensure provision of high quality, cost effective care that meets all professional, licensure and accreditation standards. Attainment of this goal is measured and promoted by an ongoing, comprehensive Quality Assessment and Performance Improvement (QAPI) program.

QAPI PROGRAM STRUCTURE

The Coastal Hospice Board of Directors identifies the mission of the organization and establishes the QAPI program to measure and promote the achievement of the mission to maintain and improve quality care and patient safety. QAPI activities are ongoing and comprehensive and are inclusive of all clinical and non-clinical services at Coastal Hospice. (Note – Palliative Care Service QAPI program activities will be performed by the Palliative Advisory Committee under the joint direction of Coastal Hospice and Peninsula Regional Medical Center (PRMC) leaders with oversight by the Coastal Hospice and PRMC Boards of Directors.) The Board of Directors commits funds and resources to the QAPI program and then delegates the development, implementation, and maintenance of the QAPI program to the Coastal Hospice President and leadership team. The Board of Directors regularly reviews elements of QAPI activities including data collection and analysis; performance improvement team activities and results; and regulatory standard compliance.

The Coastal Hospice President and leadership team set priorities for quality assessment and performance improvement for the organization. In addition, they establish patient safety expectations and priorities. (See the Safety Improvement Plan for details about the Safety Program.) The Performance and Safety Improvement Committee members are charged with developing, implementing and maintaining the QAPI program. This process includes:

Data Collection for Quality Assessment
Meaningful, comprehensive and benchmarked data is collected regarding all services provided at Coastal Hospice. Data is collected that reflects the performance of Coastal Hospice at both an organizational and patient level.

1. Data sources include external, benchmarked sources such as Deyta; National Hospice and Palliative Care Organization (NHPCO):Hospice Consumer Assessment of Healthcare Providers and Systems (H-CAHPS); Family Evaluation of Bereavement Care (FEBC); Survey of Team Attitudes and Relationships (STAR); Center to Advance Palliarive Care (CAPC); and Multi-view (MVI).
2. Data sources include internal sources such as occurrence and sentinel event reports; patient/family concern reports; infection surveillance information; chart audit information; and operational statistics.
3. Data is collected related to the areas of patient and family satisfaction and perceptions about safety; staff satisfaction and perception about patient safety; organization

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priorities; high risk processes; high volume processes; problem prone areas; occurrence and sentinel events; medication management and infection surveillance.
4. Data is collected that identifies the response of individual patients to services provided by Coastal Hospice with patient level assessment elements.
5. Data collection is ongoing and reporting intervals are specified and appropriate for each indicator.

Data Aggregation and Analysis for Quality Assessment

Collected data are systematically aggregated and analyzed to translate the data into meaningful information and to note undesirable patterns and trends in performance.

1. Data aggregation frequency is specified for each indicator.
2. Standard statistical tools and processes such as percentages, occurrence rates per patient day, means and medians, graphs, etc. are utilized in data analysis and display.
3. Statistical tools such as control charts, flow charts, and histograms are utilized to identify patterns and trends.
4. Data is compared to external benchmarks when available.
5. Data is reviewed and compared internally over time.
6. Analysis is performed when data comparisons indicate that the levels of performance, patterns or trends vary substantially from those expected.
7. Analysis is performed for all topics chosen by leaders as performance and safety improvement priorities.
8. Analysis is performed for every serious drug adverse effect, significant medication error, or hazardous condition.
9. Analysis is performed when undesirable variation occurs which changes priorities.

Performance Improvement

The Performance Improvement Committee meets at least 6 times annually and reviews performance data to assess the quality of services. The Coastal Hospice leadership team and Board of Directors also receive regular quality assessment reports and review the performance data. These groups may trigger further analysis and evaluation of any aspect of services. They may also initiate performance improvement activities related to the performance assessment. Priority for performance improvement activities is given to high volume, high risk or problem prone areas. Depending on a problem's cause, scope and severity, the Performance Improvement Committee will:

1. Identify a person or group responsible for identifying, planning and implementing changes that will improve the quality of care and services offered by Coastal Hospice; improve patient safety or reduce the risk of sentinel events. Standard performance improvement processes such as the Plan-Do-Check-Act process will be utilized to implement process improvements.
2. Implement performance improvement activities such as:
    - *Changing systems*, such as communication channels
    - *Changing structures* by modifying procedures, staffing, equipment or forms
    - *Enhancing competence* through continuing education, circulating information and scientific reports, reading professional literature, viewing instructional videos and listening to instructional audios

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- *Changing behaviors* through informal counseling, performance appraisal and assignment changes
- *Implementing formal Performance Improvement Plans/Plans of Action* for identified indicators

3. Establish time frames for data collection, data analysis and performance improvement
4. Monitor and evaluate the outcomes of performance improvement activities
5. Report results of performance improvement activities
6. Evaluate effectiveness of all changes made and track for sustained improvement
7. Determine any additional monitoring needed
8. Take action when appropriate changes are not achieved or sustained.

Sentinel Event Prevention, Identification, Reporting and Analysis

The QAPI program will aid Coastal Hospice in prevention of sentinel events by noting areas of vulnerability and initiating performance improvement prior to occurrence of a sentinel event. The Performance Improvement Committee is responsible for defining sentinel events and communicating the definition throughout the organization. *The Joint Commission defines a Sentinel Event as "an unexpected occurrence involving death or serious physical or psychological injury, or the risk thereof. Serious injury specifically includes loss of limb or function. The phrase "or the risk thereof" includes any process variation for which a recurrence would carry a significant chance of a serious adverse outcome. Such events are called "sentinel" because they signal the need for immediate investigation and response."*

If a sentinel event does occur, the following actions will be taken by organization leaders:

1. Communication of occurrence to appropriate internal parties and external agencies.
2. Performance of a thorough root cause analysis that focuses on process and system factors.
3. Development and implementation of risk reduction strategies and an action plan that includes measuring the effectiveness of process changes to reduce risk for each sentinel event.

Staff Responsibilities

In addition to the members of the Performance Improvement Committee, all members of the Coastal Hospice staff are involved in QAPI and may participate in the following activities as assigned:

1. Identification of quality indicators
2. Collection and analysis of data
3. Development and implementation of performance improvement plans
4. Participation on performance improvement teams
5. Improvement of personal performance as a result of QAPI activities
6. Complete staff satisfaction surveys when due.

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CONFIDENTIALITY

All persons conducting QAPI will adhere to Coastal Hospice's confidentiality policies. Circulated reports will not contain identifiable client or staff information. If necessary, information will be coded or reported in aggregate. Identifiable client information will be destroyed once data are summarized. All information generated by performance improvement activities will be protected by applicable law or regulation.

QAPI PROGRAM FOR FISCAL YEAR 2018

Program Goals

In fiscal year 2018, the QAPI program will:

1. Continue to assure compliance with federal and state regulations.
2. Assist in the review of the organization for the annual Intracycle Monitoring (ICM) for Joint Commission.
3. Complete performance improvement projects with demonstrated results.
4. Assist in organizational goals to improve the documentation of delivery of care and increase the success of the ADR process (Additional Development Request).

Coastal Hospice Performance Dashboard for Quality Assessment

To focus QAPI quality assessment efforts, the Performance Improvement Committee in collaboration with the Coastal Hospice Leadership and Board of Directors, has selected data for dashboard reporting for the fiscal year. The selected indicators involve aspects of service delivery that are considered high volume, high risk, problem-prone or organizational priorities. The data are categorized utilizing the Quality Partner Program goals published by the National Hospice and Palliative Care Organization (NHPCO). The dashboard is the primary tool for quality assessment and for identification of areas for performance improvement. Other tools may also be utilized for identification of areas for performance improvement as indicated. (see chart last page)

Planned Performance Improvement Projects

The Performance Improvement Committee will determine priorities for PI Projects (PIPs) based on managerial reports and the findings from focus studies/chart review. Organizational improvement opportunities may also be addressed in Leadership through the SWOT process. Additional PIPs may be selected throughout the year as determined by the Coastal Hospice Board of Directors or Leadership team.

FISCAL YEAR 2018 PERFORMANCE TRACKING PLAN				
NHPCO area	Data element	Source	Bench-mark available	Service aspect
Patient and Family Centered Care	#responses hospice team communications were excellent/#always responses recieved	HCAHPS	yes	Org Priority
Patient and Family Centered Care	#responses hospice team always provided timely care/#always responses recieved	HCAHPS	yes	Org Priority
Patient and Family Centered Care	#responses hospice team always treated patient with respect/#aleways responses recieved	HCAHPS	yes	Org Priority
Patient and Family Centered Care	#responses hospice team provided caregivers with emotional support/#always responses recieved	HCAHPS	yes	Org Priority
Patient and Family Centered Care	#responses hospice team proveded help with symptoms/#always responses received	HCAHPS	yes	Org Priority
Patient and Family Centered Care	#responses hospice team gave support for religious and spiritual beliefs/#always responses	HCAHPS	yes	Org Priority
Patient and Family Centered Care	#responses hospice team helped caregivers understand side effects of medications/#always responses received	HCAHPS	yes	Org Priority
Patient and Family Centered Care	#responses hospice team provided enough training to caregivers to care for patient/#always responses	HCAHPS	yes	Org Priority
Patient and Family Centered Care	#responses hospice team proveded excellent care/#responses 9 or 10	HCAHPS	yes	Org Priority
Patient and Family Centered Care	#responses definitely recommend this hospice to others/#definately yes	HCAHPS	yes	Org Priority
Patient and Family Centered Care	%Bereaved with first BC contact within 7 days of pt death/#pt death	Internal	no	High risk
Patient and Family Centered Care	%Bereaved with BC assessment within 12 weeks pt death/#pt death	Internal	no	High risk

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Clinical Excellence and Safety	NQF 1634 - Percent of patients screened for pain during the initial assessment (within 2 days). Excludes patients < 18 years old and patients with LOS < 7 days.	HIS	yes	Org Priority
Clinical Excellence and Safety	NQF 1637 - Percent of patients who screened positive for pain and who received a comprehensive pain assessment (at least 5 characteristics) within 1 day of screening. Excludes patients < 18 years old, patients with LOS < 7 days, and patients reporting no pain.	HIS	yes	Org Priority
Clinical Excellence and Safety	NQF 1639 - Percent of patients screened for dyspnea during the initial assessment (within 2 days). Excludes patients < 18 years old and patients with LOS < 7 days.	HIS	yes	Org Priority
Clinical Excellence and Safety	NQF 1638 - Percent of patients who screened positive for dyspnea who received treatment or declined treatment within 1 day of the screening. Excludes patients < 18 years old and patients with LOS < 7 days	HIS	yes	Org Priority
Clinical Excellence and Safety	NQF 1617 - Percent of patients treated with a scheduled opioid that are prescribed a bowel regimen or documentation of why this was not needed within 1 day of opioid initiated or continued. Excludes patients < 18 years old	HIS	yes	Org Priority
Clinical Excellence and Safety	NQF 1647 - Percent of patients with discussion of spiritual/existential concerns or documentation of refusal to discuss within 5 days of admission. Excludes patients < 18 years old and patients with LOS < 7 days.	HIS	yes	Org Priority
Clinical Excellence and Safety	NQF 1641 - Percent of patients with discussion of CPR, hospitalization, or other life-sustaining treatment preferences, or documentation of refusal to discuss within 5 days of admission. Excludes patients < 18 years old and patients with LOS < 7 days.	HIS	yes	Org Priority
Clinical Excellence and Safety	Percent of patients with moderate (4-6) or severe (7-10) pain on admission whose pain was reduced by at least one level by Day 2 or Day 3.	DEYTA	yes	High Risk
Clinical Excellence and Safety	Percent of patients with moderate (4-6) or severe (7-10) dyspnea on admission whose dyspnea was reduced by at least one level by Day 2 or Day 3.	DEYTA	yes	High Risk

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Clinical Excellence and Safety	Percent of patients with moderate (4-6) or severe (7-10) nausea on admission whose nausea was reduced by at least one level by Day 2 or Day 3.	DEYTA	yes	High Risk
Clinical Excellence and Safety	Patients with moderate (4-6) or severe (7-10) anxiety on admission whose anxiety was reduced by at least one level by Day 2 or Day 3.	DEYTA	yes	High Risk
Clinical Excellence and Safety - COPs	Percent of patients w/ a length of stay greater than 5 days, whose comprehensive assessment was completed within 5 days of admission	DEYTA	yes	Org Priority
Clinical Excellence and Safety	total infection rate per 1000 pt days	DEYTA	yes	High risk
Clinical Excellence and Safety	total fall rate per 1000 pt days	DEYTA	yes	High risk
Clinical Excellence and Safety	number of ER/urgent care visits per 1000 pt days	Internal	no	Org Priority
Clinical Excellence and Safety - Healthy People 2020	% staff receive flu vaccination >90	Internal		High risk
Organizational Excellence	%staff survey of work culture - NHPCO STAR survey	NHPCO	internal	Org Priority
Organizational Excellence	Annual Turnover rate	internal	internal	Org Priority
Workforce Excellence	% staff with certifications annual	Internal	internal	Org Priority
Workforce Excellence	% leadership participating in development program	Internal	internal	Org Priority

COASTAL HOSPICE
Quality Assessment and Performance and Safety Improvement Plan
Fiscal Year 2018

Additional items to be included based on final result of July 2017 State survey:

% of charts with complete frequencies – include all disciplines including PT, OT, SLP, volunteers.
% complete charts - PCP Cert and Medical Director CTI (includes complete narrative)
% compliant clean-bag technique use observations
% clinical staff with expired CPR cards
% employee health files missing evidence of completed TB surveillance on hire (2 step testing, CXR, or lab result)

Specific items from December 2014 Joint Commission Survey:

% of education charts (clinical staff hired after January 1, 2015) missing hospice competency packets
% expired comfort care kits in home (date located in care plan)
% expired medication observations at CHL medication room
# missing signatures on narcotic count sheet for change of shift at CHL
% pediatric charts with inclusion of pediatric fall scale/tool
% missing bereavement screenings at the time of initial comprehensive assessment

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HEALTHCARE first DEYTA ANALYTICS

Quality Measure Dashboard
Hospice CAHPS
Coastal Hospice & Palliative Care

Timeframe: Jul 2016 - Jun 2017 (7/1/2016 - 6/30/2017)
Report by: Survey Return Date

Surveys Included: All Surveys
Report Level: Coastal Hospice & Palliative Care

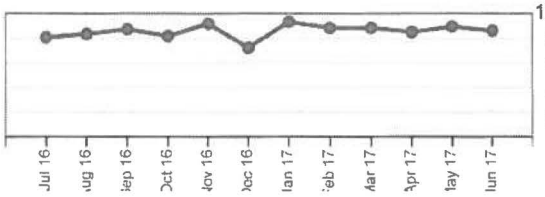
Surveys Returned: 391

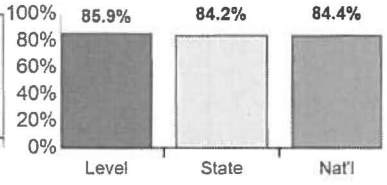
Interim results. CMS-published reports are official results.

GLOBAL MEASURES

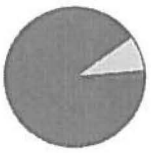
Rating of Patient Care (Question: 39)

9 or 10	85.9%
7 or 8	11.9%
5 or 6	1.7%
3 or 4	0.0%
0, 1 or 2	0.6%

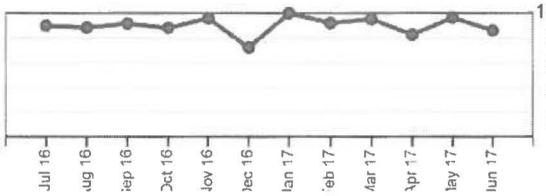


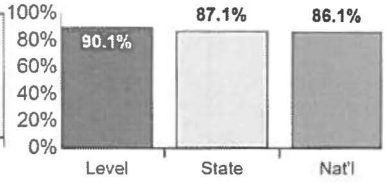


Would Recommend This Hospice (Question: 40)



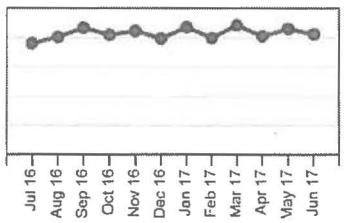
Definitely yes	90.1%
Probably yes	8.6%
Probably no	0.6%
Definitely no	0.8%

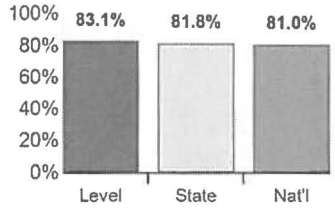




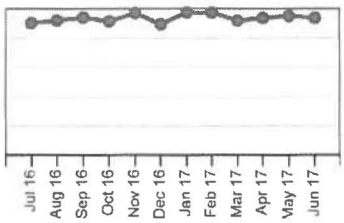
COMPOSITE MEASURES

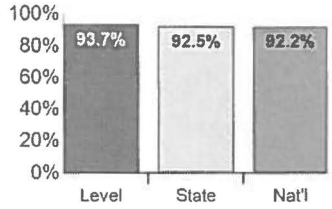
Hospice Team Communications (Questions: 6, 8, 9, 10, 14, 35)



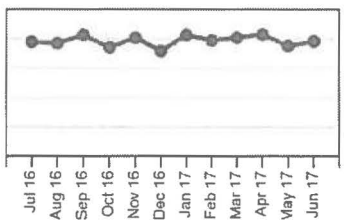


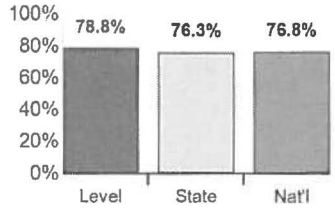
Getting Emotional & Religious Support (Questions: 36, 37, 38)



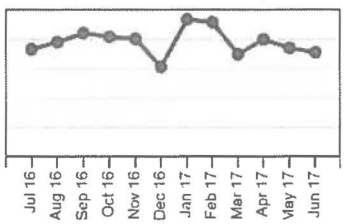


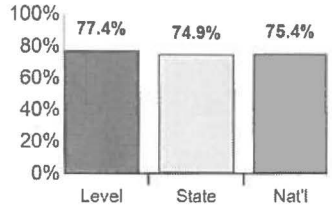
Getting Timely Care (Questions: 5, 7)



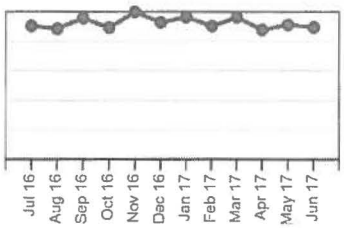


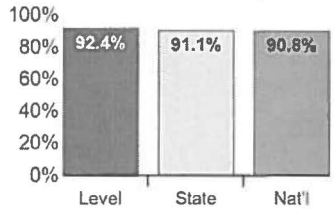
Getting Help with Symptoms (Questions: 16, 22, 25, 27)



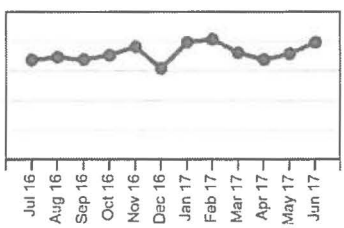


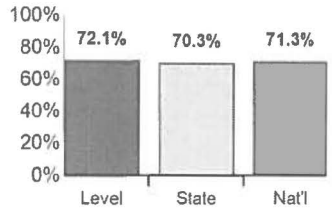
Treating Family Member with Respect (Questions: 11, 12)





Getting Hospice Care Training (Questions: 18, 19, 20, 23, 29)





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Coastal Hospice
& Palliative Care

Patient Rights and Responsibilities

Your Rights

Patients and responsible caregivers have the right to:

- Know the name of the nurse and doctor supervising the patient's care.
- Know the names of health care providers visiting the home.
- Know the names of providers visiting the home with which Coastal Hospice has a contractual relationship.
- Participate in planning care and any changes in care or treatment before the change is made.
- Be informed of discharge policies.
- Be informed of short-term inpatient care options available for pain control, symptom management, and respite.
- Receive information about the scope of Coastal Hospice's services.
- Be informed and educated about their responsibilities in the care process.
- Be treated with consideration and respect for individual dignity; have property treated with respect.
- Be free from mistreatment, neglect, or verbal, mental, sexual, and physical abuse, including injuries of unknown source, and misuse of patient property.
- Refuse care and services, including continued participation in the hospice programs.
- Refuse any portion of planned treatment without giving up other portions of the treatment plan, and to be made aware of medical consequences.

- Have a representative and make advance directives for medical care, such as a living will or durable power of attorney for health care. Written information about advance directives is included in the admission packet.
- Privacy and confidentiality of the clinical records maintained by Coastal Hospice.
- Have records released according to the ***Consent Form*** signed and the ***Notice of Privacy*** given on admission.
- Expect high quality and properly rendered care consistent with hospice care principles.
- Have all symptoms appropriately assessed and managed, including pain, dyspnea, anxiety, agitation, nausea/vomiting, etc.

Your Responsibilities

Patients and responsible caregivers have the responsibility to:

- Notify Coastal Hospice of any of the following:
  - changes in your condition such as going to the hospital, changes in the plan of care, changes in your symptoms.
  - any concerns about your understanding or your ability to follow the plan of care.
  - if the visit schedule needs to be changed.
  - any problems or if you are not satisfied with the service provided.
  - any changes made to advance directives.
  - when a piece of equipment is no longer needed or functioning.
  - if the caregiver can no longer meet his/her responsibilities.
- Participate in and follow the plan of care.
- Provide a safe home environment for the delivery of care and service.
- Carry out responsibilities as agreed.
- Provide advance notice of plans to travel out of our service area.

Payment

- Admitted patients shall not be denied services solely because they are unable to pay.
- Patients or their responsible caregivers have the right to know the extent to which payment for services is to be expected from Medicare or other federal sources.
- Patients or their responsible caregivers have the right to know the extent to which payment is required from the patient.

- Patients will receive a written statement of services offered, including frequency and unit charges.
- Patients will receive fully itemized billing statements, including date of service and unit charges.
- Should Coastal Hospice be informed of changes regarding coverage or charges, patients will be notified within thirty working days.

Concerns/Complaints

- While in our care, you have a right to express a suggestion, concern, difference of opinion, or complaint any time without consequence. Coastal Hospice will investigate the situation and make all reasonable efforts for a satisfactory resolution. If you have a concern, we encourage you to contact either our President or the Office of Health Care Quality (see below), so that we may continue to deliver excellent service to all patients and families.
- At Coastal Hospice, we are always looking for ways to improve services and provide excellent customer service. We would like your feedback to help us continually improve. We use a nationally recognized survey, "Family's Evaluation of Hospice Care," to collect information from those we have served. You will receive this survey a few weeks after bereavement care begins.
- In compliance with state law and regulation, annual summaries of all complaints are available for public inspection upon request.
- Complaints, concerns, or requests for information about patient rights may be made to:

President	**OR**	Office of Health Care Quality
Coastal Hospice		Bland Bryant Building
P.O. Box 1733		Spring Grove Hospital Center
SALISBURY, MD 21802-1733		55 Wade Ave.
		Catonsville, MD 21228
410-742-8732		24 hour HOTLINE: 1-800-492-6005

Safety

- Please refer to your admission information for emergency contact directions which explain how to contact a registered nurse 24 hours a day, 7 days a week. Please report any safety concerns to a Coastal Hospice staff member or manager. Patients may report any concerns regarding their safety to:

Coastal Hospice	**OR**	The Joint Commission
1-800-780-7886		1- 800-994-6610

COASTAL HOSPICE, INC.

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2016 AND 2015

COASTAL HOSPICE, INC.

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Certified Public Accountants

Maryland Association of
Certified Public Accountants

Delaware Society of
Certified Public Accountants

PKF International

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Coastal Hospice, Inc.

We have audited the accompanying financial statements of Coastal Hospice, Inc. (a nonprofit organization), which comprise the balance sheets as of June 30, 2016 and 2015, and the related statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 entity'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 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 financial statements referred to above present fairly, in all material respects, the financial position of Coastal Hospice, Inc. as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

PKS & Company, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

November 14, 2016
Salisbury, Maryland

COASTAL HOSPICE, INC.

BALANCE SHEETS

JUNE 30, 2016 AND 2015

ASSETS

	2016	2015
CURRENT ASSETS		
Cash and cash equivalents	$ 623,493	$ 930,489
Certificates of deposit	52,482	52,403
Investments, at market	909,418	895,509
Accounts receivable, net	2,994,417	1,930,982
Inventory	191,282	166,098
Deposits	19,042	3,886
Prepaid expenses	89,516	90,112
Total current assets	4,879,650	4,069,479
PROPERTY AND EQUIPMENT		
Construction in progress	401,368	232,640
Land and land improvements	467,611	467,611
Building	442,037	442,037
Furniture and equipment	652,056	686,897
Leasehold improvements	636,593	620,543
	2,599,665	2,449,728
Less accumulated depreciation	(1,641,942)	(1,601,639)
Property and equipment, net	957,723	848,089
ASSETS TEMPORARILY RESTRICTED		
Cash and cash equivalents	1,115,663	449,837
Certificates of deposit	197,000	393,081
Pledges receivable	786,633	833,213
Total assets temporarily restricted	2,099,296	1,676,131
OTHER ASSETS		
Cemetery plots	19,690	19,690
Total assets	$ 7,956,359	$ 6,613,389

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

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LIABILITIES AND NET ASSETS

	2016	2015
CURRENT LIABILITIES		
Accounts payable	$ 428,228	$ 426,071
Accrued expenses	230,514	168,514
Accrued vacation	197,017	161,745
Unearned income	500	4,871
Total current liabilities	856,259	761,201
NET ASSETS		
Board designated	337,924	337,924
Other unrestricted	4,662,880	3,838,133
Total unrestricted	5,000,804	4,176,057
Temporarily restricted	2,099,296	1,676,131
Total net assets	7,100,100	5,852,188
Total liabilities and net assets	$ 7,956,359	$ 6,613,389

COASTAL HOSPICE, INC.

STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS

YEARS ENDED JUNE 30, 2016 AND 2015

	2016		
	Unrestricted	Temporarily Restricted	Total
REVENUE AND OTHER SUPPORT			
Net patient service revenue	$ 9,965,689	$	$ 9,965,689
Thrift store sales	389,229		389,229
Contributions	305,383	610,077	915,460
Contributions (thrift store)	402,843		402,843
Less: cost of goods sold	(389,351)		(389,351)
Special events, net of direct cost	17,697	45,965	63,662
Fundraising	91,034		91,034
Investment income	45,194		45,194
Realized gain on sale of investments	3,564		3,564
Net assets released from restrictions	232,877	(232,877)	
Total revenue and other support	11,064,159	423,165	11,487,324
EXPENSES			
Salaries and wages	5,734,954		5,734,954
Payroll taxes, employee benefits and professional development	1,385,732		1,385,732
Employee travel expenses	336,459		336,459
Contract services	149,156		149,156
Supplies, lab, and oxygen	1,094,932		1,094,932
Inpatient costs	441,578		441,578
Volunteer program	8,261		8,261
Bereavement program	16,562		16,562
Professional services	121,859		121,859
Occupancy	430,924		430,924
Depreciation	87,036		87,036
General and administrative	403,369		403,369
Total expenses	10,210,822		10,210,822
Excess of revenue and other support over expenses	853,337	423,165	1,276,502
Unrealized gain (loss) on investments	(28,590)		(28,590)
Increase in net assets	824,747	423,165	1,247,912
NET ASSETS, BEGINNING OF YEAR	4,176,057	1,676,131	5,852,188
NET ASSETS, END OF YEAR	$ 5,000,804	$ 2,099,296	$ 7,100,100

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

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2015		
Unrestricted	Temporarily Restricted	Total
$ 8,544,251	$	$ 8,544,251
348,393		348,393
298,165	876,285	1,174,450
361,526		361,526
(348,272)		(348,272)
19,591	45,026	64,617
86,049		86,049
49,068		49,068
16,762		16,762
134,680	(134,680)	
9,510,213	786,631	10,296,844
5,228,479		5,228,479
1,237,207		1,237,207
334,116		334,116
155,072		155,072
866,358		866,358
325,462		325,462
7,997		7,997
19,468		19,468
133,619		133,619
415,844		415,844
86,673		86,673
399,542		399,542
9,209,837		9,209,837
300,376	786,631	1,087,007
(53,621)		(53,621)
246,755	786,631	1,033,386
3,929,302	889,500	4,818,802
$ 4,176,057	$ 1,676,131	$ 5,852,188

COASTAL HOSPICE, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from third-party payors and patients	$ 8,499,411	$ 7,863,836
Cash received from contributors	1,528,700	1,285,269
Cash received from sales of thrift store	389,229	348,393
Interest and dividend income received	11,956	5,462
Interest paid		(654)
Payments to employees, suppliers and consultants	(10,064,101)	(9,034,293)
Net cash provided by operating activities	365,195	468,013
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of certificates of deposit	196,002	(5,566)
Purchase of investments	(899,915)	
Proceeds from sale of investments	894,218	
Acquisition of property and equipment	(196,670)	(39,013)
Net cash used by investing activities	(6,365)	(44,579)
Net increase in cash and cash equivalents	358,830	423,434
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,380,326	956,892
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1,739,156	$ 1,380,326
SUPPLEMENTARY CASH FLOW INFORMATION		
Interest paid	$ 268	$ 654

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

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COASTAL HOSPICE, INC.

STATEMENTS OF CASH FLOWS (CONTINUED)

YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
RECONCILIATION OF CHANGE IN NET ASSET TO NET CASH PROVIDED BY OPERATING ACTIVITIES AND NONOPERATING GAINS		
Excess revenue and other support over expenses	$ 1,276,502	$ 1,087,007
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Bad debt	37,349	37,349
Depreciation	87,036	86,673
Realized gain (loss) on sale of investments	(3,564)	(16,762)
Reinvested dividends	(33,238)	
Decrease (increase) in current assets		
Accounts receivable	(1,100,784)	(356,238)
Investments		(34,706)
Inventory	(25,184)	(7,570)
Prepaid expenses	596	(27,909)
Deposits	(15,156)	(4)
Pledges receivable	46,580	(419,378)
Increase (decrease) in current liabilities		
Accounts payable	2,157	84,059
Accrued expenses	97,272	30,741
Unearned income	(4,371)	4,751
Total adjustments	(911,307)	(618,994)
Net cash provided by operating activities	$ 365,195	$ 468,013

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

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COASTAL HOSPICE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

ORGANIZATION AND ACTIVITY

Coastal Hospice, Inc. (the Agency) is a not-for-profit corporation providing hospice services and palliative care to qualified individuals living on the Eastern Shore of Maryland. The Agency is publicly supported and, therefore, is not a private foundation. Patient services represent the primary operations of the Agency with fundraising and donations used for patient care, which is an integral part of the Agency's mission. The Agency serves Wicomico, Worcester, Somerset, and Dorchester Counties. Since May 1997, the Agency has been accredited by the Joint Commission on Accreditation of Health Care Organizations (JCAHO). The Agency is exempt from income tax under Section 501(c)(3) of the Internal Revenue Service code and comparable state law. Contributions to Coastal Hospice, Inc. are deductible within the limitations prescribed by the code.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements follow the recommendations of the American Institute of Certified Public Accountants in its Audit and Accounting Guide, *Health Care Entities*. As a result thereof, the Agency's financial statements presented are a balance sheet, a statement of operations and changes in net assets, and a statement of cash flows. A schedule of functional expenses is included in the notes to the financial statements and supplementary information.

Cash and cash equivalents

For the purpose of financial statement presentation, the Agency considers all highly liquid debt instruments purchased with a maturity date of three months or less to be cash equivalents.

Cash and cash equivalents consisted of the following:

	June 30, 2016	June 30, 2015
Petty cash	$ 209	$ 400
Cash in banks	1,636,960	1,088,367
Overnight investment account	101,987	291,559
	$ 1,739,156	$ 1,380,326

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents (continued)
The Agency has concentrated its credit risk for cash by maintaining deposits in financial institutions within the geographic region of the Eastern Shore of Maryland. The Agency exceeded amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC) by $1,078,487 and $932,196 as of June 30, 2016 and 2015, respectively.

Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Inventory
The primary type of inventory consists of medical supplies and equipment which is recorded at the lower of cost or market using the first-in, first-out method (FIFO). Additional inventory for the thrift store, which consists of donated goods, is carried at estimated fair market value as of June 30, 2016 and 2015 in the amount $97,338 and $87,068, respectively.

Contributions
Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted, depending on the existence and/or nature of any donor restrictions.

Contributions of inventory items to the thrift store are valued at their estimated sale value and recorded as revenue separately in the statement of operations.

Property and equipment
Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of 3 to 15 years. When assets are retired, sold, or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized. The cost of maintenance and repairs is charged to expense as incurred.

Recognition of donor restrictions
Donor-restricted support whose restrictions are met in the same reporting period is reported as unrestricted net assets. Donor-restricted support which restriction is not met in the same reporting period is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. Upon the expiration of a restriction, temporarily restricted net assets are reclassified and reported as net assets released from restrictions in the statements of operations and changes in net assets.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net patient service revenue and accounts receivable

Net patient service revenue is accounted for at expected realizable amounts, which are generally the lower of established rates, negotiated rates for third-party payors, or amounts billed to patients. Such revenue is reported in the period in which patient services are rendered. Charity Care as noted on page 14 is not recognized as revenue or expenses according to Financial Accounting Standard Board (FASB) of the AICPA. Contractual allowances are reported as deductions from gross revenue in the period incurred. Amounts received and receivable are subject to retroactive adjustment by third-party payors. Approximately 87% and 93% of net patient service revenue are from Medicare for the years ended June 30, 2016 and 2015, respectively.

Approximately 67% and 62% of accounts receivable are from Medicare as of June 30, 2016 and 2015, respectively. The Agency maintains allowances for doubtful accounts based on factors surrounding the credit risk of specific customers, historical trends, projection of trends, and other information. Receivables are charged off against the allowance when, in the judgment of management, it is unlikely they will be collected.

Net assets

Unrestricted net assets represent revenue, contributions, gifts and grants which have no donor-imposed restrictions, or which arise as a result of the operations of the Agency. Included in the unrestricted net assets is money earned by the thrift store of $300,000 designated by the Board for Coastal Hospice at the Ocean. Also included in unrestricted net assets designated by the Board for Coastal Hospice at the Ocean is the interest earned on funds collected for the Coastal Hospice at the Ocean and certain fundraising income from prior years.

Temporarily restricted net assets represent contributions or grants for which specified expenditures were not met in the current reporting period and are comprised of the following:

	June 30, 2016	June 30, 2015
Coastal Hospice at the Ocean	$ 2,076,234	$ 1,612,441
Perdue Foundation grant	15,450	28,100
Palmer grant	5,298	5,952
Gannett Foundation	1,314	
CFES fund	1,000	7,912
Parsons fund		21,726
	$ 2,099,296	$ 1,676,131

There were no permanently restricted net assets.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income taxes

The Agency has been recognized as a not-for-profit, tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC). Under the provisions of Financial Accounting Standards Board (FASB) ASC 740, Income Taxes, tax positions initially need to be recognized in the financial statements when it is more likely than not the positions will be sustained upon examination by the taxing authorities. As of June 30, 2016, the Organization has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

The Federal income tax returns for the Agency for years 2013, 2014 and 2015 are subject to examination by the IRS, and are generally subject for three years after they are filed.

Advertising costs

Advertising costs are charged to operations when incurred. Total advertising costs for the years ended June 30, 2016 and 2015 were $47,831 and $39,400, respectively.

Investments

Investments with readily determinable fair market values are reported at fair market value in the statements of financial position. Investments whose fair market values are not readily determinable are recorded at cost. Realized gains and losses and unrealized gains and losses on investments for the year are reported separately in the statements of operations and changes in net assets.

Subsequent events

The Agency has evaluated subsequent events through November 14, 2016, the date that the financial statements were available to be issued.

INVESTMENTS, AT MARKET

An investment management account consists of the following at year end:

	June 30,			
	2016		2015	
	Average Cost	Market	Average Cost	Market
Cash & cash equivalents	$ 4,850	$ 4,850	$ 9,943	$ 9,943
Corporate bonds			29,848	30,010
Equity funds			587,097	682,005
Bond funds			18,012	173,551
Balanced fund (60/40)	933,158	904,568		
	$ 938,008	$ 909,418	$ 644,900	$ 895,509

ACCOUNTS RECEIVABLE

The aging of accounts receivables and the allowance for uncollectible accounts is as follows:

	June 30, 2016	June 30, 2015
0 - 30 days	$ 1,405,735	$ 1,070,055
31 - 90 days	220,043	149,002
Over 90 days	1,568,639	821,925
	3,194,417	2,040,982
Less allowance for uncollectible accounts	200,000	110,000
	$ 2,994,417	$ 1,930,982

As of June 30, 2016 and 2015, the Agency recognized bad debt recoveries and bad debts of $203,866 and $14,521, respectively.

PLEDGES RECEIVABLE

Beginning in the year ended June 30, 2012, pledges are being received for the new Worcester County Hospice facility (Coastal Hospice at the Ocean).

	June 30, 2016	June 30, 2015
Receivable in under one year	$ 296,142	$ 292,726
Receivable in one to four years	535,862	591,665
Total	832,004	884,391
Discount	(45,371)	(51,178)
Net pledges	$ 786,633	$ 833,213

The discount rate used to calculate the present value of pledges receivable is 5 percent, which the Agency believes is commensurate with the risks involved.

Pledges receivable are normally stated net of an allowance for doubtful accounts. The Agency estimates the allowance based on an analysis of specific donors, taking into consideration the age of past due amounts and an assessment of the donor's ability to pay. All pledges as of June 30, 2016 are expected to be received; therefore, no allowance has been calculated. During the year ended June 30, 2016, no pledges were written off.

LEASEHOLD IMPROVEMENTS

In October, 2002, the Board agreed to lease and renovate space at Deer's Head Center, a State-run hospital in Salisbury, Maryland for a 14-bed inpatient hospice facility. In October, 2003, a lease of $1 per year was approved with the State of Maryland through April 2019. In August, 2004 the inpatient hospice facility was opened. As of June 30, 2016 and 2015, $579,918 of cost is shown as leasehold improvements. In addition, there are leasehold improvements of $56,675 and $40,625 for the outreach center and thrift store in Berlin for the years ended June 30, 2016 and 2015, respectively.

UNEARNED INCOME

Unearned income for the years ended June 30, 2016 and 2015 included $500 and $4,871, respectively of receipts collected for various special events in July and August.

CONTRIBUTIONS

Contributions received for the years ended June 30, 2016 and 2015 are as follows:

	June 30, 2016	2015
Pledges	$ 281,257	$ 527,697
Memorials	196,504	167,803
Individual	317,508	380,687
Assets and services	20,575	117
Grants and foundations	20,565	28,192
United Way	68,111	63,773
Federated	10,940	6,181
Thrift store	402,843	361,526
	$ 1,318,303	$ 1,535,976

Contributions to the Coastal Hospice at the Ocean Capital Campaign of $635,653 and $851,279 are included above for the years ended June 30, 2016 and 2015, respectively.

The Agency receives contributions from the United Way – Lower Eastern Shore and other branches. The Lower Eastern Shore branch traditionally contributes a predetermined allocation amount. The other branches contribute donors' designations only.

SPECIAL EVENTS

The special events income and related direct cost for the years ended June 30, 2016 and 2015 consist of the following:

	2016			2015		
	Revenue	Expense	Net	Revenue	Expense	Net
Blues on the bay	$ 20,125	$ 1,590	$ 18,535	$ 26,650	$ 1,843	$ 24,807
Hats for Hospice	23,535	9,901	13,634	28,034	9,829	18,205
Taste of the finer things	32,082	4,652	27,430	25,311	5,092	20,219
Kicks for kids	5,271	1,208	4,063			
Other				6,026	4,640	1,386
	$ 81,013	$ 17,351	$ 63,662	$ 86,021	$ 21,404	$ 64,617

DONATED ASSETS AND SERVICES

Contributions of donated non cash assets and professional services are recorded as revenue and expense at their fair market value when received. The estimated value of these goods and professional services was $20,575 and $117 for the years ended June 30, 2016 and 2015, respectively.

The value of donated volunteer services is not reflected in the accompanying financial statements.

FUNCTIONAL EXPENSES

The Agency provides hospice and palliative services to qualified individuals living in Wicomico, Worcester, Somerset, and Dorchester Counties. Expenses related to providing these services are as follows:

	2016	2015
Hospice and palliative care	$ 8,660,334	$ 7,729,978
Management and general	1,094,329	1,052,807
Fundraising	190,719	207,351
Thrift store	265,440	219,701
	$ 10,210,822	$ 9,209,837

EMPLOYEE BENEFITS PLAN

The Agency maintains a tax deferred annuity plan under the guidelines of IRC §403(b). Eligible employees must be 18 years of age, work more than 1,000 hours per year, and have one year of service. Employees are vested in contributions based on the number of years of service and may also contribute to the plan.

The Agency matches employee contributions up to 3%. Plan expense was $75,136 and $73,868 for the years ended June 30, 2016 and 2015, respectively.

CHARITY CARE

The following information measures the level of charity care provided during the years ended June 30:

	2016	2015
Charges foregone, based on established rates (unbillable visits)	$ 350,950	$ 356,425
Charges foregone for indigent patients	$ 182,353	$ 125,998
Charges foregone for co-pay amounts for patients on a sliding fee scale	$ 136,168	$ 174,850
Total	$ 669,471	$ 657,273

LEASES

In addition to the $1 per year lease with the State of Maryland, the Agency leases an outreach center and thrift store premises in Berlin, MD and finance office in Salisbury, MD and an outreach center in Cambridge, MD. The outreach center in Berlin, MD is on a month-to-month payment basis and requires monthly payments of $2,009. The finance office in Salisbury, MD is over a term of 36 months under agreements requiring monthly payments ranging from $3,930 to $4,169 through May 2019. The thrift store has 3 leases through February 2017 with monthly payments of $2,552, $788, and $1,294 with yearly 3% increases on each of the leases. In addition, the thrift store leases a garage on a month-to-month payment basis for $500 per month. The outreach center in Cambridge, MD is over a term of 36 months under agreements requiring monthly payments ranging from $196 to $208 through June 2018. Total lease expense was $168,383 and $164,350 for the years ended June 30, 2016 and 2015, respectively.

LEASES (CONTINUED)

Future committed minimum payments are as follows:

Year ending June 30,	Amounts
2017	77,218
2018	51,192
2019	45,863
	$ 174,273

LINES OF CREDIT

The Agency has obtained lines of credit up to $200,000 and $500,000 with two banks, which bears interest at the bank's prime rate of interest; both are secured by any and all deposits held by the individual banks. The lines of credit had combined outstanding balances of $0 as of June 30, 2016 and 2015, respectively. Interest paid was $268 and $654 for the years ended June 30, 2016 and June 30, 2015, respectively.

FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board Accounting Standards Codification 820-10, *Fair Value Measurements* (formerly FASB Statement No. 157), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820-10 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Agency has the ability to access.

FAIR VALUE MEASUREMENTS (CONTINUED)

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2016 and 2015.

Mutual funds: Valued at quoted market prices which represents the net assets value ("NAV") of shares held by the Agency at year end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Agency believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Agency's assets at fair value as of June 30, 2016:

Assets Measured at Fair Value on a Recurring Basis

	Fair Value Measurement at Reporting Date Using:	
Description	(Level 1)	Total
Investments	$904,568	$904,568
Total	$904,568	$904,568

ENDOWMENT FUND

In prior years, the Agency entered into an agreement with the Community Foundation of the Eastern Shore (the Foundation), a tax-exempt 501(c)(3) organization, to establish an endowment fund with the Foundation to be known as the Perdue-Kresge Coastal Hospice, Inc. Endowment Fund (the Fund). The purpose of establishing the Fund with the Foundation was to encourage and enhance contributions, ensure perpetual continuity, stabilize the stream of income, and provide professional investment management of the endowment funds.

The Agreement stipulates that the principal portion of the Fund will be held in perpetuity and that a net annual return will be provided to the Agency for as long as the Agency is in existence. The current net annual return is 5%. If the Agency is dissolved or ceases to be a qualified charitable organization, the Foundation shall hold the assets of the Fund and distribute the net income to organizations that, in the opinion of the Foundation's Board of Directors, most closely match the purposes of the Agency.

Revenue is recognized when received and for the years ended June 30, 2016 and 2015, was $0. Earnings available but not drawn as of June 30, 2016 and 2015 was $115,077 and $75,903, respectively. The balance in the Endowment Fund as of June 30, 2016 was $1,079,941.

The Agency has another fund, the Marion Keenan Endowment, at the Foundation with the same type of agreement as above. As of June 30, 2016, the balance in this fund was $38,387. Earnings available but not drawn as of June 30, 2016 and 2015 was $8,801 and $7,087, respectively.

FUTURE COMMITMENTS\ CONSTRUCTION IN PROGRESS

The Agency has entered into a commitment for a future project with Hospice Design Resource and Becker Morgan Group, Inc. to design an eight to twelve bedroom residential unit in Worcester County. As of June 30, 2016, the Agency has spent $401,368 in costs for design and development for the new hospice residence and community outreach center and $376,468 for a building lot in Berlin, Maryland.

The Agency is currently in negotiations with a local bank to secure already constructed property in Worcester County which would replace the above location. This property has been deemed suitable for a hospice house with an eight to twelve bed design.

CONTINGENCIES

Revenue from Medicare was approximately 87% of recorded net patient revenue for the year ended June 30, 2016, and approximately 67% of accounts receivable are from Medicare.

Laws and regulations governing the Medicare programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimated revenue will change by a material amount in the near term.

SUPPLEMENTARY INFORMATION

PKS & Company, P.A.
Pigg, Krahl & Stern
Certified Public Accountants
& Advisors to Business

Andrew M. Haynie, CPA
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Certified Public Accountants

Maryland Association of
Certified Public Accountants

Delaware Society of
Certified Public Accountants

PKF International

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors
Coastal Hospice, Inc.

We have audited the financial statements of Coastal Hospice, Inc. as of and for the years ended June 30, 2016 and 2015, and have issued our report thereon dated November 14, 2016, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole.

The schedules of functional expenses and the schedules of thrift store operations are presented for the purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

PKS & Company, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

Salisbury, Maryland
November 14, 2016

COASTAL HOSPICE, INC.

SCHEDULES OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2016 AND 2015

	2016					
	Program Services	Supporting Services				
	Hospice and Palliative Care	Management and General	Fundraising	Thrift Store	Total Supporting Services	Total
Salaries and wages	$ 4,924,053	$ 580,862	$ 107,523	$ 122,516	$ 810,901	$ 5,734,954
Payroll taxes, employee benefits and professional development	1,206,077	142,058	28,444	9,153	179,655	1,385,732
Employee travel expenses	329,993	2,249	3,091	1,126	6,466	336,459
Contract services	142,422	6,734			6,734	149,156
Supplies, lab, and oxygen	1,094,932					1,094,932
Inpatient costs	441,578					441,578
Volunteer program	8,261					8,261
Bereavement program	16,562					16,562
Professional services		121,859			121,859	121,859
Occupancy	231,572	92,887	4,140	102,325	199,352	430,924
Depreciation	48,115	33,082		5,839	38,921	87,036
General and administrative	216,769	114,598	47,521	24,481	186,600	403,369
	$ 8,660,334	$ 1,094,329	$ 190,719	$ 265,440	$ 1,550,488	$ 10,210,822
Percent of total expenses	84.82%	10.72%	1.87%	2.60%	15.18%	100.00%

See auditors' report on supplementary information

2015					
Program Services	Supporting Services				
Hospice and Palliative Care	Management and General	Fundraising	Thrift Store	Total Supporting Services	Total
$ 4,460,127	568,031	102,665	97,656	$ 768,352	$ 5,228,479
1,068,359	137,800	23,696	7,352	168,848	1,237,207
327,558	2,976	2,469	1,113	6,558	334,116
153,140	1,932			1,932	155,072
866,358					866,358
325,462					325,462
7,997					7,997
19,468					19,468
	133,619			133,619	133,619
233,671	87,303	3,445	91,425	182,173	415,844
54,213	27,388		5,072	32,460	86,673
213,625	93,758	75,076	17,083	185,917	399,542
$ 7,729,978	$ 1,052,807	$ 207,351	$ 219,701	$ 1,479,859	$ 9,209,837
83.93%	11.43%	2.25%	2.39%	16.07%	100.00%

COASTAL HOSPICE, INC.

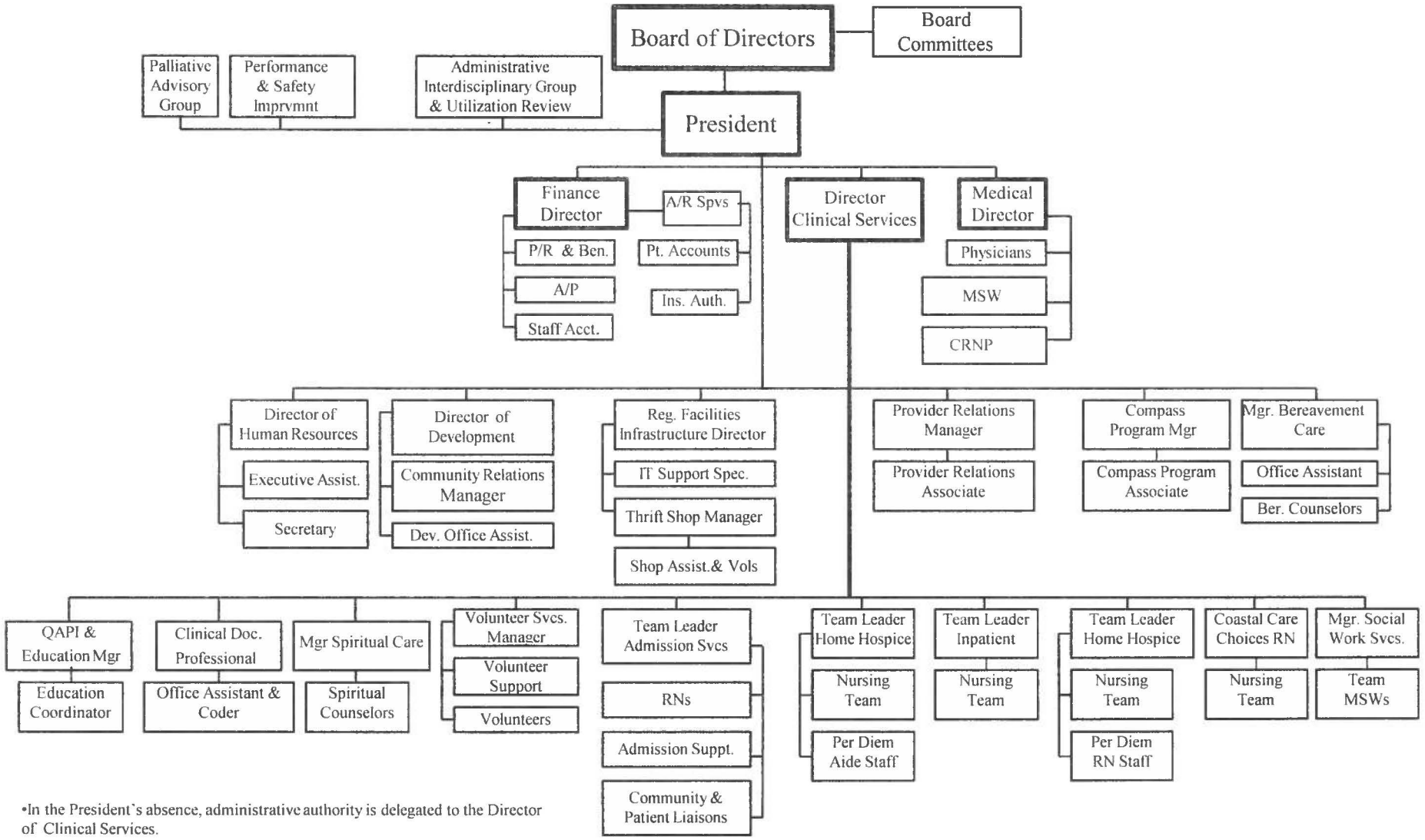
SCHEDULES OF THRIFT STORE OPERATIONS

YEARS ENDED JUNE 30, 2015 AND 2014

	2016	2015
Thrift store sales	$ 389,229	$ 348,393
EXPENSES		
Salaries and wages	122,516	97,656
Payroll taxes, employee benefits, and professional development	9,153	7,352
Employee travel expenses	1,126	1,113
Occupancy	102,325	91,425
Depreciation	5,839	5,072
General and administrative	24,481	17,083
Total expenses	265,440	219,701
Net income	$ 123,789	$ 128,692

See auditors' report on supplementary information

Coastal Hospice
Organizational Chart



- In the President's absence, administrative authority is delegated to the Director of Clinical Services.
- In the absence of the Director of Clinical Services, administrative authority is delegated to the Finance Director with clinical direction from the Medical Director.
- In the absence of the Home Hospice Team Leader, the Director of Clinical Services supervises nurses.
- A registered nurse supervises any patient care rendered by lay volunteers.

Rev. 6/1/17

A47

Board of Directors' Meeting
May 31, 2017 - 4:00 pm

Began: 4:00 pm Ended: 5:30 pm
Attending: Michael Dunn, Stephen Farrow, Lorie Phillips, Alane Capen, Diana Barber, Byron Braniff, Glenna Heckathorn, Roger Harrell, Madalaine How, Barbara Jackson, Richard Laws, Barbara Long, Robert Purcell, Anthony Sarbanes, Kathryn Washburn, Dirk Widdowson
Guest: Sue Olischar, Maureen McNeill, Cindy Oros - Minutes
Absent: Coleen "Cam" Bunting, Ingrid Parker, Michael Schrader, Dr. Waris

TOPIC	DISCUSSION	FOLLOW-UP/ACTION
1. Minutes of March 29, 2017	Mike Dunn asked for a motion to accept the March 29, 2017 meeting minutes.	Steve Farrow motioned, Roger Harrell second. All in favor; no opposed.
Minutes of April 4, 2017 – Special meeting	Mike Dunn asked for a motion to accept the April 4, 2017 Special meeting minutes.	Steve Farrow motioned, Barbara Jackson second. All in favor; no opposed.
2. Naming the Building at Coastal Hospice at the Ocean	Mike Dunn. The naming of the building should be for Pam and Macky Stansell in light of their extraordinary donations. His most recent donation of $72,255 put us over the $5million Capital Campaign goal. Macky was the one who paid for our original bed needs assessment in 2009. He tromped through the fields while we were looking for pieces of property. It was his vision; without Macky it would not have gone forward as it has. He has given about $800k, combining what he does at Blues on the Bay. **Motion:** Dirk Widdowson made a motion to name our new facility at Coastal Hospice at the Ocean after Pam and Macky Stansell. Alane met with Pam and Macky Stansell and they would like it to be named the *Pam and Macky Stansell House.* We have added a subscript under their names, *Coastal Hospice at the Ocean*, so it could be found when searching for it on Google. We will finalize the name after letting them know we have unanimously approved it.	Dirk Widdowson motioned, Madalaine How second. All in favor; no opposed. Let the record show the vote is unanimous.
3. Building Committee Signers of the CON Application - **VOTE**	Bob Purcell/Alane Capen. Update: We are currently working on the Certificate of Need (CON) application at this time. There is a place on it you must submit Board minutes to show who is authorized to sign it. Generally, it's been the Chairman of the Board and Alane who signs official documents. **Motion:** Steve Farrow moved that Alane Capen and Mike Dunn be the authorized signers of the CON Application. Whiting Turner still has to get us the flow diagram so Sue can figure out a real number for estimated interest during the construction period to make sure we don't over inflate what the number should be in the spreadsheet.	Steve Farrow moved that Alane Capen and Mike Dunn be the authorized signers of the CON, Lorie Phillips second. All in favor; no opposed.

Macky and Pam Stansell House - Ocean Pines
Operating Cost Projections - 1 year

		ADC = 11.00
	Revenues:	
	Room & Board	828,094
	Routine Home Care	663,679
	Physician Services	2,005
	SIA	5,234
	Charity Care Provided	281,656
	Bad Debt	-
	Total Revenues	1,780,668
	Contractual Allowances:	
	Hospice Contractual Allowance	(56,157)
	Physician Contractual Allowance	(38)
	Total Contractual Allowances	(56,195)
	Charity Care	
	Uncompensated Care	(281,656)
	Charity Care	(279,488)
	Total Charity Care	(561,144)
	Net Patient Service Revenue	**1,163,329**
	Expenses:	
	Payroll-Related	
	Salaries - Medical Staff	385,261
	Salaries - Other Staff	72,800
	Benefits	111,929
	Total	569,990
% NR	*Patient-Related*	
1.6%	DME	18,846
5.4%	Medications	63,393
0.0%	Dietary	184
1.3%	Medical & Patient Supplies	15,011
0.6%	Lab & Imaging	6,707
0.7%	Out-patient Services	7,618
2.4%	Oxygen	27,561
0 1%	Telecommunication	750
1 1%	Ambulance	12,296
3.2%	Food	37,263
1.0%	Linen and laundry supplies	11,944
0.0%	Bio-hazardous Waste	568
0.1%	Mileage	1,669
0.2%	Other patient expenses (Cable TV)	2,340
0 0%	Therapies	211
18%	*Total*	206,360
	Total Patient-Related Expense	**776,350**
	Facility-Related Expense	
	Utilities	47,881
	Maintenance	99,797
	Grounds maintenance	3,565
	Security	4,000
	Total Facility-Related Expense	**155,243**
	Administrative Expenses	
	Dues, License & Subscriptions	25,800
	Depreciation	262,950
	Insurance	15,552
	Interest expense	68,687
	Mileage - Non-patient related	214
	Office Supplies	1,500
	Property tax	1,430
	Postage / Mailing	235
	Service Contracts - Operations	4,200
	Telephone	7,560
	Total Administrative Expense	**388,128**
	Total Expenses	**1,319,721**
	Operating Income (Loss)	**(156,392)**
	Support from Thrift Store Operation	100,000
	Contributions and Pledges	524,500
	Net Fundraising Events	48,200
	Net Income (Loss)	**516,308**

Uses of Cash	
Mortgage Principle Payments	(143,784)
Increase Reserve for Facility Repairs & Maintenance	(30,000)
Total Uses of Cash	**(173,784)**

JAMES N. MATHIAS, JR.
Legislative District 38
Somerset, Wicomico,
and Worcester Counties

Finance Committee

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

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District Office
410-352-3096
Fax 410-352-3087

June 2, 2017

Kevin McDonald, Chief
Planning/Certificate of Need
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, MD 21215

Dear Mr. McDonald,

The application from Coastal Hospice for a Certificate of Need to build a hospice residence in northern Worcester County has my full and unconditional support as the Senator representing District 38, which encompasses Somerset, Worcester and Wicomico counties. The State of Maryland saw the wisdom of this project and invested $500,000 through a Bond Bill in 2012. Since then, construction details have changed but the need and vision for this facility have remained – in fact, the need continues to grow. The fact that Coastal Hospice plans to provide a hospice residence with 12 patient rooms has come as a great relief to those providing health care on the Lower Eastern Shore.

Coastal Hospice at the Ocean will be a residence for those hospice patients who can no longer manage activities of daily living and do not have an able caregiver at home with them. Beyond the experience of Coastal Hospice staff, the need for a hospice residence for the Lower Eastern Shore has been reported by care coordinators at area medical centers, who see the gap in available options for patients they plan to discharge. Many patients, particularly in northern Worcester County, live either alone or with a spouse who is nearly as frail as they are. While they do not require the inpatient level of care provided at Coastal Hospice at the Lake, they cannot be sent home without an able caregiver in place. What they need is a safe place to receive hospice care – often only for a matter of weeks.

Coastal Hospice at the Ocean will be a benefit to the region and to the State as we strive to curb health care costs. The hospice team that will be based there (currently operating out of a rented property nearby) has been a valuable resource to patients who desire to remain at home in their final months. Coastal Hospice has an excellent reputation throughout the region for delivering care that treats the needs of the patient and those in the circle of support. They have added programs, most notably Compass: Connecting You to Support at Home, that ensure that seriously ill patients in have a "safety net" as they and those caring for them seek to meet not only the health care, but also the socialization and spiritual needs that accompany a life-limiting diagnosis.

On a personal note, my own experience with Coastal Hospice, in the care they provided my wife, Kathy, and, more recently, my mother, was excellent. My family could not have asked for better care than we received. And I am confident our experience is the norm – in fact, I hear again and again from constituents who are grateful that Coastal Hospice serves our community.

A 50

The Coastal Hospice Board of Directors and Leadership Staff, individually and as a team, enjoys an excellent reputation. The organization is well run and has had several years of successful audits that required no qualification of their financial reporting. As a United Way agency, Coastal Hospice is examined annually by an external board that invests community resources with deliberation and care. By every available measure, Coastal Hospice is a fiscally sound, responsive nonprofit hospice provider.

Please accept my wholehearted endorsement of Coastal Hospice and their application for Certificate of Need. Please contact me if you have any questions.

Sincerely,

James N. Mathias Jr.

Senator James N. Mathias, Jr.

Nevins Todd, M.D.
216 Sandy Bottom Court
Salisbury, Maryland 21801

April 26, 2017

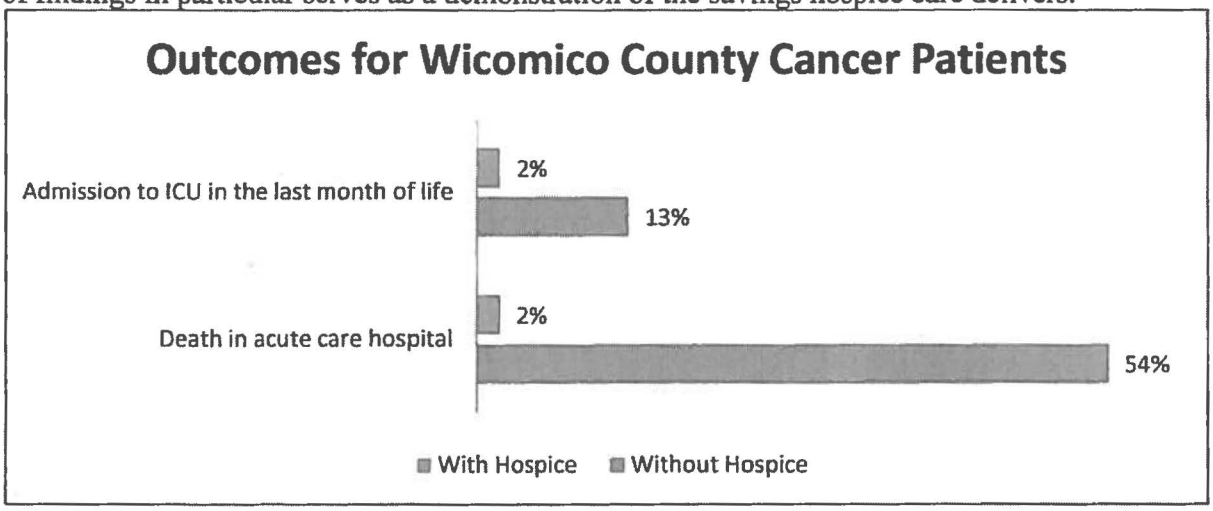
Kevin McDonald, Chief
Planning/Certificate of Need
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, Maryland 21215

Dear Mr. McDonald,

As a former member of the Maryland Health Care Commission and a former member of the Coastal Hospice Board of Directors, I am giving my full and unconditional support for the application from Coastal Hospice for a Certificate of Need to build a hospice residence in northern Worcester County.

By every available measure, Coastal Hospice is a fiscally sound, responsive nonprofit hospice provider. The Coastal Hospice Board of Directors and the Leadership Staff, individually and as a team, have an excellent reputation. The organization is well run and has had several years of successful audits that required no qualification of their financial reporting.

Since 2006, Coastal Hospice has delivered Palliative Care in partnership with Peninsula Regional Medical Center. In 2012 the team, joined by Salisbury University, conducted a study of health care outcomes for Wicomico County cancer patients in the final 6 months of life. One set of findings in particular serves as a demonstration of the savings hospice care delivers.



Cowell, David E., MD, et al. "End of Life at a Community Cancer Center," *Journal of Oncology Practice,* Vol. 8, Issue 4. 2012

Coastal Hospice at the Ocean will be a residence for those hospice patients who can no longer manage activities of daily living and do not have an able caregiver at home with them. Beyond

the experience of Coastal Hospice staff, the need for a hospice residence for the Lower Eastern Shore has been reported by care coordinators at area medical centers, who see the gap in available options for patients they plan to discharge. Many patients, particularly in northern Worcester County, live either alone or with a spouse who is nearly as frail as they are. While they do not require the inpatient level of care provided at Coastal Hospice at the Lake, they cannot be sent home without an able caregiver in place. What they need is a safe place to receive hospice care – often only for a matter of weeks.

Coastal Hospice at the Ocean will be a benefit to the region and to the State as we strive to curb health care costs and provide patients a way to age in place. The hospice team that will be based there (currently operating out of a rented property nearby) has been a valuable resource to patients who desire to remain at home in their final months.

Please accept my wholehearted endorsement of Coastal Hospice and their application for Certificate of Need. Please contact me if you have any questions.

Sincerely,

Nevins Todd, M.D.

MARY BETH CAROZZA
Legislative District 38C
Worcester and Wicomico Counties

Appropriations Committee

Subcommittees
Health and Human Resources
Oversight Committee on Personnel

The Maryland House of Delegates
6 Bladen Street, Room 203
Annapolis, Maryland 21401
410-841-3356 · 301-858-3356
800-492-7122 *Ext.* 3356
Fax 410-841-3273 · 301-858-3273
MaryBeth.Carozza@house.state.md.us

THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

June 10, 2017

Kevin McDonald, Chief
Planning/Certificate of Need
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, MD 21215

Dear Mr. McDonald,

I appreciate this opportunity to share my full and strong support for Coastal Hospice and its application for a Certificate of Need to build Coastal Hospice at the Ocean.

As a residence for those hospice patients who can no longer manage the activities of daily living and do not have an able caregiver at home with them, Coastal Hospice at the Ocean would meet the growing needs of Worcester County's elderly population. We remain a federally-designated medically-underserved area with a growing and aging population. Many patients, particularly in northern Worcester County, live either alone or with a frail spouse. While they do not require the inpatient level of care provided at Coastal Hospice at the Lake, they cannot be sent home without an able caregiver in place. Coastal Hospice at the Ocean would provide a safe place to receive hospice care.

While Coastal Hospice serves terminally ill patients of all ages, regardless of ability to pay, it is reasonable to expect that many of those who lack an able caregiver at home and could benefit from this residence will be aged 65 and older. It is projected 20-26 percent of the population for the four counties served by Coastal Hospice will fall into that age range by 2020. The need for a hospice residence for the Lower Eastern Shore has been reported by care coordinators at area medical centers who see the gap in available options for patients they plan to discharge. Many of our residents have had occasion to use the facilities at Coastal Hospice by the Lake and have come to depend upon it. However, Coastal Hospice at the Ocean would provide a location closer by those in need that offers services designed for situations that require a short-term assisted residential setting with less intensive medical care and would be the missing link our patients need.

In Worcester County, an unfinished building would be transformed into Coastal Hospice at the Ocean as an efficient use of existing structures and would provide a permanent benefit to the region and to the State as it strives to curb health care costs.

A 54

The Coastal Hospice Board of Directors and members of the Leadership Staff, individually and as a team, have an excellent reputation. The organization is well run with a history of successful audits. As a United Way agency, Coastal Hospice is examined annually by an external board. By every available measure, Coastal Hospice is a fiscally- sound, responsive nonprofit hospice provider.

The application from Coastal Hospice for a Certificate of Need to build a hospice residence in northern Worcester County has my full and unconditional support as the Delegate representing District 38C, which includes Worcester and Wicomico counties. I would appreciate your kind consideration of Coastal Hospice's application and am available to you if you would like to discuss the merits of this priority project.

Sincerely,

Mary Beth Carozza

MARY BETH CAROZZA
Delegate- Maryland District 38C

MBC/ps

GRAPHIC SCALE

100 200 400 800

(IN FEET)
1 inch = 200 ft.

NORTH

LANDS OF "THE FARMERS BANK OF WILLARDS"

SITE AREA = 11.58 ACRES

EXISTING PARKING : 45 SPACES

NATURE/LANDSCAPE AREAS = 10.36 ACRES

ISLE OF WIGHT BAY

BOUNDARY

PROPOSED SCREEN

EXISTING BUILDING

EXISTING POOL

ADD.

S REACH CONDOMINIUM

A

B

C

SECTION 17, OCEAN PINES

THE POINT

OUTLOT C
(OPEN SPACE)

TURVILLE CREEK

SUNRISE CT.

PINE FOREST DRIVE

OCEAN PARKWAY

BLUEWATER COURT

PARK SIDE CIRCLE

BREEZY CREEK CT.

87 86 85 84 38 39 37 111 112 113 114 115 116 117 118 119 120 121 122 123 124 35 34 33 32 31 30 29 28 27 26 25 24 23 22 21 20 19 18 17 16 57 58 59 60 61 62 63 64 65 66 110 109 108 107 106 105 104 103

GENERAL DEMOLITION NOTES

1. THE OWNER WILL REMOVE ALL FURNITURE AND EQUIPMENT PRIOR TO COMMENCEMENT OF DEMOLITION ACTIVITY.
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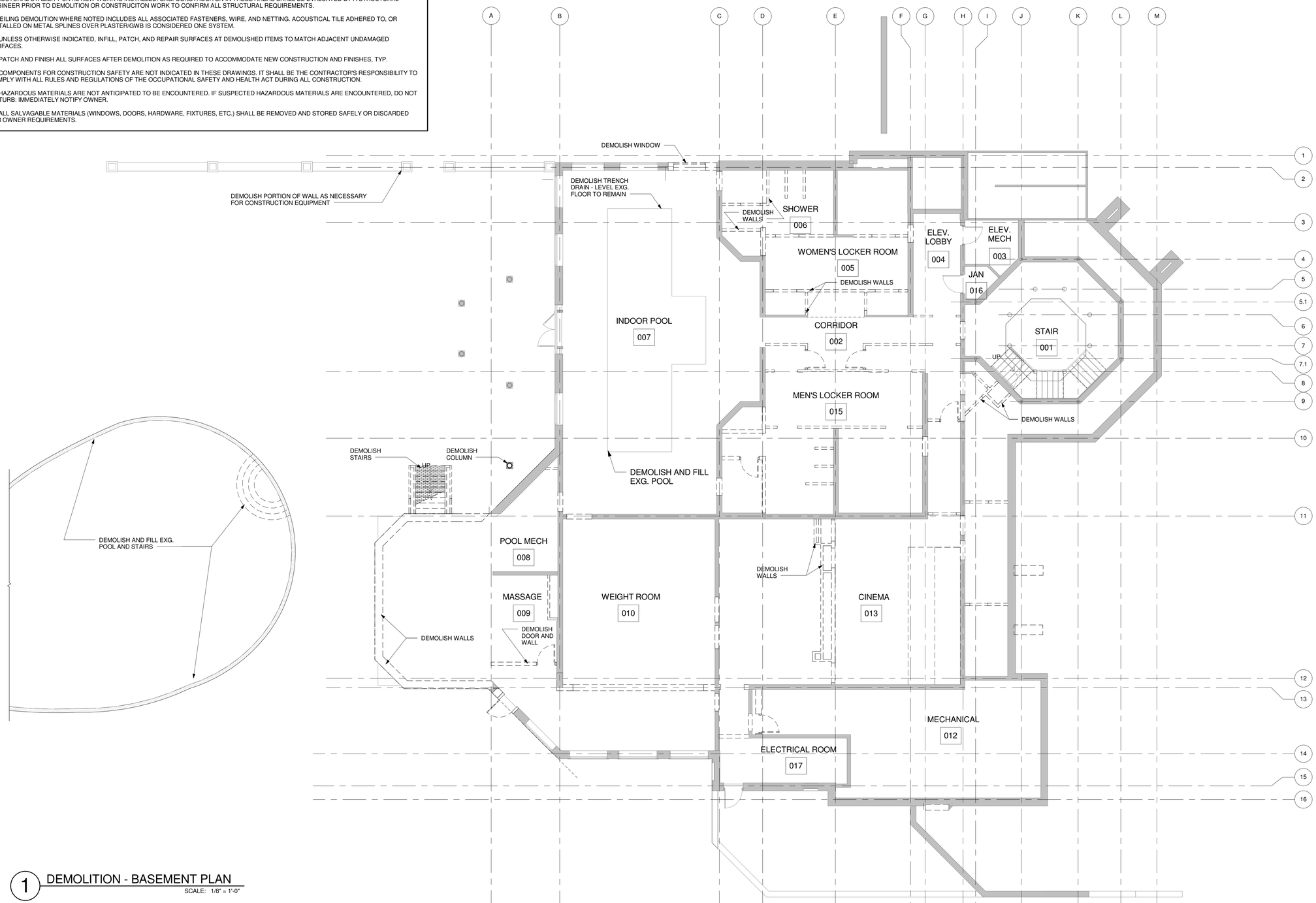
- EXISTING TO BE DEMOLISHED



1 DEMOLITION - BASEMENT PLAN
SCALE: 1/8" = 1'-0"

BECKER MORGAN GROUP

ARCHITECTURE
ENGINEERING

Delaware
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PROJECT TITLE

COASTAL HOSPICE AT THE OCEAN

THE POINT AT OCEAN PINES,
BERLIN, MARYLAND

Coastal Hospice At the Ocean

SHEET TITLE

BASEMENT DEMOLITION PLAN

ISSUE BLOCK

Mark	Date	Description
C	06.02.17	C.O.N. APPLICATION
B	03.17.17	ADDENDUM 2
A	03.14.17	ADDENDUM 1
2	02.17.17	PRICING SET
1	12.21.16	CD REVIEW SET

PROJECT NO: 2010059.02
DATE: 06.02.17
SCALE: As indicated
DRAWN BY: SER PROJ MGR: JEM3

AD100

6/2/2017 10:08:44 AM C:\Users\srigot\Documents\2010059D2_VIE_srigot.rvt

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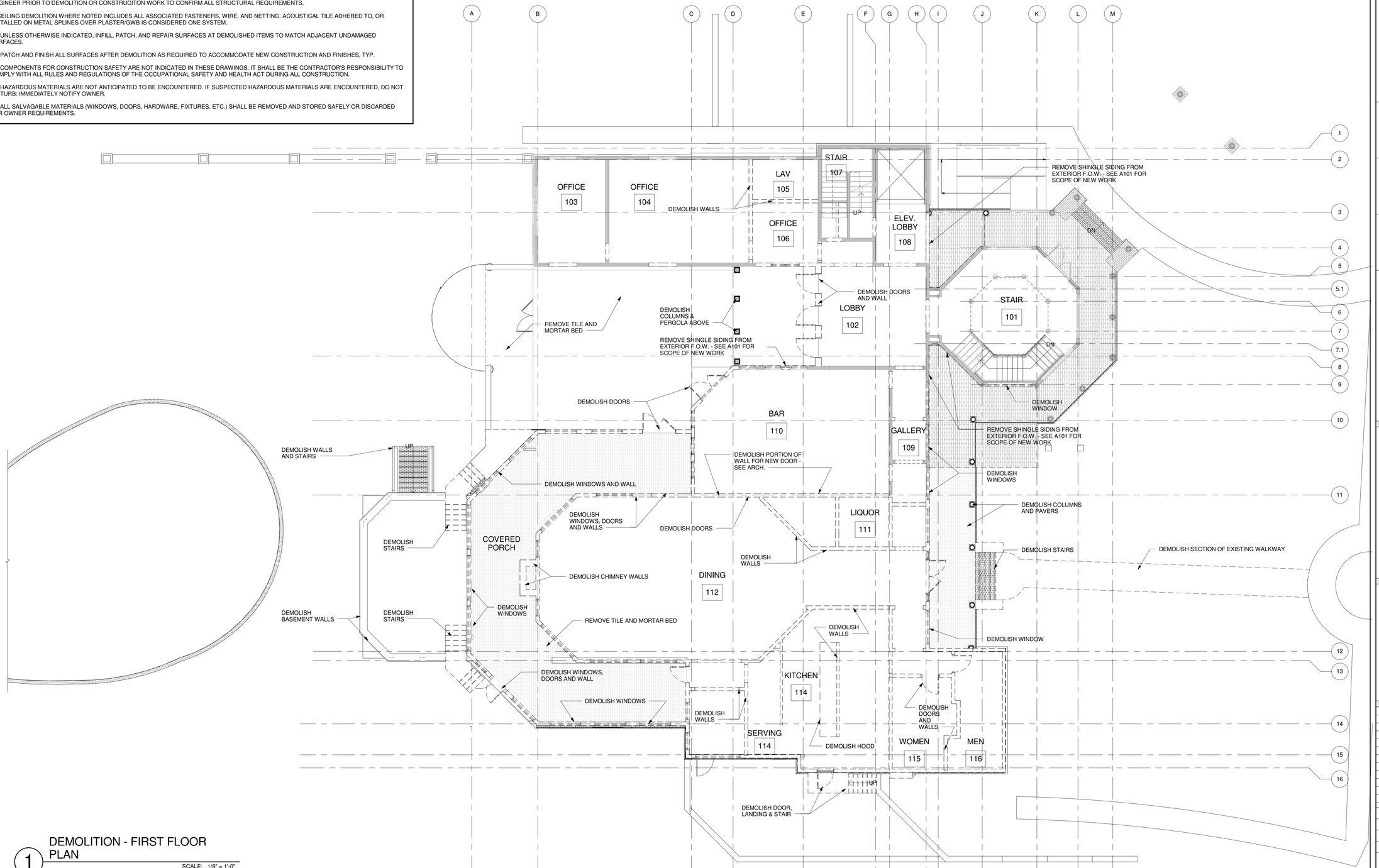

1 DEMOLITION - FIRST FLOOR PLAN

SCALE: 1/8" = 1'-0"

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PROJECT TITLE

COASTAL HOSPICE AT THE OCEAN

THE POINT AT OCEAN PINES,
BERLIN, MARYLAND

Coastal Hospice At the Ocean

SHEET TITLE

FIRST FLOOR DEMOLITION PLAN

ISSUE BLOCK

Mark	Date	Description
C	06.02.17	C.O.N. APPLICATION
B	03.17.17	ADDENDUM 2
A	03.14.17	ADDENDUM 1
2	02.17.17	PRICING SET
1	12.21.16	CD REVIEW SET

PROJECT NO: 2010059.02
DATE: 06.02.17
SCALE: As indicated
DRAWN BY: SER | PROJ MGR: JEM3

AD101

6/2/2017 10:08:45 AM C:\Users\rigor\Documents\2010059d2_VE_serrigot.rvt

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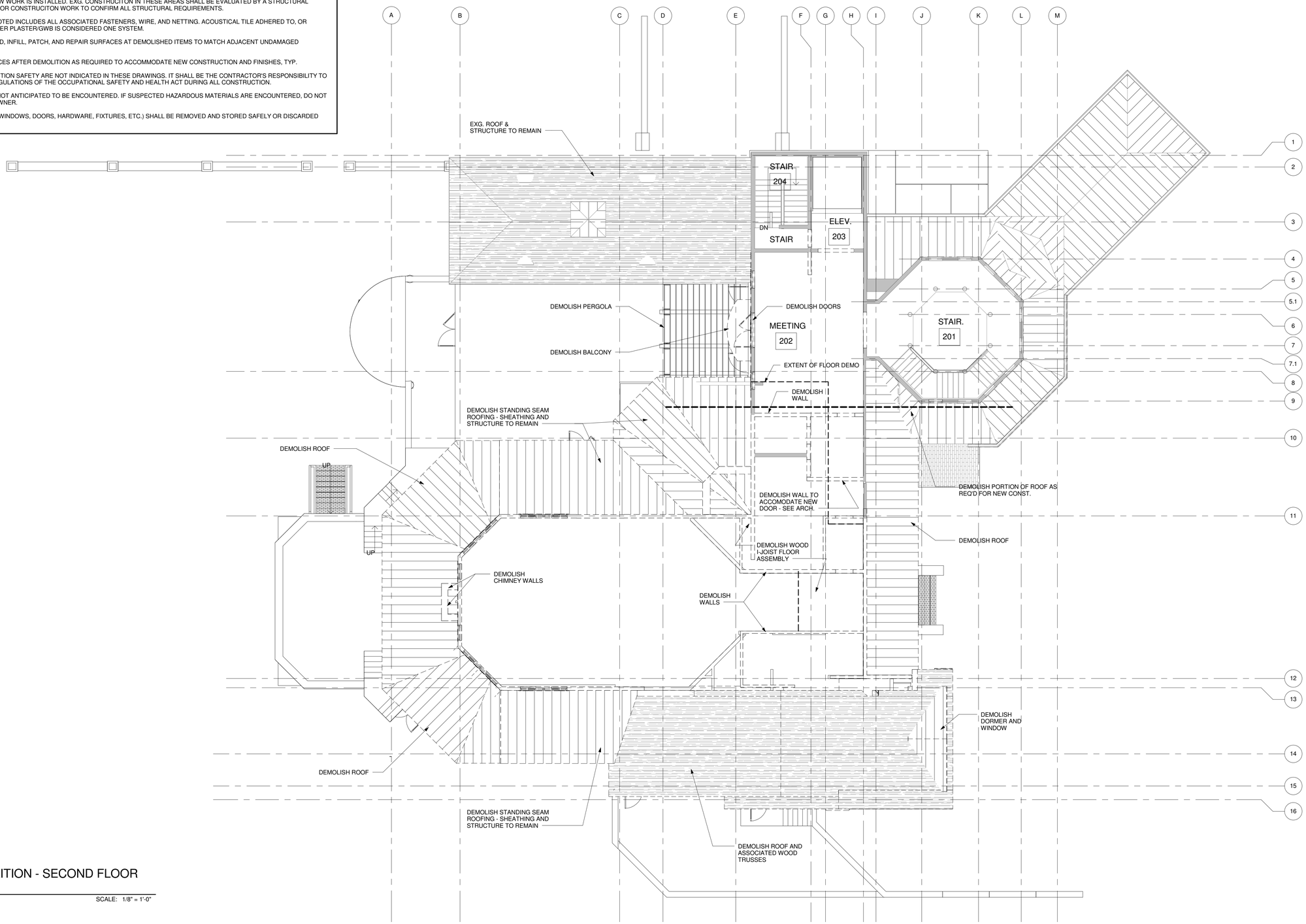

1 DEMOLITION - SECOND FLOOR PLAN

SCALE: 1/8" = 1'-0"

BECKER MORGAN GROUP

ARCHITECTURE
ENGINEERING

Delaware
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EXPIRATION DATE: 03.09.17

PROJECT TITLE

COASTAL HOSPICE AT THE OCEAN

THE POINT AT OCEAN PINES, BERLIN, MARYLAND

Coastal Hospice At the Ocean

SHEET TITLE

SECOND FLOOR DEMOLITION PLAN

ISSUE BLOCK

Mark	Date	Description
C	06.02.17	C.O.N. APPLICATION
B	03.17.17	ADDENDUM 2
A	03.14.17	ADDENDUM 1
2	02.17.17	PRICING SET
1	12.21.16	CD REVIEW SET

PROJECT NO:	2010059.02
DATE:	06.02.17
SCALE:	As indicated
DRAWN BY: SER	PROJ MGR: JEM3

AD102

6/2/2017 10:08:46 AM C:\Users\sergot\Documents\2010059\02_VE_sergot.rvt

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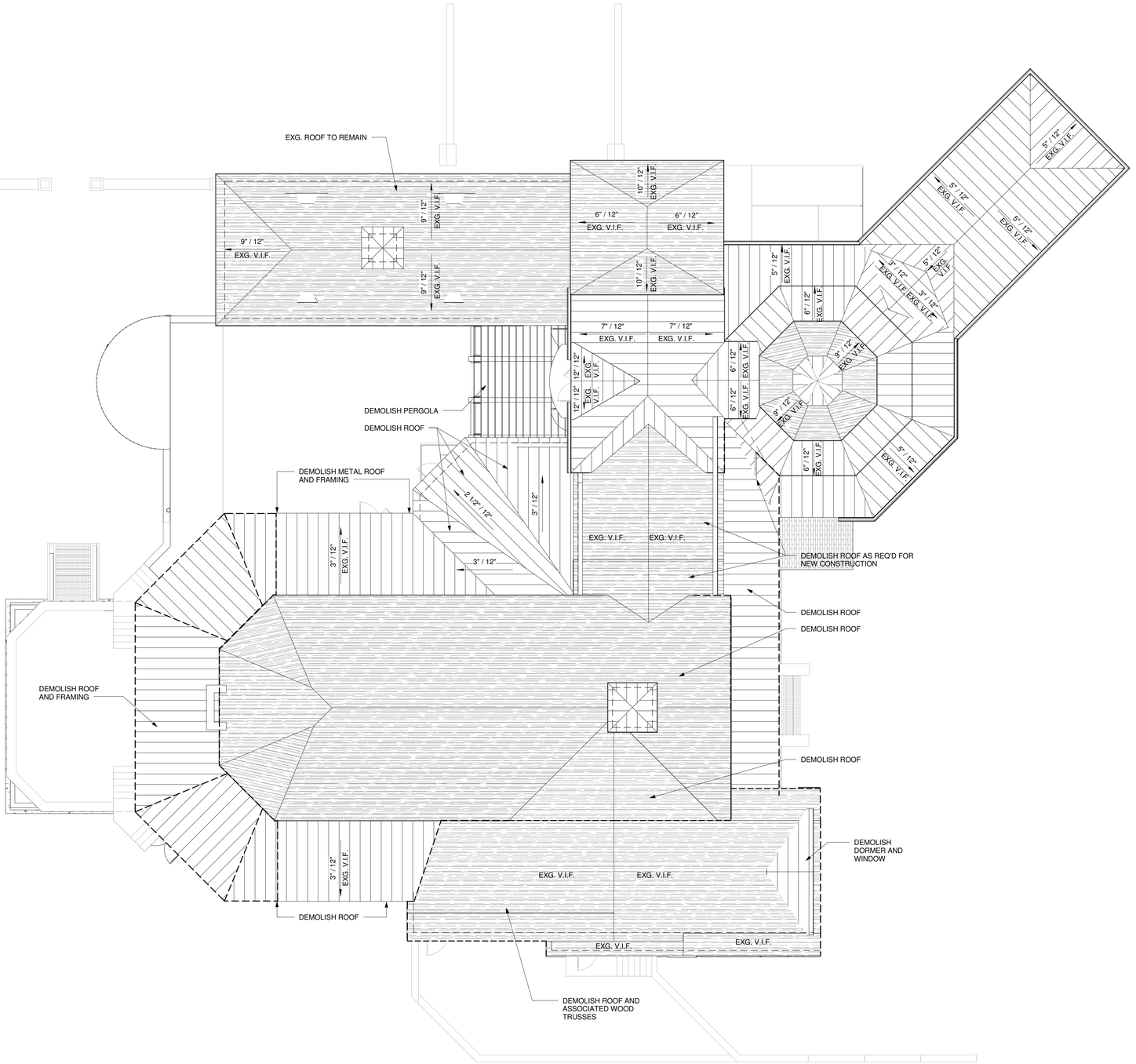

1 DEMOLITION - ROOF PLAN

SCALE: 1/8" = 1'-0"

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THE POINT AT OCEAN PINES, BERLIN, MARYLAND

Coastal Hospice At the Ocean

SHEET TITLE

ROOF DEMOLITION PLAN

ISSUE BLOCK

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AD103

6/2/2017 10:08:47 AM C:\Users\srigot\Documents\2010059d02_VE_srigot.rvt

ARCHITECTURAL PLAN NOTES

1. CONTRACTOR TO ENSURE THAT ALL CONSTRUCTION TO BE WEATHERTIGHT.

2. ALL EXTERIOR BALCONIES OR WALKWAYS TO SLOPE TO DRAIN AWAY FROM THE BUILDING.

3. ALL DOORS TO PROVIDE 32" CLEAR OPENING FOR ADA.

4. ALL WINDOWS AND DOORS TO COMPLY WITH ALL APPLICABLE CODE REQUIREMENTS FOR DP RATING, IMPACT RESISTANCE AND WATER INFILTRATION.

5. MINIMUM HEADROOM ALLOWED IS 7'-6". TALLER HEIGHTS ARE PREFERRED. REFER TO REFLECTED CEILING PLANS.

6. ALL FINISH SELECTIONS TO BE APPROVED BY OWNER/ARCHITECT.

7. ALL EXTERIOR LOUVERS TO BE HIGH WIND, IMPACT AND WIND DRIVEN RESISTANT RAIN RATED WEATHERPROOF LOUVERS.

8. ALL EXTERIOR WALKWAY/EXTERIOR WALL INTERSECTIONS TO BE FLASHED WEATHERTIGHT. CONTRACTOR TO COORDINATE MANUF./ INSTALLERS REQUIREMENTS FOR EACH MATERIAL TO ENSURE COMPATIBILITY AND PROPER INSTALLATION IN ACCORDANCE WITH PROJECT LOCATION AND INDUSTRY STANDARDS APPLICABLE CODE.

9. DEMO ALL EXG. GWB & REPLACE PER WALL TYPE.

10. REUSE EXG. WINDOWS IF VIABLE.

EXISTING / NEW CONSTRUCTION KEY

EXISTING TO REMAIN

NEW CONSTRUCTION

GENERAL ELEVATOR NOTES

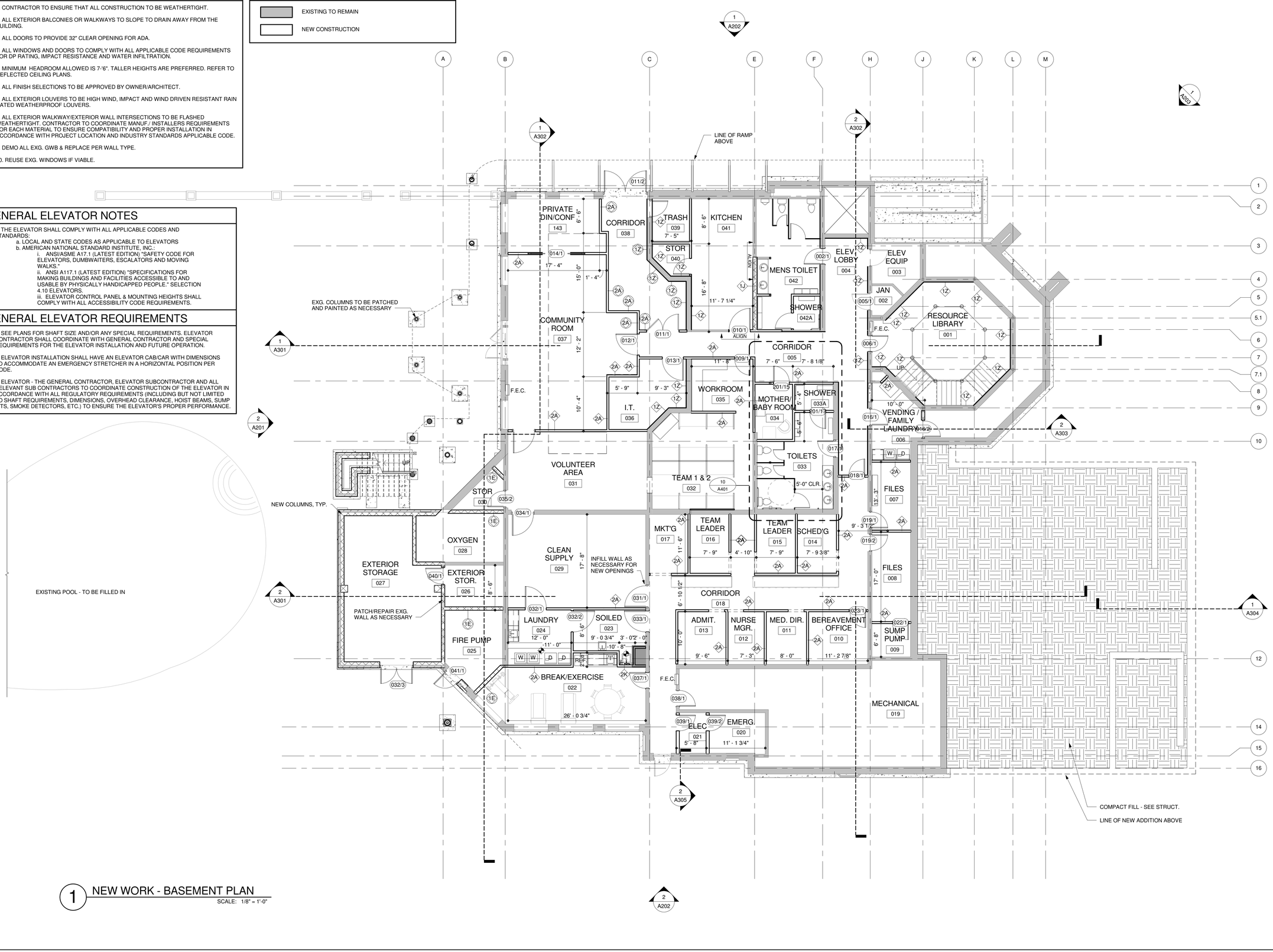
1. THE ELEVATOR SHALL COMPLY WITH ALL APPLICABLE CODES AND STANDARDS:
   a. LOCAL AND STATE CODES AS APPLICABLE TO ELEVATORS
   b. AMERICAN NATIONAL STANDARD INSTITUTE, INC.:
      i. ANSI/ASME A17.1 (LATEST EDITION) "SAFETY CODE FOR ELEVATORS, DUMBWAITERS, ESCALATORS AND MOVING WALKS."
      ii. ANSI A117.1 (LATEST EDITION) "SPECIFICATIONS FOR MAKING BUILDINGS AND FACILITIES ACCESSIBLE TO AND USABLE BY PHYSICALLY HANDICAPPED PEOPLE." SELECTION 4.10 ELEVATORS.
      iii. ELEVATOR CONTROL PANEL & MOUNTING HEIGHTS SHALL COMPLY WITH ALL ACCESSIBILITY CODE REQUIREMENTS.

GENERAL ELEVATOR REQUIREMENTS

1. SEE PLANS FOR SHAFT SIZE AND/OR ANY SPECIAL REQUIREMENTS. ELEVATOR CONTRACTOR SHALL COORDINATE WITH GENERAL CONTRACTOR AND SPECIAL REQUIREMENTS FOR THE ELEVATOR INSTALLATION AND FUTURE OPERATION.

2. ELEVATOR INSTALLATION SHALL HAVE AN ELEVATOR CAB/CAR WITH DIMENSIONS TO ACCOMMODATE AN EMERGENCY STRETCHER IN A HORIZONTAL POSITION PER CODE.

3. ELEVATOR - THE GENERAL CONTRACTOR, ELEVATOR SUBCONTRACTOR AND ALL RELEVANT SUB CONTRACTORS TO COORDINATE CONSTRUCTION OF THE ELEVATOR IN ACCORDANCE WITH ALL REGULATORY REQUIREMENTS (INCLUDING BUT NOT LIMITED TO SHAFT REQUIREMENTS, DIMENSIONS, OVERHEAD CLEARANCE, HOIST BEAMS, SUMP KITS, SMOKE DETECTORS, ETC.) TO ENSURE THE ELEVATOR'S PROPER PERFORMANCE.



1 NEW WORK - BASEMENT PLAN
SCALE: 1/8" = 1'-0"

BECKER MORGAN GROUP

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PROFESSIONAL CERTIFICATION. I CERTIFY THAT THESE DOCUMENTS WERE PREPARED OR APPROVED BY ME, AND THAT I AM A DULY LICENSED ARCHITECT UNDER THE LAWS OF THE STATE OF MARYLAND.
LICENSE NUMBER: 5132-A
EXPIRATION DATE: 03.09.17

PROJECT TITLE

COASTAL HOSPICE AT THE OCEAN

THE POINT AT OCEAN PINES, BERLIN, MARYLAND

Coastal Hospice At the Ocean

SHEET TITLE

BASEMENT FLOOR PLAN

ISSUE BLOCK

Mark	Date	Description
C	06.02.17	C.O.N. APPLICATION
B	03.17.17	ADDENDUM 2
A	03.14.17	ADDENDUM 1
2	02.17.17	PRICING SET
1	12.21.16	CD REVIEW SET

PROJECT NO: 2010059.02
DATE: 06.02.17
SCALE: As indicated
DRAWN BY: SER PROJ MGR: JEM3

A100

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ARCHITECTURAL PLAN NOTES

1. CONTRACTOR TO ENSURE THAT ALL CONSTRUCTION TO BE WEATHERTIGHT.

2. ALL EXTERIOR BALCONIES OR WALKWAYS TO SLOPE TO DRAIN AWAY FROM THE BUILDING.

3. ALL DOORS TO PROVIDE 32" CLEAR OPENING FOR ADA.

4. ALL WINDOWS AND DOORS TO COMPLY WITH ALL APPLICABLE CODE REQUIREMENTS FOR DP RATING, IMPACT RESISTANCE AND WATER INFILTRATION.

5. MINIMUM HEADROOM ALLOWED IS 7'-6". TALLER HEIGHTS ARE PREFERRED. REFER TO REFLECTED CEILING PLANS.

6. ALL FINISH SELECTIONS TO BE APPROVED BY OWNER/ARCHITECT.

7. ALL EXTERIOR LOUVERS TO BE HIGH WIND, IMPACT AND WIND DRIVEN RESISTANT RAIN RATED WEATHERPROOF LOUVERS.

8. ALL EXTERIOR WALKWAY/EXTERIOR WALL INTERSECTIONS TO BE FLASHED WEATHERTIGHT. CONTRACTOR TO COORDINATE MANUF./ INSTALLERS REQUIREMENTS FOR EACH MATERIAL TO ENSURE COMPATIBILITY AND PROPER INSTALLATION IN ACCORDANCE WITH PROJECT LOCATION AND INDUSTRY STANDARDS APPLICABLE CODE.

9. DEMO ALL EXG. GWB & REPLACE PER WALL TYPE.

10. REUSE EXG. WINDOWS IF VIABLE.

EXISTING / NEW CONSTRUCTION KEY

- EXISTING TO REMAIN
- NEW CONSTRUCTION

GENERAL ELEVATOR NOTES

1. THE ELEVATOR SHALL COMPLY WITH ALL APPLICABLE CODES AND STANDARDS:
   a. LOCAL AND STATE CODES AS APPLICABLE TO ELEVATORS
   b. AMERICAN NATIONAL STANDARD INSTITUTE, INC.:
      i. ANSI/ASME A17.1 (LATEST EDITION) "SAFETY CODE FOR ELEVATORS, DUMBWAITERS, ESCALATORS AND MOVING WALKS."
      ii. ANSI A117.1 (LATEST EDITION) "SPECIFICATIONS FOR MAKING BUILDINGS AND FACILITIES ACCESSIBLE TO AND USABLE BY PHYSICALLY HANDICAPPED PEOPLE." SELECTION 4.10 ELEVATORS.
      iii. ELEVATOR CONTROL PANEL & MOUNTING HEIGHTS SHALL COMPLY WITH ALL ACCESSIBILITY CODE REQUIREMENTS.

GENERAL ELEVATOR REQUIREMENTS

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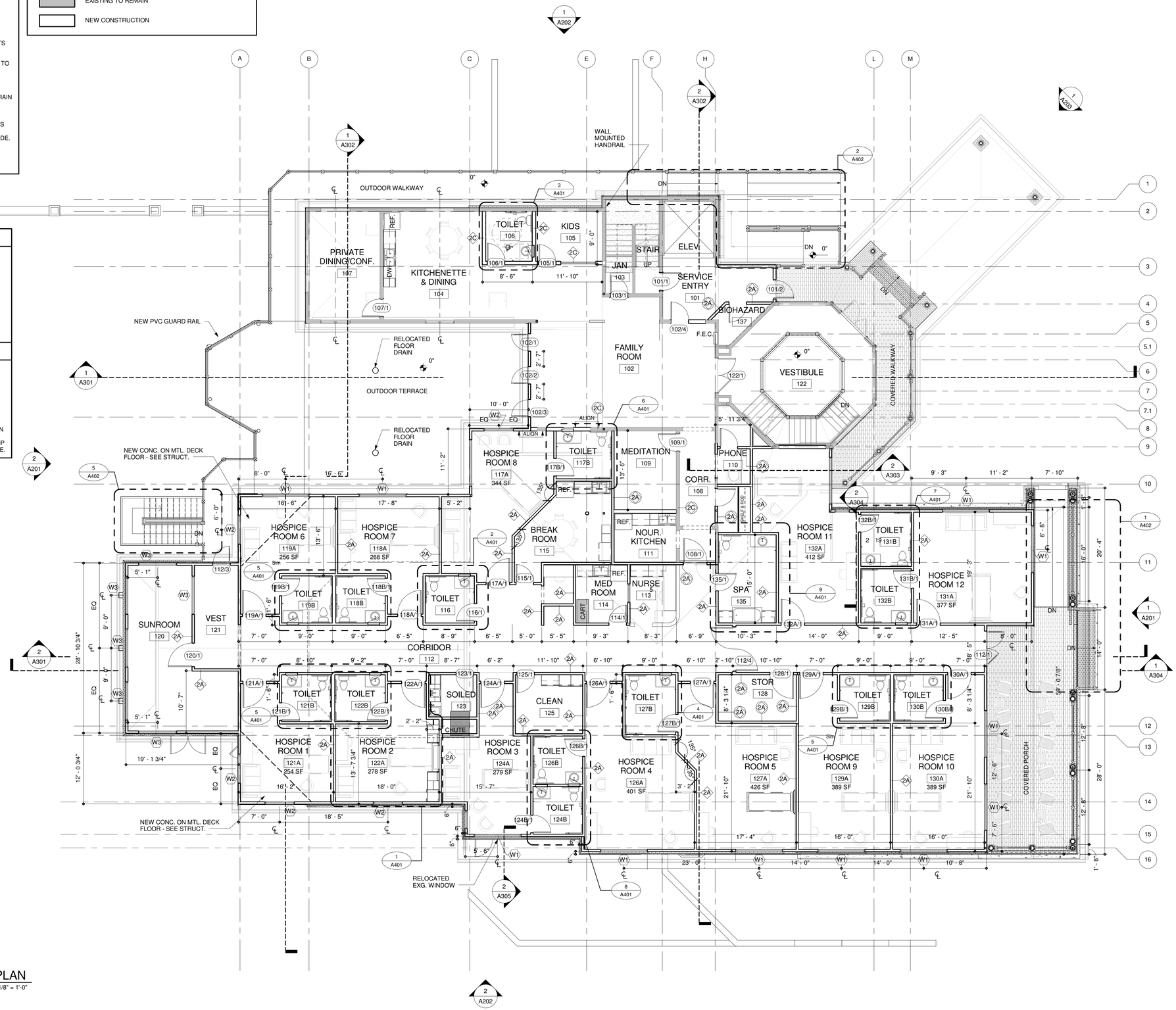

1 NEW WORK - FIRST FLOOR PLAN
SCALE: 1/8" = 1'-0"

BECKER MORGAN GROUP

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LICENSE NUMBER: 5132-A
EXPIRATION DATE: 03.09.17

PROJECT TITLE

COASTAL HOSPICE AT THE OCEAN

THE POINT AT OCEAN PINES, BERLIN, MARYLAND

Coastal Hospice At the Ocean

SHEET TITLE

FIRST FLOOR PLAN

ISSUE BLOCK

Mark	Date	Description
C	06.02.17	C.O.N. APPLICATION
B	03.17.17	ADDENDUM 2
A	03.14.17	ADDENDUM 1
2	02.17.17	PRICING SET
1	12.21.16	CD REVIEW SET

PROJECT NO: 2010059.02
DATE: 06.02.17
SCALE: As indicated
DRAWN BY: SER PROJ MGR: JEM3

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ARCHITECTURAL PLAN NOTES

1. CONTRACTOR TO ENSURE THAT ALL CONSTRUCTION TO BE WEATHERTIGHT.

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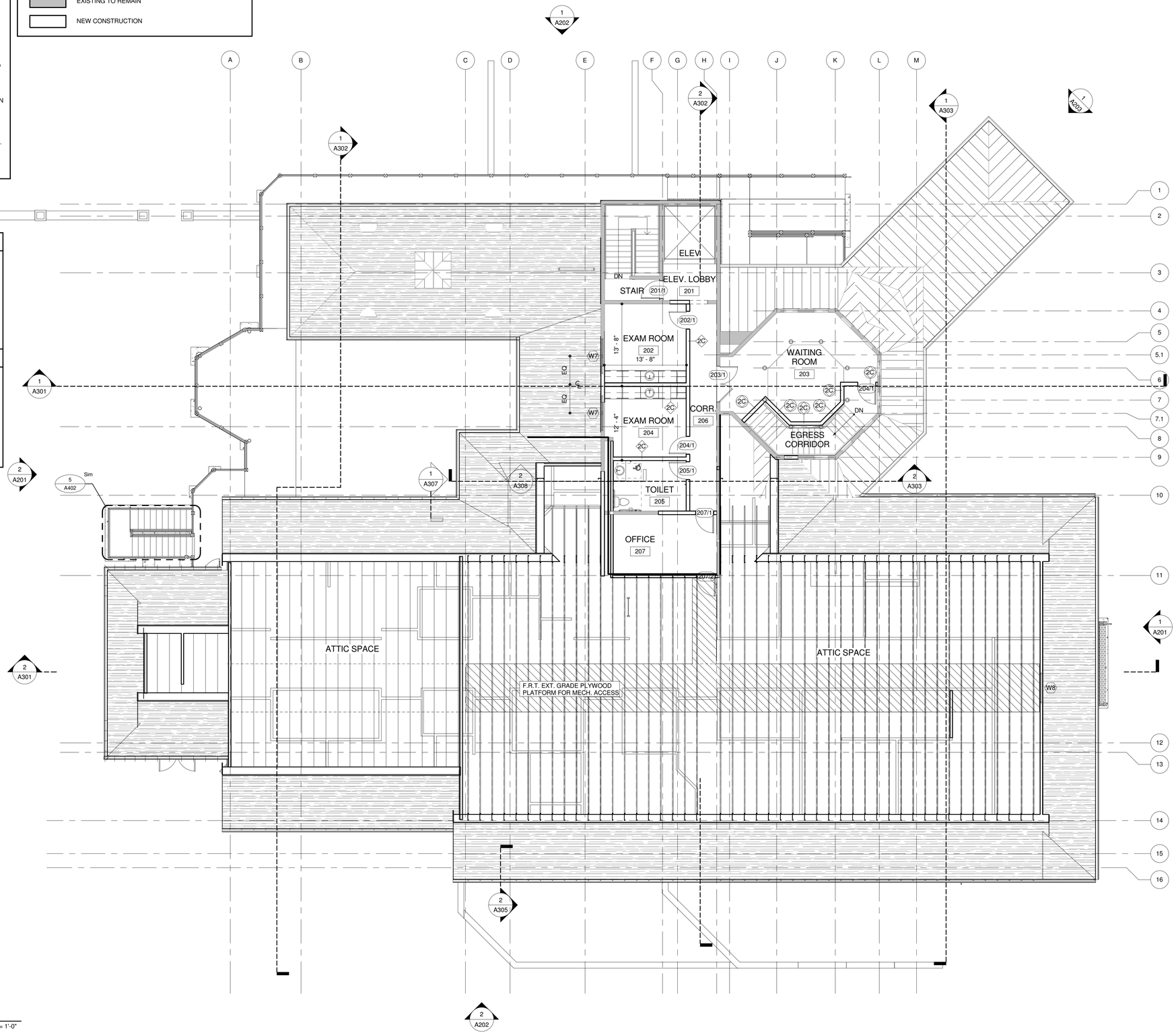

1 NEW WORK - SECOND FLOOR PLAN

SCALE: 1/8" = 1'-0"

BECKER MORGAN GROUP

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EXPIRATION DATE: 03.09.17

PROJECT TITLE

COASTAL HOSPICE AT THE OCEAN

THE POINT AT OCEAN PINES, BERLIN, MARYLAND

Coastal Hospice At the Ocean

SHEET TITLE

SECOND FLOOR PLAN

ISSUE BLOCK

Mark	Date	Description
C	06.02.17	C.O.N. APPLICATION
B	03.17.17	ADDENDUM 2
A	03.14.17	ADDENDUM 1
2	02.17.17	PRICING SET
1	12.21.16	CD REVIEW SET

PROJECT NO: 2010059.02
DATE: 06.02.17
SCALE: As indicated
DRAWN BY: SER PROJ MGR: JEM3

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ARCHITECTURAL ROOF NOTES

1. CONTRACTOR TO ENSURE THAT ALL CONSTRUCTION IS WEATHERTIGHT.

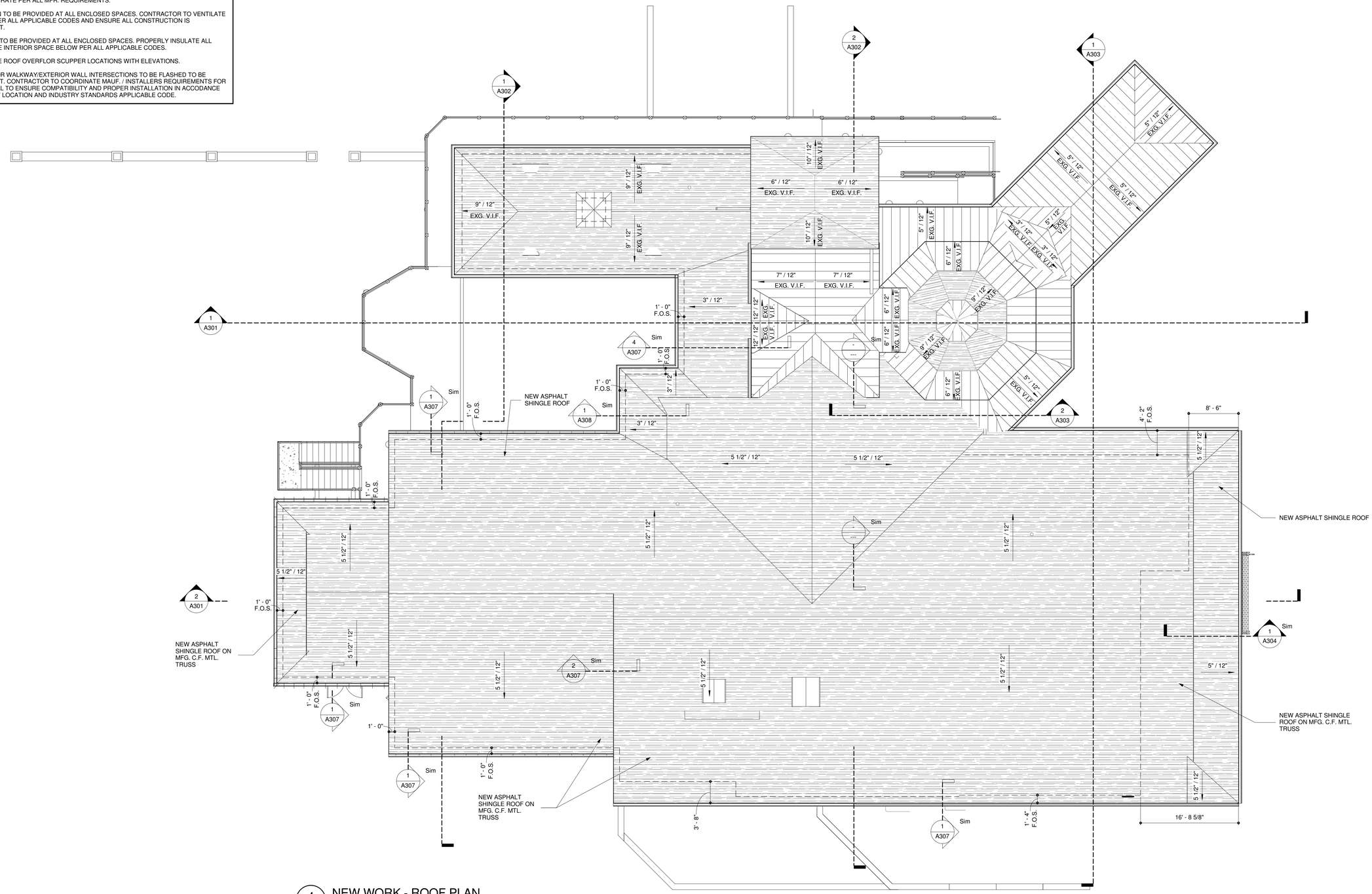
2. ALL ROOFING TO BE INSTALLED TO BE WEATHERTIGHT OVER ICE AND WATER SHIELD ON A SOLID SUBSTRATE PER ALL MFR. REQUIREMENTS.

3. VENTILATION TO BE PROVIDED AT ALL ENCLOSED SPACES. CONTRACTOR TO VENTILATE ALL SPACES PER ALL APPLICABLE CODES AND ENSURE ALL CONSTRUCTION IS WEATHERTIGHT.

4. INSULATION TO BE PROVIDED AT ALL ENCLOSED SPACES. PROPERLY INSULATE ALL SPACES ABOVE INTERIOR SPACE BELOW PER ALL APPLICABLE CODES.

5. COORDINATE ROOF OVERFLOR SCUPPER LOCATIONS WITH ELEVATIONS.

6. ALL EXTERIOR WALKWAY/EXTERIOR WALL INTERSECTIONS TO BE FLASHED TO BE WEATHERTIGHT. CONTRACTOR TO COORDINATE MAUF. / INSTALLERS REQUIREMENTS FOR EACH MATERIAL TO ENSURE COMPATIBILITY AND PROPER INSTALLATION IN ACCODANCE WITH PROJECT LOCATION AND INDUSTRY STANDARDS APPLICABLE CODE.



1 NEW WORK - ROOF PLAN

SCALE: 1/8" = 1'-0"

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PROJECT TITLE

COASTAL HOSPICE AT THE OCEAN

THE POINT AT OCEAN PINES,
BERLIN, MARYLAND

Coastal Hospice At the Ocean

SHEET TITLE

ROOF PLAN

ISSUE BLOCK

Mark	Date	Description
2	02.17.17	PRICING SET
1	12.21.16	CD REVIEW SET

PROJECT NO: 2010059.02
DATE: 06.02.17
SCALE: As indicated
DRAWN BY: SER | PROJ MGR: JEM3

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