STATE OF MARYLAND

MARYLAND HEALTH CARE COMMISSION

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

August 24, 2017

E-mail and USPS Mail

Folashade Green
176 Leeds Creek Circle
Odenton, MD 21113

Re: CON Application for a Home Health Agency in Calvert and St. Mary's Counties
Matter No.: 17–R3 –2402

Dear Ms. Green:

Commission staff has reviewed the above referenced application for Certificate of Need ("CON") for a home health agency in the jurisdictions of Calvert and St. Mary's Counties. Staff found the application incomplete and accordingly, request that you provide responses to the following questions:

POPULATIONS AND SERVICES

1. Please provide any data sources used to project client volume for the proposed HHA.

Data source used to project client volume for the proposed HHA is the Maryland Department of Aging County Demographic and Socio-Economic Outlook.

Another data source used is the projections for the Washington Suburban Region based on Round 9.0 of the Metropolitan Washington Council of Governments Cooperative Forecasting Committee. Prepared by the Maryland Department of Planning, Projections and State Data Center, August 2017.

Another data source is Maryland Department of Planning 2017 at mdp.state.me.us/msdc/s3_projection.shtml

Population Demographics for Calvert County, Maryland in 2016 and 2017

https://suburbanstats.org/population/maryland/how-many-people-live-in-calvert-county

Population Demographics for St Mary's County, Maryland in 2016 and 2017

https://suburbanstats.org/population/maryland/how-many-people-live-in-st-mary_s-county

http://aging.maryland.gov/Documents/MDStatePlan2017_2020Dated092216.pdf

Maryland's 60+ Population Projections by Jurisdiction, 2015-2030

Jurisdiction:	2015	2020	2025	2030	Percentage Change (2015 to 2030)
Calvert Co.:	18,012	22,499	27,230	29,846	65.70%

Maryland's 60+ Population Projections by Age & Gender, 2015-2040

Year	Age	Male	Female	Total	% of Total State Population
2020	60-64	189,818	212,741	402,559	6.47%
	65-69	148,759	176,906	325,665	5.23%
	70-74	115,959	142,492	258,451	4.15%
	75-79	74,790	97,991	172,781	2.78%
	80-84	44,047	62,187	106,234	1.71%
	85+	41,034	80,172	121,206	1.95%
	Total	614,407	772,489	1,386,896	22.28%

2030	60-64	177,413	201,954	379,367	5.74%
	65-69	176,824	208,538	385,362	5.83%
	70-74	148,046	182,124	330,170	4.99%
	75-79	106,897	143,161	250,058	3.78%
	80-84	72,192	103,217	175,409	2.65%
	85+	56,527	102,486	159,013	2.40%
	Total	737,899	941,480	1,679,379	25.40%

Maryland's 2013 Population, Selected Age Groups

	Total Persons	**60+**	**65+**	**75+**	**85+**
Calvert Co.:	89,330	15,350	10,235	4,205	1,245

2013 Estimates of Percent Population 60 and Older for Maryland's Jurisdictions

Calvert Co.: 18.1%

2013 Estimates of Persons 60 and Older for Maryland's Jurisdictions

Calvert Co.: 16,383 persons

2020 Projected Percent Population 60 and Older for Maryland's Jurisdictions

Calvert Co.: 23.3%

2030 Projected Percent Population 60 and Older for Maryland's Jurisdictions

Calvert Co.: 29.7%

Hospitals in Calvert County Maryland

http://msa.maryland.gov/msa/mdmanual/01glance/html/hospital.html

https://www.medicare.gov/hospitalcompare/results.html#dist=200&state=MD&county=CALVERT&lat=0&lng=0

CALVERT MEMORIAL HOSPITAL
(member, Calvert Health System)
100 Hospital Road, Prince Frederick, MD 20678 - 9675
(410) 535-4000; 1-888-906-8773 (toll free)
web: www.calverthospital.org/

Hospitals in St. Mary's County Maryland

http://msa.maryland.gov/msa/mdmanual/01glance/html/hospital.html

https://www.medicare.gov/hospitalcompare/results.html#dist=200&state=MD&county=SAINT%20MARYS&lat=0&lng=0

ST. MARY'S HOSPITAL
(member, MedStar Health)
25500 Point Lookout Road, Leonardtown, MD 20650 - 9999
(301) 475-8981; 1-855-633-0231 (toll free)
web: www.medstarstmarys.org/#q={}

Nursing Homes in Calvert County Maryland

https://www.medicare.gov/nursinghomecompare/results.html#state=MD&county=CALVERT&lat=0&lng=0

Asbury - Solomons Island Phone: 410-394-3000/1-800-953-3300 Fax: 410-394-3008 Email: webmaster@asbury.org Website: www.asburysolomons.org Address: 11100 Asbury Circle Solomons, MD 20688

Calvert County Nursing Center, Inc. Phone: 410-535-2300 TTY: 410-535-0300 Fax: 410-535-1505 Address: 85 Hospital Road Prince Frederick, MD 20678

Solomons Nursing Center, Inc. Phone: 410-326-0077 Fax: 410-326-6296 E-mail: administrator@solomonsnursingcenter.net Address: 13325 Dowell Road, P.O. Box 1509 Solomons, MD 20688

Calvert Memorial Hospital Transitional Care Unit: Phone: 410-535-4000, 100 Hospital Road, Prince Frederick MD 20678

Nursing Homes in Saint Marys County Maryland

https://www.medicare.gov/nursinghomecompare/results.html#state=MD&county=SAINT%20MARYS&lat=0&lng=0

CHARLOTTE HALL VETERANS HOME 29449 CHARLOTTE HALL ROAD
CHARLOTTE HALL, MD 20622
(301) 884-8171

CHESAPEAKE SHORES

21412 GREAT MILLS ROAD
LEXINGTON PARK, MD 20653
(301) 863-7244

ST. MARY'S NURSING CENTER INC

21585 PEABODY STREET
LEONARDTOWN, MD 20650
(301) 475-8000

2. The application states that Minerva currently serves 369 clients per year. However, Worksheet DI indicates a higher client volume. Please explain this discrepancy and, if necessary, provide the non-duplicated number of clients for Minerva's RSAs for the past three years.

   Yes, we are currently serving 369 clients which was our current clients count when we submit this project. We submitted the last non-duplicated number of clients for Minerva's RSA for the past three years. See attachment 1 Worksheet D1: RSA Applicant.

3. Does Minerva project that a portion of its current RSA caseload will become clients of the proposed HHA? If so, please explain.

   Yes, we do have some of our RSA client population that will transfer to the home health agency, however, due to our inability to accept Medicare clients, we currently are providing few skilled nursing services to those clients that are currently receiving Medicare funds through our Pharmaceutical companies partners who due to lack of availability and choices of home health agency in the area, these pharmaceutical companies use funds out of their revenue to pay us for our services at a loss to them because the agencies in the area refuse to accept those clients.

FINANCIAL ACCESSIBILITY

4. Please provide additional information that shows Minerva's current payer mix. This could be a table that shows the percentage of Medicaid, private insurance, and self-pay clients, client-visits, and revenues.

Payor Class	***Charges (1/1/17-09/20/17)***	***Clients Visits***	***Mix (by Charges)***
Medicare	$0	0	0
Medicaid	$65,983.00	3,610	8.14%
Pharmaceutical Companies	$711,227.00	6,155	87.2%
Contracted Fee-For Service	$17,549.00	354	2.28%
Commercial	$15,040.00	335	1.85%
Private Pay	$3,275.00	58	0.53%
TOTAL Charges	$813,074.00	10,512	100%

FEES AND PAYMENT PLAN

5. Please provide additional information about the process for establishing a payment plan for a client who is unable to pay for services at the time services are rendered, including a draft of the agency's policy with specific language which describes time payment options and mechanisms for clients to arrange for time payment.

POLICY:

- All billing and payment plan are performed in accordance with the mission, vision and goals of MINERVA HHA, as well as state and federal regulatory guidelines.
- All staff are expected to adhere to the guidelines of the HHA's mission and vision statement.

PROCEDURE:

- All information related to billing, payment and record keeping is prepared and maintained accurately.
- Only those services rendered and documented in the patient medical record will be billed and requested for payment.
- Patients will be informed regarding the mechanism for voicing concerns related to billing. All patient complaints and concerns related to billing will be managed by the Billing Department, and will be addressed within 24 hours of receipt.

- Discuss the payment amount and timeline with patients. Minimum payment amount that takes into consideration the transaction costs associated with each individual transaction. Along with a minimum payment amount, Minerva home healthcare will also have a minimum balance that qualifies for a payment plan. Payment plan amounts will be set so the patient can realistically make the payment and it meets Minerva home healthcare's minimum payment amount. The patient can always pay more than the scheduled amount or pay earlier should their circumstances change.
- The consequences for failure to follow through on the agreement and pay on schedule will be that the total amount becomes due unless patient gets back on schedule or if discount is offered, they lose the discount. Or there will be an immediate transfer to a collection agency.
- Minerva home healthcare will offer incentives and discounts to pay off debt sooner. Discounts for prepayment will take into consideration the costs to collect outstanding balances (50% or more of the value of the balance with collection agency fees, mailings and staff time.
- For ongoing payment process, Minerva home healthcare will require an automatic debit on the patient's bank or credit card. Debit the agreed upon amount automatically on the same day every month.

SAMPLE:

Agreement to Pay for Minerva Home Care Services

I agree to pay for the services rendered by Minerva Home Healthcare as indicated below.
Date of Service_____ ___ Payment in full
Date to be paid_____ ___ Payment schedule as follows:
Date_____ Amount to be paid_____
Date_____ Amount to be paid_____
Date_____ Amount to be paid_____

____ Payments will be made by cash or check
____ Payments will be made by credit card, which I authorize you to use:

Credit Card:
Visa_____ Exp_____

MasterCard_____ Exp_____

American Express_____ Exp_____

Other_____ Exp_____
Name as appears on card_____

It is understood that if the patient misses payments, without prior notification and agreement, Minerva home healthcare reserves the right to transfer collections to a collection agency.

_____

Name of Patient (print or type)

_____

Patient Address

_____

Phone

_____

Patient Signature _____Date _____

6. Please explain what "5. Appropriateness of placement" means under the "criteria" for charity care.

To ensure that the appropriateness of placement of patients is:

- Consistent with the Minerva home healthcare's mission and scope of service
- Based on the reasonable expectation that the patient's care and service needs can be appropriately and safely be met in the patient's place of residence.

CHARITY CARE AND SLIDING SCALE FEE

7. Please provide a copy of Minerva's *policy* regarding its provision of charity care.

I. POLICY:

Minerva Home Health Care is committed to providing charity care to persons who have healthcare needs and are uninsured, underinsured, ineligible for a government program, or otherwise unable to pay, for medically necessary care based on their individual financial situation. Consistent with its mission to deliver compassionate, high quality, affordable healthcare services and to advocate for those who are poor and disenfranchised. Minerva home health care strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care. Minerva home health care will provide, without discrimination, care for medical necessary conditions to individuals regardless of their eligibility for financial assistance or for government assistance.

Accordingly, this written policy:
• Includes eligibility criteria for financial assistance – free and discounted (partial charity) care

- Describes the basis for calculating amounts charged to patients eligible for financial assistance under this policy
- Describes the method by which patients may apply for financial assistance
- Describes how Minerva home healthcare will widely publicize the policy within the community served.
- Limits the amounts that MHH will charge for medically necessary care provided to individuals eligible for financial assistance to amount generally billed (received by) MHH for commercially insured or Medicare patients.

Charity is not considered to be a substitute for personal responsibility. Patients are expected to cooperate with Minerva home healthcare's procedures for obtaining charity or other forms of payment or financial assistance, and to contribute to the cost of their care based on their individual ability to pay. Individuals with the financial capacity to purchase health insurance shall be encouraged to do so, as a means of assuring access to health care services, for their overall personal health, and for the protection of their individual assets

In order to manage its resources responsibility and to allow Minerva home healthcare to provide the appropriate level of assistance to the greatest number of persons in need, the Board of Directors establishes the following guidelines for the provision of patient charity.

II. DEFINITIONS

For the purpose of this policy, the terms below are defined as follows:

Charity Care: Healthcare services that have been or will be provided but are never expected to result in cash inflows. Charity care results from a provider's policy to provide healthcare services free or at a discount to individuals who meet the established criteria.
Family: Using the Census Bureau definition, a group of two or more people who reside together and who are related by birth, marriage, or adoption. According to Internal Revenue Service rules, if the patient claims someone as a dependent on their income tax return, they may be considered a dependent for purposes of the provision of financial assistance.
Family Income: Family Income is determined using the Census Bureau definition, which uses the following income when computing federal poverty guidelines:

- Includes earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts,

educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources;

- Noncash benefits (such as food stamps and housing subsidies) do not count;
- Determined on a before-tax basis;
- Excludes capital gains or losses; and
- If a person lives with a family, includes the income of all family members (Non-relatives, such as housemates, do not count).

Uninsured: The patient has no level of insurance or third party assistance to assist with meeting his/her payment obligations.

Underinsured: The patient has some level of insurance or third-party assistance but still has out-of-pocket expenses that exceed his/her financial abilities.

Gross charges: The total charges at the organization's full established rates for the provision of patient care services before deductions from revenue are applied.

Emergency medical conditions: Defined within the meaning of section 1867 of the Social Security Act (42 U.S.C. 1395dd).

Medically necessary: As defined by Medicare (services or items reasonable and necessary for the diagnosis or treatment of illness or injury).

III. PROCEDURES

A. Services Eligible Under This Policy: "charity" or "financial assistance" refers to healthcare services provided by Minerva home healthcare without charge or at a discount to qualifying patients. The following healthcare services are eligible for charity:

1. Medically necessary services, evaluated on a case-by-case basis at Minerva home healthcare's discretion.

B. Eligibility for Charity: Eligibility for charity will be considered for those individuals who are uninsured, underinsured, ineligible for any government health care benefit program, and who are unable to pay for their care, based upon a determination of financial need in accordance with this Policy. The granting of charity shall be based on an individualized determination of financial need, and shall not take into account age, gender, race, social or immigrant status, sexual orientation or religious affiliation. Minerva home healthcare shall determine whether or not patients are eligible to receive charity for deductibles, co-insurance, or co-payment responsibilities.

C. Method by Which Patients May Apply for Charity Care:

1. Financial need will be determined in accordance with procedures that involve an individual assessment of financial need; and may

a. Include an application process, in which the patient or the patient's guarantor is required to cooperate and supply personal, financial and other information and documentation relevant to making a determination of financial need;

b. Include the use of external publicly available data sources that provide information on a patient's or a patient's guarantor's ability to pay (such as credit scoring);

c. Include reasonable efforts by Minerva home healthcare to explore appropriate alternative sources of payment and coverage from public and private payment programs, and to assist patients to apply for such programs;

d. Take into account the patient's available assets, and all other financial resources available to the patient; and

e. Include a review of the patient's outstanding accounts receivable for prior services rendered and the patient's payment history.

2. It is preferred but not required that a request for charity and a determination of financial need occurs prior to rendering of non-emergent medically necessary services. However, the determination may be done at any point in the collection cycle. The need for financial assistance shall be re-evaluated at each subsequent time of services if the last financial evaluation was completed more than a year prior, or at any time additional information relevant to the eligibility of the patient for charity becomes known.

3. Minerva home healthcare's values of human dignity and stewardship shall be reflected in the application process, financial need determination and granting of charity. Requests for charity shall be processed promptly and Minerva home healthcare shall notify the patient or applicant in writing within 30 to 45 days of receipt of a completed application.

D. Presumptive Financial Assistance Eligibility: There are instances when a patient may appear eligible for charity care discounts, but there is no financial assistance form on file due to a lack of supporting documentation. Often there is adequate information provided by the patient or through other sources, which could provide sufficient evidence to provide the patient with charity care assistance. In the event there is no evidence to support a patient's eligibility for charity care, Minerva home healthcare could use outside agencies in determining estimate income amounts for the basis of determining charity care eligibility and potential discount amounts. Once determined, due to the inherent nature of the presumptive circumstances, the only

discount that can be granted is a 100% write off of the account balance. Presumptive eligibility may be determined on the basis of individual life circumstances that may include:
1. State-funded prescription programs;
2. Homeless or received care from a homeless clinic;
3. Participation in Women, Infants and Children programs (WIC);
4. Food stamp eligibility;
5. Subsidized school lunch program eligibility;
6. Eligibility for other state or local assistance programs that are unfunded (e.g., Medicaid spend-down);
7. Low income/subsidized housing is provided as a valid address; and
8. Patient is deceased with no known estate.

E. Eligibility Criteria and Amounts Charged to Patients: Services eligible under this Policy will be made available to the patient on a sliding fee scale, in accordance with financial need, as determined in reference to Federal Poverty Levels (FPL) in effect at the time of the determination. Once a patient has been determined by Minerva home healthcare to be eligible for financial assistance, that patient shall not receive any future bills based on undiscounted gross charges. The basis for the amounts Minerva home healthcare will charge patients qualifying for financial assistance is as follows:
1. Patients whose family income is at or below 100% of the FPL are eligible to receive free care;
2. Patients whose family income is above 75% but not more than 50% of the FPL are eligible to receive services at amounts no greater than the amounts generally billed to (received by Minerva home healthcare for) commercially insured [or Medicare] patients; [Minerva home healthcare may want to consider a sliding fee schedule as an alternative within this section]; and
3. Patients whose family income exceeds 25% of the FPL may be eligible to receive discounted rates on a case-by-case basis based on their specific circumstances, such as catastrophic illness or medical indigence, at the discretion of Minerva home healthcare; however the discounted rates shall not be greater than the amounts generally billed to (received by Minerva home healthcare for) commercially insured [or Medicare] patients.

1. An assessment of a patient's financial status may be initiated by the patient requesting financial assistance or by a financial counselor as he or she routinely inquire about the patient's resources and plans for absolving his or her account balance. To facilitate the determination of a patient's financial status, the following procedures will be followed.
   • The financial counselor will have the patient, guarantor, or a member of the patient's immediate family complete a financial assistance application. The financial counselor will discuss the information with the person completing the application. The purpose of the application will be to work out a monthly payment schedule that will be mutually agreeable to Minerva home healthcare and the patient, referral to a federal

agency such as the Department of Human Services or grant financial assistance based on the Minerva home healthcare Policy.

2. Clients that are not able to make payment at time of care, must contact Minerva's Social Worker who will render assistance in setting up a monthly payment plan based on income. Minerva will accept payments in the form of check payable to: Minerva Home HealthCare Inc. or Credit Card payment. Payment plans will be made in accordance with the sliding scale below.
3. Notification of Minerva's Charity Services will be published in the patient booklet, and on the company website, with instructions on how to apply for charity services. Application for charity services may be made prior to initiation of services for all new patients. However, patient who has a hardship during the service period may also apply through Minerva's Social Workers. Proof of hardship must be provided.

Below is the payment sliding scale for reference:

Family members	**1**	**2**	**3**	**4**	**Fee Discount**
Annual income	**12,060**	**16,240**	**20,420**	**24,600**	**100%**
	19,850	**22,700**	**25,500**	**28,350**	**75%**
	22,700	**25,550**	**28,350**	**31,200**	**50%**
	25,550	**28,400**	**31,200**	**34,050**	**25%**

F. Communication of the Charity Program to Patients and Within the Community: Notification about charity available from Minerva home healthcare, which shall include a contact number, shall be disseminated by Minerva home healthcare by various means, which may include, but are not limited to, the publication of notices in patient bills and by posting notices in the Conditions of Admission form, and at other public places as Minerva home healthcare may elect. Minerva home healthcare also shall publish and publicize a summary of this charity care policy on agency websites, in brochures available in patient access sites and at other places within the community served by Minerva home healthcare as Minerva home healthcare may elect. Such notices and summary information shall be provided in the primary languages spoken by the population serviced by Minerva home healthcare. Referral of patients for charity may be made by any member of the Minerva home healthcare staff or medical staff, including physicians, nurses, financial counselors, social workers, case managers, chaplains, and religious sponsors. A request for charity may be made by the patient or a family member, close friend, or associate of the patient, subject to applicable privacy laws.

G. Relationship to Collection Policies: Minerva home healthcare management shall develop policies and procedures for internal and external collection practices (including actions MHH may take in the event of non-payment, including collections action and reporting to credit agencies) that take into account the extent to which the patient qualifies for charity, a patient’s good faith effort to apply for a governmental program or for charity from Minerva home healthcare, and a patient’s good faith effort to comply with his or her payment agreements with Minerva home healthcare. For patients who qualify for charity and who are

cooperating in good faith to resolve their discounted agency bills, Minerva home healthcare may offer extended payment plans, will not send unpaid bills to outside collection agencies, and will cease all collection efforts. Minerva home healthcare will not impose extraordinary collections actions such as wage garnishments; liens on primary residences, or other legal actions for any patient without first making reasonable efforts to determine whether that patient is eligible for charity care under this financial assistance policy. Reasonable efforts shall include:

1. Validating that the patient owes the unpaid bills and that all sources of third-party payment has been identified and billed by MHH;
2. Documentation that Minerva home healthcare has or has attempted to offer the patient the opportunity to apply for charity care pursuant to this policy and that the patient has not complied with MHH's application requirements;
3. Documentation that the patient does not qualify for financial assistance on a presumptive basis;
4. Documentation that the patient has been offered a payment plan but has not honored the terms of that plan.

H. Regulatory Requirements. In implementing this Policy, Minerva home healthcare management and facilities shall comply with all other federal, state, and local laws, rules, and regulations that may apply to activities conducted pursuant to this Policy.

8. Please submit drafts of a charity care notice and express your commitment to post it in the business office of the HHA and on the HHA's website.

Communication of the Charity Program to Patients and Within the Community: This is a draft of our charity care notice and we are committed to posting it in our brochures and in patient bills of rights and by posting notices in the Conditions of Admission form.

Attention Patients

If you do not have health insurance, you may qualify for financial assistance.
This home healthcare agency has a program to assist uninsured, low-income patient with payment of healthcare bills.

For more information, please ask any of our representative, or call: 240-560-5080

IMPACT

9. Please provide any population projections or other data to support the assumption that there will be "an increase in the number of home health clients as the population increases".

According to the Department of Planning, annually, the Division of Health Statistics of the Maryland Department of Health publishes Maryland Vital Statistics.

POPULATION GROWTH RATES

From 1990 to 2000, Maryland population grew by 10.8%, a gain of 515,733 persons. Calvert County led all other counties in that period with a 45.1% increase in population.

In between decennial censuses, the U.S. Census Bureau also issues the State & County QuickFacts and American Fact Finder, which show yearly statistics. As of July 2014, the Bureau reported that Howard County showed the fastest growth in population, rising 1.4% to 309,284. Charles County came in second, with a 1.2% rise to 154,747, followed by Prince George's County, at 1.1% to 904,430.

MARYLAND

	1990 census	2000 census	2010 census	2020 projected*	2030 projected*
Maryland	4,780,753	5,296,486	5,773,552	6,339,290	6,684,260

COUNTIES

	1990 census	2000 census	2010 census	2020 projected*	2030 projected*
Charles County	101,154	120,546	146,551	177,200	204,200
St. Mary's County	75,974	86,211	105,151	130,100	151,500

*Estimates as of Oct. 2009 from Maryland State Data Center, Dept. of Planning.

Maryland's booming aging population will place an unprecedented demand on health, social services, the workforce, and housing accommodations. In 2011, the Baby Boom generation, people born from 1946 to 1964, began to turn 65. As this large cohort ages, Maryland will continue to experience rapid growth in both the number of older adults and their share of the total population.

Advances in medicine and longer life expectancy will also contribute to the continued growth of older adults in Maryland. By 2030, Maryland is projected to have over 1.6 million individuals age 60 and older. Well-planned health promotion initiatives and new partnerships with healthcare, private industry, and other non-governmental organizations are critical to stem the growing need of public long-term services and supports.

Several demographic trends shape the Department's goals and priorities for services to older adults: The number of older Marylanders is increasing. Of the nearly 5.8 million people in Maryland in 2015, 18.35% were age 60 or over. This percentage is expected to increase to 25.4% of Maryland's projected population of 6.7 million by the year 2030. Individuals between the ages of 80-84 are the fastest growing segment of the population. This cohort will grow in number, statewide, from 96,437 in 2015 to 227,527 by the year 2040, a 136% increase. The geographic distribution of Maryland's senior population will shift as the overall population distribution changes over the next 30 years. In 2015, 63.8% of Maryland's older adults (60+) are estimated to reside in Baltimore City and in Anne Arundel, Baltimore, Montgomery and Prince George's counties.

In 2040, these will remain the jurisdictions with the largest number of individuals over 60; however, the largest percentage increases in older adults will be Cecil, Charles, Frederick, Howard, and Somerset Counties. The greatest number of the State's low income minority older adults live in Baltimore City.

In 2013, 38.12% of the State's 60+ low-income minority individuals lived in Baltimore City. The two counties with the next highest percentage of this population are Prince George's (17.82%) and Montgomery (15.47%). In 2013, 76,425 older Marylanders (7.1% of the total state 60+ population) lived in poverty as defined by the federal poverty guidelines. Minorities composed nearly half (48.1%) of the State's low income older adult population.

Maryland's 60+ Population Projections by Jurisdiction, 2015-2030

Jurisdiction	2015	2020	2025	2030	Percentage Change (2015 to 2030)
Charles Co.	26,274	33,895	43,269	51,007	94.13%
St. Mary's Co.	19,301	24,253	30,001	34,188	77.13%

http://aging.maryland.gov/Documents/MDStatePlan2017_2020Dated092216.pdf

10. Please provide a table that shows Minerva's projected payer mix, including the percentage of Medicaid, Medicare, private insurance, and self-pay clients.

Table 4 Cont.	Projected Years		
CY	2018	2019	2020
4A. - Payor Mix as Percent of Total Revenue			
Medicare	35%	40%	40%
Medicaid	5%	5%	5%
Self-Pay	1%	1%	1%
Commercial Insurance	14%	15%	15%
Other- Pharmaceutical Companies	45%	39%	39%

FINANCIAL SOLVENCY

11. Please provide a response that satisfies this standard, including HHS' requirement at HHS 489.28(d) that states "proof…will include a copy of the statement(s) of the agency's savings, checking, or other account(s) that contains the funds, *accompanied by an attestation for an officer of the bank or other financial institution that the funds are in the account(s) and that the funds are immediately available to the HHA*", or, in this case, that the funds are available to the agency.

See attachment 2: M&T Bank Letter from an officer of the bank that the funds are in the accounts and are immediately available to the HHA

LINKAGES WITH OTHER SERVICE PROVIDERS

12. Please provide a description of any existing linkages that Minerva maintains as an RSA in Maryland, and as an HHA in Virginia.

Minerva home healthcare has relationships with other agencies, they are established as needed to meet the needs of particular client, with a single case manager retaining full control over the case. Minerva HH has the advantage of providing a single point of contact for the client. This is the type of relationship we have with our pharmaceutical companies providing specialty infusion. We have a relationship with multiple pharmaceutical companies in Maryland including Coram, BioTek RX, Bioscrip RX, Amerisource Bergen, Briova RX, Medpro RX etc. Other linkages Minerva HH has are with social workers and discharge planners with presentation of products we provide and services we rendered. Referrals from other family members, physicians and nursing homes.

Minerva home healthcare has an informal partnership with other agencies and staff members from several agencies in Virginia, we collaborate as a temporary team to provide multiple services for clients, advising and consulting one another and exchanging information. This is readily constructed on a case-by-case basis. Such partnerships make more services available for the client and improve service coordination. These relationships are with Inova Alexandria hospital, Alexandria hospital, Inova Fairfax Hospital, and Inova Mount Vernon hospital. Assisted living such as Sunrise of Arlington and Sunrise of Alexandria. We have a relationship with multiple pharmaceutical companies in Virginia including Coram, Bioscrip RX, Amerisource Bergen, Briova RX, Medpro RX etc.

Minerva home healthcare also has formal consortium links where three or more providers through a formal, written contract provides service. We the agencies work together on an ongoing basis and are accountable to the consortium, usually with one agency taking the lead to ensure coordination. The case managers are supported through resources pooled from members of the consortium or by the lead agency. The advantages of this approach are more opportunities for coordinating care, less duplication of services, and strengthened service integration. We have such contract with Global Agency and we also have contract with Allscripts and Epic for accepting wide range of patients in Maryland and Virginia in one location.

PROJECT BUDGET

13. Please provide a revised Table 1. Project Budget in which the Total Uses of Funds matches the listed for Total Sources of Funds, and include the sources of all funds in the table.

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	$
2) Fixed Equipment (not included in construction)	
3) Architect/Engineering Fees	
4) Permits, (Building, Utilities, Etc)	
a. SUBTOTAL New Construction	**$**
b. Renovations	
1) Building	
2) Fixed Equipment (not included in construction)	

3) Architect/Engineering Fees	
4) Permits, (Building, Utilities, Etc.)	
b. SUBTOTAL Renovations	**$**
c. Other Capital Costs	
1) Movable Equipment	2,500
2) Contingency Allowance	5,000
3) Gross Interest During Construction	
4) Other (Specify)RENT - $800 x 12 Months	9,600
c. SUBTOTAL Other Capital Cost	**$**
TOTAL CURRENT CAPITAL COSTS (sum of a - c)	**$**
Non-Current Capital Cost	
d. Land Purchase Cost or Value of Donated Land	$
e. Inflation (state all assumptions, including time period and rate	$
TOTAL PROPOSED CAPITAL COSTS (sum of a - e)	**$17,100**
2. FINANCING COST AND OTHER CASH REQUIREMENTS	
a. Loan Placement Fees	$
b. Bond Discount	
c. CON Application Assistance	5,000
c1. Legal Fees	2,500
c2 Other (Specify and add lines as needed)	
d. Non-CON Consulting Fees	
d1. Legal Fees	
d2. Other (Specify and add lines as needed)	
e. Debt Service Reserve Fund	27,400
f. Other Computers & Tablets $5,000; EMR $1,500 x 12 Months $1,800	23,000
TOTAL (a - e)	**$57,900**
3. WORKING CAPITAL STARTUP COSTS	**$**
TOTAL USES OF FUNDS (sum of 1 - 3)	**$75,000**
B. SOURCES OF FUNDS FOR PROJECT	
1. Cash	
2. Pledges: Gross _____,less allowance for uncollectables _____= Net	
3. Gifts, bequests	
4. Authorized Bonds	
5. Interest income (gross)	
6. Mortgage	
7. Working capital loans	
8. Grants or Appropriation	
a. Federal	
b. State	
c. Local	
9. Other Line of Credit	75,000
TOTAL SOURCES OF FUNDS (sum of 1-9)	**$75,000**
ANNUAL LEASE COSTS (if applicable)	
Land	
Building	
Moveable equipment	
Other (specify)	

REVENUES AND EXPENSES

14. Please provide the assumptions used to project revenues and expenses.

    a. Please state the assumptions used to project client volume and visit increases. See Below

    b. Please state the assumptions used to project gross patient services revenues. Is this tied to the number of patient visits or clients, or other projections? Please explain. See Below – projection is tied to number of patient visits.

    c. Please state the assumptions used to project expenses. See Below

Minerva Home Health Agency
Revenue
Estimation/Projection

	2018	2019	2020	2021
Client Visits By Discipline				
Skilled Nursing Visits	130	312	408	624
Home Health Aide Visits	24	30	44	56
Physical Therapy Visits	30	36	40	46
Occupational Therapy Visits	10	18	24	32
Speech Therapy Visits	6	10	14	18
Medical Social Services Visits	2	4	10	14
Other Visits - Infusions	6754	7342	7828	8568

Billing Rates By Discipline

Skilled Nursing	102	105	107	110
Home Health Aide	17	17	18	18
Physical Therapy	135	138	142	145
Occupational Therapy	135	138	142	145
Speech Therapy	135	138	142	145
Medical Social Services	135	138	142	145
Other Visits - Infusions	125	128	131	135

Revenue By Discipline

Skilled Nursing Visits	13,260	32,620	43,723	68,542
Home Health Aide Visits	408	523	786	1,025
Physical Therapy Visits	4,050	4,982	5,673	6,687
Occupational Therapy Visits	1,350	2,491	3,404	4,652
Speech Therapy Visits	810	1,384	1,986	2,617
Medical Social Services Visits	270	554	1,418	2,035
Other Visits - Infusions	844,250	940,694	1,028,037	1,153,350
Total	**864,398**	**983,246**	**1,085,027**	**1,238,909**

15. In Table 4. Revenues and Expenses:
    a. For expenses: the projection for "salaries, wages, and professional fees" at the project's full utilization should match the staffing expense projections listed in Table 5. Staffing Information. Customarily, the "salaries, wages, and professional fees" reflects the same amount projected for agency staff in Table 5. "Contractual services" in Table 4 would include the expenses for contract staff in Table 5. Please revise these projections or explain why the projections in these tables do not match. Changes made - See Below
    b. The "income from operation" line should equal the operating revenues minus operating expenses listed in the same table. Please provide a revised Table 4 in which the revenues minus expenses equal income. Changes made - See Below

TABLE 4: REVENUES AND EXPENSES – PROJECTED HOME HEALTH AGENCY SERVICES FOR PROPOSED PROJECT

Instructions: Complete Table 4 for the proposed project, showing projected revenues and expenses *for only the jurisdiction(s) which is the subject of the application*.

Projections should be presented in current dollars. Medicaid revenues for all years should be calculated on the basis of Medicaid rates and ceilings in effect at the time of submission of this application.

Specify sources of non-operating income. State the assumptions used in projecting all revenues and expenses. Please indicate on the Table if the reporting period is Calendar Year (CY) or Fiscal Year (FY).

	Projected Years (ending with first full year at full utilization)			
CY or FY (Circle)	2018	2019	2020	2021
1. Revenue				
Gross Patient Service Revenue	864,398	983,246	1,085,027	1,238,909
Allowance for Bad Debt	10,000	11,000	12,000	18,000
Contractual Allowance	20,000	25,000	30,000	38,000
Charity Care	7,500	7,500	10,500	12,000
Net Patient Services Revenue	826,898	939,746	1032,527	1,170,909
Other Operating Revenues (Specify)				
Net Operating Revenue	**826,898**	**939,746**	**1032,527**	**1,170,909**
2. Expenses				
Salaries, Wages, and Professional Fees, (including fringe benefits)	166,250	170,406	175,000	180,000
Contractual Services	257,400	263,835	270.430	280,000
Interest on Current Debt				
Interest on Project Debt				
Current Depreciation				
Project Depreciation				
Current Amortization				
Project Amortization				
Supplies	27,125	27,803	41,250	49,500
Other Exp. Utilities, Phone, Office Exp.Misc	75,000	76,875	78,797	81,000
Total Operating Expenses	**525,775**	**538,919**	**565,477**	**590,500**
3. Income				
Income from Operation	301,123	400,827	467,050	580,409
Non-Operating Income				
Subtotal	301,123	400,827	467,050	580,409
Income Taxes	120,449	160,331	186,820	232,164
Net Income (Loss)	180,674	240,496	280,230	348,245

Table 4 Cont.	Projected Years (ending with first full year at full utilization)			
CY	2018	2019	2020	2021
4A. - Payor Mix as Percent of Total Revenue				
Medicare	35%	40%	40%	40%
Medicaid	5%	5%	5%	5%
Self Pay	1%	1%	1%	1%
Commercial Insurance	14%	15%	15%	15%
Other- Pharmaceutical Companies	45%	39%	39%	39%
TOTAL	100%	100%	100%	100%
4B. Payor Mix as Percent of Total Visits				
Medicare	35%	40%	40%	40%
Medicaid	5%	5%	5%	5%
Self-Pay	1%	1%	1%	1%
Commercial Insurance	14%	13%	13%	13%
Other- Pharmaceutical Companies	45%	41%	41%	41%
TOTAL	100%	100%	100%	100%

16. In Table 5. Staffing Information:

    a. Please explain what the "current" staffing figures represent? Are these employees currently employed by the RSA or the proposed HHA? Current employees are the employees currently employed by Minerva Home Healthcare

    b. Please provide a revised table that reflects staffing projections for the project at full utilization (Please see 2021 in Table 4).

    c. Please ensure the projected number of employees and associated salaries equal "Total Salary Expenses" for each staffing category and all information is included in the table. Specifically:

        i. The Administrative Personnel position does not include an average salary, and it is unclear what the change in FTEs represents. Is it one additional FTE, for a total of 4 FTEs? Changes made - See Below

        ii. The Registered Nurse position has no projection for total salary expense under contract staff, when it seems there should be, and that agency staff and contract staff salaries may have been added together. Please revise for clarity. Changes made - See Below

TABLE 5. STAFFING 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. of FTEs		Change in FTEs (+/-)		Average Salary		TOTAL SALARY EXPENSE	
	Agency Staff	Contract Staff	Agency Staff	Contract Staff	Agency Staff	Contract Staff	Agency Staff	Contract Staff
Administrative Personnel	3	0	1	0	29,000		29,000	
Registered Nurse	2	1	0	1	58,000	40,000		40,000
Licensed Practical Nurse	0	0	1	0	50,000		50,000	
Physical Therapist	0	0	0	1		100,000		100,000
Occupational Therapist	0	0	0	1		90,000		90,000
Speech Therapist	0	0	0	0.25		100,000		25,000
Home Health Aide	0	0	2	0	27,000		54,000	
Medical Social Worker	0	0	0	0.12		20,000		2,400
Other (Please specify.)								
						Benefits	33,250	
						TOTAL	166,250	257,400

***** Indicate method of calculating benefits cost Calculated @ 25% of gross salary_____
_____
_____

17. Regarding the projections for charity care volume, the application states that the amount will be based on three percent of the previous year's profits. However, the projected amount does not reflect this percentage. Please explain, or revise, if needed.

Charity projection changed f rom 3% to 0.7% with noted previous year profits.

18. Please clarify whether the projections are made for a Calendar Year or a Fiscal Year. If for a Fiscal Year, please state in what month the fiscal year begins.

January thru December

VIABILITY

19. The Viability criterion asks for audited financial statements for the past two years, or "in the absence of audited financial statements, documentation of the adequacy of financial resources to fund this project in the form of a letter stating such signed by a Certified Public Accountant who is not directly employed by the applicant." Please provide a letter. SEE ATTACHMENT 3

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

All information supplementing the application must be signed by a person(s) available for cross-examination on the facts set forth in the supplementary information, and who shall sign a statement as follows: "I hereby declare and affirm under the penalties of perjury that the facts stated in this application and its attachments are true and correct to the best of my knowledge, information and belief."

DATE Signature of Owner or Authorized Agent of the Applicant

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

Sincerely,

Kevin McDonald
Chief, Certificate of Need