

Visiting Nurse Association of Maryland, LLC

Certificate of Need Application Lower Eastern Shore Jurisdiction

September 5, 2017



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MARYLAND HEALTH

CARE COMMISSION

4160 PATTERSON AVENUE – BALTIMORE, MARYLAND 21215

TELEPHONE: 410-764-3460 FAX: 410-358-1236

**INSTRUCTIONS FOR
APPLICATION FOR CERTIFICATE OF NEED
HOME HEALTH AGENCY PROJECTS**

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 this application form
- Responses to PART II must include responses to the standards in the State Health Plan chapter, COMAR 10.24.16, STATE HEALTH PLAN FOR FACILITIES AND SERVICES: HOME HEALTH AGENCY SERVICES.
- Identification of each Attachment, Exhibit, or Supplement

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. However, a replacement exhibit that merely replaces an exhibit to the application should have the same number as the exhibit it is replacing, noted as a replacement.)

SUBMISSION FORMATS:

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 both by paper copy and as *searchable PDFs*.
- **Microsoft Word:** Responses to the questions in the application and the applicant's 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.

Note that there are certain actions that may be taken regarding either a health care facility or an entity that does not meet the definition of a health care facility where CON review and approval are not required. Most such instances are found in the Commission's procedural regulations at COMAR 10.24.01.03, .04, and .05. Instances listed in those regulations require the submission of specified information to the Commission and may require approval by the full Commission. Contact CON staff at (410) 764-3276 for more information.

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. APPLICANT. *If the application has a co-applicant, provide the following information for that party in an attachment.*

Legal Name of Project Applicant (Licensee or Proposed Licensee):
Visiting Nurse Association of Maryland, LLC d/b/a, VNA of Maryland

Address:

7008 Security Blvd, Suite
300

Windsor Mill

21244

Maryland

Baltimore County

Street

City

Zip

State

County

Telephone: 410-594-2600

Name of Owner/Chief Executive: Barry M. Ray

2. NAME OF OWNER: VNA Home Health of Maryland, LLC, Barry Ray, Managing Member

If Owner is a Corporation, Partnership, or Limited Liability Company, attach a description of the ownership structure identifying all individuals that have or will have at least a 5% ownership share in the applicant and any related parent entities. Attach a chart that completely delineates this ownership structure.

Provided in Attachment A is the ownership structure of the VNA of Maryland.

Name of HHA provider: Visiting Nurse Association of Maryland, LLC d/b/a, VNA of Maryland

Address:

7008 Security
Blvd, Suite 300

Windsor Mill

21244

Baltimore

Street

City

Zip

County

Name of Owner
(if differs from
applicant):

4. NAME OF LICENSEE OR PROPOSED LICENSEE, if different from the applicant:

N/A

5. LEGAL STRUCTURE OF APPLICANT (and LICENSEE, if different from applicant).

Check ☒ or fill in applicable information below and attach an organizational chart showing the owners of applicant (and licensee, if different).

- A. Governmental ☐
- B. Corporation ☐
- (1) Non-profit ☐
- (2) For-profit ☒
- (3) Close ☐ State & Date of Incorporation
Maryland, 1994
- C. Partnership ☐
- General ☐
- Limited ☐
- Limited Liability Partnership ☐
- Limited Liability Limited Partnership ☐
- Other (Specify): _____
- D. Limited Liability Company ☒
- E. Other (Specify): _____
- To be formed: ☐
- Existing: ☐

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

A. Lead or primary contact:

Name and Title: Barry M. Ray

Mailing Address:

7008 Security Boulevard, Suite 300 Baltimore 21244 Maryland
Street City Zip State

Telephone: 443-248-3382

E-mail Address (required): b.ray@vnamd.com

Fax: _____

B. Additional or alternate contact:

Ari Krupp

Mailing Address:

7008 Security Boulevard, Suite 300 Baltimore 21244 Maryland
Street City Zip State

Telephone: 410-258-7363

E-mail Address (required): a.krupp@vna.com

Fax: _____

B. Additional or alternate contact:

Name and Title: Karen Hayes _____

Company Name VNA of Maryland _____

Mailing Address:

7008 Security Boulevard, Suite 300
Street

Windsor Mill
City

21244 MD
Zip State

Telephone: 443-827-4765 _____

E-mail Address (required): _____

Fax: k.hayes@vnamd.com _____

If company name
is different than
applicant briefly
describe the
relationship _____

7. PROPOSED AGENCY TYPE: ☒

- a. Health Department _____
- b. Hospital-Based _____
- c. Nursing Home-Based _____
- d. Continuing Care Retirement Community-Based _____
- e. HMO-Based _____
- f. Freestanding _____
- g. Other ☒ _____
(Please Specify.) Home Health

8. AGENCY SERVICES (Please check ☒ all applicable.)

Service	Currently Provided	Proposed to be Provided in the Jurisdiction(s) that are the subject of this Application*
Skilled Nursing Services	✓	✓
Home Health Aide	✓	✓
Occupational Therapy	✓	✓
Speech, Language Therapy	✓	✓
Physical Therapy	✓	✓
Medical Social Services	✓	✓

* If proposing different services in different jurisdictions, note that accordingly.

9. OFFICES

Identify the address of all existing main office, subunit office, and branch office locations and identify the location (city and county) of all proposed main office, subunit office, and branch offices, as applicable. (Add rows as needed.)

	Street	City	County	State	Zip Code	Telephone
Existing Main Office	7008 Security Blvd., Suite 300	Baltimore	Baltimore County	Maryland	21244	410-594-2600
Existing Subunit Offices	N/A	N/A	N/A	N/A	N/A	N/A
Existing Branch Offices	N/A	N/A	N/A	N/A	N/A	N/A
Locations of Proposed HHA Main Office	7008 Security Blvd., Suite 300	Baltimore	Baltimore County	Maryland	21244	410-594-2600
Locations of Proposed HHA Subunit Office	N/A	N/A	N/A	N/A	N/A	N/A
Locations of Proposed Branch Office	N/A	N/A	N/A	N/A	N/A	N/A

10. PROJECT IMPLEMENTATION TARGET DATES

- A. Licensure: Immediate months from CON approval date. (Existing)
- B. Medicare Certification Existing months from CON approval date.
(Existing expansion of territory)

We are already licensed and Medicare certified. We expect to be operational no more than 90 days of the issuance of the CON.

NOTE: in completing this question, please note that Commission regulations at COMAR 10.24.01.12 state that "home health agencies have up to 18 months from the date of the certificate of need to: (i) become licensed and Medicare certified; and (ii) begin operations in the jurisdiction for which the certificate of need was granted."

11. PROJECT DESCRIPTION:

Provide a summary description of the project immediately below. At minimum, include the jurisdictions to be served and all of the types of home health agency services to be established, expanded, or otherwise affected if the project receives approval.

Applicant Response:

The VNA of Maryland proposes to expand its existing home health agency into the entirety of the "Lower Eastern Shore Region" (comprised of Dorchester, Somerset, Wicomico and Worcester Counties). VNA currently operates in the Upper Eastern Shore (as well as other Maryland Counties and the City of Baltimore) pursuant to previously granted Certificates of Need.

The VNA goal is to develop the entire Lower Eastern Shore region over a three-year period in order to achieve a total of 10,000 visits annually. All assumptions for staffing and budget have been based on the goal of ramping up services so that at the end of 2020, VNA of Maryland will be prepared to meet those goals.

The VNA of Maryland care model will focus on caring for adults after hospitalization and stays in skilled nursing facilities. VNA also provides services to address medical and surgical conditions of individuals who reside in assisted living facilities and at home. VNA of Maryland provides therapeutic/rehabilitative, occupational therapy, physical therapy and speech language therapy, and medical social work.

PART II: 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. These criteria follow, 10.24.01.08G(3)(a) through 10.24.01.08G(3)(f).

10.24.01.08G(3)(a). “The State Health Plan” Review Criterion

An application for a Certificate of Need shall be evaluated according to all relevant State Health Plan standards, policies, and criteria. (Note: In this case it is the standards at COMAR 10.24.16.08 – and in the case of comparative reviews, at COMAR 10.24.16.09.)

10.24.16.08 Certificate of Need Review Standards for Home Health Agency Services.

The Commission shall use the following standards, as applicable, to review an application for a Certificate of Need to establish a new home health agency in Maryland or expand the services of an existing Maryland home health agency to one or more additional jurisdictions.

The following standards must be addressed by all home health agency CON applicants, as applicable. Provide a direct, concise response explaining the proposed project's consistency with each standard. In cases where standards require specific documentation, please include the documentation as a part of the application.

10.24.16.08A. Service Area.

An applicant shall:

- (1) Designate the jurisdiction or jurisdictions in which it proposes to provide home health agency services; and

Applicant Response:

VNA of Maryland is seeking to expand services in the following designated Lower Eastern Shore counties: Dorchester, Somerset, Wicomico and Worcester.

- (2) Provide an overall description of the configuration of the parent home health agency and its interrelationships, including the designation and location of its main office, each subunit, and each branch, as defined in this Chapter, or other major administrative offices recognized by Medicare.

Applicant Response:

In December 2003, the VNA of Maryland was sold to a private group having decades of managerial and financial experience in the health care field. A new corporate structure developed to respond to the need for innovation and an improved organizational structure capable of adapting to the latest technology in home care information systems.

VNA of Maryland, under its current ownership and management has consistently maintained the expectation that each patient receives quality services in a compassionate manner, and ensures the organization has the resources to adhere to the highest standards of home care. As a direct result, the VNA enjoys exceptional patient satisfaction responses. It is this mission with dedication and commitment to excellence that motivated Private Insurers to request the VNA expand services to cover the adjacent geographical territories. Having once served the Eastern Shore counties and as a result of requests from current referral sources, the VNA of Maryland has considered and is applying for a Certificate of Need in hopes to extend our home care services back to the entire Lower Eastern Shore Jurisdiction.

The Visiting Nurse Association of Maryland operates as a private limited liability company, accredited by the Accreditation Commission for Health Care with Deemed Status, and has relationships with home care organizations such as Maryland National Capital Home Care Association and National Association for Home Care & Hospice. The configuration of the company may be noted in the Organizational Work Chart, see Attachment B. The VNA builds, sustains and maintains connections with the people and places in the community and encourage staff to participate in charitable contributions such as annual Toys for Tots and food drives, as well as other various charitable activities.

The main office of the VNA of Maryland is located at 7008 Security Boulevard, Suite 300, Windsor Mill, MD 21244. This office is able to service the Agency throughout the entire state using an electronic web based home care application. All of Intake, Billing, Medical Records, Finance, Clinical and all other operational departments are located at the main office. There are also local offices that provide a meeting place for monthly and quarterly meetings offsite. The VNA of Maryland currently have CONs to provide home health care services to residents in 17 counties.

10.24.16.08B. Populations and Services.

An applicant shall describe the population to be served and the specific services it will provide.

Applicant Response:

VNA of Maryland offers all home health services to adult only populations. We participate in both Medicare and Medicaid programs and accept private pay insurances and grants, when available.

The VNA of Maryland care model will focus on caring for adults after hospitalization and stays in skilled nursing facilities. VNA also provides services to address medical and surgical conditions of individuals who reside in assisted living facilities and at home. VNA of Maryland provides therapeutic/rehabilitative, occupational therapy, physical therapy and speech language therapy, medical social work and home health aide.

10.24.16.08C. Financial Accessibility.

An applicant shall be or agree to become licensed and Medicare- and Medicaid-certified, and agree to maintain Medicare and Medicaid certification and to accept clients whose expected primary source of payment is either or both of these programs.

Applicant Response:

The VNA of Maryland is currently licensed and Medicare and Medicaid certified. We will continue to maintain our licensure and certification.

Our home health services are primarily covered by Medicare or Medical Assistance provided the patients have valid Medicare or Medicaid coverage.

10.24.16.08D. Fees and Time Payment Plan.

An applicant shall make its fees known to prospective clients and their families at time of patient assessment before services are provided and shall:

- (1) Describe its special time payment plans for an individual who is unable to make full payment at the time services are rendered; and

Applicant Response:

VNA of Maryland assesses payment plans based on the needs of the client. Payment plans (special time payment options) are made available to clients who are unable to pay their entire account balance within a specific amount of time. See Attachment C Collections, Financial Counseling, Bad Debt Management and Payment Plans for further details highlighting payment plans.

- (2) Submit to the Commission and to each client a written copy of its policy detailing time payment options and mechanisms for clients to arrange for time payment.

Applicant Response:

Failure to notify VNA of Maryland of correct/valid insurance information or any changes will result in the patient being responsible for the charges.

The VNA of Maryland's Fee Schedule is located in the Patient Handbook. The Charity Care Policy located in Attachment D, also highlights VNA's payment policy plan intended to address the needs of low-income clients.

Please see response provided in 10.24.16.08E regarding the written copy of Charity Care Policy (Attachment D) used when determining payment options for patients who cannot pay for services in full or require a payment plan.

10.24.16.08E. Charity Care and Sliding Fee Scale.

Each applicant for home health agency services shall have a written policy for the provision of charity care for indigent and uninsured patients to ensure access to

home health agency services regardless of an individual's ability to pay and shall provide home health agency services on a charitable basis to qualified indigent and low income persons consistent with this policy. The policy shall include provisions for, at a minimum, the following:

- (1) **Determination of Eligibility for Charity Care and Reduced Fees.** Within two business days following a client's initial request for charity care services, application for medical assistance, or both, the home health agency shall make a determination of probable eligibility for medical assistance, charity care, and reduced fees, and communicate this probable eligibility determination to the client.

Applicant Response:

VNA of Maryland refers to Attachment D (Charity Care Policy), which addresses a client's initial request for charity care services. This is intended to address the needs of low-income clients who do not qualify for full charity care, but are unable to bear the full cost of services. The VNA will make the determination within 48 hours of receiving the request.

- (2) **Notice of Charity Care and Sliding Fee Scale Policies.** Public notice and information regarding the home health agency's charity care and sliding fee scale policies shall be disseminated, on an annual basis, through methods designed to best reach the population in the HHA's service area, and in a format understandable by the service area population. Notices regarding the HHA's charity care and sliding fee scale policies shall be posted in the business office of the HHA and on the HHA's website, if such a site is maintained. Prior to the provision of HHA services, a HHA shall address clients or clients' families concerns with payment for HHA services, and provide individual notice regarding the HHA's charity care and sliding fee scale policies to the client and family.

Applicant Response:

The VNA of Maryland has published an annual notice of the home health agency's Charity Care Policy (Attachment D) on the VNA website. This policy is also located in the VNA of Maryland's business office placed in a conspicuous location.

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

Applicant Response:

VNA of Maryland shall provide home health services to persons of all financial resources, including the underserved and uninsured communities. No patient shall be turned away due to financial constraints. See Attachment D for the Charity Care Policy.

- (4) **Policy Provisions.** An applicant proposing to establish a home health agency or expand home health agency services to a previously unauthorized jurisdiction shall make a commitment to, at a minimum, provide an amount of charity care equivalent to the average amount of charity care provided by home health agencies in the jurisdiction or multi-jurisdictional region it proposes to serve during the most recent year for which data is available. 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

Applicant Response:

Chart 1: 2014 Home Health Agency Charity Visits

County	Home Health Agency	Charity Visits 2014	Total Visits 2014
Dorchester	Home Call	0	4,782
	Amedisys	1	9,507
	Shore	17	5,543
Somerset	Peninsula	0	4,255
	Amedisys	9	4,823
	Health South Chesapeake Home Health	0	1,129
Wicomico	Home Call	0	1,819
	Peninsula	0	25,309
	Amedisys		18,318
	Health South Chesapeake Home Health	0	7,062
Worcester	Home Call	13	784
	Peninsula	13	12,290
	Amedisys	44	17,182
	Health South Chesapeake Home Health	0	2,994

VNA of Maryland has a proven track record of providing charity care services. This will be an ongoing commitment of what we have historically done within our communities across the State of Maryland in prior years.

The Home Health Agency Report for 2014 highlights charity care visits conducted by designated home health agencies in the Lower Eastern Shore counties as shown in Chart 1.

The VNA of Maryland will provide proportionate number of charity visits to total visits provided, equal to the average of other charity care visits provided by other home health agencies in the Lower Eastern Shore jurisdiction.

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

Applicant Response:

The VNA of Maryland historically has provided charity care to patients being discharged by referral sources from the residents of those counties. VNA of Maryland has provided 342 charity care visits (based on internal unreported data) across the agency in all jurisdictions in 2015 and has provided 493 charity care visits in 2016. VNA of Maryland has made a commitment to provide a minimum of 500 charity care visits state-wide in 2017 and beyond. This commitment is also noted in the Charity Care Policy in Attachment D.

10.24.16.08F. Financial Feasibility.

An applicant shall submit financial projections for its proposed project that must be accompanied by a statement containing the assumptions used to develop projections for its operating revenues and costs. Each applicant must document that:

- (1) Utilization projections are consistent with observed historic trends of HHAs in each jurisdiction for which the applicant seeks authority to provide home health agency services;

Applicant Response:

Chart 2 provides historic utilization trends of home health agency visits between years 2011- 2014 for the Lower Eastern Shore jurisdiction. Unfortunately, there is no data available for years 2015 or 2016. However, the VNA feels that over a five-year period (2015-2019), we should be able to project organic growth for these counties based on increasing trends in utilization and the aging of the population.

Chart 2: Historic Utilization Trends

County	2011 Total Visits	2012 Total Visits	2013 Total Visits	2014 Total Visits
Dorchester	11,488	18,178	20,300	19,832
Somerset	9,546	10,388	10174	10,207
Wicomico	44,056	46,519	50,307	52,238
Worcester	30,126	30,700	32,613	32,350

- (2) Projected revenue estimates are consistent with current or anticipated charge levels, rates of reimbursement, contractual adjustments and discounts, bad debt, and charity care provision, as experienced by the applicant if an existing HHA or, if a proposed new HHA, consistent with the recent experience of other Maryland HHAs serving each proposed jurisdiction; and

Applicant Response:

The assumptions that were used in our financial projections, which are found in table 4, were based on our years of experience servicing Cecil County, which is in the Upper Eastern Shore. We conducted due diligence and reviewed revenue and reimbursement, payor sources and payor mix data. We are seeking to expand services in Lower Eastern Shore. Revenues and expenses will be consistent with the data we had for the Upper Easter Shore region. The VNA believes that our data which is based on our own current and historical experiences is more accurate for our projections that any other provider data available.

- (3) Staffing and overall expense projections are consistent with utilization projections and are based on current expenditure levels and reasonably anticipated future staffing levels as experienced by the applicant if an existing HHA or, if a proposed new HHA, consistent with the recent experience of other Maryland HHAs serving the each proposed jurisdiction.

Applicant Response:

Similarly, the calculations that were used in our staffing and utilization projections, which are found in table 5, were based on our years of experience servicing Cecil County in the Upper Eastern Shore and applied to the Lower Eastern Shore, which are Dorchester, Somerset, Wicomico and Worcester counties. The VNA believes that our data which is based on our own current and historical experience is more accurate for our projections that any other provider data available.

An applicant shall address the impact of its proposed home health agency service on each existing home health agency authorized to serve each jurisdiction or regional service area affected by the proposed project. This shall include impact on existing HHAs' caseloads, staffing and payor mix.

Applicant Response:

VNA of Maryland's goal is to achieve in a period of three years 10,000 additional visits per annum as a result of the expansion into the four new counties of the Lower Eastern Shore.

Based on data provided in Historical Utilization Trends in Chart 2 in Section 1 of Financial Feasibility, in order to be able to achieve its goal of 10,000 additional visits per annum by the end of 2020, there would need to be a 10% organic growth in the utilization need for the four counties in question. It is apparent from the chart that from the years 2011 – 2014 there was indeed a 22% increase. As previously stated, data is currently unavailable for years 2015 and 2016. However, the VNA feels that over a five-year period (2015-2020) we should be able to project organic growth of the utilization need for these counties to be at least 10%. Therefore, there should be no negative impact to either caseload, staffing and/or payor mix to the existing home health agencies in these jurisdictions.

The rationale for this approach is that data supports that the residents of these counties will have a greater need for home and community based services as the population ages (see NEED Review Criteria 10.24.01.08G (3)(b)). Additionally, more residents are choosing to age at home as opposed to an institutional setting. See Chart 3.

10.24.16.08H. Financial Solvency.

An applicant shall document the availability of financial resources necessary to sustain the project. Documentation shall demonstrate an applicant's ability to comply with the capital reserve and other solvency requirements specified by CMS for a Medicare-certified home health agency.

Applicant Response:

See the month end bank statement as of July 31, 2017 in Attachment E.

10.24.16.08I. Linkages with Other Service Providers.

An applicant shall document its links with hospitals, nursing homes, continuing care retirement communities, hospice programs, assisted living providers, Adult Evaluation and Review Services, adult day care programs, the local Department of Social Services, and home delivered meal programs located within its proposed service area.

- (1) A new home health agency shall provide this documentation when it requests first use approval.

Applicant Response:

Not applicable. VNA of Maryland is an established home health agency.

- (2) A Maryland home health agency already licensed and operating

shall provide documentation of these linkages in its existing service area and document its work in forming such linkages before beginning operation in each new jurisdiction it is authorized to serve.

Applicant Response:

- a. The VNA's Existing Preferred Provider agreements provide many referrals that we currently cannot accept because we do not have a CON in those counties.
- b. The VNA has certain Preferred Provider agreements to ensure same day home care services where the patient is discharged directly home after surgery from Hospitals and Surgical Centers.
- c. The VNA has long standing contracts with insurers who have specifically requested that we expand our services into the remaining counties of the Lower Eastern Shore jurisdiction.

10.24.16.08J. Discharge Planning.

An applicant shall document that it has a formal discharge planning process including the ability to provide appropriate referrals to maintain continuity of care. It will identify all the valid reasons upon which it may discharge clients or transfer clients to another health care facility or program.

Applicant Response:

VNA of Maryland has a comprehensive discharge planning process. See Attachment F, Discharge Planning Process for VNA of Maryland.

10.24.16.08K. Data Collection and Submission.

An applicant shall demonstrate ongoing compliance or ability to comply with all applicable federal and State data collection and reporting requirements including, but not limited to, the Commission's Home Health Agency Annual Survey, CMS' Outcome and Assessment Information Set (OASIS), and CMS' Home Health Consumer Assessment of Healthcare Providers (HHCAHPS).

Applicant Response:

VNA of Maryland complies with all federal and State Data Collection and reporting requirements. Please see Attachment G which provides the current A) CMS Quality of Patient Care Star Rating Provider Preview Report, B) Home Health Compare Star Rating for Quality of Patient Care and C) HHCAHPS Star Rating. The Home Health Compare Reports (Attachment G) demonstrate our compliance with federal reporting requirements for OASIS and HHCAHPS. As it relates to the State of Maryland, the VNA is current with the Home Health Agency Annual Reports requested to date.

10.24.16.09 Certificate of Need Preference Rules in Comparative Reviews. Consistent with COMAR 10.24.01.09A(4)(b), the Commission shall use the following preferences, in the order listed, to limit the number of CON applications approved in a comparative review.

10.24.16.09A. Performance on Quality Measures.

Higher levels of performance will be given preference over lower levels of performance.

Applicant Response:

VNA of Maryland has consistently demonstrated high level performance which has resulted in the delivery of high quality of care to our clients. The Home Health Compare Quality of Care Reports, located in Attachment G, reflects our patient star ratings as an agency, as it compares to national and state quality ratings.

10.24.16.09B. Maintained or Improved Performance.

An applicant that demonstrates maintenance or improvement in its level of performance on the selected process and outcome measures during the most recent three-year reporting period will be given preference over an applicant that did not maintain or improve its performance.

Applicant Response:

The VNA of Maryland has demonstrated improved outcomes for the patients we serve. Please see Attachment H, the Risk Adjusted Outcome Report, which reflects outcomes against national statistics over a three-year period.

10.24.16.09C. Proven Track Record in Serving all Payor Types, the Indigent and Low Income Persons.

An applicant that served a broader range of payor types and the indigent will be given preference over an applicant that served a narrower range of payor types and provided less service to the indigent and low income persons.

Applicant Response:

The Month End Close Revenue Report (Attachment I) reflects the broad range of payor types and indigent populations the VNA of Maryland currently serves.

10.24.16.09D. Proven Track Record in Providing a Comprehensive Array of Services.

An applicant that provided a broader range of services will be given preference over an applicant that provided a narrower range of services.

Applicant Response:

VNA of Maryland demonstrates that it provides and has consistently provided an array of services by discipline to the communities it serves. This information is included in Attachment J.

10.24.16.09E. These preferences will only be used in a comparative review of applications when it is determined that approval of all applications that fully comply with standards in Regulation .08 of this Chapter would exceed the permitted number of additional HHAs provided for in a jurisdiction or multi-jurisdictional region as provided in Regulation 10.

10.24.01.08G(3)(b). The “Need” Review Criterion

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. Recognizing that the State Health Plan has identified need to establish an opportunity for review of CON applications in certain jurisdictions based on the determination that the identified jurisdiction(s) has insufficient consumer choice of HHAs, a highly concentrated HHA service market, or an insufficient choice of HHAs with high quality performance (COMAR 10.24.16.04), applicants are expected to provide a quantitative analysis that, at a minimum, describes the Project's expected service area; population size, characteristics, and projected growth; and, projected home health services utilization.

Applicant Response:

The project expected service area includes Dorchester, Somerset, Worcester, and Wicomico counties located in the Lower Eastern Shore Jurisdiction. In order to have a meaningful discussion as to the “Need” it is important to address multiple criteria in this analysis.

Population Growth:

Chart 3 shows the total population in these counties as recorded in the 2010 and 2015 Census, as well as the approximate number that are age 65 or older. The data clearly shows that although the total population in the counties was basically stagnant from 2010 to 2015, the age 65 and older population as represented in 2016 became a larger percent of the total population. As compared to 2010, the increases of the percentage of 65 and greater population grew by 15.2%. This data is consistent with national trends indicating that today's seniors prefer to age in place. Given the ever growing number of seniors reaching age 65 it is fair to say that the next 5 years will see a similar growth pattern if not greater.

Chart 3: Population Over 65 Years of Age in Eastern Shore Jurisdiction

County	Total Population 2010	Population ≥ 65 Years	Total Population 2016	Population ≥ 65 Years
Dorchester	32,618	5,773	32,258	6,645
Somerset	26,470	3,653	25,928	4,148
Wicomico	48,733	12,835	102,577	15,489
Worcester	51,451	11,937	51,444	13,684
Total	209,272	34,198	212,207	39,966

Home Health Agencies Currently Serving the Population:

Chart 4 identifies the number of active Home Health Agencies (HHAs) providing at least 150 visits per annum. The chart indicates that as of 2014 there were only 3 HHA in Dorchester County, 3 in Somerset County, 4 in Wicomico County, and 4 in Worcester County. Obviously, these counties that have insufficient choices due to the lack of active Medicare Certified Home Health Agencies.

Chart 4: Active Home Health Agencies with at Least 150 Visits Per Annum

County	Year 2011	Year 2012	Year 2013	Year 2014
Dorchester	3	3	3	3
Somerset	3	3	3	3
Wicomico	4	4	4	4
Worcester	4	4	4	4

Historic Utilization Trends:

As indicated in the answer to 10.24.16.08F (Chart 2) from 2011-2014, there was a 21% increase in utilization. Even though the growth for 2013-2014 was not as significant, the other years were most significant, which suggests that 2014 was an anomaly. Unfortunately, there is no data available for 2015 and 2016. However, the national data suggests that the population reaching age 65 is occurring at an accelerated rate. That fact combined with the increased usage of home health upon discharge from hospitals, either

because of home health's documented ability to avoid unnecessary re-hospitalizations or because home health has shown to be the most cost effective care delivery system, has resulted in increased utilization.

We have enclosed Attachment K, a recent article explaining why home health should see a dramatic increase in utilization in the foreseeable future. We believe that point 2, ***“the costs savings of home care versus acute care”***, combined with point 4, ***“the evolution of healthcare away from hospital-centric care toward outpatient services (e.g. ambulatory services centers) will accelerate because of cost effectiveness, and good outcomes”***.

The VNA itself has experienced consistent increases of 5%+ over the past three years, which validates the assertion that over a five-year period (2015-20) there would be a minimal 10% increase; providing for the 10,000 visits the VNA is projecting to provide by the end of CY 2020, without affecting other HHAs in the Jurisdictions in question.

10.24.01.08G(3)(c). The “Availability of More Cost-Effective Alternatives” Review Criterion

The Commission shall compare the cost-effectiveness of the proposed project with the cost-effectiveness of providing the service through alternative existing facilities, or through an alternative facility that has 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 and/or a more effective alternative for meeting the needs identified than other types of projects or approaches that could be developed for meeting those same needs or most of the needs.

A clear statement of project objectives should be outlined. Alternative approaches to meeting these objectives should be fully described. The effectiveness of each alternative in meeting the project objectives should be evaluated and the cost of each alternative should be estimated.

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 quality measures and performance benchmarks established by the Commission; 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.

Applicant Response:

It is an accepted reality that home care is the most cost effective delivery of Skilled Care.

The stated objective of the VNA is that each patient receives quality services in a compassionate manner, and that the VNA ensures that we have the resources to adhere to the highest standards of home care. As a direct result the VNA enjoys exceptional patient satisfaction results. It is with this mission and dedication and commitment to excellence that motivated Private Insurers to request that the VNA expand services to cover geographical territories in the Lower Eastern Shore Jurisdiction.

As indicated in our answer to 10.24.16.08A, the VNA services the entire State of Maryland from their main location at 7008 Security Blvd, Suite #300, Windsor Mill, Maryland, 21244. We are able to accomplish this because of the electronic web based application. We have successfully maintained drop off sites in Southern Maryland, Upper Eastern Shore, and intend to mirror that concept on the Lower Eastern Shore. All local staff recruitment and training, as well as quarterly meetings are held in either local hotels or where possible library conferences rooms so that we can make them accessible to staff.

As it relates to the question of the quality of services, VNA of Maryland is committed to patient centered care and understands patient safety is the cornerstone of high-quality health care. The Home Health Compare Reports (Attachment G) provides our patient star ratings and how we rank in comparison to competitors statewide and nationally. Attachment H, the Risk Adjusted Outcome Report, serves as a valuable source of information detailing our outcomes over a three-year period.

10.24.01.08G(3)(d). “Viability of the Proposal” Review Criterion
The Commission shall consider the availability of financial and nonfinancial resources, including community support, necessary to implement the project within the time frames set forth in the Commission's performance requirements, as well as the availability of resources necessary to sustain the project.

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 IV, Table 1 B. Sources of Funds for Project, must be documented.

Applicant Response:

The attached financial statements from the Certified Public Accountant, Attachment L, provide documentation of the adequacy of the financial resources to fund this project.

b. Existing home health agencies shall provide an analysis of the probable impact of the project on its costs and charges for the services it provides. Non-home health agency applicants should address the probable impact of the project on the costs and charges for core services they provide.

Applicant Response:

VNA of Maryland currently services most of the State of Maryland. The impact on the agency from a cost perspective will be insignificant, primarily centered on marketing and direct labor costs. Please refer to Table 4 Revenue and Expenses.

c. A discussion of the probable impact of the project on the cost and charges for similar services provided by other home health agencies in the area.

Applicant Response:

VNA of Maryland has documented the impact of the project on cost and charges by other home health agencies. See Chart 5 below for the Home Care Utilization for Self Pay Clients in the Lower Eastern Shore.

Chart 5: Home Care Utilization for Self Pay Clients in the Lower Eastern Shore

County	2011 Total Visits	Self-Pay Visits 2011	2012 Total Visits	Self-Pay Visits 2012	2013 Total Visits	Self-Pay Visits 2013	2014 Total Visits	Self-Pay Visits 2014
Dorchester	11,488	0	18,178	8	20,300	26	19,832	0
Somerset	9,546	9	46,519	46	10,174	34	10,207	9
Wicomico	44,056	150	30,700	206	50,657	82	52,238	41
Worcester	30,126	34	19,748	46	32,163	20	33,250	22
Combined Total Visits for 4 Counties	95,216	193	105,735	306	113,294	162	115,527	72

Home care charges are normally covered by either Medicare, Medicaid, private insurance or managed care, all of which results in no costs to the patient, unless there is a deductible or co-pay that is minimal in nature. The only costs that are incurred by the patient would be for self-pay. The chart showing historic utilization trends in the four counties shows that from a period from 2011-2014, which is the data that is available from the Home Health Agency Reports, the total number of self-pay visits were 193 in 2011, 306 in 2012, 162 in 2013. In 2014, there were 72 self-pay visits out of 115,527 visits. This represents less than one-tenth of 1% and is insignificant when factoring the cost and charges for similar services provided by other home health agencies in the area. Given the trend of the decreasing amount of self-pay in the area is obvious, it is appropriate to conclude that there will be no effect on clients for the costs of these services that that will be limited to self-pay visits.

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

Applicant Response:

A detailed list of proposed patient charges is included on page 6 of the VNA Patient Handbook. Please see Attachment M for financial information.

e. A discussion of the staffing and workforce implications of this proposed

project, including:

- An assessment of the sources available for recruiting additional personnel;

Applicant Response:

We primarily recruit via national recruiters. Additionally, VNA of Maryland has existing personnel who reside within the Lower Eastern Shore area, while other personnel have expressed interest in relocating to the area.

- A description of your plans for recruitment and retention of personnel believed to be in short supply;

Applicant Response:

The VNA of Maryland has a 95% employee retention rate. We recruit medical professionals dedicated to the provision of quality care that are respectful and treat clients with dignity. We foster a work environment that supports the personal and professional needs of our providers, thus encouraging long term employment commitments. We recruit domestically as well as through our H1B visa and green card holder programs. The retention strategy includes working diligently with human resources on staffing strategies that address optimizing opportunities for existing personnel in the bordering areas of Lower Eastern Shore and accommodating personnel that would like to reside within the same area.

- A report on the average vacancy rate and turnover rates for affected positions in the last year.

Applicant Response:

VNA of Maryland staffing has a 5% attrition rate and 2% unfilled staff positions.

- Completion of Table 5 in the *Charts and Tables Supplement (Part IV)*.

10.24.01.08G(3)(e). The “Compliance with Conditions of Previous Certificates of Need” Review Criterion.

An applicant shall demonstrate compliance with all terms and conditions of each previous Certificate of Need granted to the applicant, and with all commitments made that earned preferences in obtaining each previous Certificate of Need, or provide the Commission with a written notice and explanation as to why the conditions or commitments were not met.

List all prior Certificates of Need that have been issued since 1990 to the project applicant or to any entity which included, as principals, persons with ownership or control interest in the project applicant. Identify the terms and conditions, if any, associated with these CON approvals and any commitments made that earned preferences in obtaining any of the CON approvals. Report on the status of the approved projects, compliance with terms and conditions of the CON approvals and commitments made.

Applicant Response:

The expansion for the Upper Eastern Shore Certificate of Need was granted July 20, 2017.

10.24.01.08G(3)(f). The Impact on Existing Providers” Preview Criterion

An applicant shall provide information and analysis with respect to the impact of the proposed project on existing health care providers in the health planning region, including the impact on geographic and Demographic access to services, on occupancy, on costs and charges of other providers, and on costs to the health care delivery system.

INSTRUCTIONS: Please provide an analysis of the impact of the proposed project. Please assure that all sources of information used in the impact analysis are identified and identify all the assumptions made in the impact analysis with respect to demand for services, payor mix, access to service and cost to the health care delivery system including relevant populations considered in the analysis, and changes in market share, with information that supports the validity of these assumptions. Provide an analysis of the following impacts:

- a) On the volume of service provided by all other existing health care providers that are likely to experience some impact as a result of this project;

Applicant Response:

Based on data provided in the Historical Utilization Trends Chart 2, in order to be able to achieve its goal of 10,000 additional visits per annum by the end of 2020, there would need to be a 10% organic growth in the utilization need for the four counties in question. It is apparent from the chart that from the years 2011 – 2014 there was indeed a 21% increase.

- b) On the payer mix of all other existing health care providers that are likely to experience some impact on payer mix as a result of this project. If an applicant for a new nursing home claims no impact on payer mix, the applicant must identify the likely source of any expected increase in patients by payer.

Applicant Response:

VNA of Maryland will accept all the traditional payor sources that we are currently contracted with servicing the Lower Eastern Shore jurisdiction. We do not anticipate any impact on payor

mix for other agencies that are servicing the Lower Eastern Shore Jurisdiction.

c) On access to health care services for the service area population that will be served by the project. (State and support the assumptions used in this analysis of the impact on access);

Applicant Response:

Currently, there are insufficient choices of home health agencies in the counties in question. The more choices available, the greater the access for the population of the Lower Eastern Shore jurisdiction. Please refer to Chart 4.

d) On costs to the health care delivery system.

Applicant Response:

There are no costs to the health care delivery system.

If the applicant is an existing provider, submit a summary description of the impact of the proposed project on the applicant's costs and charges, consistent with the information provided in the Project Budget, the projections of revenues and expenses, and the work force information.

Applicant Response:

Refer to Table 1 located in the back of this Certificate of Need. In analyzing the budget from a year to year comparison, the impact of this project is insignificant to the total budget of the VNA.

PART III: 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.

Visiting Nurse Association of Maryland, LLC, d/b/a, VNA of Maryland.

Please see Attachment A which details the ownership structure for the proposed project and its implementation.

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 or program? If yes, provide a listing of each facility or program, including facility name, address, and dates of involvement.

Visiting Nurse Association of Maryland, LLC

Elite Home Care Services, LLC

Advanced Medical Concepts, Inc.

3. Has the Maryland license or certification of the applicant home health agency, or any of the facilities or programs 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 or program at the time a suspension, revocation, or disciplinary action took place, indicate in the explanation.

No

4. Is any facility or program with which the applicant is involved, or has any facility or program 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 or program. If yes, provide copies of the findings of non-compliance including, if applicable, reports of non-compliance, responses of the facility or program, and any final disposition reached by the applicable governmental authority.

No facility with which the applicant is involved, or has any facility with which the

applicant or other persons or entity listed in Question 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 which led to an action to suspend, revoke or limit the licensure or certification at any facility.

5. 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 program or any health care facility or program 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).

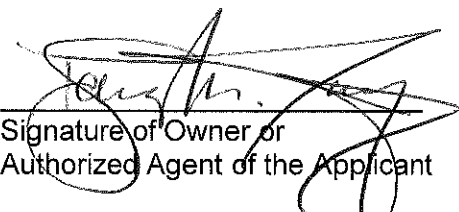
No, the applicant listed in response to Question 1, above have never pled guilty to or been convicted of a criminal offense connected in any way with the ownership, development or management of the applicant facility or any health care facility listed in response to Question 1&2 above.

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 home health agency service.

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.

September 5, 2017

Date



Signature of Owner or
Authorized Agent of the Applicant

Part IV: Home Health Agency Application: Charts and Tables Supplement

TABLE 1: PROJECT BUDGET

TABLE 2A: STATISTICAL PROJECTIONS – FOR HHA SERVICES IN
MARYLAND

TABLE 2B: STATISTICAL PROJECTIONS – FOR PROPOSED JURISDICTIONS

TABLE 3: REVENUES AND EXPENSES – FOR HHA SERVICES IN MARYLAND

TABLE 4: REVENUES AND EXPENSES – PROPOSED PROJECT

TABLE 5: STAFFING INFORMATION

TABLE 1: Project Budget

Instructions: All estimates for 1a- d; 2a- j; and 3 are for current costs as of the date of application submission and should include the costs for all intended construction and renovations to be undertaken. (DO NOT CHANGE THIS FORM OR ITS LINE ITEMS. IF ADDITIONAL DETAIL OR CLARIFICATION IS NEEDED, ATTACH ADDITIONAL SHEET.)

A. USE OF FUNDS	
1. CAPITAL COSTS (if applicable):	
New Construction	
• Building	\$
• Fixed Equipment (not included in construction)	
• Land Purchase	
• Site Preparation	
• Architect/Engineering Fees	
• Permits, (Building, Utilities, Etc.)	
a. SUBTOTAL	
Renovations	
• Building	\$
• Fixed Equipment (not included in construction)	
• Architect/Engineering Fees	
• Permits, (Building, Utilities, Etc.)	
b. SUBTOTAL	\$
Other Capital Costs	
• Major Movable Equipment	
• Minor Movable Equipment	\$15,000
• Contingencies	\$5,000
• Other (Specify)	
c. SUBTOTAL	\$ 2,000
TOTAL CURRENT CAPITAL COSTS (sum of a - c)	\$22,000
Non Current Capital Cost	
• Interest (Gross)	
• Inflation (state all assumptions, including time period and rate)	
d. SUBTOTAL	
TOTAL PROPOSED CAPITAL COSTS (sum of a - d)	\$22,000
2. FINANCING COST AND OTHER CASH REQUIREMENTS	
a. Loan Placement Fees	
b. Bond Discount	
c. Legal Fees (CON Related)	
d. Legal Fees (Other)	\$15,000
e. Printing	\$2,000
f. Consultant Fees CON Application Assistance	\$5,000
Other (Specify)	
g. Liquidation of Existing Debt	
h. Debt Service Reserve Fund	
i. Principal Amortization Reserve Fund	
j. Other (Specify)	
TOTAL (a - j)	\$12,000
3. WORKING CAPITAL STARTUP COSTS	\$0
TOTAL USES OF FUNDS (sum of 1 - 3)	\$34,000

B. SOURCES OF FUNDS FOR PROJECT	
1. Cash	\$3,079,534
2. Pledges: Gross _____, less allowance for uncollectables _____ = Net	
3. Gifts, bequests	
4. Interest income (gross)	
5. Authorized Bonds	
6. Mortgage	
7. Working capital loans	
8. Grants or Appropriation	
(a) Federal	
(b) State	
(c) Local	
9. Other (Specify)	
TOTAL SOURCES OF FUNDS (sum of 1-9)	\$3,079,534.23
ANNUAL LEASE COSTS (if applicable)	
• Land	
• Building	
• Major Moveable equipment	
• Minor moveable equipment	
• Other (specify) (Office Space)	\$15,000

TABLE 2A: STATISTICAL PROJECTIONS – HISTORIC AND PROJECTED HOME HEALTH AGENCY SERVICES IN MARYLAND

Instructions: Table 2A applies to an applicant that is an existing home health agency, and should be completed showing historic and projected utilization *for all home health agency services provided in Maryland*.

Table should report an *unduplicated count of clients*, and should indicate whether the reporting period is **Calendar Year (CY)** or **Fiscal Year (FY)**.

	Two Most Current Actual Years		Projected years – ending with first year at full utilization			
(CY) or FY (circle)	2015	2016	2017	2018	2019	20XX
Client Visits						
Billable	189,592	200,272	210,286	220,800	231,840	
Non-Billable	7,899	7,403	7,773	8,162	8,570	
TOTAL	197,491	207,675	218,059	228,962	240,410	
# of Clients and Visits by Discipline						
Total Clients (Unduplicated Count)	11,404	11,625	12,106	12,590	13,094	
Skilled Nursing Visits	83,629	88,300	90,949	93,677	96,488	
Home Health Aide Visits	12,874	14,442	15,886	17,475	19,222	
Physical Therapy Visits	74,608	77,393	82,037	86,959	92,176	
Occupational Therapy Visits	13,113	14,704	15,145	15,599	16,067	
Speech Therapy Visits	2,953	2,568	2,568	2,568	2,568	
Medical Social Services Visits	2,415	2,864	3,064	3,279	3,509	
Other Visits (Please Specify)						

TABLE 2B: STATISTICAL PROJECTIONS - PROJECTED HOME HEALTH AGENCY SERVICES IN THE PROPOSED PROJECT

Instructions: All applicants should complete Table 2B for the proposed project, showing projected utilization *only for the jurisdiction(s) which is the subject of the application*. **As in Table 2A above, this table should report an unduplicated count of clients, and should indicate whether the reporting period is Calendar Year (CY) or Fiscal Year (FY).**

	Projected years – ending with first year at full utilization			
CY or FY (circle)	2017	2018	2019	20XX
Client Visits				
Billable	2,771	5,761	9,583	
Non-Billable	115	241	417	
TOTAL	2,887	6,002	10,000	
# of Clients and Visits by Discipline				
Total Clients (Unduplicated Count)				
Skilled Nursing Visits	1,230	2,558	4,234	
Home Health Aide Visits	271	563	975	
Physical Therapy Visits	1,090	2,265	3,724	
Occupational Therapy Visits	212	441	764	
Speech Therapy Visits	37	77	134	
Medical Social Services Visits	47	98	169	
Other Visits (Please Specify)	2,887	6,002	10,000	

TABLE 3: REVENUES AND EXPENSES – HISTORIC AND PROJECTED HOME HEALTH AGENCY SERVICES IN MARYLAND (including proposed project)

Instructions: an existing home health agency must complete Table 3, showing historic and projected revenues and expenses for all home health agency services provided *in Maryland*.

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).

	Two Most Recent Years -- Actual		Current Year Projected	Projected Years (ending with first full year at full utilization)			
ⒸY or FY (Circle)	2015	2016	2017	2018	2019	2020	20XX
1. Revenue							
Gross Patient Service Revenue	\$31,577,434	\$34,254,225	\$35,064,872	\$37,011,720	\$38,862,306	\$40,889,828	
Allowance for Bad Debt	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	
Contractual Allowance	\$705,194	\$1,025,042	\$1,050,498	\$1,075,498	\$1,100,498	\$1,125,498	
Charity Care	\$60,000	\$63,000	\$66,150	\$69,458	\$72,930	\$76,577	
Net Patient Services Revenue	\$30,662,240	\$33,016,183	\$33,798,224	\$35,716,765	\$37,538,878	\$39,537,753	
Other Operating Revenues (Specify)							
Net Operating Revenue	\$30,662,240	\$33,016,183	\$33,798,224	\$35,716,765	\$37,538,878	\$39,537,753	
2. Expenses							
Salaries, Wages, and Professional Fees, (including fringe	\$17,078,322	\$18,309,453	\$19,218,362	\$20,241,834	\$21,253,926	\$22,316,622	

	Two Most Recent Years -- Actual		Current Year Projected	Projected Years (ending with first full year at full utilization)			
ⒸY or FY (Circle)	2015	2016	2017	2018	2019	2020	20XX
benefits)							
Contractual Services (please specify)	\$32,077	\$31,662	\$52,182	\$55,000	\$57,500	\$60,000	
Interest on Current Debt	\$33,325	\$23,088	\$13,939	\$ -	\$ -	\$ -	
Interest on Project Debt							
Current Depreciation	\$106,306	\$106,174	\$106,986	\$96,174	\$96,174	\$96,174	
Project Depreciation							
Current Amortization							
Project Amortization							
Supplies	\$321,537	\$407,078	\$394,035	\$400,000	\$415,000	\$425,000	
Other Expenses (Specify)	\$11,253,321	\$12,700,548	\$12,906,267	\$13,579,216	\$14,122,384	\$14,687,280	
Total Operating Expenses	\$28,824,888	\$31,578,003	\$32,691,771	\$34,372,223	\$35,944,984	\$37,585,075	
3. Income							
Income from Operation	\$2,009,060	\$1,599,104	\$1,279,560	\$1,344,541	\$1,593,894	\$1,952,678	
Non- Operating Income	\$158,071	\$198,693	\$191,065	\$250,000	\$250,000	\$250,000	
Subtotal	\$2,167,131	\$1,797,797	\$1,470,625	\$1,594,541	\$1,843,894	\$2,202,678	
Income Taxes							
Net Income (Loss)	\$2,167,131	\$1,797,797	\$1,470,625	\$1,594,541	\$1,843,894	\$2,202,678	

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	2020	20XX
4A. Payor Mix as Percent of Total Revenue							
Medicare	74.217%	77.337%	75.03%	69.580%	69.420%	69.29%	
Medicaid	1.469%	1.551%	1.16%	1.117%	1.084%	1.059%	
Blue Cross	16.775%	11.998%	15.11%	18.720%	18.950%	19.0%	
Commercial Insurance	7.535%	9.110%	8.66%	10.580%	10.543%	10.643%	
Self-Pay	0.004%	0.004%	0.039%	0.003%	0.003%	0.003%	
Other (Specify)							
TOTAL REVENUE	100%	100%	100%	100%	100%	100%	
4B. Payor Mix as Percent of Total Visits							
Medicare	68.938%	72.580%	71.040%	67.960%	67.550%	67.100%	
Medicaid	2.320%	2.442%	1.752%	1.751%	1.751%	1.751%	
Blue Cross	14.388%	14.991%	15.904%	18.450%	18.720%	18.930%	
Other Commercial Insurance	14.351%	9.984%	11.301%	11.835%	11.975%	12.215%	
Self-Pay	0.004%	0.004%	0.003%	0.003%	0.003%	0.003%	
Other (Specify)							
TOTAL VISITS	100%	100%	100%	100%	100%	100%	

NOTE: ALL EXISTING FACILITY APPLICANTS MUST SUBMIT AUDITED FINANCIAL STATEMENTS.

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).

*VNA is funding this project with available cash. So no debt will be incurred as a result of this project.

	*Projected Years (ending with first full year at full utilization)			
(CY) or FY (Circle)	2018	2019	2020	20XX
1. Revenue				
Gross Patient Service Revenue	\$493,235	\$1,021,960	\$1,771,397	
Allowance for Bad Debt	\$4,788	\$9,975	\$17,290	
Contractual Allowance	\$7,560	\$12,750	\$22,100	
Charity Care	\$756	\$1,125	\$1,950	
Net Patient Services Revenue	\$480,131	\$998,110	\$1,730,057	
Other Operating Revenues (Specify)				
Net Operating Revenue	\$480,131	\$998,110	\$1,730,057	
2. Expenses				
Salaries, Wages, and Professional Fees, (including fringe benefits)	\$348,049	\$657,758	\$1,068,114	
Contractual Services	\$ -	\$ -	\$ -	
Interest on Current Debt	\$ -	\$ -	\$ -	
Interest on Project Debt				
Current Depreciation	\$ -	\$ -	\$ -	
Project Depreciation				
Current Amortization				
Project Amortization				
Supplies	\$10,158	\$22,856	\$33,675	
Other Expenses (Specify) Management Fee	\$103,586	\$208,622	\$361,611	

Total Operating Expenses	\$461,793	\$889,236	\$1,463,400	
3. Income				
Income from Operation	\$18,338	\$108,874	\$129,515	
Non-Operating Income	\$ -	\$ -	\$ -	
Subtotal	\$18,338	\$108,874	\$129,515	
Income Taxes	\$ -	\$ -	\$ -	
Net Income (Loss)	\$18,338	\$108,874	\$129,515	

Table 4 Cont.	Projected Years (ending with first full year at full utilization)			
ⒸY or FY (Circle)	2017	2018	2019	20XX
4A. Payor Mix as Percent of Total Revenue				
Medicare	61.250%	61.520%	61.446%	
Medicaid	1.125%	1.230%	1.250%	
Blue Cross	22.040%	22.147%	22.181%	
Other Commercial Insurance	15.580%	15.100%	15.120%	
Other (Specify) Self Pay	0.005%	0.003%	0.003%	
TOTAL	100%	100%	100%	
4B. Payor Mix as Percent of Total Visits				
Medicare	59.400%	59.420%	59.450%	
Medicaid	1.990%	2.050%	2.145%	
Blue Cross	20.350%	20.370%	20.350%	
Other Commercial Insurance	18.255%	18.155%	18.050%	
Self-Pay	0.005%	0.005%	0.005%	
Other (Specify)				
TOTAL	100%	100%	100%	

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. **NOTE: PROVIDE A TABLE 5 FOR EACH PROJECTED YEAR.**

YEAR 2018

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			1		\$100,000		\$100,000	
Registered Nurse			1.01		\$72,800		\$73,382	
Licensed Practical Nurse			-		-		-	
Physical Therapist			0.88		\$84,500		\$74,529	
Occupational Therapist			0.19		\$78,000		\$14,472	
Speech Therapist			0.16		\$104,000		\$16,380	
Home Health Aide			0.22		\$31,200		\$6,880	
Medical Social Worker			0.04		\$93,600		\$4,128	
**Other (Please specify.) Scheduler			-		-		-	
Benefits							\$58,008	
TOTAL							\$348,049	

* An additional charge of 20% of revenue for the management fee is included.

**Other expenses includes the following items: accounting, advertising and marketing, HR, computer software, insurance, legal, office supplies, payroll processing, phones, postage, printing, rent, training and travel.

YEAR 2019

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			1.5		\$100,000		\$150,000	
Registered Nurse			2.10		\$72,800		\$152,880	
Licensed Practical Nurse			-		-		-	
Physical Therapist			1.88		\$84,500		\$158,438	
Occupational Therapist			0.38		\$78,000		\$29,250	
Speech Therapist			0.34		\$104,000		\$35,100	
Home Health Aide			0.45		\$31,200		\$14,040	
Medical Social Worker			0.09		\$93,600		\$8,424	
**Other (Please specify.) Scheduler			-		-		-	
Benefits							\$109,626	
TOTAL							\$657,758	

* Indicate method of calculating benefits cost

* An additional charge of 20% of revenue for the management fee is included.

**Other expenses includes the following items: accounting, advertising and marketing, HR, computer software, insurance, legal, office supplies, payroll processing, phones, postage, printing, rent, training and travel.

YEAR 2020

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			2.5		\$100,000		\$150,000	
Registered Nurse			3.64		\$72,800		\$152,880	
Licensed Practical Nurse			-		-		-	
Physical Therapist			3.25		\$84,500		\$274,625	
Occupational Therapist			0.65		\$78,000		\$50,700	
Speech Therapist			0.59		\$104,000		\$60,840	
Home Health Aide			0.78		\$31,200		\$24,336	
Medical Social Worker			0.16		\$93,600		\$14,602	
**Other (Please specify.) Scheduler			-		-		-	
Benefits							\$178,019	
TOTAL							\$1,068,114	

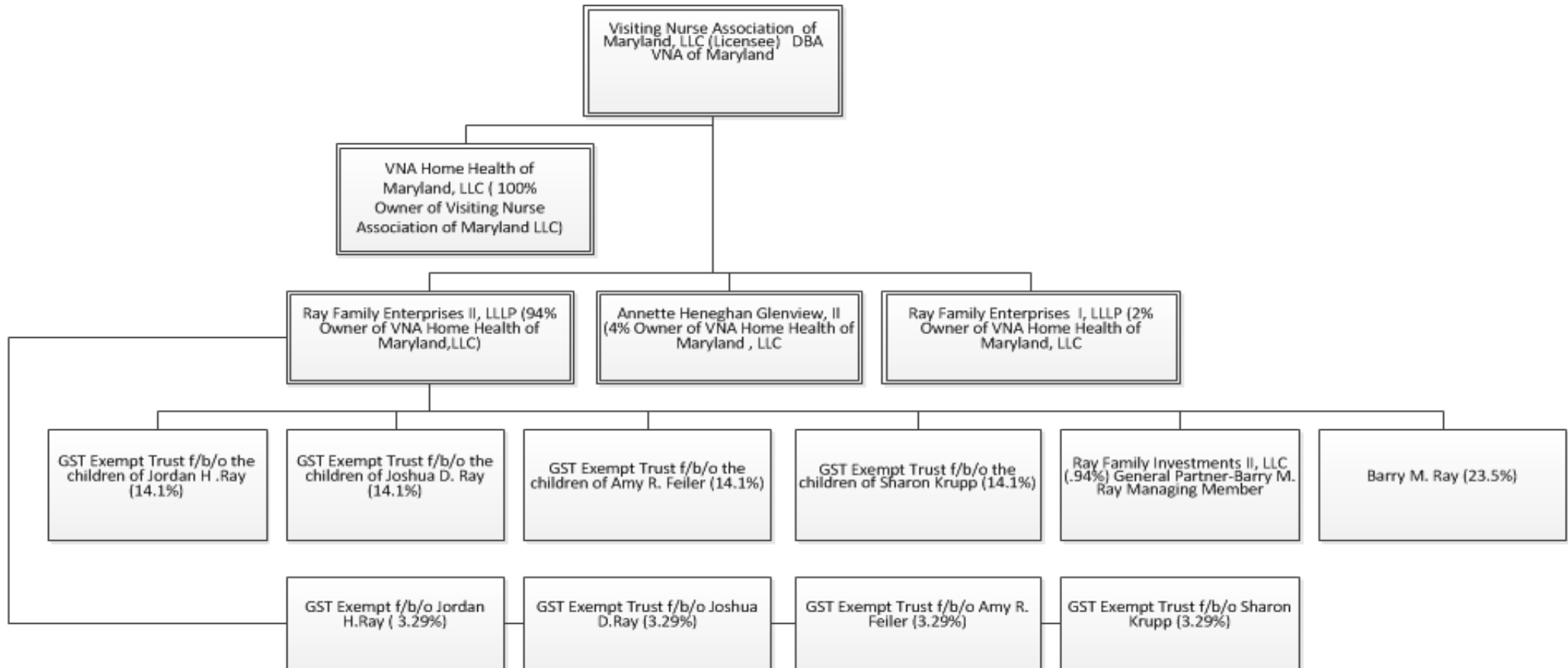
* Indicate method of calculating benefits cost

* An additional charge of 20% of revenue for the management fee is included.

**Other expenses includes the following items: accounting, advertising and marketing, HR, computer software, insurance, legal, office supplies, payroll processing, phones, postage, printing, rent, training and travel.

Staffing and Benefits Calculations: All staffing and benefits assumptions and calculations are based upon historical data from servicing other counties within the same jurisdiction. Per Diem base visit rates are higher than full-time staff rates, but do not have benefits associated with them. Benefited employees have a lower base visit rate, but include a 20% factor for benefits.

Attachment A Ownership Structure



Attachment B Organizational Structure

Attachment C Collections, Financial Counseling, Bad Debt Management & Payment Plans

**Policy Manual
1200.17**

Subject: Collections, Financial Counseling, Bad Debt Management & Payment Plans

Date Approved: 5/95

Approved By: Professional Advisory Committee

Date(s) Effective: 8/01

Date(s) Reviewed: 9/02, 12/03, 09/05, 12/08, 02/10, 02/11, 02/12, 3/16

Date(s) Revised: 8/01, 9/04, 09/05, 9/06, 3/07, 2/13, 1/14, 1/15

Policy:

The Agency pursues the guarantor/third party payor for payment of services to the extent permitted by law.

Purpose:

1. To minimize the potential and the actual financial losses posed to the Agency by the patient and or his/her family's credit history and credit habits.
2. To provide guidance to the employees in the conduct of their responsibilities and duties in the collection and maintenance of benefit information.
3. To provide guidance in management of bad debt and the execution of payment plans.

General Guidelines:

A. Authority to speak for the Company/Financial counseling:

1. The Agency establishes standing charges for the services it provides. Managed Care Coordinators and reimbursement specialist may negotiate payment for services within established departmental guidelines. Exceptions to either the standard rates or payment for services are authorized only by the Director of Clinical Operations, Director of Finance or CFO. All exceptions are placed in writing.
2. In response to any inquiry by a patient or his/her family, concerning his/her benefits, public or private, the patient or family member are referred to the insurer. Any other response given by an employee is qualified as being based "on the benefits as quoted by the insurer to the Agency and not a guarantee that the insurer will make payment in the described manner".
3. Unauthorized statements may not be honored.

B. Demographic Data Collection:

1. Given the crucial importance of accurate patient demographic data, ALL employees are responsible for reporting any demographic data changes to the employees of the Agency who are responsible for maintaining each patient's demographic information.
2. Initial responsibility for the collection of demographic data falls upon the Admissions/Home Care Coordinators and their supervisors at the time of intake.
3. Responsibility for the validation and accuracy of demographic data falls upon the field staff and any other staff involved in the patient's care.
 - a. Confirm this information on start of care and/or subsequent visits when applicable.
4. Tertiary responsibility (on delinquent or defaulted accounts) for the collection of demographic information falls upon any collector working an account and his/her supervisors.
5. Supervisors are responsible for monitoring the degree to which the necessary information is collected and is correct. Supervisors are also responsible for directing any corrective measures that need to be taken to comply with the requirements of this policy.

Bad Debt Management:

1. Primary and then Secondary insurance companies are billed for all valid services. Any amounts not reimbursed by the Primary/Secondary insurance companies (excluding contractual allowances) are billed to the patient unless the VNA is at fault (for example, if the provider did not request pre-authorization when she/he knew it was required).
2. Any account over 120 days old is researched by the Patient Account Representative responsible for that pay code in order to obtain payment. Past due accounts are followed up at least once every two weeks, until payment is received.
3. If it is determined that the insurance company has not paid because proper documentation/authorization was not obtained, the Patient Account Representative contacts the Managed Care Coordinator to obtain retroactive authorization or obtains the proper documentation from Medical Records. If it is determined that this documentation/authorization cannot be obtained and the VNA was at fault, the Patient Account Representative writes off the account to bad debts.
4. When it is determined that an account is to be written-off to bad debt, the Patients Accounts Representative must prepare the journal entry to write-off the services and complete the journal entry. The Associate Director of Reimbursement must approve this form before the write-off can be processed.
5. If it is determined that the insurance company did not pay because the patients insurance was not valid at the time of service or that the patient had exhausted his/her home care benefits, the Patient Account Representative bills the secondary insurance company if available or the patient if there is no secondary insurance.
6. For all self-pay accounts over 120 days old, the Patient Account Representative contacts the patient to establish a payment plan (procedure detailed below under Collections/Payment Plan).
7. Documentation of all contacts with insurance companies/patients are recorded in a Billing note in HCHB. These notes must contain the date of the action, the person

contacted, the type of contact (i.e., phone, letter, etc.), the result of the action, the next projected follow-up date and the initials of the person making the contact. In addition, a short note is made on the biller's copy of the A/R explaining the problem or action taken.

8. The copy of the Biller's AR is reviewed by the Associate Director of Reimbursement every month to determine if the appropriate follow-up is being done.
9. To enhance the Agency's ability to collect on judgments rendered on its behalf by the courts, accounts receivable personnel keep copies of all checks, money orders, cash (and receipts for cash) tendered to the Agency as payment for services rendered.

Collections – Payment Plans:

1. Payment plans (special time payment options) are made available to patients who are unable to pay their entire account balance within 30 days. Monthly payment plans are available allowing the patient up to 6 months to pay the account in full. In unusual circumstances, up to 1 year may be permitted to pay an account in full. No finance charges are charged to these accounts.
2. With any self-pay account that is over 120 days old, the Patient Account Representative contacts the patient to establish a payment plan (this is done by phone and then by letter).
3. Terms of the payment plan are implemented by the Patient Account Representative with a minimum of \$25 per month and a goal of having the account completely paid within 6 months.
4. Payment plans for small balances (less than \$100) can be set at less than the \$25 minimum or more than the 6 month goal based on the discretion of the Patient Account Representative.
5. Payment plans for large balances (over \$100) can extend past the 6 months, if an initial lump sum payment is made or if large monthly payments are consistently made.
6. If after 60 days a satisfactory payment plan has not been established all self-pay accounts over \$100 are turned over to a collection agency. **An attorney will be used only for matters involving amounts of \$3000 or more.**
7. Accounts under \$100.00 are sent 3 letters requesting payment. If payment is not received within 60 days the outstanding amount due is write-off for immaterial balance.

Attachment D Charity Care Policy



Caring is What We Do Best Phone: 1-888-523-5000

HOME WHY THE VNA SERVICES CAREERS ABOUT US CHARITY CARE CONTACT Search Our Site GO

Charity Care

The VNA of Maryland has Charity Care and Sliding Fee Scale Program. The Sliding Fee Scale is available for those persons eligible for home care services who need financial assistance to help pay for their visit, and have no other viable funding source. The Federal Poverty Level (FPL) income guidelines are used to determine eligibility. Persons who have incomes not in excess of 200% of the most recent FPL guidelines would be eligible for full charity care, based on the services requested and VNA's ability to provide those services. Persons above this income level may be eligible for partial charity care depending upon their financial situation and services requested. VNA of Maryland also has time payment plans for low-income clients who do not qualify for full charity care, but are unable to bear the full cost of services. This policy will be provided to the client and family.

VNA of Maryland will make a determination of probable eligibility for charity care or reduced fees within two business days of the person's request for charity care, application for Medical Assistance, or both, or request for reduced fees based on initial information provided. When proof of your income and other required documentation is provided, VNA of Maryland will be able to make a final determination of eligibility for charity care or reduced fees. However, if the requested documentation is not submitted or the services are not within the scope of our practice, VNA of Maryland reserves the right to make a final determination that denies the request for charity care or reduced fees. Approval for charity care or reduced fees is also subject to availability of unused allotted yearly charity visits for VNA of Maryland.

If you have a need for financial assistance, please contact the VNA of Maryland and speak with one of our financial analysts at 1-888-523-5000.

Attachment E VNA of Maryland Month-End Bank Statement



120 South LaSalle Street, Chicago, IL 60603
ADDRESS SERVICE REQUESTED

MEMBER FDIC EQUAL HOUSING LENDER

Last Statement: June 30, 2017
Statement Ending: July 31, 2017
Total Days in Statement Period: 31

Page 1 of 29

VISITING NURSE ASSOCIATION OF
MARYLAND

7008 SECURITY BLVD SUITE 200
BALTIMORE MD 21244-2582

Customer Service Information

For Personal Assistance, Call:
312-564-1147
FRITZ KIECKHEFER

Visit Us Online:
www.theprivatebank.com

Written Inquiries:
The PrivateBank
120 South LaSalle Street
Chicago, IL 60603

Summary of Account Balances

Account Type	Account Number	Ending Balance
BUSINESS CHECKING		\$ 3,073,621.74

BUSINESS CHECKING

Account Number:

Balance Summary

Beginning Balance as of 06/30/17	\$	3,079,534.23
+ Deposits and Credits (84)		2,902,812.05
- Withdrawals and Debits (167)		2,908,724.54
Ending Balance as of 07/31/17	\$	3,073,621.74
Average Balance	\$	3,029,546.58
Low Balance	\$	2,756,137.06
Enclosures		119

Checks Posted

* Skip in check sequence

Number	Date	Amount	Number	Date	Amount
	07/27	2,275.00		07/06	9,392.98
	07/03	454.41		07/03	120.00
	07/05	750.00		07/05	203.39
	07/03	1,558.74		07/06	230.38
	07/05	750.00		07/06	106.00
	07/10	168.81		07/10	100.00
	07/06	1,464.00		07/10	3,625.00
	07/06	101,546.56		07/06	75.00
	07/05	264.49		07/05	230.78
	07/07	155.16		07/05	1,184.98
	07/11	10,345.40		07/05	441.00
	07/05	800.00		07/07	1,000.00
	07/10	17,000.00		07/07	2,500.00
	07/06	756.46		07/11	11,000.00
	07/10	856.61		07/07	2,500.00
	07/11	750.00		07/13	2,661.79
	07/05	24,574.81		07/12	320.00

Thank you for banking with The PrivateBank

00000253 00002157 0001 0029 WCFR0000932080107 01

Attachment F Discharge Planning Process

Discharge Planning Process

See also Agency Administrative Policies and Procedures: 500.06, 500.07, 500.03

A. Standard Discharge Planning Process

1. The case manager and each discipline involved in the care of the patient prepares the patient for discharge from the first visit, by working with the patient and physician in formulating goals and interventions to meet the goals. The organization of this process is simplified by using a custom home care electronic web based program.
2. The goals are identified at each visit and when the goals are completely achieved, the case manager marks them as met. Goals may be added if needed through the physician orders. The orders are reviewed before each visit.
3. When the final visit is planned, it is not new news to the patient, as preparation for discharge has been discussed throughout the care of the patient.
4. The physician is notified of the discharge date as well as the patient and caregiver. The provider schedules the appropriate visit code on the electronic medical record to complete the discharge visit note.
5. When discharging from all services, the clinician completes a comprehensive discharge assessment with the collection of OASIS data according to CMS guidelines and transmits it to the office within 24 hours. Discharge instructions, are reviewed with the patient and/or caregiver.
6. Discharge instructions, if applicable, are submitted to the agency no later than 24 hours from the date of discharge and filed into the hard copy medical record.

B. Discharge before end of planned services (early discontinuation of services)

1. In certain instances it may be necessary to discontinue service(s) to a patient prior to expected discharge. To prevent abandonment, the process to end services occurs over an extended period of 2 – 4 weeks in order to transfer services.
2. Reasons to discontinue service(s) over an extended period are based on:
 - a. patient's health care needs can no longer be safely and adequately met at home
 - b. patient/caregiver is unable/unwilling to adhere to the plan of care.

- c. patient/caregiver breeches the VNA Patient Service Agreement.
 - d. patient is put on extended hold for surgical procedure or interrupted for needed treatment or education provided by another source due to special needs and failure of prior process (physical therapy, dialysis, transplant, dietary or failure to thrive issue, etc.)
 - e. language barriers with no interpreter available, other cultural differences where needs cannot be met
 - f. needed services no longer offered by the Agency (loss of specific services)
- 3. The patient is included in the transfer process if the Agency can no longer meet the patient's healthcare needs. Appropriate referrals are made with the choice and involvement of the patient.
 - 4. Appropriate insurance forms are completed as required.

C. Immediate Discharge Required

- 1. Reasons to discontinue service(s) immediately are based on:
 - a. The safety or wellbeing of a health care provider is threatened.

Attachment G Home Health Compare Quality Reports

A.



**Home Health
Quality of Patient Care Star Rating
Provider Preview Report**

*This report is based on Medicare fee-for-service claims data (1/1/2016-12/31/2016)
and end-of-care OASIS assessment dates (1/1/2016-12/31/2016)*

Rating for Visiting Nurse Association Of Md, LLC (217008) Baltimore, Maryland
Quality of Patient Care Star Rating
★★★★ (4.0 stars)

The Quality of Patient Care Star Rating will be displayed on Home Health Compare (HHC) in October 2017.

About the Quality of Patient Care Star Ratings

The Quality of Patient Care Star Ratings reflect how Home Health Agencies' (HHA) scores compare with one another on measurements of their quality of patient care performance. Across the country, most agencies fall "in the middle" with 3 stars - delivering good quality of care. A Star Rating higher than 3 means that an HHA performed better than average on the measured care practices and outcomes compared to other HHAs. A Star Rating below 3 means that an HHA's performance was below average compared to other HHAs.

The Quality of Patient Care Star Ratings do not provide information on the absolute quality of care being provided. In addition, these Star Ratings are different from the consumer ratings that you see on websites or apps for products like books, restaurants, or hotels that reflect averages of consumer opinions.

CMS also publishes Patient Experience of Care Star ratings, based on responses to the Home Health Consumer Assessment of Healthcare Providers & Systems (HHCAHPS) survey. These ratings summarize patient feedback on their experience; more information is available at <https://www.medicare.gov/homehealthcompare/About/Patient-Survey-Star-Ratings.html>

How Quality of Patient Care Star Ratings Are Calculated

Quality of Patient Care Star Ratings are determined using nine measures of quality that are reported on the Home Health Compare website¹, listed below. To have a Star Rating, HHAs must have submitted data to calculate at least 5 of 9 measures, which are:

1. Timely Start of Care
2. Drug Education on all Medications Provided to Patient/Caregiver
3. Flu Vaccine Received for Current Flu Season
4. Improvement in Ambulation
5. Improvement in Bed Transferring
6. Improvement in Bathing
7. Improvement in Pain Interfering With Activity
8. Improvement in Shortness of Breath
9. Acute Care Hospitalization

¹For a measure to be reported on Home Health Compare, HHAs must have data for at least 20 complete quality episodes with end dates within the 12-month reporting period (regardless of episode start date). Completed episodes are paired start or resumption of care and end of care OASIS assessments.

B.

VNA of Maryland

	VISITING NURSE ASSOCIATION OF MD, LLC	MARYLAND AVERAGE	NATIONAL AVERAGE
Quality of patient care star ratings ⓘ	★★★★●	★★★★●	★★★★●
How often patients got better at walking or moving around	75.1%	73.6%	70.2%
How often patients got better at getting in and out of bed	73.2%	71.3%	67.1%
How often patients got better at bathing	78.2%	76.7%	73.6%
How often patients had less pain when moving around	81.4%	76.7%	73.6%
How often patients' breathing improved	84.3%	80.3%	72.1%
How often patients' wounds improved or healed after an operation	92.9%	91.7%	90.5%

	VISITING NURSE ASSOCIATION OF MD, LLC	MARYLAND AVERAGE	NATIONAL AVERAGE
Quality of patient care star ratings ⓘ	★★★★●	★★★★●	★★★★●
How often the home health team began their patients' care in a timely manner	93.9%	93.4%	93.2%
How often the home health team taught patients (or their family caregivers) about their drugs	99.5%	98.1%	97.2%
How often patients got better at taking their drugs correctly by mouth	67.1%	64.7%	59.9%
How often the home health team checked patients' risk of falling	99.7%	99.6%	99.4%
How often the home health team checked patients for depression	99.0%	97.5%	98.0%
How often the home health team made sure that their patients have received a flu shot for the current flu season	82.6%	80.5%	74.4%
How often the home health team made sure that their patients have received a pneumococcal vaccine (pneumonia shot)	82.9%	82.0%	78.6%
For patients with diabetes, how often the home health team got doctor's orders, gave foot care, and taught patients about foot care	99.7%	97.7%	96.7%

	VISITING NURSE ASSOCIATION OF MD, LLC	MARYLAND AVERAGE	NATIONAL AVERAGE
Quality of patient care star ratings ⓘ	★★★★●	★★★★●	★★★★●
How often home health patients had to be admitted to the hospital	16.7%	16.4%	16.5%
How often patients receiving home health care needed any urgent, unplanned care in the hospital emergency room – without being admitted to the hospital	11.5%	12.2%	12.5%

C.

HHCAHPS Star Rating

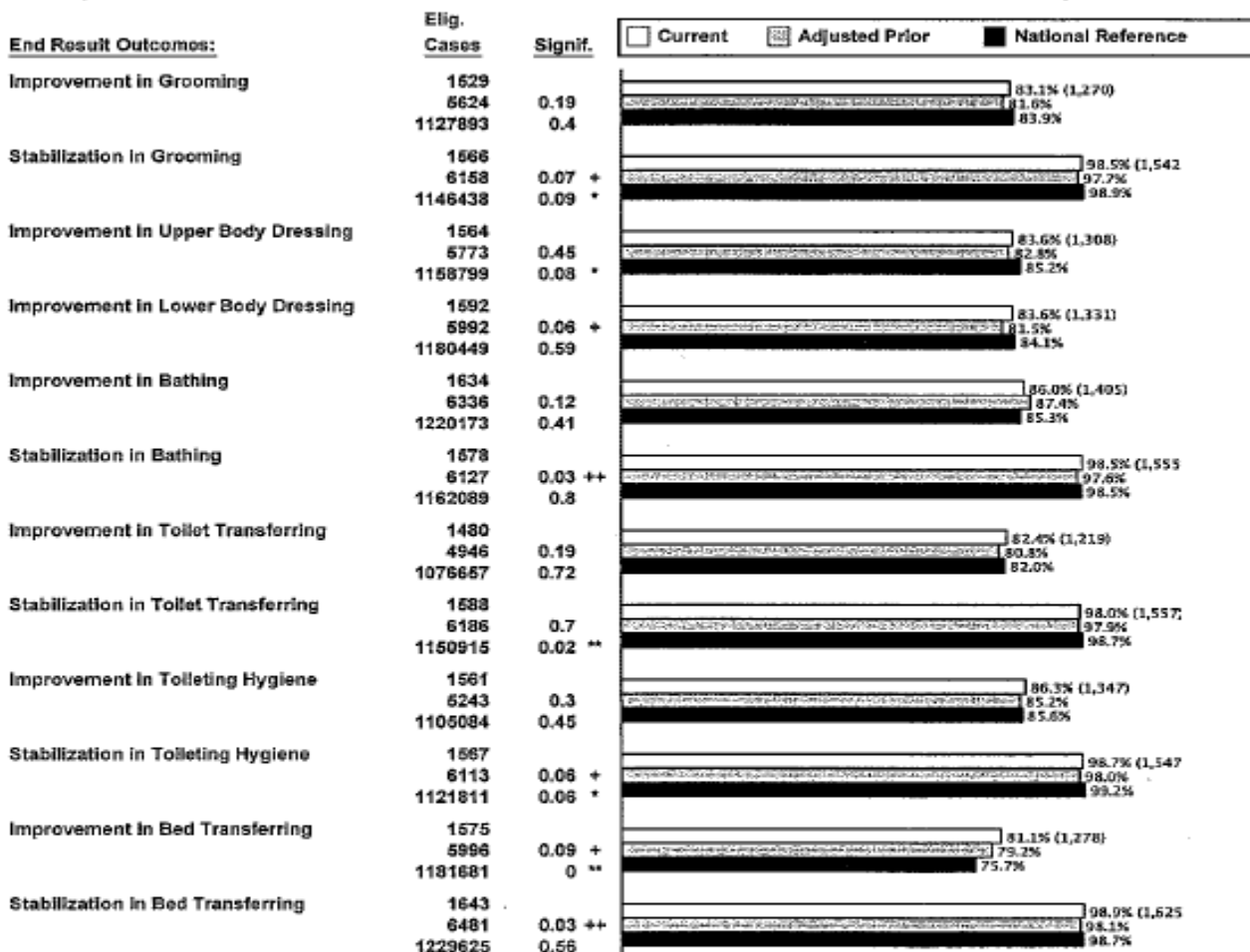
	VISITING NURSE ASSOCIATION OF MD, LLC	MARYLAND AVERAGE	NATIONAL AVERAGE
Patient survey summary star rating. More stars are better. Learn more	★★★★★		
How often the home health team gave care in a professional way	92%	87%	88%
How well did the home health team communicate with patients	90%	85%	85%
Did the home health team discuss medicines, pain, and home safety with patients	88%	82%	83%
How do patients rate the overall care from the home health agency	88%	82%	84%
Would patients recommend the home health agency to friends and family	84%	77%	78%

Attachment H Risk Adjusted Outcome Report

Risk Adjusted Outcome Report

Agency Name: VISITING NURSE ASSOCIATION OF MD, LLC
 Agency ID: MD217008
 Location: BALTIMORE, MD
 CCN: 217008 Branch: All
 Medicaid Number: 410673300
 Date Report Printed: 06/22/2017

Requested Current Period: 01/2017 - 03/2017
 Requested Prior Period: 04/2015 - 03/2016
 Actual Current Period: 01/2017 - 03/2017
 Actual Prior Period: 04/2015 - 03/2016
 # Cases Curr: 1667 Prior: 6591
 Number of Cases in Reference Sample: 125141



* The probability is 10% or less that this difference is due to chance, and 90% or more that the difference is real.

** The probability is 5% or less that this difference is due to chance, and 95% or more that the difference is real.

+ The probability is 10% or less that this difference is chance, and 90% or more that the difference is

++ The probability is 5% or less that this difference is chance, and 95% or more that the difference is real.

This outcome has been risk adjusted. However, the predictive model for this outcome is less robust than the other predictive models.

Note: When a measure value is calculated using less than 10 Episodes of care, the statistical significance level will not be displayed on the report.

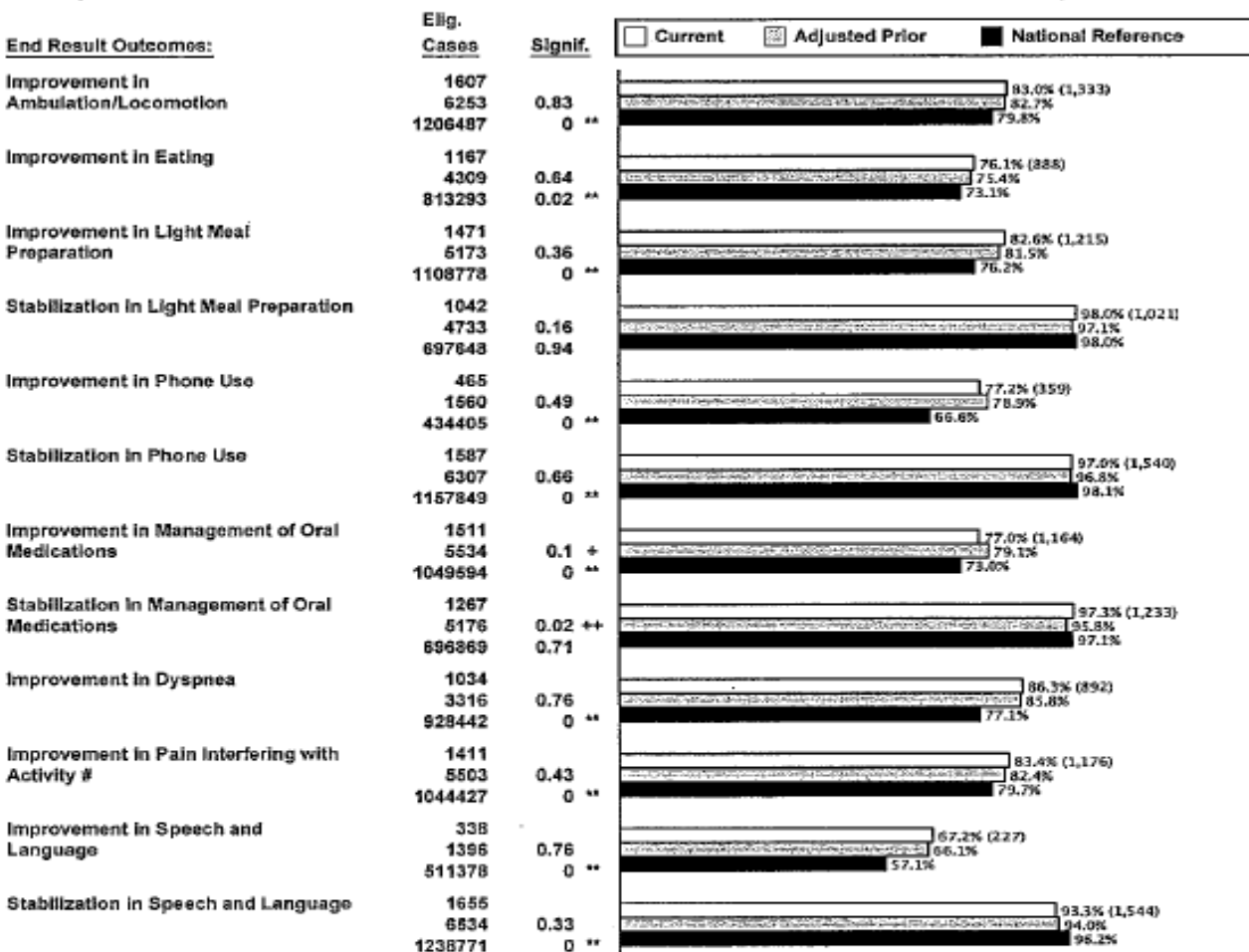
0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%
 Percent (Number) of Cases with Outcome

This report has not been approved to meet privacy requirements and can only be used by the home health agency and state agency for defined purposes.

Risk Adjusted Outcome Report

Agency Name: VISITING NURSE ASSOCIATION OF MD, LLC
 Agency ID: MD217008
 Location: BALTIMORE, MD
 CCN: 217008 Branch: All
 Medicaid Number: 410673300
 Date Report Printed: 06/22/2017

Requested Current Period: 01/2017 - 03/2017
 Requested Prior Period: 04/2015 - 03/2016
 Actual Current Period: 01/2017 - 03/2017
 Actual Prior Period: 04/2015 - 03/2016
 # Cases Curr: 1667 Prior: 6591
 Number of Cases in Reference Sample: 125141



* The probability is 10% or less that this difference is due to chance, and 90% or more that the difference is real.

** The probability is 5% or less that this difference is due to chance, and 95% or more that the difference is real.

+ The probability is 10% or less that this difference is chance, and 90% or more that the difference is

++ The probability is 5% or less that this difference is chance, and 95% or more that the difference is real.

This outcome has been risk adjusted. However, the predictive model for this outcome is less robust than the other predictive models.

Note: When a measure value is calculated using less than 10 Episodes of care, the statistical significance level will not be displayed on the report.

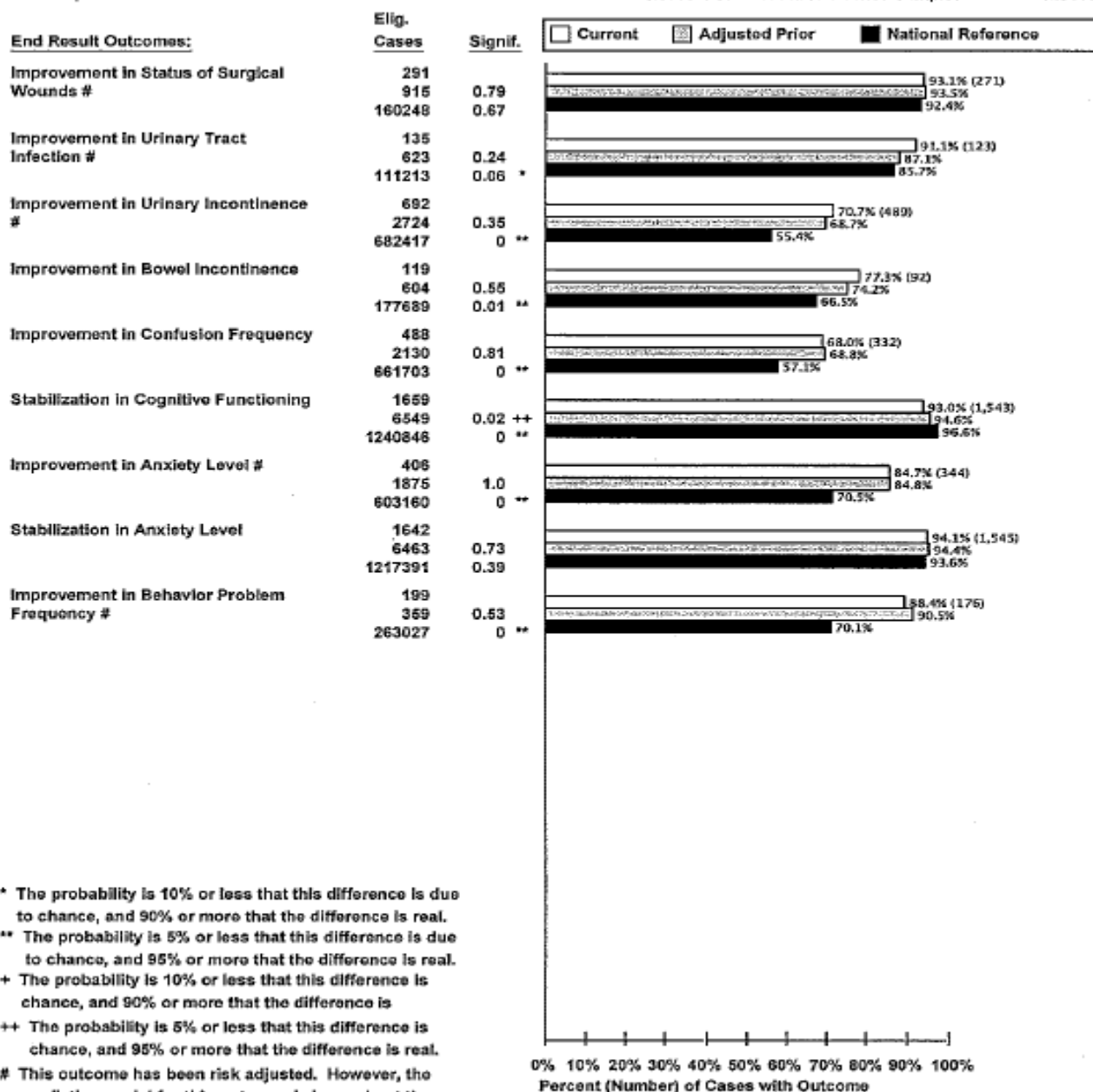
This report has not been approved to meet privacy requirements and can only be used by the home health agency and state agency for defined purposes.

Risk Adjusted Outcome Report

Agency Name: VISITING NURSE ASSOCIATION OF MD, LLC
 Agency ID: MD217008
 Location: BALTIMORE, MD
 CCN: 217008
 Medicaid Number: 410673300
 Date Report Printed: 08/22/2017

Branch: All

Requested Current Period: 01/2017 - 03/2017
 Requested Prior Period: 04/2015 - 03/2016
 Actual Current Period: 01/2017 - 03/2017
 Actual Prior Period: 04/2015 - 03/2016
 # Cases Curr: 1667 Prior: 6591
 Number of Cases in Reference Sample: 125141



- * The probability is 10% or less that this difference is due to chance, and 90% or more that the difference is real.
 ** The probability is 5% or less that this difference is due to chance, and 95% or more that the difference is real.
 + The probability is 10% or less that this difference is chance, and 90% or more that the difference is
 ++ The probability is 5% or less that this difference is chance, and 95% or more that the difference is real.
 # This outcome has been risk adjusted. However, the predictive model for this outcome is less robust than the other predictive models.

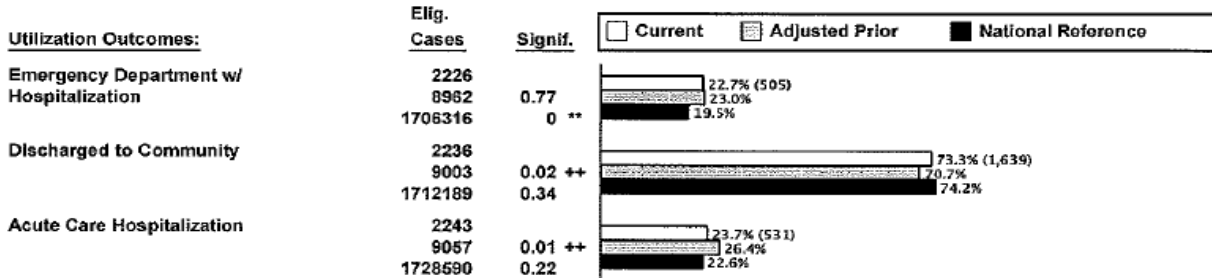
Note: When a measure value is calculated using less than 10 Episodes of care, the statistical significance level will not be displayed on the report.

This report has not been approved to meet privacy requirements and can only be used by the home health agency and state agency for defined purposes.

Risk Adjusted Outcome Report

Agency Name: VISITING NURSE ASSOCIATION OF MD, LLC
 Agency ID: MD217008
 Location: BALTIMORE, MD
 CCN: 217008 Branch: All
 Medicaid Number: 410673300
 Date Report Printed: 06/22/2017

Requested Current Period: 01/2017 - 03/2017
 Requested Prior Period: 04/2015 - 03/2016
 Actual Current Period: 01/2017 - 03/2017
 Actual Prior Period: 04/2015 - 03/2016
 # Cases Curr: 2254 Prior: 9116
 Number of Cases in Reference Sample: 173862



* The probability is 10% or less that this difference is due to chance, and 90% or more that the difference is real.

** The probability is 5% or less that this difference is due to chance, and 95% or more that the difference is real.

+ The probability is 10% or less that this difference is chance, and 90% or more that the difference is

++ The probability is 5% or less that this difference is chance, and 95% or more that the difference is real.

This outcome has been risk adjusted. However, the predictive model for this outcome is less robust than the other predictive models.

Note: When a measure value is calculated using less than 10 Episodes of care, the statistical significance level will not be displayed on the report.

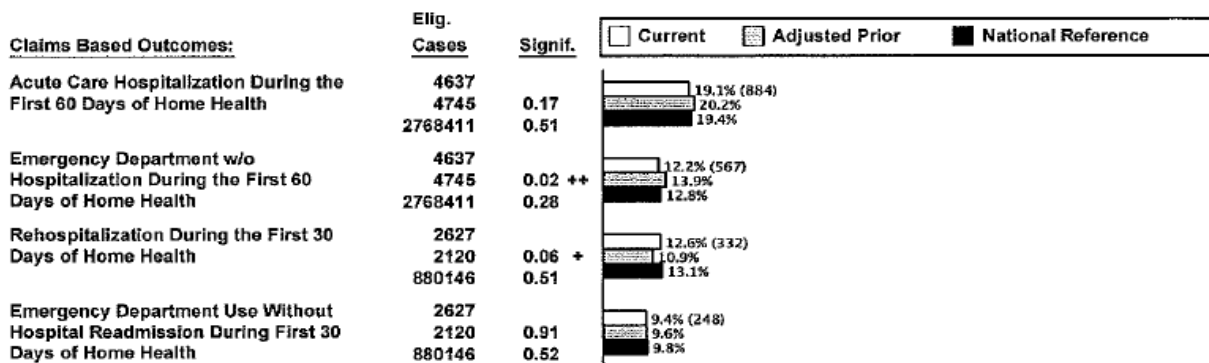
0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%
 Percent (Number) of Cases with Outcome

This report has not been approved to meet privacy requirements and can only be used by the home health agency and state agency for defined purposes.

Risk Adjusted Outcome Report

Agency Name: VISITING NURSE ASSOCIATION OF MD, LLC
 Agency ID: MD217008
 Location: BALTIMORE, MD
 CCN: 217008 Branch: All
 Medicaid Number: 410673300
 Date Report Printed: 06/22/2017

Requested Current Period 10/2015 - 09/2016
 Requested Prior Period (Claims): 10/2014 - 09/2015
 Actual Current Period (Claims): 10/2015 - 09/2016
 Actual Prior Period (Claims): 10/2014 - 09/2015
 # Cases Curr 4637 Prior 4745
 Number of Cases in Reference Sample 276841



* The probability is 10% or less that this difference is due to chance, and 90% or more that the difference is real.

** The probability is 5% or less that this difference is due to chance, and 95% or more that the difference is real.

+ The probability is 10% or less that this difference is chance, and 90% or more that the difference is

++ The probability is 5% or less that this difference is chance, and 95% or more that the difference is real.

This outcome has been risk adjusted. However, the predictive model for this outcome is less robust than the other predictive models.

Note: When a measure value is calculated using less than 10 Episodes of care, the statistical significance level will not be displayed on the report.

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%
 Percent (Number) of Cases with Outcome

This report has not been approved to meet privacy requirements and can only be used by the home health agency and state agency for defined purposes.

Attachment I Month End Close Revenue Report

Month End Close Revenue Report

03/06/2017 08:06:21 PM

Criteria: Closing Period From: JANUARY-2016 - (CLOSED)
Through Closing Period: DECEMBER-2016 - (CLOSED)
Agencies: VISITING NURSE ASSOCIATION OF MD LLC
Service Lines: HOME HEALTH
Branches: (ALL)
Payor Types: BEREAVEMENT,MEDICAID,PRIVATE INSURANCE,MEDICARE PPS INSURANCE,MEDICARE,SELF PAY,INDIGENT
Payor Sources: MEDICAL ASSISTANCE,MEDICAL ASSISTANCE PENDING,COVENTRY,AMERIGROUP,EVERCARE,SELDOM USED PAYOR,EMP HEALTH/PRIORITY PARTNERS,BALTIMORE WASHINGTON MED CTR CASE MANAGMENT FUND,STATE FARM INS,CARE IMPROVEMT PLUS- MANAGED CARE,MDPA/OPTIMUM CHOICE/ALLIANCE,ORSINI PHARMACEUTICAL,US DEPT OF LABOR,BRAVO (5922),CARE IMPROVEMENT PLUS,SELF PAY(1),MEDICAID NON-ADMIT(1),INSURANCE NON-ADMIT (1),BEREAVEMENT,SELF PAY(2),INDIGENT,DO NOT USE - AMERICAN PROGRESSIVE HEALTH INSURANCE,WELLCARE HEALTH PLANS-DO NOT USE, WALGREENS,AMERICAN PROGRESSIVE HEALTH INS,WELLCARE,MARQUETTE NATIONAL LIFE,UNICARE SECURITY CHOICE,ADVANTAGE BLUE,ADVANTRA FREEDOM,AETNA,MEDICARE OPEN PLAN,UNIVERSAL HEALTH CARE,KAISER PERMANENTE,PREFERRED CARE/MVP,AMERIVANTAGE,MEDICARE ADVANTAGE-SELDOM USED,NCAS - 75191,NCAS - CAREFIRST ADM - SB590, LOCAL-UNIONS,NCAS-75190,NATIONS HOME CARE

Payor Sources (cont.): VETERANS AFFAIRS MEDICAL CENTER,EQUINOX HEALTHCARE,MERCY HOSPITAL CASE MANAGEMENT FUND,BLUE CROSS HOME BASE PROGRAM,BLUE CHOICE, CAREFIRST CMMI GRANT,HEARTLAND HOSPICE #4873,CARECENTRIX, GREENSPRING SURGERY CENTER, LLC,HOSPICE OF THE CHESAPEAKE,JOHNS HOPKINS CONNECTIONS,UNIVERSITY OF MD HEALTH ADVANTAGE,UNIVERSITY OF MARYLAND HEALTH PARTNERS,MEDICAID NON-ADMIT(2),MEDICARE NON-ADMIT(2),INSURANCE NON-ADMIT(2),AMERIHEALTH CARITAS DC,GENTIVA HEALTH SERVICES,MEDICARE NON-ADMIT(1),BCBS OUT OF STATE,UHC/MAMS/OPTIMUM CHOICE,BLUE CROSS FEDERAL,HELIX/MEDSTAR FAMILY CHOICE,NETWORK HEALTH SERVICES,SINAI CASE MGMT,NCAS/WILLSE/CAREFIRST,BLUE CROSS NATIONAL ACCOUNTS,GHMSI/MHIP,DHMM CANCER/CPHA,BLUE CROSS OF MD,JA1 MEDICAL SYSTEM,AETNA,Z MARQUETTE NATIONAL LIFE-DO NOTUSE,AETNA GOLD,AARP,MID GENERAL CASE MANAGEMENT,FEM SERVICES,VETERANS ADMINISTRATION,WORKMANS COMP(MANAGE CARE),UMMS CASE MGT,HOME SOLUTIONS ,COVENTRY DIAMOND PLAN (25130),CIGNA,MARYLAND PHYS CARE (00247),CIGNA GOVERNMENT SERVICES
Client Drilldown: YES
Group By: AGENCY
Then By: PAYOR TYPE
Then By: BRANCH
Then By: NONE

	Earned Revenue	Manual Adjustment	System Adjustment	Total Adjustment	Unearned Revenue	Cash Received
Agency: VISITING NURSE ASSOCIATION OF MD LLC:217008A	\$35,064,872.42	(\$1,323,493.32)	\$56,844.79	(\$1,266,648.53)	\$1,984,199.26	\$32,685,873.39
Payor Type: INDIGENT	\$61,638.26	(\$61,638.26)	\$0.00	(\$61,638.26)		\$0.00
Branch: MAR - VISITING NURSE ASSOCIATION OF MARYLAND LLC	\$61,638.26	(\$61,638.26)	\$0.00	(\$61,638.26)		\$0.00
Payor Type: MEDICAID	\$408,206.79	(\$7,948.99)	(\$4,234.63)	(\$12,183.62)		\$377,447.54
Branch: MAR - VISITING NURSE ASSOCIATION OF MARYLAND LLC	\$408,206.79	(\$7,948.99)	(\$4,234.63)	(\$12,183.62)		\$377,447.54
Payor Type: MEDICARE	\$26,308,290.14	(\$843,135.46)	\$37,122.26	(\$806,013.20)	\$1,980,985.28	\$24,728,097.70
Branch: MAR - VISITING NURSE ASSOCIATION OF MARYLAND LLC	\$26,308,290.14	(\$843,135.46)	\$37,122.26	(\$806,013.20)	\$1,980,985.28	\$24,728,097.70
Payor Type: MEDICARE PPS INSURANCE	\$11,597.30	(\$242.17)	\$2,096.38	\$1,854.21	\$3,213.98	(\$89.87)
Branch: MAR - VISITING NURSE ASSOCIATION OF MARYLAND LLC	\$11,597.30	(\$242.17)	\$2,096.38	\$1,854.21	\$3,213.98	(\$89.87)
Grand Total	\$35,064,872.42	(\$1,323,493.32)	\$56,844.79	(\$1,266,648.53)	\$1,984,199.26	\$32,685,873.39

Month End Close Revenue Report

	Earned Revenue	Manual Adjustment	System Adjustment	Total Adjustment	Unearned Revenue	Cash Received
Agency: VISITING NURSE ASSOCIATION OF MD LLC:217008A	\$35,064,872.42	(\$1,323,493.32)	\$56,844.79	(\$1,266,648.53)	\$1,984,199.26	\$32,685,873.39
Payor Type: MEDICARE(MSP)	\$22,523.13	\$4,667.75	\$18,177.37	\$22,845.12	\$0.00	\$52,577.38
Branch: MAR - VISITING NURSE ASSOCIATION OF MARYLAND LLC	\$22,523.13	\$4,667.75	\$18,177.37	\$22,845.12	\$0.00	\$52,577.38
Payor Type: PRIVATE INSURANCE	\$8,252,616.79	(\$553,434.06)	\$35,935.62	(\$517,498.44)		\$7,449,269.07
Branch: MAR - VISITING NURSE ASSOCIATION OF MARYLAND LLC	\$8,252,616.79	(\$553,434.06)	\$35,935.62	(\$517,498.44)		\$7,449,269.07
Payor Type: SELF PAY	\$0.00	\$138,237.87	(\$32,252.21)	\$105,985.66		\$78,571.57
Branch: MAR - VISITING NURSE ASSOCIATION OF MARYLAND LLC	\$0.00	\$138,237.87	(\$32,252.21)	\$105,985.66		\$78,571.57
Grand Total	\$35,064,872.42	(\$1,323,493.32)	\$56,844.79	(\$1,266,648.53)	\$1,984,199.26	\$32,685,873.39

Legend

Earned Revenue:

PPS – (Full Episode/60) X (lapsed # episode days during close period) regardless of whether or not episode was discharged early. Includes revenue for current and prior episodes with locked OASIS not previously included in month end revenue.

Commercial – Revenue for processed timecards with service dates falling within the close period, by episode

Hospice – Revenue for processed LOC and Room & Board timecards with service dates falling within the close period, by episode

Adjustments:

PPS – Changes in previously recorded revenue, using the 60 formula (earned revenue). Manual adjustments with a post date during the close period.

Commercial – Changes in previously recorded revenue. Manual adjustments with a post date during the close period.

Hospice – Changes in previously recorded revenue. Manual adjustments with a post date during the close period.

Unearned Revenue:

PPS – (Full Episode/60) X (# days of episode remaining after close period) regardless of whether or not episode was discharged early. Includes revenue for current and prior episodes with locked OASIS not previously included in month end revenue

Commercial – Empty

Hospice – Empty

Cash Received:

For all episodes, payments with post dates during the close period.

Attachment J VNA of Maryland: Visits by Discipline

VNA of Maryland: Visits By Discipline

Discipline	Year 2014
HOME HEALTH AIDE	10,802
MEDICAL SOCIAL WORKER	2,370
NUTRITIONIST	1
OCCUPATIONAL THERAPIST	14,611
PHYSICAL THERAPIST	68,297
SKILLED NURSING	80,781
SPEECH THERAPIST	3,300
Grand Total	180,162

Visit Count broken down by Date - Visit Start vs. Discipline - Visit. The data is filtered on Visit, Discipline - Visit and Date - Visit Start. The Visit filter keeps Billable Visit. The Discipline - Visit filter keeps HHA, MSW, NUTR, OT, PT, SN and ST. The Date - Visit Start filter keeps 2014.

VNA of Maryland: Visits By Discipline

Discipline	Year 2015
HOME HEALTH AIDE	12,874
MEDICAL SOCIAL WORKER	2,415
OCCUPATIONAL THERAPIST	13,113
PHYSICAL THERAPIST	74,608
SKILLED NURSING	83,629
SPEECH THERAPIST	2,953
Grand Total	189,592

Visit Count broken down by Date - Visit Start vs. Discipline - Visit. The data is filtered on Visit, Discipline - Visit and Date - Visit Start. The Visit filter keeps Billable Visit. The Discipline - Visit filter keeps HHA, MSW, NUTR, OT, PT, SN and ST. The Date - Visit Start filter keeps 2015.

VNA of Maryland: Visits By Discipline

Discipline	Year 2016
HOME HEALTH AIDE	14,442
MEDICAL SOCIAL WORKER	2,864
NUTRITIONIST	1
OCCUPATIONAL THERAPIST	14,704
PHYSICAL THERAPIST	77,373
SKILLED NURSING	88,300
SPEECH THERAPIST	2,568
Grand Total	200,272

Visit Count broken down by Date - Visit Start vs. Discipline - Visit. The data is filtered on Visit, Discipline - Visit and Date - Visit Start. The Visit filter keeps Billable Visit. The Discipline - Visit filter keeps HHA, MSW, NUTR, OT, PT, SN and ST. The Date - Visit Start filter keeps 2016.

**Attachment K Article: 5 Reasons
TrumpCare Will Cause a Home Care Boom**

5 Reasons TrumpCare Will Cause a Home Care Boom

By [Bradley Smith](#), ATP, CMAA

Vertess, Volume 4 Issue 5, February 27, 2017

It's no secret that the home care industry has been in a downward spiral for the past decade, primarily due to declining reimbursements and audits, among other obstacles. As a direct result, the number of providers has decreased, leading to larger and larger companies that can take advantage of economies of scale. Despite these concerns, demand has continued to rise as older citizens and people with disabilities want care in their own homes.

Home care companies, including home health and hospice agencies, are putting a lot of faith in TrumpCare, especially Health and Human Services (HHS) Secretary Tom Price, for good reason. He has a strong history of championing healthcare reform and he has pledged to reduce the regulatory red tape that bedevils many home care companies. Here are the five most significant reasons why we will see expansion in the home care industry during the Trump administration:

1. **HHS Secretary Tom Price will listen and promote home care.** Previous secretaries of HHS have had little to no communication with providers, making assumptions (usually negative) about the provider community. Coming from the provider side, Secretary Price has a history of working with home care agencies because of his belief that providers have an extremely valuable role in the healthcare continuum.
2. **The Trump administration will expand the financial commitment to home care.** The US has large Medicare/Medicaid beneficiary populations with limited personal funds for necessary medical services and home care is often the least expensive way to deliver effective services and equipment. Numerous studies have concluded that for every \$1 spent on home care, The Centers for Medicare & Medicaid Services (CMS) saves \$30 dollars (or more) in acute care cost. Additionally, patient outcomes in the home are generally better than in an acute care setting. Given the focus on cost cutting and block grants we can expect even more financial support for these services.
3. **Changes in Obamacare (aka the Affordable Care Act) will be incremental.** Despite all the harsh rhetoric, I expect the framework for the ACA to stay largely in place. Residents of many states have made their concerns known in several raucous town hall meetings and concerns about the ACA have been prominent. Complete repeal-and-replace is more of a campaign slogan than the reality of what people desire. Home care options were promoted by Obamacare and are likely to continue to have favored status.
4. **The healthcare continuum will become more outpatient focused.** The evolution of healthcare away from hospital-centric care toward outpatient services (e.g. ambulatory surgery centers) will accelerate because of cost effectiveness and good outcomes, including lower infection rates. Home care has been demonstrated to be a strong partner in supporting a positive patient social environment and reducing the likelihood of hospital admissions.
5. **Home care M+A activity will increase.** As a result of public policy shifts, cost controls and other changes, providers will need to further scale and consolidate to insulate themselves from risk. Additionally, there will be another generation of tech savvy entrepreneurs that will find new opportunities in startups, as well as acquiring existing providers as they build a more comprehensive continuum of services.

If you would like to personally discuss this article, the value of your company, or how to get the best price when you sell it, you can reach Brad directly at bsmith@vertess.com or [817.793.3773](tel:817.793.3773).

Attachment L Financial Statement

KENNEALLY & COMPANY

Certified Public Accountants

May 9, 2017

Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, MD 21215

Re: VNA Home Health of Maryland, LLC
CON Application
Docket No. – 17-R1-2393

To Whom It May Concern:

We have been asked to provide you with certain information regarding our client, VNA Home Health of Maryland, LLC, for your use in deciding whether to approve its application with the Maryland Health Care Commission. Our services have been limited to the compilation of consolidated financial statements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the consolidated financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these consolidated financial statements.

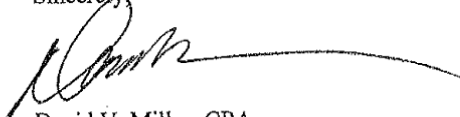
However, without limiting the conditions stated in this letter, we are able to provide you with the following response to your inquiry:

- VNA Home Health of Maryland, LLC has been a client since January 27, 2007.
- Members' equity totaled \$4,420,380 and \$3,644,974 at December 31, 2016 and 2015, respectively.

By providing you with the responses above, we are not confirming or in any way verifying the accuracy of the information contained in the compiled financial statements. We are not able, therefore, to assist your institution in its decision regarding whether to approve the application.

This letter is not intended to establish a client relationship between J.L. Kenneally & Company, P.A. and your institution, but is merely provided to you as a professional courtesy in response to a request from our client.

Sincerely,



David V. Miller, CPA

660 Kenilworth Drive, Suite 104
Towson, Maryland 21204
T: (410) 321-9558 F: (410) 321-9809
www.jlkcpas.com

Independent Accountants' Compilation Report

To the Members of
VNA Home Health of Maryland, LLC
Baltimore, Maryland

Management is responsible for the accompanying consolidated financial statements of VNA Home Health of Maryland, LLC (a limited liability company), which comprise the consolidated balance sheets as of December 31, 2016 and 2015, and the related consolidated statements of operations, members' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the consolidated financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these consolidated financial statements.

Towson, Maryland
March 28, 2017

VNA HOME HEALTH OF MARYLAND, LLC
CONSOLIDATED BALANCE SHEETS
December 31, 2016 and 2015

ASSETS

	<u>2016</u>	<u>2015</u>
CURRENT ASSETS		
Cash	\$ -	\$ -
Accounts receivable, net of allowance for doubtful accounts of \$150,000 for 2016 and 2015	9,990,449	8,651,481
Prepaid expenses	500,415	583,929
Due from unrelated parties	140	72,140
Due from affiliated companies	29,700	77,000
Total current assets	<u>10,520,704</u>	<u>9,384,550</u>
PROPERTY AND EQUIPMENT		
Land and buildings	677,860	677,860
Leasehold improvements	408,544	411,210
Furniture and equipment	426,667	370,802
Vehicles	182,247	182,247
	<u>1,695,318</u>	<u>1,642,119</u>
Less accumulated depreciation	<u>(740,146)</u>	<u>(683,361)</u>
Property and equipment - net	<u>955,172</u>	<u>958,758</u>
Total assets	<u><u>\$ 11,475,876</u></u>	<u><u>\$ 10,343,308</u></u>

See independent accountants' compilation report and accompanying notes.

VNA HOME HEALTH OF MARYLAND, LLC
CONSOLIDATED BALANCE SHEETS
December 31, 2016 and 2015

LIABILITIES AND MEMBERS' EQUITY

	<u>2016</u>	<u>2015</u>
CURRENT LIABILITIES		
Accounts payable	\$ 125,271	\$ 136,179
Due to related party	1,500,000	-
Current maturities of long-term debt	1,008,779	-
Accrued expenses	1,747,124	1,794,902
Deferred revenue	1,984,199	1,813,724
Other current liabilities	690,123	873,789
Total current liabilities	<u>7,055,496</u>	<u>4,618,594</u>
LONG-TERM LIABILITIES		
Note payable to related party	-	2,079,740
Total long-term liabilities	<u>-</u>	<u>2,079,740</u>
Total liabilities	<u>7,055,496</u>	<u>6,698,334</u>
MEMBERS' EQUITY		
Members' equity	4,420,380	3,644,974
Total members' equity	<u>4,420,380</u>	<u>3,644,974</u>
Total liabilities and members' equity	<u>\$ 11,475,876</u>	<u>\$ 10,343,308</u>

See independent accountants' compilation report and accompanying notes.

VNA HOME HEALTH OF MARYLAND, LLC
CONSOLIDATED STATEMENTS OF OPERATIONS
For the years ended December 31, 2016 and 2015

	2016		2015	
	Amount	%	Amount	%
OPERATING REVENUES				
Net patient service revenue	\$ 33,978,080	100.00	\$ 33,209,142	100.00
OPERATING EXPENSES				
Advertising and promotion	230,317	0.68	128,551	0.39
Communications expense	357,022	1.05	384,676	1.16
Computer software support	390,861	1.15	365,734	1.10
Depreciation and amortization	110,036	0.32	111,274	0.34
Employee benefits	1,420,831	4.18	1,351,542	4.07
Insurance	420,481	1.24	407,646	1.23
Medical supplies	394,035	1.16	407,078	1.23
Office expenses	491,486	1.45	408,735	1.23
Other operating expenses	101,861	0.30	81,236	0.24
Professional fees	1,546,507	4.55	1,625,049	4.89
Recruiting	6,460	0.02	40,440	0.12
Rent	371,088	1.09	341,958	1.03
Salaries and wages	23,960,461	70.52	22,954,837	69.12
Taxes - payroll and property	1,802,768	5.31	1,777,020	5.35
Travel	728,189	2.14	751,836	2.26
Total operating expenses	32,332,403	95.16	31,137,612	93.76
Income from operations	1,645,677	4.84	2,071,530	6.24
OTHER INCOME (EXPENSE)				
Finance charge income	3,670	0.01	11,045	0.03
Inheritance from a will	-	-	271,750	0.82
Charitable Contributions	(187,575)	(0.55)	(297,215)	(0.89)
Gain (loss) on asset dispositions	(4,240)	(0.01)	9,700	0.03
Interest expense	(13,939)	(0.04)	(23,088)	(0.07)
Total other income (expense)	(202,084)	(0.59)	(27,808)	(0.08)
NET INCOME	<u>\$ 1,443,593</u>	<u>4.25</u>	<u>\$ 2,043,722</u>	<u>6.16</u>

See independent accountants' compilation report and accompanying notes.

VNA HOME HEALTH OF MARYLAND, LLC
CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY
For the years ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
MEMBERS' EQUITY - Beginning of Year	\$ 3,644,974	\$ 1,961,252
Net income	1,443,593	2,043,722
Member distributions	<u>(668,187)</u>	<u>(360,000)</u>
MEMBERS' EQUITY - End of Year	<u><u>\$ 4,420,380</u></u>	<u><u>\$ 3,644,974</u></u>

See independent accountants' compilation report and accompanying notes.

VNA HOME HEALTH OF MARYLAND, LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 1,443,593	\$ 2,043,722
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	110,036	111,274
(Gain) loss on disposal of assets	4,240	(9,700)
Changes in operating assets and liabilities:		
Accounts receivable	(1,338,968)	(1,295,104)
Prepaid expenses	83,514	(475,002)
Due from unrelated parties	72,000	(72,140)
Due from/to affiliated companies	47,300	(20,400)
Accounts payable	(10,908)	114,298
Accrued expenses	(47,778)	181,055
Deferred revenues	170,475	(156,251)
Other current liabilities	(183,666)	337,275
Net cash provided by (used in) operating activities	<u>349,838</u>	<u>759,027</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of asset	-	27,000
Purchases of property and equipment	(110,690)	(90,754)
Net cash provided by (used in) investing activities	<u>(110,690)</u>	<u>(63,754)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on long-term debt	-	(6,015)
Borrowings from related party	1,500,000	-
Payments on related party note payable	(1,070,961)	(971,647)
Member distributions	(668,187)	(360,000)
Net cash used in financing activities	<u>(239,148)</u>	<u>(1,337,662)</u>
NET DECREASE IN CASH	-	(642,389)
CASH AT BEGINNING OF YEAR	<u>-</u>	<u>642,389</u>
CASH AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>

See independent accountants' compilation report and accompanying notes.

Attachment M Patient Handbook Financial Information

Financial Information

Medicare/Medical Assistance

- Your bill for home health services will be paid entirely by Medicare or Medical Assistance provided you have valid Medicare or Medical Assistance coverage.
- If your Medicare or Medical Assistance is managed through a Health Maintenance Organization (HMO), it is your responsibility to inform the VNA of your HMO carrier.
- VNA needs to be notified by you if any changes to your insurance coverage occur while VNA is rendering service.
- To notify VNA of any insurance changes contact the Billing Department at 410-594-2600.
- You are also responsible for informing the VNA if you have any insurance other than Medicare.
- If Medicare should be your primary insurance and we determine it is not, it is your responsibility to contact the Medicare Coordination of Benefits Unit at 800-999-1118.
- Failure to notify us of correct/valid insurance information or any insurance changes will result in you being responsible for these charges.

In order for services to be covered by Medicare, Medicare HMO, Blue Cross/Blue Shield and Medical Assistance you must:

- Be homebound, except Medical Assistance.
- Be under the care of a doctor who orders services which are considered reasonable and necessary to the treatment of your illness.
- Require skilled not custodial services.
- If you become a non-homebound Medicare, Medicare HMO, or Blue Cross/Blue Shield patient, you must provide secondary coverage information and/or accept financial responsibility for services provided.

We will bill the following charges for each home visit:

Skilled Nursing	\$170.00	Occupational Therapy	\$180.00
Physical Therapy	\$180.00	Medical Social Work	\$165.00
Speech Therapy	\$180.00	Home Health Assistant	\$73.00

Private Insurance

Private insurance may cover all or part of the cost of home health services. You must meet your insurance company's criteria for home care coverage. We will contact your insurance company and confirm your benefits. We will inform you of your responsibilities of any deductible and/or co-pay before the start of service.

Billing Questions

If you have any questions about your account regarding insurance coverage, patient liability, changes in insurance, claim denials, etc., please call the Billing Department between the hours of 8:00 AM to 4:30 PM at 410-594-2600. Our provider staff is

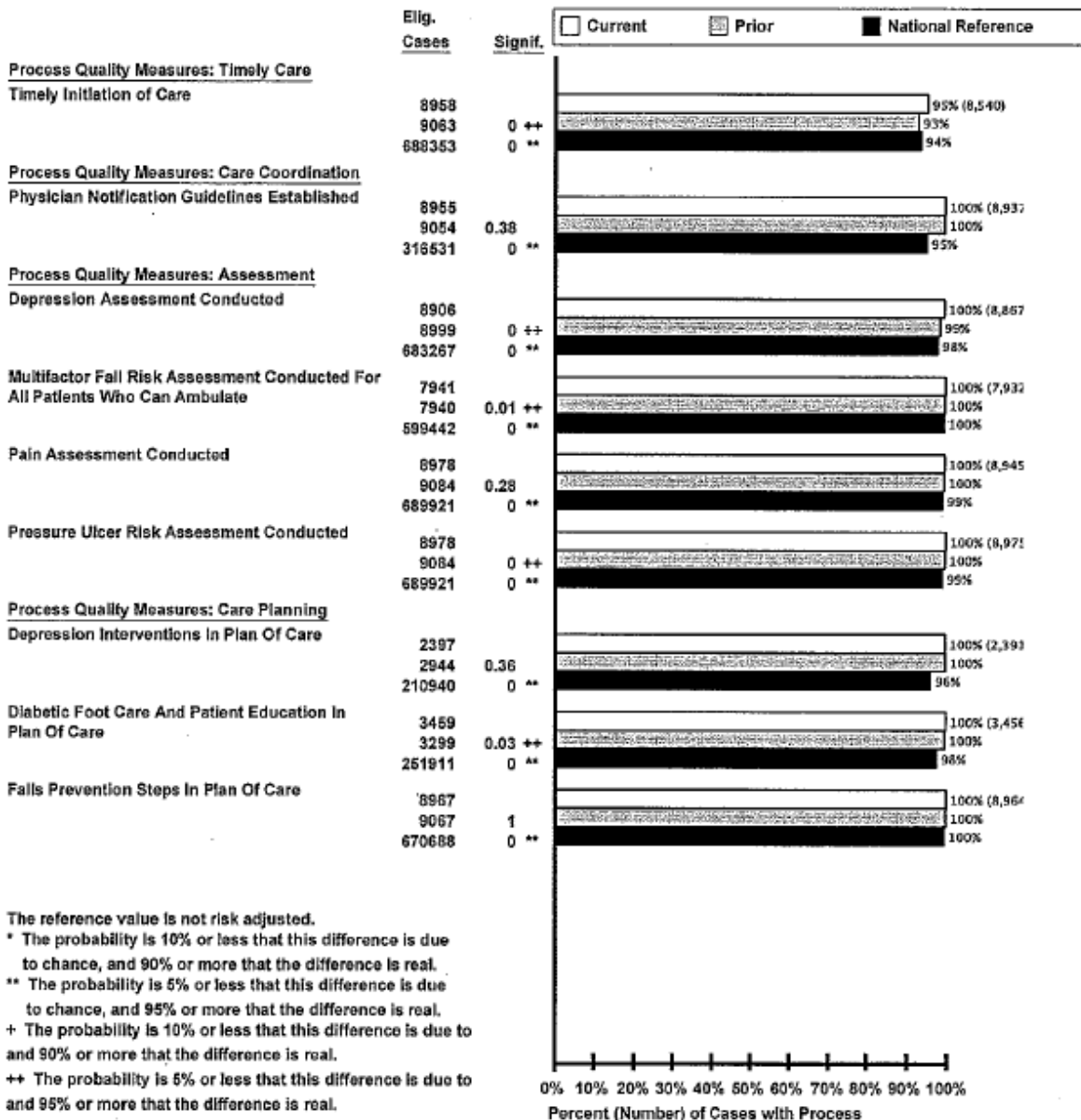
responsible for patient care only and will not be able to answer your billing question.

Attachment N All Patients' Process Quality Measures Report

All Patients' Process Quality Measures Report

Agency Name: VISITING NURSE ASSOCIATION OF MD, LLC
 Agency ID: MD217008
 Location: BALTIMORE, MD
 GCN: 217008 Branch: All
 Medicaid Number: 410673300
 Date Report Printed: 07/20/2017

Requested Current Period: 05/2016 - 04/2017
 Requested Prior Period: 05/2015 - 04/2016
 Actual Current Period: 05/2016 - 04/2017
 Actual Prior Period: 05/2015 - 04/2016
 # Cases: Curr 8978 Prior 9084
 Number of Cases in Reference Sample: 689921



The reference value is not risk adjusted.

* The probability is 10% or less that this difference is due to chance, and 90% or more that the difference is real.

** The probability is 5% or less that this difference is due to chance, and 95% or more that the difference is real.

+ The probability is 10% or less that this difference is due to and 90% or more that the difference is real.

++ The probability is 5% or less that this difference is due to and 95% or more that the difference is real.

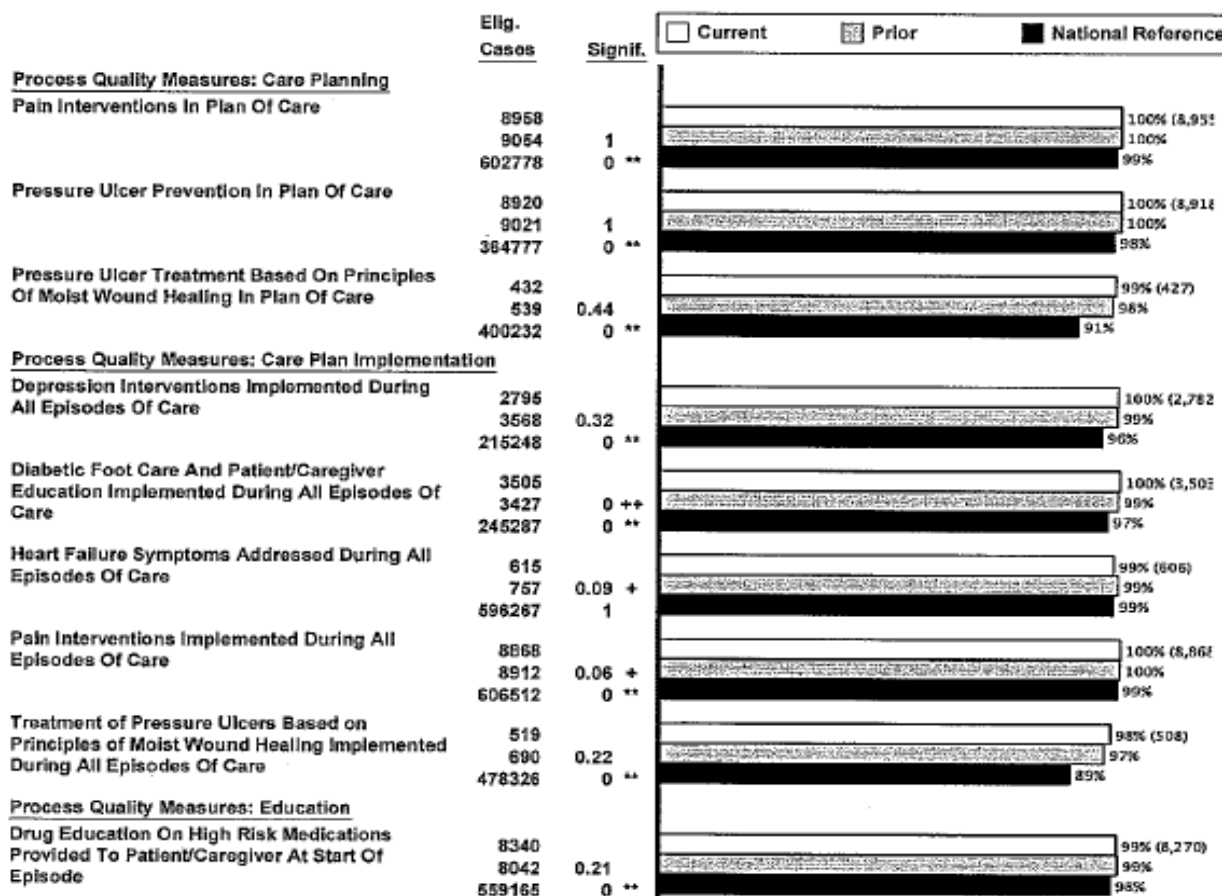
Note: When a measure value is calculated using less than 10 Episodes of the statistical significance level will not be displayed on the report.

This report has not been approved to meet privacy requirements and can only be used by home health agency and state agency for defined purposes.

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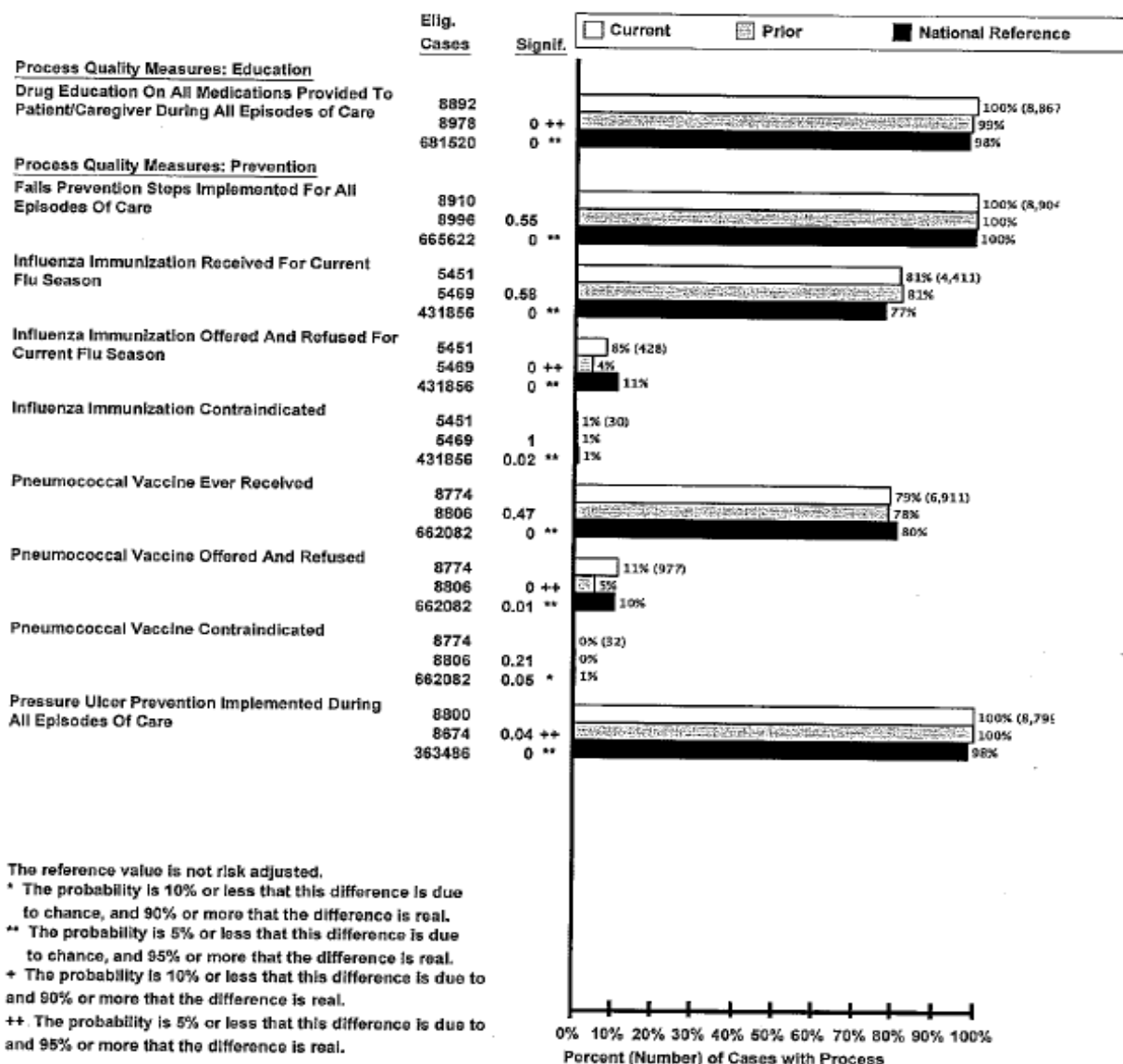
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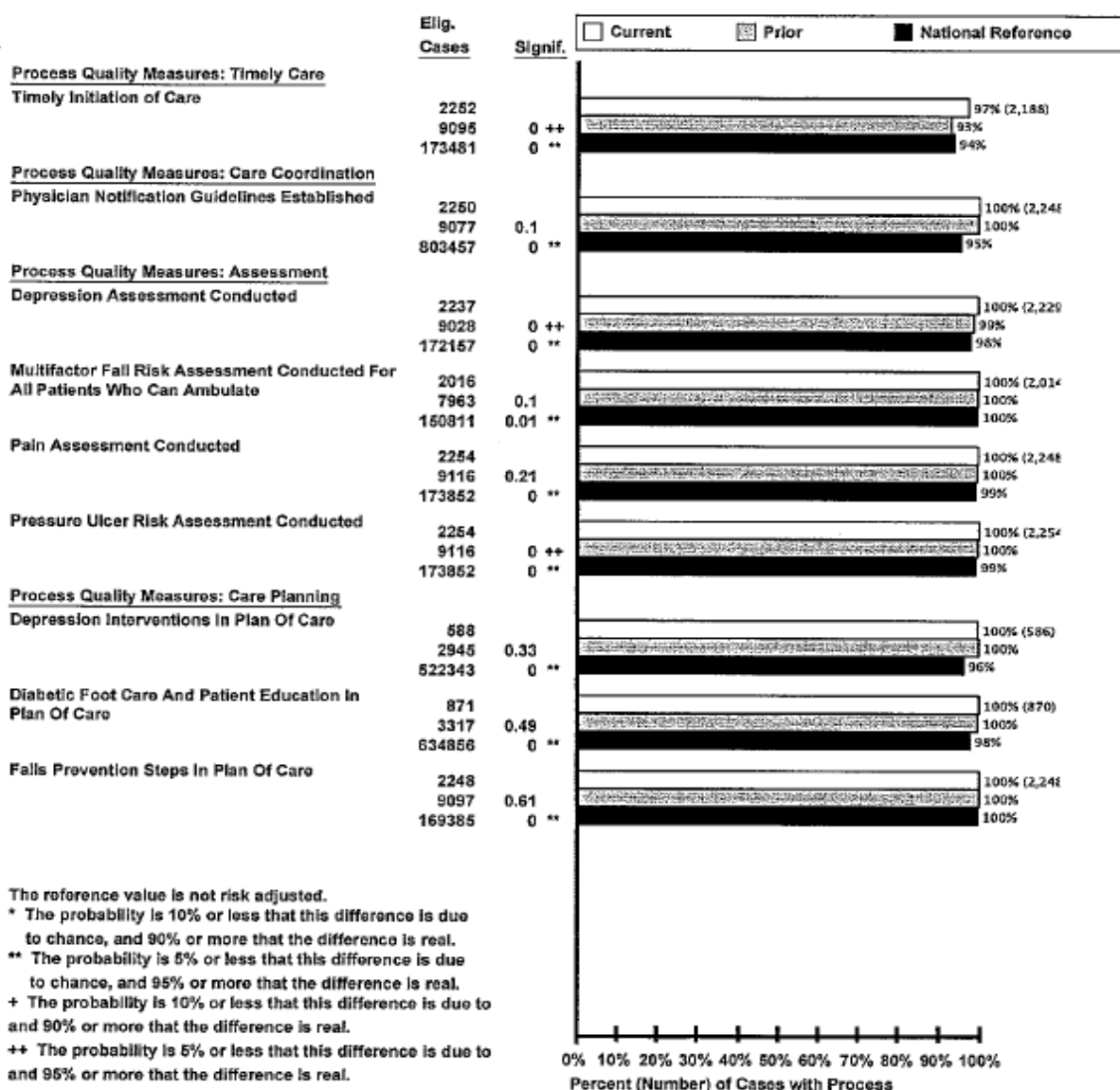
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Agency Name: VISITING NURSE ASSOCIATION OF MD, LLC
 Agency ID: MD217008
 Location: BALTIMORE, MD
 CCN: 217008 Branch: All
 Medicaid Number: 410673300
 Date Report Printed: 06/22/2017

Requested Current Period: 01/2017 - 03/2017
 Requested Prior Period: 04/2015 - 03/2016
 Actual Current Period: 01/2017 - 03/2017
 Actual Prior Period: 04/2015 - 03/2016
 # Cases: Curr 2254 Prior 9116
 Number of Cases in Reference Sample: 173852

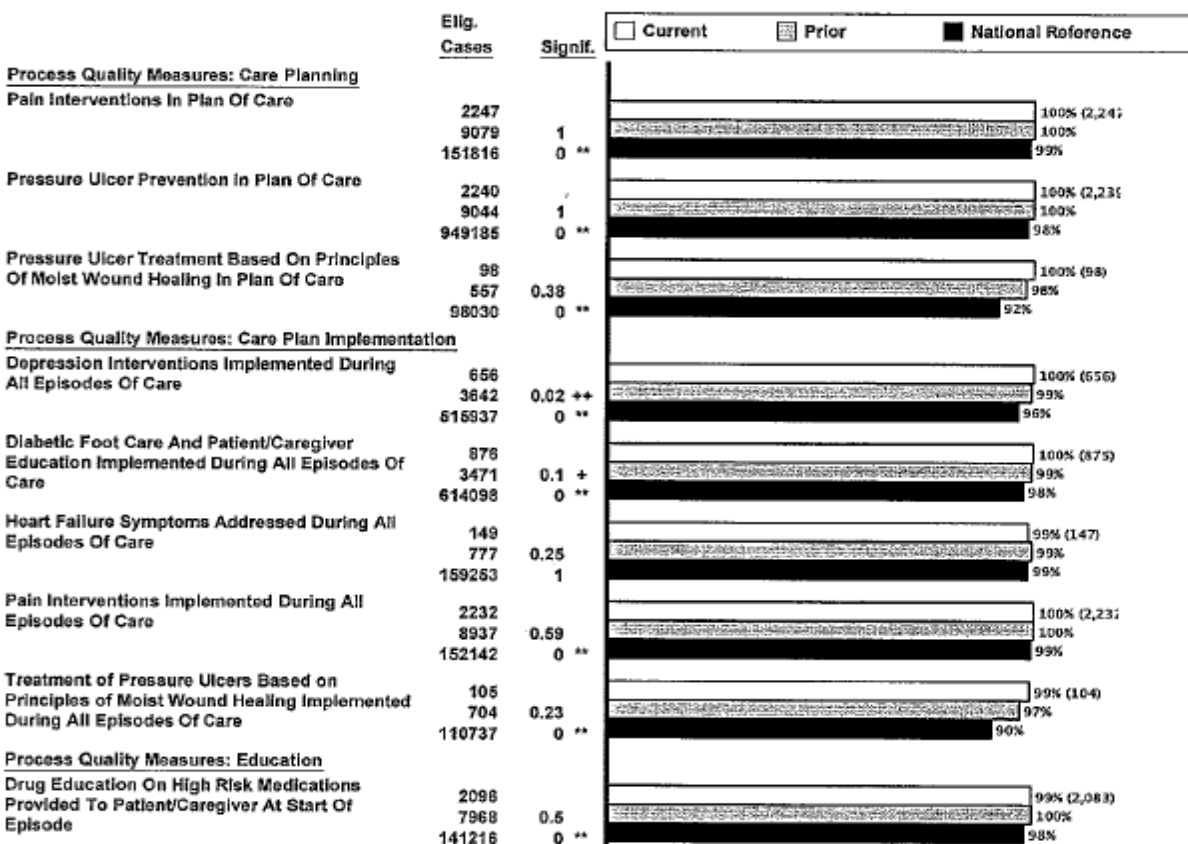


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All Patients' Process Quality Measures Report

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 Location: BALTIMORE, MD
 CCN: 217008 Branch: All
 Medicaid Number: 410673300
 Date Report Printed: 06/22/2017

Requested Current Period: 01/2017 - 03/2017
 Requested Prior Period: 04/2015 - 03/2016
 Actual Current Period: 01/2017 - 03/2017
 Actual Prior Period: 04/2015 - 03/2016
 # Cases: Curr 2254 Prior 9116
 Number of Cases In Reference Sample: 173852



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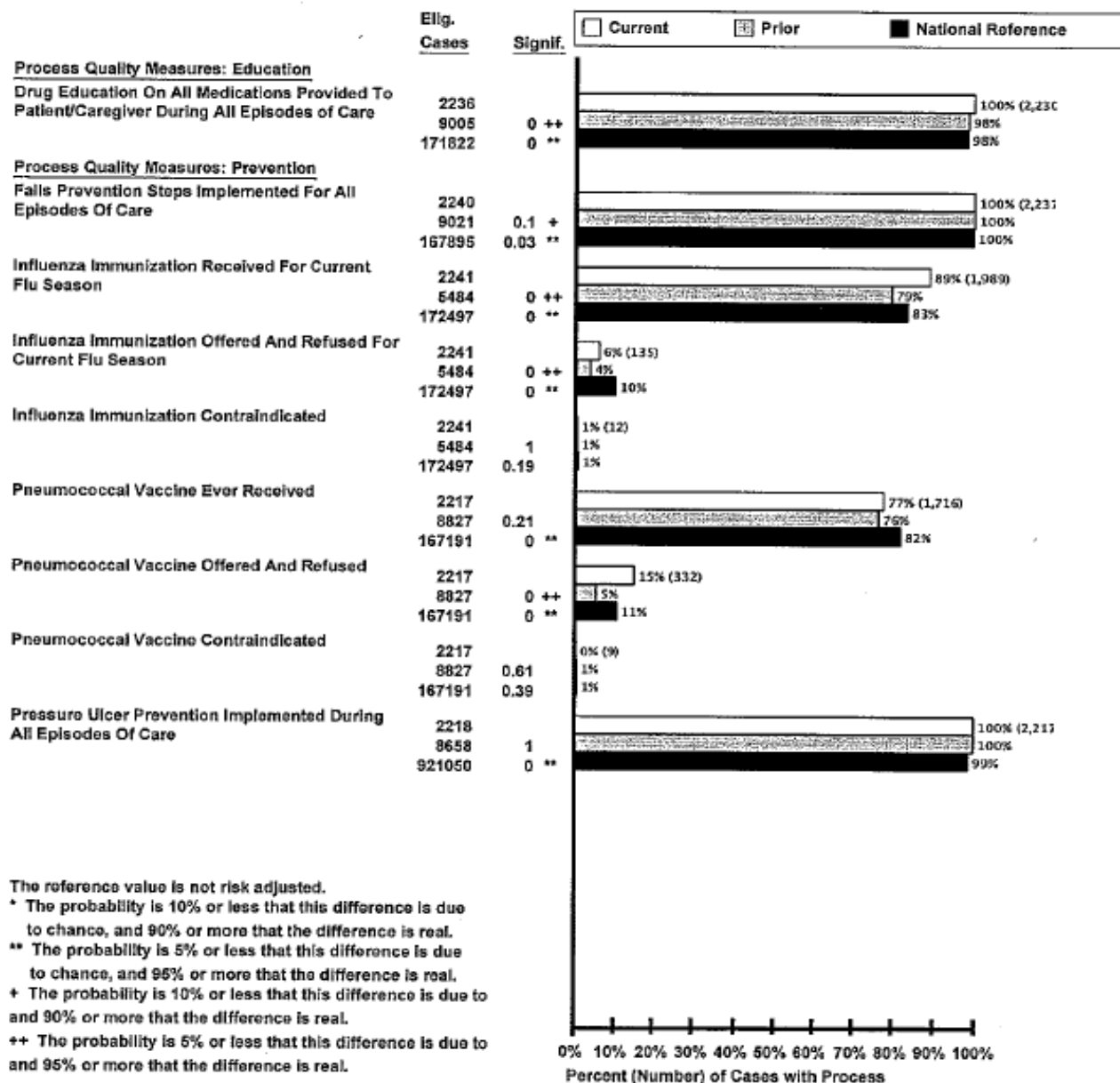
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