



BAYADA[®]

Home Health Care

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Applicant's Completeness Review #2

January 2019



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January 23, 2019

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

**RE: CON Application to Expand a Home Health Agency in Upper Easter Shore – Matter #
18-R1-2425**

Dear Ms. Potter:

Enclosed please find four copies of the Applicant's responses to the Completeness Questions #2, dated January 10, 2019 for filing in the above matter.

Please reach out with any additional questions.

Respectfully,

A handwritten signature in black ink that reads "JoAnn Saxby". The signature is written in a cursive, flowing style.

JoAnn Saxby, RN
Administrator
BAYADA Home Health Care



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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.

Joann Saxby

Signature

1/23/19

Date

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VIABILITY OF PROPOSAL 3-4

Part II. Consistency with Review Criteria at COMAR 10.24.01.08G (3)

Please further discuss the probable impact of the project on the cost for services provided by other home health agencies in the area. Not enough detail was provided in the applicant’s response to question #18. Please elaborate on why the applicant anticipates that the current project will not have any impact on the cost of services provided by other home health agencies in the area.

Applicant response:

Table 1. All Parent HHAs* Authorized and Actually Served, Number of Clients, Client Use Rates, Average Caseload, and Competition Index by Jurisdiction: Maryland 2013

Jurisdiction	Number of Parent Agencies Authorized to Serve	Number of Parent Agencies Actually Serving at Least 1 Client	Number of Parent Agencies Actually Serving at Least 10 Clients	Total Number of Clients Served (All Ages) 2013	Population Estimates (All Ages) 2013	Client Use Rate per 1,000 population (all ages)	Range of Number of Clients Served	Average Caseload	Competition Index
ALLEGANY	4	1	1	2,345	73,521	31.9	2,345	2345.0	1.000
KENT	5	1	1	400	19,944	20.1	400	400.0	1.000
GARRETT	5	2	2	447	29,889	15.0	34 - 413	223.5	0.859
QUEEN ANNES	7	6	4	905	48,517	18.7	1 - 655	150.8	0.563
CECIL	7	6	4	1,895	101,913	18.6	4 - 1,329	315.8	0.555

(http://mhcc.maryland.gov/mhcc/pages/hcfs/hcfs_homehealth/documents/con_hhag_table1_mark_et_concentration_jurisdiction_20150318.pdf)

In the “State Health Plan For Facilities and Services: Home Health Agency Services Proposed Permanent Regulations COMAR 10.24.16” it is stated that the “Herfindahl-Hirschman Index (HHI) is a measure of the size of firms (HHA) in relation to the overall HHA industry and an indicator of the amount of competition among them. It is defined as the sum of the squares of the market shares of all HHAs authorized and actually servicing a jurisdiction. Results can range from 0 to 1.0: a competition of 1 indicates a monopoly or a totally concentrated market. Conversely, a competition index close to 0 generally indicates a fair share of the market among an increasing number of HHA providers and thus an HHA market offering greater access to a variety of HHA services. (Note competition index is divided by 10,000 for ease of interpretation).

Cecil County meets the criteria the commission laid out to bring competitive Home Health Services to the residents of this county. The commission’s goal was to bring access to care in markets with an HHI score higher than .5 and as you referenced in the above chart, Cecil has a .55 competitive index and ranks as the 5th least competitive market in Maryland in terms of access to home health services.

Bayada Home Health Care projects raising home health usage in the noted county as it has been identified as being underserved with access to care. We believe by offering another quality option we will be able to help provide access to care that is currently not in the market. The proposed project will not represent unnecessary duplication of services and will not adversely affect the need for additional home health agencies in the county. As described above the proposed project will serve to address the need for additional home health agencies in the service areas. The projected home health patient population can fully support the proposed project and existing providers will not be adversely impacted as evidenced by the above noted deficits.

As the Total Cost of Care rolls out in 2019 there will be added incentive for Maryland health systems to seek a combination of excellence in clinical outcomes (low readmission rates and ED utilization, for example) with associated lower costs per episode. Adding a quality skilled home health provider in Cecil County will contribute to meeting the increasing demands for lower cost settings in the provision of healthcare services. BAYADA Home Health Care does not anticipate any material impact on the cost of services provided by the current home health providers in Cecil County.