



March 5, 2026

Via E-mail

Amon Chafukira, Program Coordinator
Quality One Care Home Health, Inc.
9221 Colesville Road
Silver Spring, MD 20910

Re: Consolidated CON Application to Establish a Home Health Agency in Baltimore City, Baltimore County, and Howard County
Matter # 25-R2-2476, Baltimore City
Matter # 25-R2-2477, Baltimore County
Matter # 25-R2-2478, Howard County

Dear Mr. Chafukira:

Commission staff has reviewed the above-mentioned consolidated application for Certificate of Need (CON) approval to establish a new home health agency (HHA) to serve the following three jurisdictions: Baltimore City, Baltimore County, and Howard County. Staff found the application incomplete and, accordingly, requests that you provide responses to the following questions:

Financial Feasibility -

1. MHCC staff have several questions regarding the budget for staffing.
 - a. Your response states that the incremental increase in Physical Therapist (PT) FTEs reflects QOC's plan to utilize a hybrid employment and contracting model, which is standard in home-health operations. Further, you state the hiring process includes:
 - Engagement of per diem and contract physical therapists to meet early demand
 - Transition to additional employed FTEs as visit volumes grow and stabilize

Provide more source information on the budgeted expenses for contractual services. The amounts provided appear low relative to the likely high use of contracted employees to fill the need for incremental and growing start up volumes in the new home health business. Is the low percentage realistic given the stated business plan to rely on contractual services during the start-up of the new services?

- b. If some of the contractual expense for staff is included in the other expenses, what is the amount within that total?

Summary of Expenses from Table 4

Category	2026	2027	2028
Salaries & Wages (including benefits)	\$ 82,000	\$148,000	\$198,000
Contractual Services	\$ 6,000	\$ 8,000	\$ 10,000
Contractual as Percent of Salary	7.3%	5.4%	5.1%
Other Expenses	\$11,500	\$15,500	\$19,700
Contractual and Other as % of Salary	21.3%	15.9%	15.0%

- c. Given that you state “the decline in net income shown in the RSA financial statements is primarily attributable to rapid increases in labor and operating costs, particularly contract staffing and wage inflation, which outpaced revenue growth during the post-pandemic period. These cost pressures are well documented across the home- and community-based services sector and disproportionately affected legacy service models with limited reimbursement flexibility.”
2. Provide the basis for determining whether the salary and contractual expenses are sufficient in 2027 and 2028 to account for increasing cost pressures?

Tables

3. In response to question 34a in the first completeness questions, the staffing growth is lower compared to the client and visit growth. For example, Speech Therapist are at 0.1FTE in 2026 and 2027, yet volume more than doubles from 6 to 15 visits. Likewise, Medical Social Work remains at 0.1FTE yet visits are more than double from 24 to 55 in the same period.
- Provide a breakdown of the operating expenses by major category.
 - Provide more information on the use of contractual employees, and how the contractual expenses are calculated, to confirm that sufficient FTEs are being captured to cover the volume growth projected.



4. Table I has 110 clients listed for 2026, yet the response to question 11 of the previous response is 100 in 2026. Please provide the correct response, and verify the budget submitted reflects the current client and visit totals.
5. Benefits are calculated at 27 percent in this application. In the Southern Maryland CON application, QOC used 22 percent, and in the Western Maryland CON application, QOC uses 20 percent for benefit expenses.
 - a. Why is QOC allotting a different percentage in different regions? Are different benefits being provided in the different reasons ?
 - b. What impact will this have on how competitive QOC will be in recruiting and retaining required HHA staff?

Please submit four copies of the responses to the additional information requested in this letter within ten working days of receipt. (Note: extensions are routinely available upon request). Also submit the response electronically, in both Word and PDF format, to Deanna Dunn at (Deanna.Dunn4@maryland.gov).

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

Should you have any questions regarding this matter, feel free to contact me at (410) 764-3324.

Sincerely,



Eric Baker
Program Manager

CC Wynne Hawk, Director, Center for Health Planning, MHCC
Jeanne-Marie Gawel, Chief of Facilities, MHCC
Michelle Taylor, M.D., Baltimore City Health Officer
Lucy Wilson, M.D., Baltimore County Health Officer
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