

HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

STANDARD APPLICATION – CERTIFICATE OF NEED PROGRAM

Application Number: #08-12

Applicant: B.C.P., Inc., dba Nursefinders of Hawaii, Inc.
524 E. Lamar Blvd., #300
Arlington, Texas

Project Title: Establishment of Home Health Services

Project Address: 2200 Main Street, #650, Wailuku, Maui

1. TYPE OR ORGANIZATION: (Please check all applicable)

- Public _____
- Private X
- Non-profit _____
- For-profit X
- Individual _____
- Corporation X
- Partnership _____
- Limited Liability Corporation (LLC) _____
- Limited Liability Partnership (LLP) _____
- Other: _____

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2. PROJECT LOCATION INFORMATION:

A. Primary Service Area(s) of Project: (Please check all applicable)

- Statewide: _____
- O`ahu-wide: _____
- Honolulu: _____
- Windward O`ahu: _____
- West O`ahu: _____
- Maui County: X
- Kaua`i County: _____
- Hawai`i County: _____

3. DOCUMENTATION (Please attach the following to your application form):

A. Site Control documentation (e.g. lease/purchase agreement, DROA agreement, letter of intent)

See Attachment 1.

B. A listing of all other permits or approvals from other government bodies (federal, state, county) that will be required before this proposal can be implemented (such as building permit, land use permit, etc.)

Medicare certification.
OHCA Home Health Agency license is currently being pursued (see attached letter).
No additional permits or approvals are required.

C. Your governing body: list by names, titles and address/phone numbers

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Nursefinders, Inc.
Patient Care Services Division
Home Care Committee

Effective 07/28/08

MEMBERS:

<u>Position</u>	<u>Name, Title & Address, Phone Number</u>
Chairperson	Donna Shelton, SVP of Clinical Operations Patient Care Division 524 East Lamar Boulevard, #300 Arlington, Texas 76011 817.460.1181
Secretary	Linda Sheffield, President & COO Patient Care Division 524 East Lamar Boulevard, #300 Arlington, Texas 76011 817.460.1181
Members	Bob Livonius, CEO Pat McColpin, CFO Chris Friedrichs, VP of Finance Laura Fisher, VP of Human Resources 524 East Lamar Boulevard, #300 Arlington, Texas 76011 817.460.1181

D. If you have filed a Certification of Need Application this current calendar year, you may skip the four items listed below. All others, please provide the following:

- **Articles of Incorporation**
B.C.P., Inc. and Nursefinders, Inc. – See Attachment 2
- **By-Laws**
B.C.P., Inc. and Nursefinders, Inc. – See Attachment 3
- **Partnership Agreements**
- **Tax Key Number (project's location):** 3-4-014:007

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4. **TYPE OF PROJECT.** This section helps our reviewers understand what type of project you are proposing. Please place an "x" in the appropriate box.

	Used Medical Equipment (over \$400,000)	New/Upgraded Medical Equip. (over \$1 million)	Other Capital Project (over \$4 million)	Change in ownership	Change in service/ establish new service/facility	Change in Beds
Inpatient Facility						
Outpatient Facility					X	
Private Practice						

5. **TOTAL CAPITAL COST:** \$125,000

6. **BED CHANGES.** Please complete this chart only if your project deals with a change in your bed count and/or licensed types. Again, this chart is intended to help our reviewers understand at a glance what your project would like to accomplish. Under the heading "Type of Bed," please use only the categories listed in the certificate of need rules.

Type of Bed	Current Bed Total	Proposed Beds for your Project	Total Combined Beds if your Project is Approved
N/A			
TOTAL			

7. **CHANGE IN SERVICE.** If you are proposing a change in service, then please briefly list what services will be added/modified. Be sure to include the establishment of a new service or the addition of a new location of an existing service. Please consult Certificate of Need Rules Section 11-186-5 for the categories of services. If you are unable to determine which category best describes your project, please consult with agency staff.

Reference (3) Non-Bed Services (L) Home Health Agency under the Certificate of Need Rules Section 11-186-5.

Establishment of certified home health agency services in Maui County to include intermittent skilled nursing, physical therapy, speech therapy, occupational therapy, medical social services and home health aide visits. The addition of these services will complement the existing non-certified home health services provided by Nursefinders to the population of Maui County. Service standards to be established that conform to the safety and care requirements as set forth in the Conditions of Participation and Conditions for coverage under the Centers for Medicare and Medicaid Services.

PROJECT COSTS AND SOURCES OF FUNDS (For Capital Items Only)

A. List All Project Costs:	AMOUNT:
1. Land Acquisition	<u>0</u>
2. Construction Contract	<u>0</u>
3. Fixed Equipment	<u>0</u>
4. Movable Equipment [additional McKesson (IS system) workstations, telephone lines, medical equipment (blood pressure cuffs, stethoscopes)]	\$ <u>25,000</u>
5. Financing Costs	<u>0</u>
6. Fair Market Value of assets acquired by lease, rent, donation, etc.	\$ <u>100,000</u>
7. Other:	<u>0</u>
TOTAL PROJECT COST:	\$ <u>125,000</u>

B. Source and Method of Estimation

Describe how the cost estimates in Item "A" were made, including information and methods used:

Cost estimates are based upon previous experience of establishing a Medicare Certified Home Health office. Estimates include equipment costs and employee salary and benefits.

C. Source of Funds	AMOUNT:
1. Cash	\$ <u>25,000</u>
2. State Appropriations	<u> </u>
3. Other Grants	<u> </u>
4. Fund Drive	<u> </u>
5. Debt	<u> </u>
6. Other: <u>Fair Market Value of Lease</u>	\$ <u>100,000</u>
TOTAL SOURCE OF FUNDS:	\$ <u>125,000</u>

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8. **IMPLEMENTATION SCHEDULE:** Please present a projected time schedule for the completion of this project from start to finish. Include all of the following items that are applicable to your project:

- a) Date of site control for the proposed project,
- b) Dates by which other government approvals/permits will be applied for and received,
- c) Dates by which financing is assured for the project,
- d) Date construction will commence,
- e) Length of construction period,
- f) Date of completion of the project, and
- g) Date of commencement of operation.

Please remember that the Agency does monitor the implementation of Certificates approved. Non-implementation of a project as described in your application may result in a fine and/or withdrawal of the Certificate of Need.

a) **Date of site control for the proposed project**

Professional office space is currently occupied by B.C.P., Inc. dba Nursefinders at 2200 Main Street, Suite 650, Wailuku, Hawaii 96793-1640, with a lease agreement from April 1, 2005, to February 28, 2010. The office has adequate space to devote to the home health agency for training, patient/caregiver conferences and administrative purposes.

b) **Dates by which other government approvals/permits will be applied for and received**

Upon approval of our request for a CON we are prepared to file federal and state applications immediately and seek certification surveys. Based on the application process we are unsure of the length of time it will take to reach completion and cannot project a date with certainty.

c) **Dates by which financing is assured for the project**

N/A

d) **Date construction will commence**

No construction is associated with the project.

e) **Length of construction period**

No construction is associated with the project.

f) **Date of completion of the project**

Completion date is unable to be projected until federal application for a home health agency licensure/certification is submitted.

g) **Date of commencement of operation**

Upon Medicare certification.

9. **EXECUTIVE SUMMARY:** Please present a brief summary of your project. In addition, provide a description of how your project meets each of the Certificate of Need criteria listed below. If a new location is proposed, please attach an easy to read map that shows your project site.

- *08 JUN -6 P12 :44
- a) Relationship to the Hawai'i Health Performance Plan (H2P2), also known as the State of Hawai'i Health Services and Facilities Plan
 - b) Need and Accessibility
 - c) Quality of Service/Care
 - d) Cost and Finances (include revenue/cost projections for the first and third year of operation)
 - e) Relationship to the Existing Health Care System
 - f) Availability of Resources

Nursefinders, Inc. is requesting approval for a Certificate of Need to establish a certified home health agency in Maui County. As a non-certified home care provider in Maui for over seven years, we have experienced the increase in demand for Medicare reimbursed home care services, from both our existing patients as well as new requests for service. We believe we can have a positive impact in meeting the health care needs of Maui residents through the addition of certified home care services. Nursefinders of Maui is currently in good standing with the Department of Commerce and Consumer Affairs and is in compliance with the State of Hawaii Procurement Office. (See Attachment 2 - Certificates of Good Standing and Compliance and Certificate of Liability Insurance.)

The services of public health nurses, professional registered nurses, licensed practical nurses, skills trainers, behaviorists, nursing assistants, social workers, speech therapists, physical therapists and homemakers with our agency have been utilized both by individual clients and institutional clients. Our reputation for safe, compassionate and cost-effective care has earned us the opportunity to provide services under contracts with Developmental Disabilities and/or Mental Retardation (DDMR), Department of Education (DOE), Nursing Home Without Walls (NHWW), Medically Fragile/EPST (pediatrics), Public Health Nursing (PHN) and Maui County (Kupuna Care Program) for many years. We are prepared to invest financially, clinically and operationally to add certified services to our service offerings. They are a natural extension to the home care services we provide today and will enable our agency to provide even greater coordination of care for patients covered by national health insurance. Nursefinders successively operates eleven condition-free Medicare certified home health agencies in eight U.S. states at this time and understands the regulatory and compliance standards associated with Medicare home care services. The area of service provided by Nursefinders was expanded to include all of Maui County in 2005 and is the catalyst for our request for a CON. Requests for home care services from Medicare beneficiaries and community organizations underscore the need for additional providers to effectively bridge the need for care at home. Our agency currently provides care for over 220 patients and the agency infrastructure is readily scalable to handle more patients.

Nursefinders shares the focus on access, quality and value to produce safe and effective home care services that are affordable. Our agency operates 7 days a week, 24 hours a day with trained, professional staff available to provide information via telephone and in person. Our caregivers deliver services to patients at home around the clock at hours that are determined with patient preference in mind. We have a solid system of administrative and clinical support available to meet the unexpected or emergency needs of our clients and caregivers. We hold ourselves accountable to find solutions to problems as quickly as possible.

We take our responsibility as a home care provider seriously and operate our agency by six Standards of Success (see page 9). These guiding principles are shared with our employees and help us stay focused on quality patient care, attracting and retaining excellent caregivers and

recognizing opportunities for growth and improvement. They form the foundation for our clinical procedures/processes that insure each patient receives the care they need, when they need it. Our recruitment for compassionate caregivers means we perform daily activities, such as print/internet recruiting, career open house events, community college partnerships and personal interviewing day/evening hours, to find and retain the best staff. The group of professionals that comprise our administrative in-office team are empowered to make decisions daily within the boundaries of their detailed job descriptions. Decisions that require second level approvals are handled quickly with the Area Director of Hawaii based in the Honolulu Nursefinders office. Whether through face-to-face communication, real time meetings via the web, conference calls, newsletters and industry updates, our employees enjoy rapid communication of ideas, tactical plans and strategic initiatives that are shared across the Patient Care Division.

We are constantly realigning our service offerings to meet the demands of home care consumers and decision makers. Each market identifies the critical service components that are essential to meet the demographic needs. We have added skilled nursing and homemaker services in Maui County over the last few years to meet the needs of the community. Home care requires diligent management of people and processes in order to sustain a viable business. Nursefinders has demonstrated sound stewardship of our resources to provide high-quality services to our patients and a reasonable return on investment to our shareholders. "Success Zone" mentality is the term we use for doing what's best for our patients, caregivers and in-office staff that provide security and continuity for our agency. As with any service or product, the highest risks are associated with areas/events you have less control over. We pay close attention to the areas of risk within home care, such as professional liability, background screening, mandatory substance abuse testing performed by Clinical Laboratories of Hawaii, bonding and environmental safety. Programs that safeguard our clients and caregivers are in place throughout the company and are the result of collaboration with our Risk Manager, clinical leaders, insurance carriers and quality improvement organizations.

Value as defined by our customers is where quality and price intersect. Our fee-for-service structure is guided by prevailing labor costs (including hourly wages, insurance, state and federal taxes and employee benefits) and is analyzed quarterly. Fee-for-service rates and employee pay rates are reviewed and approved by second level authority in Maui County and a similar process applies to other offices elsewhere in our company. Discussion of client bill rates takes place with prospective clients to insure their understanding of our billing process; invoice management and access to our customer service staff if questions arise. A similar process is utilized to establish bids for city, county or state proposals that call for a rate schedule that we can commit to for contract periods. Competitive industry data, local market surveys and community resources assist us in our efforts to provide quality care at affordable prices to clients who need home care.

Nursefinders shares your vision that constituents supported by their community achieve optimum health. In our experience as a home care provider, we are keenly aware of the patient's preference to receive care at home. We have delivered skilled nursing, therapy, nurse aide, homemaker and behavioral health services to Maui County residents for over seven years. Our caregivers are familiar with the unique geographic challenges of traversing the island to deliver care. We have provided wound care to clients in Hana and are currently providing skilled nursing care in East Maui (Huelo) and throughout rural areas of Maui. We provided homemaker service to 18 clients in Molokai and one in Lanai in 2006. Nursefinders is a Medicaid Waiver provider that currently serves all residents which include the elderly, low income, persons with disabilities and other underserved groups. Clients have been pleased with our dependability and their physicians pleased with their progress. We have 200 caregivers residing throughout Maui County. Supervisors travel across the county to perform start of care assessments and provide supervision for our services as needed.

Standards of Success

Patient Care Division

1. **PROVIDE QUALITY & SERVICE UNCONDITIONALLY**
We stand by the services we deliver through trained and compassionate caregivers and strive to exceed each client's expectation for safe, dependable care.
2. **RECRUIT & RETAIN COMPASSIONATE CAREGIVERS**
Attracting and retaining the right caregivers requires us to practice disciplined daily activities that nurture our relationship and create lasting loyalty.
3. **HIRE & EMPOWER THE BEST TALENT**
Our single most important decision is hiring the brightest client service, clinical and management staff to serve our caregivers and clients. We must then empower the new employee with strong training and communication.
4. **EXPAND & DIVERSIFY SERVICES CONTINUALLY**
We consistently seek opportunities to expand our market share by developing new lines of service that meet customer needs or industry trends.
5. **OPERATE WITH SUCCESS ZONE MENTALITY**
The diligent management of business resources and metrics provides security and continuity for our clients and caregivers and enables managers to be recognized and rewarded for their business skills.
6. **MANAGE RISK PROACTIVELY**
We pay close attention to the areas of risk within home care and take the initiative to implement and monitor preventative programs that safeguard our caregivers and clients and keep our business healthy.

Nursefinders
The Professional Choice.

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a) Relationship to Hawai'i Health Performance Plan (H2P2)

Nursefinders has a reputation for becoming a small part of the bigger solutions to complex health care delivery issues. We are not asking to be the complete solution to Maui's health care initiatives, but to be a small piece of a greater plan to improve the health of our citizens. We understand that 13% of all discharges from Maui Memorial Medical Center (MMMC) have potentially preventable diseases. In addition, we understand the importance of developing strategies to keep aging citizens in their homes and the value of adopting philosophies like "Aging in Place." We believe that a Medicare certified home health agency managed by Nursefinders could be an integral part of the Home and Community Based Services initiatives in solving health care delivery problems in Maui. (Maui Health Initiative Task Force, (2007) p. 52)

Innate to our staff of Maui nurses is their desire to provide culturally sensitive education to individuals, families, and caregivers. Our nurses understand the core benefit of teaching patients with Congestive Heart Failure how to monitor sodium intake in their diet, about daily weighing, and recognition of early signs of pulmonary edema for prevention of rehospitalization. In addition, our Registered Nurses and care teams collaborate with physicians in developing care plans to prevent complications such as amputations, loss of function with arthritis, and the role of diet and exercise to reduce complications in patients with Diabetes and Heart Disease. Nursefinders believes that the comprehensive assessment, OASIS, required by Medicare, combined with our commitment to effective health care planning, will result in improving the health outcomes of Maui citizens returning home after a hospitalization.

Based on the Maui Health Initiative Task Force findings, Nursefinders sees opportunities for a certified home health agency to be a part of the solution in several areas. We have skilled physical therapists and trainers that will help offset the short supply of orthopedics services on the island. An integral part of Medicare's requirements to obtain home health certification is having a qualified multi-disciplinary approach to improve the patient's function and return to them to their highest level of independent living. We already have teams of therapists in place who value this purpose and achieve great outcomes for non-Medicare patients. Basically, we would just be increasing our access to patients in need.

An area that is of immense importance when considering the need for a certified home health agency is evidenced in the "Maui Bed Needs Study." Home health agencies play a role in the continuity of care but most importantly help reduce the number of acute wait listed patients and the need for more long term care beds. Health care providers discovered when hospital stays became shorter and shorter and outpatient services more the normal, that patients recover fine at home. The incident of hospital acquired infections, pneumonia, and impaired mobility complications are lowered when patients recover at home. We believe that physicians, social workers, case managers, and patients will realize the added benefit of having the option to choose Nursefinders' skilled services when discharging patients. (Maui's Health Initiative Task Force, (2007) p 56)

b) Need and Accessibility

Nursefinders recognizes that Hawai'i's Medicare reimbursement is one of the lowest in the nation. We are prepared to pioneer a program that provides comprehensive skilled home care services to the community by using our technology, case management, and streamlined processes to help align cost with Medicare reimbursement. (Maui's Health Initiative Task Force, (2007) p. 29)

Our agency operates 7 days a week, 24 hours a day with trained, efficient, professional staff available by telephone and in person. Our caregivers deliver services to patients at home around

the clock at hours that are determined with patient preference in mind. We have a solid system of administrative and clinical support available to meet the unexpected or emergency needs of our clients and caregivers. We hold ourselves accountable to find solutions to problems as quickly as possible.

A tenured team of full-time professionals including Branch Director, Quality Assurance Nurse, Clinical Supervisor, Behavioral Health Operations Director, Director of Recruitment and Sales, two Client Service Representatives, Payroll and Billing Specialists, and Office Manager provide the administrative leadership of the Maui office. Nursefinders' presence in Hawai'i is very important. When Nursefinders makes a commitment they stand by their decision by utilizing all the resources necessary to make a project successful and a benefit to those served.

Currently two of the eleven home care providers serving Maui County are Medicare certified. Hale Makua is the only agency with capacity to reach all county residents. Kaiser Home Health Agency provides care to patients within their own network. With more than 1,000 seniors reaching 60 years of age annually in Maui, the demand from newly eligible Medicare beneficiaries will increase the need for more certified agencies. If 20% of the newly eligible seniors require Medicare home health benefits, it will translate to 200 more home care admissions annually for the existing certified provider. As current trends reveal, Medicare home care beneficiaries typically have more than one 60-day home care episode annually, and the trend is expected to continue as the over-85-years-of-age population increases correspondingly. Seniors are also voicing their need for healthcare provider choice, which is their right. These indicators support the need for an additional certified home care provider in Maui County now.

TOTAL POPULATION	MAUI
Census 7/1/2003	135,878
Census 7/1/2004	138,125
2005*	139,995
2006*	140,321
2007*	142,517
2008*	144,713
2009*	149,104
2010*	151,300
2011*	153,560
2015*	162,600

* = Estimated (State of HI Census/ MCOA, Plan 2008-2011)

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POPULATION Age 60+	MAUI
Census 7/1/2003	21,438
Census 7/1/2004	22,328
2005*	23,340
2006*	24,352
2007*	25,364
2008*	26,376
2009*	27,388
2010*	27,388
2011*	29,690
2015*	34,850

* = Estimated (State of HI Census/ MCOA, Plan 2008-2011)

POPULATION Age 85+	MAUI
Census 7/1/2003	2,128
Census 7/1/2004	2,274
2005*	2,353
2006*	2,433
2007*	2,512
2008*	2,591
2009*	2,671
2010*	2,750
2011*	2,820
2015*	3,100

* = Estimated (State of HI Census/ MCOA, Plan 2008-2011)

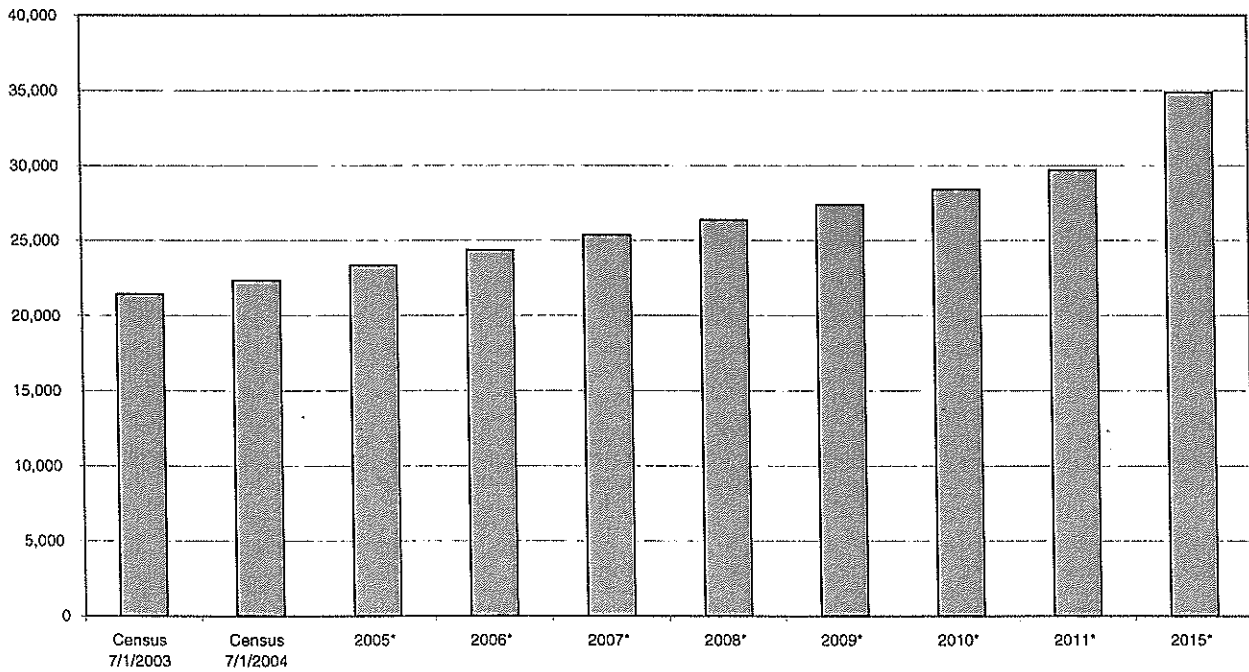
60 + as a percent of total population	Maui/Kalawao
Census 7/1/2003	15.8%
Census 7/1/2004	16.2%
2005*	16.4%
2006*	16.6%
2007*	17.1%
2008*	17.5%
2009*	18.0%
2010*	18.4%
2011*	19.3%
2015*	21.4%

* = Estimated (State of HI Census/ MCOA, Plan 2008-2011)

85 + as a percent of total population	Maui/Kalawao
Census 7/1/2003	1.6%
Census 7/1/2004	1.6%
2005*	1.5%
2006*	1.7%
2007*	1.7%
2008*	1.8%
2009*	1.8%
2010*	1.8%
2011*	1.8%
2015*	1.9%

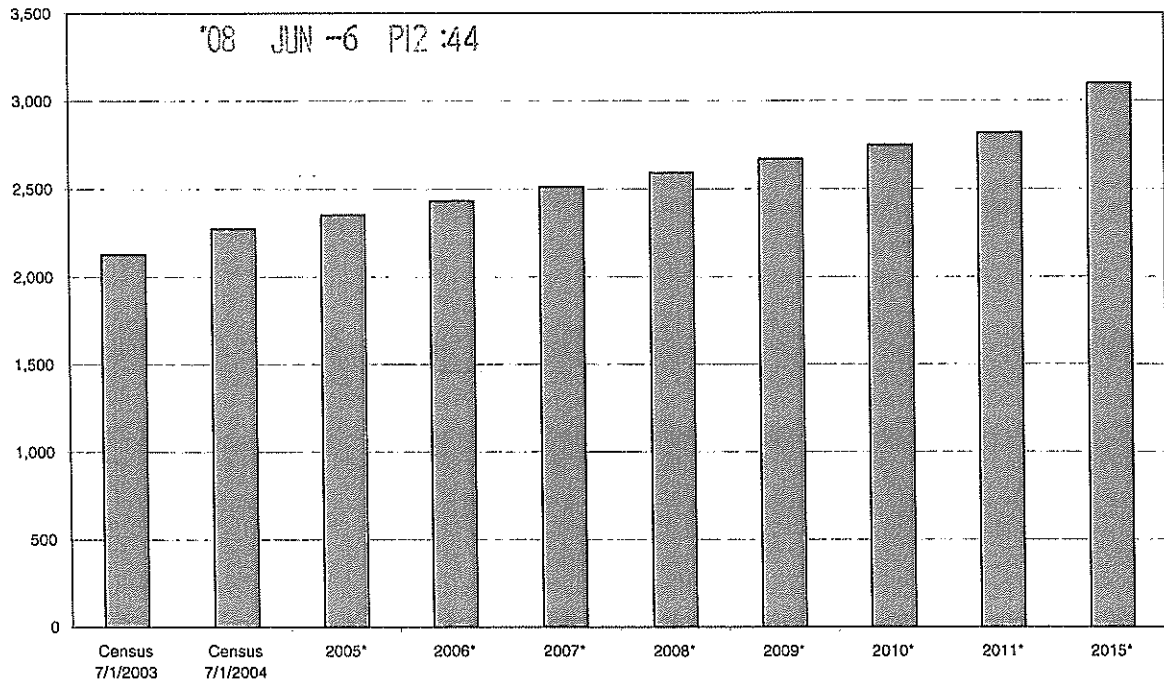
* = Estimated (State of HI Census/ MCOA, Plan 2008-2011)

Maui Population Age 60+

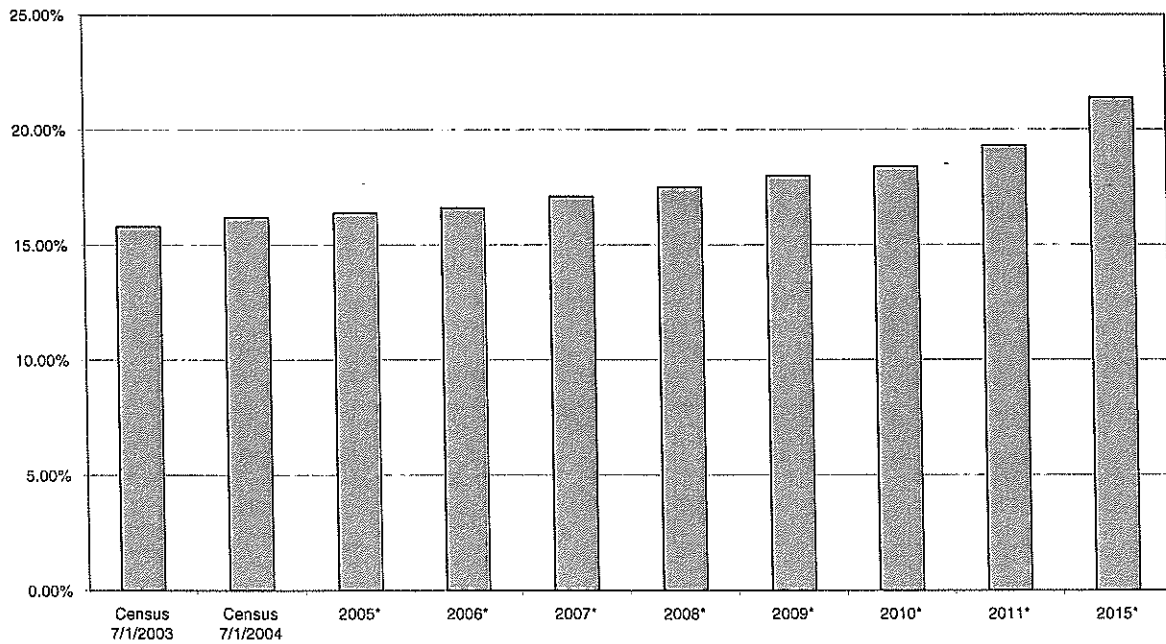


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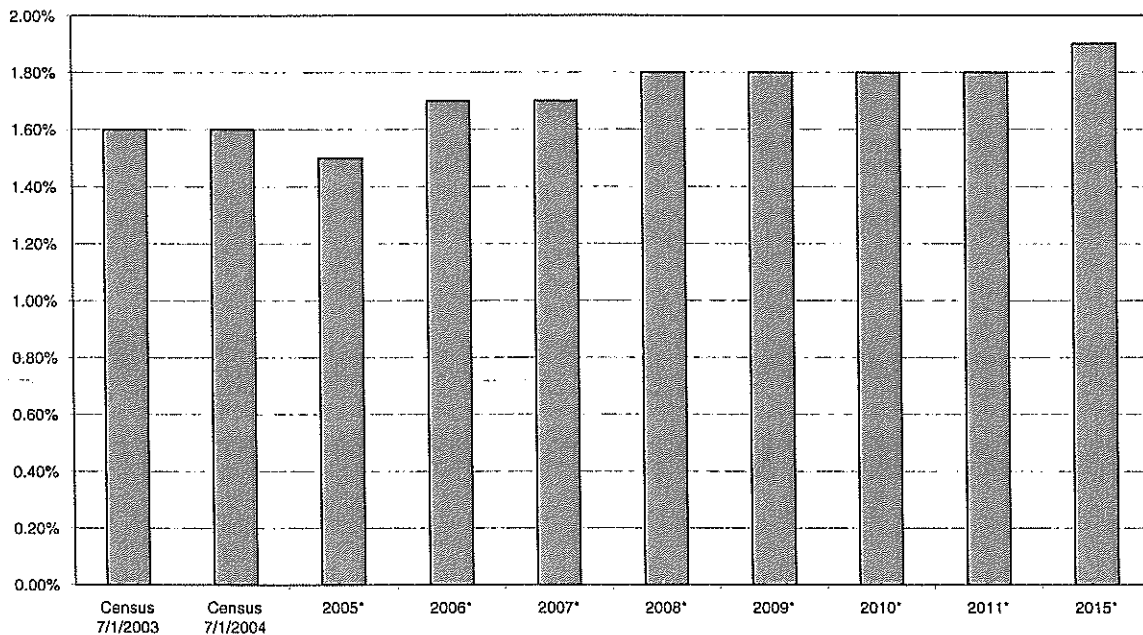
Maui Population Age 85+



Maui/Kalawao Age 60+ % of total population



Maui/Kalawao Age 85+ % of Total Population



c) Quality of Service and Care

The Quality Assurance program in place at Nursefinders encompasses caregiver hiring criteria, clinical assessments, clinical indicators measured quarterly, clinical record reviews, complaint resolution processes and the Professional Advisory Committee (PAC). Our interactive approach with patients to understand their lifestyle, family/caregiver resources, knowledge of their acute/chronic health issues, nutritional status, religious & cultural traditions and safety environment produces a baseline assessment for their care. The care we deliver in their home is coordinated with the physician, acute or long term care facility, pharmacy and other community based health care providers to insure a well-rounded plan of care and positive patient outcomes for independence. Through case conferences and regularly written progress reports to the physician and other involved community resources, we can adapt the intensity and frequency of the necessary home care services. As a part of our ongoing quality review processes, we have undergone state agency reviews for both private and state-funded contracts with very few deficiencies.

Clinical indicators are measured quarterly in the Maui office (along with all Nursefinders offices) that include compliance with regulatory issues (such as MD orders for patient care), case conferences and clinical record reviews. Patient progress and response to care is recorded and reported to physicians and state QIOs (quality improvement organizations) as required as evidence of patient outcomes. We conduct safety assessments on all admitted patients and at regular intervals with ongoing patients, and take proactive steps to correct identified problems.

We validate our ability to provide quality patient care through quarterly client satisfaction survey results. Nursefinders has established benchmarks for targeting and measuring success. In 2007, we mailed 902 Maui clients a satisfaction survey. Analysis of the response rates indicated 84% would use Nursefinders' services again. We consistently receive 82% or better in the areas of meeting health care needs and for providing courteous care. The standard for the industry of health

care services for client satisfaction ranges between 73% and 80%. In our Kapuna Care Program, Registered Nurses call seniors each month to complete a Housekeeper/Homemaker Supervisory survey (page 16-1). In November of 2006, 25 Kupuna senior clients were surveyed and reported 96% satisfaction with services, 96% that staff was on time, and 100% that they and their possessions were treated with respect.

Nursefinders is willing to participate to the fullest in Medicare's Prospective Payment System for Home Health Services (HH PPS) as outlined by The Balanced Budget Act of 1997. We are willing to train staff on the software programs designed to coordinate resources and payment through the Department of Health and Human Services. As part of our strategic plan to become a Medicare certified home health agency, we will integrate our clinical and management quality performance initiatives with Medicare's standards. This integrated approach will allow us to maintain good standing with Medicare and ultimately provide Maui's Medicare participants quality services. As part of our ongoing quality review processes, we already undergo state agency reviews for both private and state-funded contracts with very few deficiencies reported. We are committed to "Pono" (doing what is right) and "Laulima" (working together with the community) to provide "Aloha" (compassionate quality care) to those we serve.

d) Cost and Finances (include revenue/cost projections for the first and third year of operation)

As an existing home care provider, Nursefinders, Inc. is a fully operational freestanding agency in Maui. We utilize generally accepted accounting methods to produce financial statements, invoices and payroll checks and recently invested in the purchase of the McKesson Horizon healthcare information system. The system was implemented in the Maui operation June 2006. This new information system is specifically designed for Medicare and non-Medicare home health agencies and gives us the capacity to implement laptop technology for our caregivers. We expect that deploying laptops will improve our efficiency and cost effectiveness in the marketplace. We have projected year one and year three revenues and associated costs. The projection is for Medicare home health services which would be additive to our existing base of patient revenues and we believe it is conservative. As noted earlier, the establishment of certified services to the agency does not require outside financing and can be supported by finances from the existing business stream. We are well educated with respect to the Prospective Payment System and understand how to operate efficiently. As part of a chain organization we work exclusively with Palmetto Government Benefits Administration (PGBA) as our Medicare fiscal intermediary.

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STATEMENT OF REVENUE AND EXPENSES

Year One

Revenue	\$228,375.00	Census of 58 patients; 31.5 visits per year at average payment of \$125/visit
Labor Cost	\$150,956.00	
Gross margin	\$ 77,419.00	33.9%
SGA costs	\$ 43,596.00	Incremental support staff, computers, supplies
Net Income	\$ 33,823.00	14.8%

Year Two

Revenue	\$452,875.00	Census of 115 patients; 31.5 visits per year at average payment of \$125/visit
Labor cost	\$299,350.00	
Gross margin	\$153,525.00	33.9%
SGA costs	\$ 70,000.00	Incremental costs decline as efficiency builds
Net income	\$ 83,525.00	18.4%

Year Three

Revenue	\$681,250.00	Census of 173 patients; 31.5 visits per year at average payment of \$125/visit
Labor cost	\$443,494.00	
Gross margin	\$237,756.00	34.9%
SGA costs	\$ 80,000.00	Incremental costs decline as efficiency builds
Net income	\$157,756.00	23.2%

e) Relationship to existing health system

As a home care provider for over seven years in Maui, we have established solid working relationships with other home care providers, acute care hospitals, long term care facilities and community organizations (contracts available for review upon request). We have partnered and collaborated with the Department of Health (DOH), Maui Department of Disabilities Division (DDMR), Department of Human Service (DHS), Department of Education (DOE), Maui County Office of Aging (MCOA), Nursing Home Without Walls (NHWW), Hale Makua Home Health, Maui Adult Day Care Centers, Maui Long Term Care Partnership (MLTCP), Hawaii Health Care Professionals, Care Resources, Easter Seals, Hawaii Health Care Professionals and the Maui Chamber of Commerce.

Nursefinders is an active member in the community working with organizations which include Roselani Place (Assisted Living); Waipuna Chapel; Rotary of Maui; Kaunoa Senior Center; Hana Senior Center; Kalama Heights; Hana Aging Network; Lanai Aging Network; Molokai Aging Network; Maui Community College; School of Nursing; Maui Memorial Medical Center, Long Term Care and Behavioral Health Care; Maui Chamber of Commerce and other organizations to raise awareness on the needs of the elderly and strategies for dealing with aging in place. The Maui Branch Director and other staff members are active in the community as participants and members of local Maui organizations. Nursefinders representatives are involved in and often invited speakers at organizational and community events. We have participated as a sponsor or vendor in several activities to include the Relay for Life, Maui County Kupuna Care Conference, Children's Community Council Events, Molokai Senior Fair, Upcountry Long Term Planning Group and the National Kidney Foundation-Maui Office Education Program.

Nursefinders of Maui has been supported and recognized by Maui District Health Officer Lorrin Pang, MD, MPH; Maui Developmental Disabilities Division (Keven Morris, Director); Molokai Ohana Health Care, Inc, (Daniel K. Shuman, DO, Executive Director); Maui Home Care (Kevin Glick, R.Ph., CEO); Maui County Office on Aging (John A. H. Tomoso, MSW, Executive); Maui Memorial Medical Center (Rodney G. Bjordahl, CMD, Chief Medical Officer); Maui Memorial Medical Center Foundation, Inc. (Jackie Harp, Executive Director); Molokai Public Health Nursing (James B. Callahan RN, PHN) and Michael E. Kim, MD, for our efforts to meet the growing health care needs of the Maui community (see Letters of Support, pages 18-1 – 18-11). We have fostered strong community ties and we believe we have demonstrated the operational and clinical wisdom needed to make home care an integral part of the care continuum for Maui residents.

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f) Availability of Resources

Nursefinders shares Maui's Health Care Initiatives mission statement to have the best possible access to quality health care for all communities. Nursefinders has a reputation for hiring quality staff, which consistently evolves into sustainable partnerships with our clients and patients. This framework of talented staff, partnering attitudes, and hands-on management ultimately succeeds in improving the health state of those we serve. Because of our 33 years of experience in health care staffing, we operate using streamlined technology, proven processes, and continuous quality improvement. These efficient and cost-effective processes are sustained by our commitment to Standards for Success that we live by (page 9).

Our mission to recruit superior health care workers is accomplished by recognizing the importance of offering a variety of assignments, excellent compensation, health, dental and vision benefits through preferred health plans, 401k options, flexible work hours, tuition reimbursement and a unique Loyalty Rewards plan.

Nursefinders offers an alternative that fosters work-life balance, a major reason why we can recruit and retain quality individuals. Another advantage of joining Maui's Nursefinders is the opportunity to serve patients in your own communities; especially in rural locations.

Nursefinders' policy for hiring quality staff includes a thorough verification of licensure, credentials, education, experience, competency, drug testing and criminal background checks. Our strategy for recruiting health care workers is comprehensive and starts with our own iApply software that is designed to screen applicants, identify skill sets and test for competency. Nursefinders believes strongly in assuring safe and effective patient care to all. Therefore, our competency testing includes assessments developed by an outside entity that utilizes evidenced-based test questions. This tool used for competency assessment provides valid and reliable screening results. Nursefinders adheres to standardized expectations for applicants to score 80% or above in their area of specialty.

Our trained staffing managers use behavioral interviewing techniques to determine if the applicant meets our expectations in areas of compassion, respect for diversity, quality of life, integrity, and many more attributes we expect in our staff. We underscore with our caregivers that we and they, as Nursefinders employees, are the "guest" when we deliver home care services and the patient is in control of their care and environment. We are committed to equal opportunity employment and promote a philosophy that respects diversity and honors Maui's cultural heritage and people.

We currently employ approximately 200 caregivers in Maui County. Thus far in 2008 Nursefinders of Maui has hired approximately 64 employees including Skilled Nurses, CNAs, Physical Therapist, Occupational Therapist, Social Workers and others (see following organizational chart on page 20 and tables on page 21) Our staff is made-up by members of the Maui Ohana community. They live, work and raise their families here on Maui.

Nursefinders will utilize existing field staff to provide care for Medicare certified patients. When additional staff are needed, Nursefinders of Maui will recruit and hire locally. If necessary, Nursefinders has the capacity to recruit employees from outer island.