MISSISSIPPI STATE DEPARTMENT OF HEALTH
DIVISION OF HEALTH PLANNING AND RESOURCE DEVELOPMENT
SEPTEMBER 17, 2026

CON REVIEW: HHA-ES-0326-0010
COMFORTCARE HOME HEALTH
EXPANSION OF EXISTING HOME HEALTH AGENCY
TO INCLUDE FORREST, LAMAR AND PERRY COUNTIES
CAPITAL EXENDITURE: $12,000.00
LOCATION: LAUREL, JONES COUNTY, MISSISSIPPI

SUPPLEMENTAL STAFF ANALYSIS

I. PROJECT SUMMARY

A. Applicant Information

ComfortCare Home Health ("ComfortCare" or the "Applicant") is an existing home health provider located at 2260 Highway 15 North, Laurel, Mississippi 39440, in Jones County. ComfortCare is a division of South Central Regional Medical Center and is identified in the application as a public hospital/governmental provider. Gregg Gibbes, Chief Executive Officer of South Central Regional Medical Center, is the primary contact.

ComfortCare currently provides home health services in Clarke, Covington, Jasper, Jones, Newton, Smith, and Wayne Counties. It proposes to expand its existing home health service area into Lamar, Forrest, and Perry Counties.

The application was received March 20, 2026. The certified capital expenditure is $12,000. Following issuance of a negative Staff Analysis on May 4, 2026, ComfortCare timely submitted new information on May 11, 2026 pursuant to the one-time post-negative-analysis procedure cited in its submission.

This Supplemental Staff Analysis constitutes Staff's complete substantive analysis of the application as timely supplemented. Because the initial Staff Analysis did not complete the population-based home-health comparison stated in the Third Edition using comparable current data and units, Staff has performed the applicable review anew. No substantive finding from the initial Staff Analysis is incorporated by reference.

B. Project Description

ComfortCare proposes an expansion of existing health services rather than establishment of a new home health agency. The proposed expansion would add Lamar, Forrest, and Perry Counties to ComfortCare's present service area.

ComfortCare states that the project is intended to increase accessibility and improve the health of residents in the proposed service area by permitting patients to receive skilled nursing and other home health services in their residences. ComfortCare is a freestanding home health agency. No licensed beds are involved.

No new construction or renovation is proposed. The application states that the home health office will remain in existing space at 2260 Highway 15 North in Laurel. No item of equipment costing more than $150,000 is proposed. The Applicant states that it currently complies with applicable building codes, zoning requirements, and environmental requirements and will continue to do so.

Project Component	Applicant Proposal
Applicant	ComfortCare Home Health
Existing Home Office	2260 Highway 15 North, Laurel, Jones County
Existing Service Area	Clarke, Covington, Jasper, Jones, Newton, Smith, Wayne
Proposed Expansion	Lamar, Forrest, Perry
Project Type	Expansion of existing home health services
Capital Expenditure	$12,000
Funding	Cash reserves
Construction/Renovation	None
Facility Type	Freestanding

C. Procedural Background

ComfortCare filed after the federal district court decision described in its application concerning the statutory moratorium on the establishment of home health agencies and the offering of home health services. The Applicant asserts that the application should therefore be reviewed under the remaining CON statutes, the Certificate of Need Review Manual, and the home-health criteria of the FY 2022 Mississippi State Health Plan, Third Edition.

The May 11 submission does not change the proposed counties, the existing home office, the capital expenditure, or the basic expansion configuration. It principally supplements the Applicant's statistical need analysis by adding population-age-65+ and Medicare-paid-home-health-visits-per-1,000-age-65+ data points that ComfortCare states appeared in prior versions of Table 7-3.

II. TYPE OF REVIEW REQUIRED

The proposed expansion of an existing home health agency into counties in which the provider has not regularly offered home health services is subject to substantive Certificate of Need review. Staff reviews the application under Sections 41-7-171 et seq., Mississippi Code of 1972, Annotated, as amended; the Mississippi Certificate of Need Review Manual; the FY 2022 Mississippi State Health Plan, Third Edition; and applicable MSDH rules and procedures.

The controlling substantive State Health Plan for this application is the FY 2022 Mississippi State Health Plan, Third Edition. Staff evaluate the application as timely supplemented for substantial compliance with the applicable State Health Plan and General Review criteria.

III. CONFORMANCE WITH THE STATE HEALTH PLAN AND OTHER ADOPTED CRITERIA AND STANDARDS

A. State Health Plan

General CON Policies

The Plan's General CON Policies include improving the health of Mississippi residents; increasing accessibility, acceptability, continuity, and quality of health services; preventing unnecessary duplication of health resources; and providing cost containment.

ComfortCare states that expansion will permit residents of Lamar, Forrest, and Perry Counties to receive skilled nursing, therapy, social, and home health services in their residences; increase access and continuity; and help patients remain at home rather than

receive higher-cost inpatient care. It further states that the project requires very little capital expenditure.

Staff acknowledge that expansion of an established home health provider may advance these policies when need is demonstrated. The question of unnecessary duplication depends materially upon the county-specific need findings below.

703.01 Policy Statement Regarding Certificate of Need Applications for the Establishment of a Home Health Agency and/or Offering of Home Health Services

Section 703 provides that need for home health agencies and services is determined county by county. A possible need may exist if, for the most recent calendar year available, a county has fewer home health care visits per 1,000 persons age sixty-five and older than the average visits per 1,000 persons age sixty-five and older in Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee.

The Third Edition identifies 2019 as the most recent data then available and reports 29,061,847 Medicare home health visits for the ten-state region. It further provides that, if unmet need exists, the unmet need must equal fifty patients in each proposed county and states that the 2019 regional visit total approximates thirty-two visits per patient.

ComfortCare acknowledges the county-by-county requirement. Its original application analyzes both 2019 and 2023 data and concludes that Lamar, Forrest, and Perry are underutilized. Its May 11 supplement adds population-based data and again concludes that all three counties demonstrate need. Staff evaluates those showings below.

Need Criterion 1 – Establishment of Need

Criterion 1 requires the Applicant to document possible need in each county proposed to be served using the methodology contained in Section 703.

1. **Most Recent Calendar Year Available**

The application was filed March 20, 2026. Staff finds calendar year 2023 to be the operative utilization year for the present review and uses 2023 consistently at the regional and county levels.

2. **Regional Utilization Numerator and Source Validation**

The Third Edition’s historical ten-state numerator is 29,061,847 Medicare home health visits for 2019. Staff traced that figure to the CMS MDCR HHA 3 Program Statistics series. Summing the 2019 “Total Service Visits” for the ten Plan states reproduces 29,061,847

exactly and validates the source series and utilization variable underlying the Plan's historical number.

Staff then applies the same CMS source concept, the same "Total Service Visits" variable, and the same ten-state geography to 2023. The corresponding observed 2023 ten-state total is 17,980,541. Staff does not mathematically trend the 2019 total; it uses the historical figure to validate source lineage and obtains the corresponding observed 2023 values.

State	2023 Total Service Visits
Alabama	1,156,118
Arkansas	691,905
Florida	7,102,327
Georgia	1,471,454
Kentucky	802,022
Louisiana	1,248,202
Mississippi	1,223,109
North Carolina	1,573,492
South Carolina	1,196,185
Tennessee	1,515,727
Ten-State Total	17,980,541

3. Regional Population Denominator

The Plan requires a visits-per-1,000-age-65+ comparison. Section 703.03 uses projected 2025 population age sixty-five and older in the statistical methodology. Although the Third Edition does not separately print the aggregate 2025 age-65+ population for the ten-state region, it prescribes the ten states and the population measure.

Section 703.03 of the Third Edition directs that the regional calculation use projected 2025 populations age 65 and older for the ten states comprising the comparison region, but Table 7-3 does not publish those state population values. Staff therefore reviewed prior

State Health Plans to identify the population projection series historically used to implement the home-health need methodology. The historical HHA tables demonstrate use of the U.S. Census Bureau's 2005 Interim State Population Projections for the prescribed future planning year. When the FY 2015 Plan advanced the HHA projection year from 2015 to 2020, it continued to use the corresponding values from that federal projection series even though the Plan's general Mississippi population projections had been updated from a separate Mississippi-specific source. Staff therefore carry the historically demonstrated HHA state-projection series forward to the Third Edition's prescribed 2025 projection year. The ten 2025 age-65-and-older state projections sum to 16,056,106. This is a source-lineage reconstruction; Staff does not construe the Third Edition as expressly naming or mandating the 2005 Census projection series.[12]

The historical Plans also confirm that pairing the most recent available utilization observations with a future projection-year population is part of the HHA methodology's design rather than a new Staff convention. The FY 2012 and FY 2014 Plans paired historical utilization with a 2015 projected age-65-and-older population, and the FY 2015 Plan paired its utilization data with a 2020 projected population. Staff's use of 2023 utilization with the Third Edition's prescribed 2025 population year follows the same structure.

State	2025 Projected Age 65+
Alabama	953,727
Arkansas	599,028
Florida	6,387,843

1 U.S. Census Bureau, Population Division, Population Projections Branch, Interim State Population Projections by Age and Sex: 2004 to 2030 (released Apr. 21, 2005), available via the CDC WONDER Population Projections database, https://wonder.cdc.gov/wonder/help/populationprojections.html. Staff sums the 2025 age-65-and-older projections for Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee; aggregate = 16,056,106.

2 FY 2012 Mississippi State Health Plan, Table 7-3 (reporting a ten-state 2015 age-65-and-older population of 11,336,400, combined with 2009 Medicare home-health visit data to produce the Plan's stated regional benchmark); FY 2014 Mississippi State Health Plan, Table 7-3 and § 103.03 (using projected 2015 age-65-and-older populations for the ten-state HHA region); FY 2015 Mississippi State Health Plan, Table 7-3 and § 103.03 (advancing the HHA projection year to 2020). FY 2015 Table 7-3 reports a ten-state 2020 age-65+ denominator of 13,488,705, including Alabama 842,607, Arkansas 531,028, Florida 5,106,857, Georgia 1,409,923, Kentucky 729,741, Louisiana 763,468, Mississippi 499,190, North Carolina 1,618,578, South Carolina 866,250, and Tennessee 1,121,063. Those values correspond to the U.S. Census Bureau, Population Division, 2005 Interim State Population Projections. See also FY 2015 State Health Plan § 102 (identifying a separate 2012 Mississippi-specific projection source for the Plan's general Mississippi population projections).

Georgia	1,659,679
Kentucky	826,659
Louisiana	868,502
Mississippi	573,543
North Carolina	1,897,902
South Carolina	1,009,242
Tennessee	1,279,981
Ten-State Total	16,056,106

4. **Regional Benchmark**

17,980,541 ÷ 16,056,106 × 1,000 = 1,119.86 visits per 1,000 persons age 65+

Staff therefore uses approximately 1,119.86 home health visits per 1,000 persons age sixty-five and older as the operative regional benchmark.

5. **County-Level CMS Data and Unit Conversion**

ComfortCare selected CMS Medicare Geographic Variation data for its county analysis. Staff accept this as a legitimate county-level source. The relevant variable, HH_VISITS_PER_1000_BENES, is a rate—home health visits per 1,000 Original Medicare beneficiaries—not an absolute count of visits. CMS also supplies the corresponding Original Medicare beneficiary count, BENES_OM_CNT.

Derived County Visits = (CMS HH Visits per 1,000 OM Beneficiaries ÷ 1,000) × OM Beneficiary Count

The beneficiary count is used to convert the CMS rate to the number of county visits represented by that rate. Staff then place those visits over the Plan's projected 2025 county age-65+ population:

County Plan Rate = Derived County Visits ÷ 2025 County Population Age 65+ × 1,000

This places the county and regional measures in the same unit required by the Plan.

6. County Population Denominators

The Third Edition does not contain a home-health-specific county population table. Table 2-2A, in the Plan's nursing-home appendix, reports each Mississippi county's projected 2025 population in separately labeled columns for ages 0–64, 65–74, 75–84, and 85 and older, as a plain demographic input preceding that chapter's bed-need calculation; the population figures themselves are not adjusted for nursing-home use. Consistent with the population projection source and methodology stated in Plan § 103 ("Population for Planning"), which states that the population projections used throughout the Plan, including the 2025 projections on which the Plan is based, were calculated by the State Data Center of Mississippi, University of Mississippi Center for Population Studies, November 9, 2020, and in the absence of any home-health-specific county population table, Staff summed each proposed county's Table 2-2A population figures for ages 65–74, 75–84, and 85 and older to determine that county's 2025 age-65-and-older population for purposes of the home-health calculation. Staff did not independently select, substitute, or update this figure from any outside source.

Accordingly, the county and regional population inputs have separate source lineages. The county denominator is derived from population figures published within the controlling Third Edition itself, while the interstate regional denominator is reconstructed from the federal state-projection series demonstrably used in prior HHA Table 7-3 calculations and carried forward to the Third Edition's prescribed 2025 projection year.

County	Age 65–74	Age 75–84	Age 85+	Total Age 65+
Forrest	7,650	3,533	1,132	12,315
Lamar	6,327	2,922	936	10,185
Perry	1,236	571	183	1,990

7. Criterion 1 County Calculations

County	OM Beneficiaries	CMS HH Visits/1,000 OM	Derived County Visits	2025 Age 65+	Plan Rate/1,000 Age 65+	Below 1,119.86?
Forrest	7,036	2,973.9909	20,925	12,315	1,699.15	No
Lamar	5,800	2,670.0000	15,486	10,185	1,520.47	No

Perry	1,452	3,418.0441	4,963	1,990	2,493.97	No

None of the three proposed counties is below the 1,119.86 regional benchmark. Lamar is the lowest at approximately 1,520.47, which remains approximately 35.77 percent above the benchmark. Staff find that ComfortCare has not documented possible need under Criterion 1 in Forrest, Lamar, or Perry County.

8. Applicant's Original Criterion 1 Analysis

ComfortCare's original application correctly identifies 2023 as the most recent CMS year used in its analysis and correctly reports 17,980,541 total service visits for the ten-state region. It also selects CMS Medicare Geographic Variation as its county source.

The original application labels the CMS county values 2,973.99 for Forrest, 2,670.00 for Lamar, and 3,418.04 for Perry as the "Total Number of Visits." It then divides those values by 830, 646, and 202 persons with utilization and reports approximately 4, 4, and 17 visits per patient.

Those county values are not total visit counts; they are CMS rates per 1,000 Original Medicare beneficiaries. Treating them as counts and dividing them by users changes the meaning of the published variable and does not establish the Plan's county visits-per-1,000-age-65+ measure.

The original application also states in one passage that the average visits per home health user for "Covington, Jones, Lawrence, Marion, Smith, and Walthall Counties" are below the regional average. Those counties are not the three counties proposed in this application. Staff treat the surrounding Forrest/Lamar/Perry tables as the operative application data and does not rely upon that apparent carryover statement.

9. Applicant's May 11 Supplemental Criterion 1 Analysis

The May 11 submission argues that prior State Health Plans contained two Table 7-3 data points omitted from the current Plan: population age 65+ and Medicare paid home health visits per 1,000 population age 65+. ComfortCare reconstructs those columns for 2019 and 2023.

For 2019, ComfortCare uses a regional age-65+ population of 13,208,934 and reports 2,220 visits per 1,000 age 65+. For 2023, it uses 14,415,954 and the agreed 17,980,541 visit numerator to report approximately 1,247 visits per 1,000 age 65+.

Staff agree with the supplement that the Plan calls for a population-based visits-per-1,000-age-65+ comparison and agrees with the 2023 regional utilization numerator. Staff

does not accept the Applicant's contemporaneous 2023 ACS population denominator as the controlling denominator because the Third Edition's statistical methodology identifies projected 2025 age-65+ population data.

The supplement also continues to use the county CMS values 2,973.99, 2,670.00, and 3,418.04 as if they were county visit counts when performing the county unmet-need analysis. Staff therefore accept the county source but not that treatment of its published unit.

10. Alternative Analysis Using Applicant's Regional Denominator

Staff also test ComfortCare's disputed 2023 regional denominator of 14,415,954 solely to determine whether that disagreement changes the outcome. The resulting alternative regional benchmark is approximately 1,247.27 visits per 1,000 age 65+.

County	Staff County Rate	Below 1,247.27?	Alternative Result
Forrest	1,699.15	No	No possible need
Lamar	1,520.47	No	No possible need
Perry	2,493.97	No	No possible need

The denominator dispute does not change the result for ComfortCare. Every proposed county remains above the regional benchmark even if Staff gives the Applicant the benefit of its own regional population denominator.

Need Criterion 2 – Home Health Service Area Boundaries

ComfortCare identifies Lamar, Forrest, and Perry Counties as the proposed expansion area. Staff find that Criterion 2 is satisfied.

Need Criterion 3 – Unmet Need

Criterion 3 requires each proposed county to have unmet need equivalent to fifty patients. The Third Edition states that the 2019 regional utilization approximates thirty-two visits per patient.

Expected County Visits = Regional Benchmark × County Age-65+ Population ÷ 1,000

Unmet Visits = Expected County Visits − Derived County Visits

Patient Equivalents = Unmet Visits ÷ 32

Because Forrest, Lamar, and Perry are each above Staff's 1,119.86 regional benchmark, no county has a positive unmet-visit deficit to convert to patient equivalents. Criterion 3 is therefore not established in any proposed county.

ComfortCare's original 2023 Criterion 3 analysis adds 1,250 visits, representing fifty patients multiplied by a 25-visit regional average, to each CMS county rate and adds fifty users to the county user count. Its 2019 analysis similarly adds 1,600 visits to the 2019 county rate. Because the CMS county value being increased is itself a rate rather than a visit count, those operations combine quantities having different units.

The May 11 supplement follows a similar structure. For Forrest, for example, it adds the statewide 2023 value of 2,368 to the county CMS value of 2,973.99 and then divides by 880 users. That does not calculate a county deficit from the ten-state population-based benchmark.

Even under the Applicant's alternative regional denominator, all three correctly calculated county rates remain above the regional benchmark. Thus, unlike the Simpson General application, ComfortCare presents no county that reaches Criterion 1 or Criterion 3 under either denominator approach.

Need Criterion 4 – Home Office

Criterion 4 provides that the home office of a new home health agency must be located in a county included in the approved service area and further states that an existing agency receiving CON approval for expansion may establish a subunit or branch office if licensing requirements are satisfied.

ComfortCare is an existing agency. Its home office is at 2260 Highway 15 North, Laurel, in Jones County, within its existing service area. The application does not propose establishment of a new agency and does not identify relocation of the existing home office as part of the project. Staff therefore do not treat the Jones County home office as a Criterion 4 deficiency. Any subunit or branch office established in connection with an approved expansion would remain subject to applicable licensing requirements.

Need Criterion 5 – Application Requirements

Criterion 5 requires specified documentation for each county proposed to be served.

Criterion 5(a) – Physician Letters of Intent

Exhibit E contains affidavits from physicians and other medical providers who state that they routinely treat patients residing in Lamar, Forrest, and Perry Counties, currently refer patients for home health services, understand ComfortCare's proposed expansion, and intend to utilize ComfortCare for eligible patients in the listed counties. Staff find that the Applicant submitted meaningful intent-to-utilize evidence. The affidavits generally identify the three counties collectively rather than separately.

Criterion 5(b) – Types and Projected Number of Cases

The Exhibit E affidavits identify anticipated referrals for skilled nursing, physical therapy, occupational therapy, and speech-language pathology. They also provide anticipated monthly referral figures based on historical practice patterns. Staff find this evidence responsive to the requested case types and projected referrals, but the figures generally are not allocated among Forrest, Lamar, and Perry Counties.

Criterion 5(c) – Prior Twelve-Month Referrals

The affidavits state current monthly home-health referral experience and characterize the projected first-year referrals as based on historical practice patterns over the preceding twelve months. This provides evidence responsive to subsection (c), although the referral history is generally aggregated across the three counties rather than separately stated for each county.

Criterion 5(d) – Attempts to Secure Services

The affidavits generally state that expansion would help alleviate delays so that patients may timely secure home health services. Staff recognize those statements as evidence of provider concern regarding access. The record, however, does not clearly identify, for each proposed county, a patient or provider who attempted to obtain home health services and was unable to secure them. Staff therefore finds that the application does not clearly establish the specific county-by-county evidentiary showing contemplated by subsection (d).

Criterion 5(e) – Projected Operating Statements

ComfortCare submits financial schedules in Exhibit I, including project-only revenue and income statements and projection assumptions. The project-only income statement reflects 4,340 visits in Year 1, 5,270 in Year 2, and 6,200 in Year 3, with projected cost per visit declining from approximately $100 to $80 to $69. The application also provides financial statements in Exhibit J. Staff finds that the Applicant supplied substantial projected operating information responsive to subsection (e).

Overall, Criterion 5 contains substantial physician, referral, and operating evidence. Staff's concern is the criterion's express county-by-county formulation: significant portions of the physician evidence aggregate Lamar, Forrest, and Perry, and subsection (d) is not clearly demonstrated separately for each county.

Need Criterion 6 – Difference in Existing Services

ComfortCare is an established home health provider seeking geographic expansion. It does not principally contend that it will introduce a fundamentally different clinical category of home health service. Its justification is increased access, continuity, and availability of the services it already provides.

Staff find Criterion 6 addressed as an informational matter. The proposed expansion may provide an additional provider choice, but this criterion does not independently establish the statistical need required by Criteria 1 and 3.

703.03 Statistical Need Methodology

Staff applies the Plan's prescribed ten-state geography and the most recent comparable CMS utilization data available for the application. For the regional denominator, Staff use the historically demonstrated HHA federal state-projection series described above and carries it to the Third Edition's prescribed 2025 projection year. For each Mississippi county denominator, Staff uses the Third Edition's own 2025 county elderly-population projections as described above. The county CMS rate is converted to derived visits before the Plan-based county age-65+ denominator is applied. This preserves the Plan's specified projection year and common units while distinguishing the historically separate regional and Mississippi county population source lineages.

Staff's methodology does not reject the federal sources selected by ComfortCare. It applies those sources according to their defined units to perform the population-based comparison the Plan states.

B. General Review Criteria

ComfortCare responds to the General Review criteria in the substantive application. Staff's findings below consider the original application together with the timely May 11 supplement.

Criterion 1 – State Health Plan

ComfortCare contends that the expansion conforms to the Third Edition and relies on its 2019 and 2023 need analyses. Staff finds that the project does not substantially comply with the service-specific need requirements because Forrest, Lamar, and Perry each

exceed the regional utilization benchmark under Staff's Plan-consistent analysis. The result remains unchanged under ComfortCare's own alternative regional denominator.

Criterion 2 – Long-Range Plan

ComfortCare states that its long-range plan is to provide quality home health services and improve the health of patients and residents of Lamar, Forrest, and Perry Counties. It expects expanded home health access to permit patients to remain at home rather than receive higher-cost inpatient care. Staff find the proposed geographic expansion consistent with the Applicant's stated long-range objective.

Criterion 3 – Availability of Alternatives

ComfortCare states that the alternative considered was to forgo the project. It rejected that option because it believes additional home health services are needed. The Applicant states that, as an established and fully operational home health provider, it can expand efficiently using existing resources. Staff acknowledge the operational efficiency of expansion by an existing provider. However, the Applicant's nonduplication and efficiency arguments depend materially upon the asserted county need, which Staff does not find established.

Criterion 4 – Economic Viability

ComfortCare bases charges and revenue projections on Medicare and Medicaid reimbursement rates and projects utilization from physician referrals and its existing home-health experience. The Applicant states that it averages approximately 20 to 21 visits per admission in its existing service area and deliberately reduces projected admissions to account for existing providers in the expansion area. Staff finds the projections operationally grounded in existing experience, but the assertion that utilization is consistent with county need relies on the same CMS county calculations stated above.

Criterion 5 – Need for the Project

ComfortCare relies on the Section 703 calculations, physician/provider affidavits, anticipated referrals, and access concerns. Staff acknowledge that the record demonstrates provider interest and support for expansion. It does not, however, demonstrate the county-specific statistical need required by the State Health Plan.

Criterion 6 – Access to the Facility or Service

ComfortCare states that all residents of its patient service area, including Medicaid recipients, charity or medically indigent patients, racial and ethnic minorities, women, persons with disabilities, and elderly persons, have access to its existing services and will

have access to the proposed services. It projects charity care of approximately one percent in the first two project years and states that it will work with Medicare, Medicaid, and medically indigent patients to ensure access. Staff find that the Applicant addresses access considerations.

Criterion 7 – Information Requirement

The application contains organizational information, project description, State Health Plan and General Review responses, physician affidavits, support letters, financial schedules, audited financial information, and utilization projections. Staff has also considered the May 11 submission. Staff find that the application contains substantial information responsive to substantive review, subject to the specific home-health deficiencies identified herein.

Criterion 8 – Relationship to Existing Health Care System

ComfortCare is already operating as a home health provider and proposes geographic expansion of its existing service. The project therefore can use existing management, clinical systems, and operating experience. Staff acknowledges this integration and the continuity benefits asserted by the Applicant, while noting that other home health agencies already operate in the proposed counties.

Criterion 9 – Availability of Resources

ComfortCare proposes no construction and no major equipment. Its manpower schedule increases staffing from 12 to 16 FTEs, including two additional registered nurses, one administrative FTE, and one physical therapist FTE, at an estimated annual additional personnel cost of $296,000. Staff find that the Applicant identifies personnel and operating resources for the expansion.

Criterion 10 – Relationship to Ancillary or Support Services

ComfortCare’s existing home health operations provide an established administrative and clinical platform for expansion. Proposed care includes nursing, therapy, speech-language pathology, and related home health services. Staff find the application addresses necessary support relationships.

Criterion 11 – Health Professional Training Programs

The application does not identify the project as necessary to establish or preserve a health-professional training program. Staff finds no material training-program issue presented.

Criterion 12 – Accessibility to Schools and Businesses

The project is an expansion of services delivered primarily in patients' residences and does not involve a new physical facility in the proposed counties. Staff find no material issue under this criterion.

Criterion 13 – Environmental Impact

No construction or renovation is proposed. ComfortCare affirms compliance with applicable environmental requirements concerning water, sewage, hazardous waste, pollution control, and radiation control. Staff find no material adverse environmental issue.

Criterion 14 – Construction Projects

No construction or renovation is associated with the proposed expansion. ComfortCare will continue to operate from existing office space. Staff find this criterion not materially implicated.

Criterion 15 – Competing Applications

ComfortCare states that it is unaware of any competing applications. Staff evaluate this application on its own record and the applicable criteria.

Criterion 16 – Quality of Care

ComfortCare states that it is licensed by MSDH and certified for participation in Medicare and Medicaid. Its written philosophy emphasizes accessible quality care, multidisciplinary coordination, patient education, continuing staff development, and continuous quality improvement. Staff finds that the Applicant has demonstrated an existing quality framework and has addressed how expansion could improve access to home-based care.

C. Community Reaction

The application includes support letters in Exhibit F, including support from South Central Regional Medical Center medical leadership, a retired physician/current home health patient, and a local circuit judge. The letters generally support expansion into Lamar, Forrest, and Perry Counties and emphasize ComfortCare's existing role and improved access to home health services. Staff acknowledge the favorable community reaction. Such support does not substitute for the quantitative county-need requirements.

IV. FINANICAL FEASIBILITY

1. Capital Expenditure and Sources of Funds

The certified capital expenditure is $12,000, identified in the financial schedule as project-development expense. ComfortCare proposes to fund the project from cash reserves. The application anticipates obligation of the capital expenditure within three months of approval and completion within one year of approval.

Source	Amount
Cash Reserves	$12,000
Total	$12,000

The project requires no construction or renovation and no major equipment. Staff finds the capital requirement modest in relation to the Applicant's existing operation.

2. Project-Only Revenue Projections

ComfortCare's Table 4B projects gross outpatient/patient revenue of $564,200 in Year 1, $685,099 in Year 2, and $806,000 in Year 3. The projected payer mix is predominantly Medicare, approximately 88 percent of gross patient revenue, with Medicaid and commercial payers comprising most of the balance and projected charity care of approximately one percent.

Project Only	Year 1	Year 2	Year 3
Gross Patient Revenue	$564,200	$685,099	$806,000
Net Patient Revenue	$425,296	$516,431	$607,566
Projected Visits	4,340	5,270	6,200

3. Project-Only Income Statement

Table 5B projects total operating expense of $435,839 in Year 1, $422,402 in Year 2, and $428,208 in Year 3. The project is projected to incur a first-year operating loss of $10,543 and then generate operating income of $94,028 in Year 2 and $179,358 in Year 3.

Project Only	Year 1	Year 2	Year 3

Total Operating Revenue	$425,296	$516,431	$607,566
Total Operating Expense	$435,839	$422,402	$428,208
Net Operating Income (Loss)	($10,543)	$94,028	$179,358
Cost per Visit	$100	$80	$69

The projection assumptions state that visit volumes are based on ComfortCare's existing operating experience of approximately 20 to 21 visits per admission, adjusted downward for entry into an area with existing providers. The Applicant assumes a phased ramp-up to approximately 70 percent of stabilized volume in Year 1, 85 percent in Year 2, and full stabilization in Year 3.

Staff find that the financial projections are tied to ComfortCare's existing operational experience and contemplate a conservative market-entry ramp. The project's projected first-year loss followed by positive operating income does not, on its face, demonstrate financial infeasibility. Financial feasibility remains distinct from the State Health Plan's county-specific need requirement.

4. Manpower

ComfortCare's manpower schedule projects an increase from 12 FTEs to 16 FTEs. The additions consist of two registered nurses, one administrative FTE, and one physical therapist FTE. The estimated annual cost of additional personnel is $296,000.

Position	Current FTE	Projected FTE	Change
Registered Nurses	7.0	9.0	+2.0
Licensed Practical Nurses	1.0	1.0	0
Aides	1.0	1.0	0
Administrative	1.0	2.0	+1.0
Management	1.0	1.0	0

Physical Therapist	0	1.0	+1.0
Physical Therapist Assistant	1.0	1.0	0
Total	12.0	16.0	+4.0

Staff find that ComfortCare has identified a staffing plan for the proposed expansion.

5. Effect on Cost of Health Care

ComfortCare states that home health services may permit patients to remain in their residences and reduce transportation and inpatient-care costs. It also emphasizes that expansion by an existing provider can use established resources with limited capital expenditure. Staff acknowledge these potential efficiencies. Their weight in the CON determination remains subject to demonstrated need and avoidance of unnecessary duplication.

D. Utilization

Unlike a wholly new entrant, ComfortCare has historical home health operating experience. The application states that the existing service averages approximately 20 to 21 visits per admission. ComfortCare applies that relationship to the expansion area but intentionally limits projected admissions to account for incumbent providers.

The utilization methodology produces project-only visit projections of 4,340 in Year 1, 5,270 in Year 2, and approximately 6,200 at Year 3 stabilization. The application describes the ramp as approximately 70 percent, 85 percent, and 100 percent of stabilized volume.

Service Type	Year 1	Year 2	Year 3
Home Health Visits	4,340	5,270	6,200

Staff find that the utilization projection is grounded in the Applicant’s existing operating experience. However, the projection’s assumption that the expansion counties possess additional need must be evaluated under Section 703. Under the plan consistent methodology, each proposed county already exceeds the regional utilization benchmark. The existence of an operationally plausible volume projection therefore does not establish the Plan’s county need criterion.

V. RECOMMENDATIONS OF OTHER AFFECTED AGENCIES AND COMMENTS

The application includes letters of support from physicians, medical leadership, a current home health patient, and community representatives. The materials reviewed for this Supplemental Staff Analysis do not identify a separate recommendation from another affected state agency concerning approval or disapproval. Any agency correspondence maintained separately in the Department's review file should be included in the final administrative record.

STAFF FINDINGS ON THE MAY 11, 2026 SUPPLEMENT

Staff have considered the May 11 submission as timely new information. The supplement improves the Applicant's articulation of the Plan by recognizing that the operative comparison is visits per 1,000 persons age sixty-five and older and by reconstructing population-based columns from prior State Health Plans.

Staff agrees with ComfortCare that 2023 is the operative utilization year used for this application, agrees with the 17,980,541 ten-state utilization numerator, and accepts CMS Medicare Geographic Variation as a legitimate county-level source.

Staff disagree with ComfortCare's use of a contemporaneous 2023 regional age-65+ population denominator in place of the Third Edition's projected 2025 population framework. Staff also find that the county calculation continues to treat the CMS county rate as though it were a visit count, rather than converting that rate to derived county visits before applying the Plan's county age-65+ population.

Correcting those issues yields a primary benchmark of 1,119.86 and county rates of 1,699.15 for Forrest, 1,520.47 for Lamar, and 2,493.97 for Perry. Each county is above the regional benchmark.

Staff additionally test ComfortCare's own 14,415,954 regional denominator. The resulting benchmark is approximately 1,247.27. All three counties remain above that benchmark as well. Accordingly, the denominator disagreement does not affect the disposition of ComfortCare's proposed expansion.

VI. CONCLUSION AND RECOMMENDATION

ComfortCare is an existing home health provider with established operations, an identified staffing plan, modest capital requirements, physician/provider support, community support, a documented access philosophy, and project financial projections based on its existing operating experience. Staff have considered these favorable factors.

The controlling service-specific issue is county need under Section 703. Using Staff's Plan-consistent methodology, Forrest, Lamar, and Perry each have home health

utilization above the ten-state regional benchmark. None satisfies Criterion 1, and none produces a positive unmet-visit deficit for Criterion 3.

Staff also give ComfortCare the benefit of its disputed 2023 regional population denominator as an alternative analysis. The result is unchanged: Forrest, Lamar, and Perry remain above the regional benchmark. There is therefore no reduced-county alternative within this application that independently satisfies the numerical need criteria.

ComfortCare satisfies or addresses a number of the remaining criteria, including identification of its service area and the existing-agency home-office provision. The application also contains meaningful physician and referral evidence and substantial projected operating information. Staff nevertheless notes that portions of Criterion 5 are presented collectively for the three counties and that the record does not clearly document county-specific unsuccessful attempts to secure service as contemplated by Criterion 5(d).

The favorable evidence under the other criteria does not cure the failure to establish county-specific statistical need in any proposed county.

The Division of Health Planning and Resource Development recommends disapproval of ComfortCare Home Health’s application for a Certificate of Need to expand its existing home health agency into Lamar, Forrest, and Perry Counties.