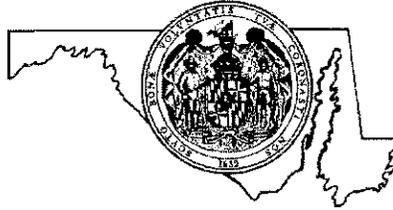


Craig Tanio, M.D.
CHAIR



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MARYLAND HEALTH CARE COMMISSION

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MEMORANDUM

TO: Commissioners

FROM: Kevin R. McDonald, Chief
Certificate of Need

DATE: December 11, 2014

SUBJECT: Seasons Hospice and Palliative Care of Maryland
Certificate of Need Application —to Increase its Bed Capacity by Establishing a
12-Bed General Inpatient Hospice Unit at Sinai Hospital
Docket No. 13-24-2346

Enclosed is the staff report and recommendation for a Certificate of Need (“CON”) application filed by Seasons Hospice and Palliative Care of Maryland to increase its bed capacity by establishing a 12-bed general inpatient hospice unit (“GIP”) to be operated in 9,125 square feet of leased space at Sinai Hospital in Baltimore City.

The unit would be located on the second floor of the hospital’s Mt. Pleasant wing, in beds that are currently licensed as general hospital beds. If the CON is granted, the beds would be removed from Sinai’s bed inventory and licensed as inpatient hospice beds of Seasons Hospice and Palliative Care of Maryland.

The total project cost is \$1,388,372. As described in the report, these renovations were completed in 2012 on the mistaken assumption by Seasons and Sinai that a dedicated hospice unit could be operated at Sinai in licensed hospital beds. Therefore, this budget reflects expenditures already undertaken by Sinai and Seasons. The funds came from cash reserves of Sinai (\$1,308,500) and Seasons (\$79,872).

Commission staff analyzed the proposed project’s compliance with the applicable State Health Plan criteria and standards in the Hospice Services Chapter, COMAR 10.24.13, and the general CON review criteria in COMAR 10.24.01, and recommends that the project be APPROVED

IN THE MATTER OF

SEASONS HOSPICE & PALLIATIVE

CARE OF MARYLAND, INC.

Docket No. 13-24-2346

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BEFORE THE

MARYLAND HEALTH

CARE COMMISSION

Staff Report and Recommendation

December 18, 2014

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I. INTRODUCTION

A. The Applicant and Project Background

Seasons Hospice & Palliative Care of Maryland, Inc. (“Seasons”) is a proprietary Subchapter “S” corporation that began providing services in Maryland in 2003 after acquiring the hospice service of VNA of Maryland. It is licensed to provide general hospice services in Anne Arundel, Baltimore, Carroll, Cecil, Harford, Howard, and Prince George’s Counties, and the City of Baltimore.

At a national level, Seasons began operating hospital campus-based inpatient hospice units in 2003, and currently operates 60 beds across five locations. In Maryland, Seasons currently operates two inpatient hospice units in space leased from hospitals. One is a 14-bed unit that began operations in 2008 on the campus of Northwest Hospital (“NWH”) in Baltimore County. The other is a 16-bed unit on the campus of MedStar Franklin Square Medical Center, also in Baltimore County, which opened in the summer of 2014.

Seasons has offered inpatient hospice services at Sinai Hospital (“Sinai”) since July of 2011. The service began through a contractual arrangement between Seasons and the hospital, with hospice patients being admitted to available general medical surgical beds on an as-needed basis. The Health Services Cost Review Commission permits hospices and hospitals to have such arrangements and allows the hospital to accept a lower than authorized charge for hospice patient admissions when payment for services is billed by the hospice and the hospice reimburses the hospital. (Such discounting of charges for a particular payor is generally prohibited under Maryland’s all-payor hospital rate regulation system.) In 2012, Sinai created a dedicated hospice unit for Seasons to provide hospice services, renovating licensed hospital bed space for that purpose. In January 2013, Seasons and Sinai announced the opening of this Seasons-operated inpatient hospice unit at Sinai, operating in licensed hospital beds.

Subsequently, responding to a complaint concerning the Sinai Hospital unit, the Office of Health Care Quality of the Department of Health and Mental Hygiene investigated the establishment and operation of the program and determined that the contractual arrangement providing for the operation by Seasons of a unit of licensed hospital beds dedicated to the provision of inpatient hospice care was not compatible with health care facilities licensure law in Maryland. OHCQ determined that the operation of such a unit, as outlined in the Seasons/Sinai agreement, required that the beds be licensed under the general hospice license of the hospice operating the unit.

OHCQ ordered that admission of hospice patients to the Seasons unit be discontinued after May 15, 2013. This determination also clarified that Seasons cannot avoid Certificate of Need (“CON”) requirements by contracting with a hospital to establish a dedicated hospice unit under Seasons’ control in licensed hospital beds. MHCC’s determination with respect to CON requirements was provided to Seasons in April 2013 and affirmed on May 13, 2013.

On May 15, 2013, the unit was closed, and use of Sinai beds by Seasons patients resumed

under the terms of the former contractual arrangement, under which the hospital admitted Seasons' patients needing inpatient care to available general medical surgical beds on an as-needed basis. (DI#4)

This Seasons proposal raised a planning issue related to Levindale, a LifeBridge Health special hospital-chronic and comprehensive care facility. Levindale shares a campus with Sinai Hospital and began hospice operations in 1981. With the creation of the Maryland Health Resources Planning Commission in 1982, and State licensure of hospices in 1987, hospices which were already in existence at the time could petition to be "grandfathered" into the system. Levindale, which was providing hospice services at that time, requested and was granted grandfathered status.

Since then, a hospice license for Levindale has been renewed on an on-going basis, with the most current license identifying the Levindale "hospice" as having 172 beds. However, this "facility" has not recently been and is not now a provider of hospice services. It has no Medicare-certification as a general hospice provider and is not identified as a hospice program by the Office of Health Care Quality of the Department of Health and Mental Hygiene in its facility directory. Within the Lifebridge Health system of facilities, inpatient hospice care is provided through a contractual relationship with Seasons in which Northwest Hospital leases space to Seasons for operation of general inpatient hospice beds.

MHCC staff issued a report and positive recommendation on this project earlier this year conditioned on Lifebridge relinquishing the unimplemented Levindale hospice license. This was based on our view that the potential for duplicative hospice facilities development at this location should be eliminated in conjunction with implementation of this project. The applicant and its partner, LifeBridge, asked for a delay in final action on this project so that it could consider this condition.

After consideration, Lifebridge has demonstrated compliance with the recommended condition by writing to OHCQ surrendering Levindale's hospice license effective with authorization of this project.

B. The Project

Seasons seeks Certificate of Need authorization for a proposed 12-bed general inpatient hospice unit ("GIP") to be operated in 9,125 SF of leased space at Sinai Hospital in Baltimore City. It would be located on the second floor of the hospital's Mt. Pleasant wing. The proposed unit floor plan shows all patient rooms as single-occupancy, with each containing its own toilet. The design also includes a family kitchen and dining room as well as family resting/bereavement/ support space. The hospice unit would be located in beds that are currently licensed as acute hospital beds, which would be removed from Sinai's bed inventory and licensed as hospice beds, if the CON is granted.

The table immediately below details the cost of those renovations. As previously noted, these renovations were completed in 2012 on the assumption by Seasons and Sinai that a dedicated hospice unit could be operated at Sinai in licensed hospital beds. Therefore, this

budget reflects expenditures already undertaken by Sinai and Seasons. The funds came from cash reserves of Sinai (\$1,308,500) and Seasons (\$79,872).

Project Element	Cost
Building renovations	\$1, 200,000
Architectural & Engineering Fees	90,000
Permits	100
Subtotal	\$1,290,100
Minor movable equipment	28,272
Total current capital costs	\$1,318,372
Financing costs and other cash requirements	
Legal fees (CON related)	\$30,000
Legal fees (other)	\$20,000
Consultant fees - CON	\$20,000
Total project cost	\$1,388,372

C. Staff Recommendation

Based on its review of the proposed project’s compliance with the applicable State Health Plan criteria and standards in COMAR 10.24.13.05, State Health Plan: Hospice Services, and the criteria at COMAR 10.24.01.08G(3), Staff recommends APPROVAL of the project.

II. PROCEDURAL HISTORY

A. Record of the Review

See Appendix 1.

B. Local Government Review and Comment

No comments were received from local government entities.

C. Other Support and Opposition to the Project

Letters supporting the project:

- Brian Edwards, MD, Assistant Professor of Medicine and Director, Medical Intermediate Care Unit University of Maryland School of Medicine
- Susan C. Westgate, MSW, LCSW-C, Sinai Hospital of Baltimore
- Kris Butcher, LCSW-C, Intensive Care Social Worker, Sinai Hospital of Baltimore
- Diana Vaughn, LCSW-C, Inpatient Social Worker, Sinai Hospital of Baltimore
- Neil M. Meltzer, President and Chief Executive Officer, Lifebridge Health
- Amy Perry, President, Sinai Hospital of Baltimore
- Marcia Bove, Towson, MD

Letters opposing the project:

- Eric Shope, Sr. Vice President of Business & Clinical Development at Stella Maris, Inc. stated that there is no need for the project.

Questions and comments:

- A letter offering “questions and comments” was filed by attorneys, Peter Parvis and Molly Ferraioli on behalf of Gilchrist Hospice Care, Inc.

III. THE ENVIRONMENT

A. Demographics: Key Facts and Trends

The service area identified for this project is Baltimore City. A review of demographic and socioeconomic trends drawn from data compiled by the Maryland Department of Planning shows:

- After decades of declining population, Baltimore City is projected to see modest population growth of 0.6% between 2010 and 2015, with growth of an additional 1.5% by 2020. (Table III-1 below.)
- Baltimore City has a much larger minority (non-white) population than the State as whole (70.4% for Baltimore City, compared to 41.8% statewide).
- Baltimore City is disadvantaged economically, with a median household income far below that of the State and a poverty rate of 24.5%, compared to 10.4% for the State. (Table III-2 below.)
- Baltimore City has a much larger non-white population than the State as a whole. (Table III-2 below.)

Table III-1

Jurisdiction	2010 Total Population	% Change, Total Population 2010 - 2015	2010 65+ Population	% Change, 65+ Population 2010 - 2015	% of Total Population Aged 65+, 2015
Maryland	5,773,552	3.6%	707,642	18%	14%
Baltimore City	620,961	0.6%	72,812	3.4%	12%

Source: Maryland Department of Planning.

Table III-2

Characteristic	Maryland	Baltimore City
Poverty Rate, 2012	10.4%	24.5%
Median HH income, 2011	\$70,075	\$38,478
Non-white population %	41.8%	70.4%

Source: Maryland Department of Planning.

B. Hospice Utilization and Providers in Baltimore City

The use rate¹ of general hospice services in Baltimore City, at 25%, is among the lowest in the State, compared to the “target rate” of 45% identified in the Hospice Services Chapter, as illustrated immediately below. Thus there is considerable opportunity for growth of the service.

Table III-3

Five Counties with the Highest Hospice Use	Use Rate 2011	Five Counties with the Lowest Hospice Use	Use Rate 2011
Baltimore Co.	.54	Caroline	.18
Cecil	.54	Dorchester	.19
Carroll	.53	Allegany	.22
Anne Arundel	.47	Prince George’s	.22
St. Mary’s	.47	Baltimore City	.25

Source: COMAR 10.24.13: Supplement Tables – State Health Plan for Facilities and Services: Hospice Services Chapter Statistical Tables

There are eight providers authorized to provide general hospice services in Baltimore City.² They are listed in Table III-4 immediately below. Although eight are authorized, three providers - Gilchrist Hospice Care, Joseph Richey Hospice, and Seasons Hospice & Palliative Care of Maryland – combined to provide 86.5% of the care in 2012. Among the providers authorized to serve Baltimore City, each of these three providers (as well as Stella Maris) has its own general inpatient hospice unit, although only Joseph Richey Hospice is located in Baltimore City.

Table III-4

Hospice	2008		2010		2012	
	# patients	Mkt share	# patients	Mkt share	# patients	Mkt share
Amedisys Hospice of Greater Chesapeake	4	0.2%	3	0.16%	6	0.27%
Community Hospice of Maryland	324	16.2%	103	5.6%	--	--
Gilchrist Hospice Care	606	30.2%	847	46%	1006	45.8%
Heartland Hospice-Baltimore	288	14.4%	26	1.4%	48	2.2%
Joseph Richey Hospice	235	11.7%	207	11.3%	303	13.8%
PHR of Baltimore	81	4%	88	4.8%	57	2.6%
Seasons Hospice & Palliative Care of MD	329	16.4%	426	23.2%	591	26.9%
Stella Maris, Inc.	138	6.9%	138	7.5%	185	8.4%
TOTALS	2,006		1,840		2,196	

Source: MHCC Hospice Surveys

¹ The use rate is calculated in the Chapter as hospice deaths divided by deaths of population aged 35+.

² In addition, Evercare Hospice and Palliative Care is authorized to serve United Health Care Group HMO subscribers in any Maryland jurisdiction.

IV. PROJECT CONSISTENCY WITH REVIEW CRITERIA

A. COMAR 10.24.01.08G(3)(a) THE STATE HEALTH PLAN and COMAR 10.24.13.05 HOSPICE STANDARDS

COMAR 10.24.01.08G(3)(a) The State Health Plan. An application for a Certificate of Need shall be evaluated according to all relevant State Health Plan standards, policies, and criteria.

The chapter of the State Health Plan for Facilities and Services that applies is COMAR 10.24.13: Hospice Services (the “Chapter”). The Chapter contains the hospice standards, which, are to be used when reviewing an application, as here, “to change the inpatient bed capacity operated by a general hospice.” The standards, however, do not contain a methodology to determine inpatient hospice bed need, leaving it to the applicant to demonstrate need for the inpatient beds. Currently ten of the State’s 27 general hospices operate their own inpatient facilities under their hospice license, with a tenth, Capital Caring, having been approved by the Commission in June 2014 to establish a seven-bed inpatient hospice unit in Prince George’s County.

10.24.01.08G(3)(a). The State Health Plan.

10.24.13 .05 Hospice Standards. The Commission shall use the following standards, as applicable, to review an application for a Certificate of Need to establish a new general hospice program, expand an existing hospice program to one or more additional jurisdictions, or to change the inpatient bed capacity operated by a general hospice.

A. Service Area. An applicant shall designate the jurisdiction in which it proposes to provide services.

The service area for this proposed project is defined by the applicant as Baltimore City. Seasons currently provides general hospice services in Anne Arundel, Baltimore, Carroll, Cecil, Harford, Howard, and Prince George’s counties, and in Baltimore City. Seasons currently operates a 14-bed inpatient hospice facility at Northwest hospital and has a 16-bed unit at MedStar Franklin Square Medical Center, both in Baltimore County.

Seasons has complied with this standard.

B. Admission Criteria. An applicant shall identify:

(1) Its admission criteria;

Seasons has described its admissions criteria as follows:

- The patient must be terminally ill with a prognosis of less than six months or less, as certified by the hospice medical director and the individual’s attending physician;
- The patient must make an informed decision to forego curative treatment in preference for palliative treatment;

- For Medicare/Medicaid beneficiaries, the patient must make an informed decision to forfeit all treatment for terminal illness under Medicare Part A or Medicaid and elect the Medicare or Medicaid Hospice Benefit;
- The patient must be under the care of a physician responsible for medical care;
- The patient must live in a geographic area served by Seasons Hospice; and
- The patient's physical facilities must be adequate for proper care and a safe environment for the patient and Seasons' staff.

Seasons states that it does not require patients to execute a Do Not Resuscitate order or Advanced Directive for admission, and that it does not require a primary caregiver. If such a caregiver is not available, the Seasons' "hospice team" will plan for the patient's care, in consultation with the patient, and, when the patient is no longer able to make decisions, with the patient's guardian or family.. (DI#4)

(2) Proposed limits by age, disease, or caregiver.

Seasons does not admit pediatric patients (0-17) because it does not currently employ pediatric hospice specialists in Maryland, but, otherwise, has no limitation by age, disease, or caregiver. (DI#4)

Seasons has complied with this standard.

C. Minimum Services.

(1) An applicant shall provide the following services directly:

- (a) Skilled nursing care;**
- (b) Medical social services;**
- (c) Counseling (including bereavement and nutrition counseling);**

Seasons states that each of these services is provided directly. **Nursing care** is provided by or under the direction of a registered nurse licensed to practice in Maryland and qualified by education and experience to direct hospice care. A registered nurse case manager is assigned to each patient to coordinate the patient's care.

Medical Social Services are provided by a qualified social worker licensed to practice in Maryland under the direction of a physician.

Counseling services include: services which address the needs of patients and families related to palliation and management of terminal illness; nutritional counseling which is provided by a registered dietitian; bereavement services for both the patient and family which are provided by a person qualified by training and experience in the development, implementation, and assessment of a plan of care to meet the needs of the bereaved; and medical social services are provided by a qualified social worker, licensed in Maryland and working under a physician's direction.

Seasons has documented that it directly provides these services, consistent with the standard.

(2) An applicant shall provide the following services, either directly or through contractual arrangements:

(a) Physician services and medical direction;

Seasons employs a Medical Director who is licensed to practice in Maryland. The Medical Director is one of five physicians employed directly or by contract; these five physicians make up the team that serves all Seasons' inpatients and outpatients in Maryland. (DI#29)

(b) Hospice aide and homemaker services;

Seasons provides hospice aide services.

(c) Spiritual services;

Seasons states that spiritual services are offered to all patients and families upon admission and continues as desired by the patient and family.

(d) On-call nursing response;

Seasons states that nursing staff are on site 24 hours a day.

(e) Short-term inpatient care (including both respite care and procedures necessary for pain control and acute and chronic symptom management);

This application is for an inpatient unit.

(f) Personal care;

Seasons provides hospice aide services.

(g) Volunteer services;

Seasons states that it uses volunteers in defined roles under the supervision of a designated hospice employee. Volunteers are qualified through an orientation/training program.

(h) Bereavement services;

Seasons states that bereavement services for both the patient and family are provided by a person qualified by training and experience in the development, implementation, and assessment of a plan of care to meet the needs of the bereaved. Counseling services are available to families for not less than 13 months after the patient's death.

(i) Pharmacy services;

Seasons states that it intends to contract with a licensed pharmacy to provide the necessary inventory of pharmaceuticals to meet patients' needs on an around-the-clock basis as well as to provide licensed pharmacists to collaborate with the care team. Seasons has confirmed that such pharmacy services will be provided by Sinai Hospital. (DI#29)

(j) Laboratory, radiology, and chemotherapy services as needed for palliative care;

These services will be provided by Sinai Hospital under contractual agreement.

(k) Medical supplies and equipment; and

Seasons states that it intends to rely on durable medical equipment suppliers to provide the necessary inventory of equipment and/or supplies on an around-the-clock basis.

(l) Special therapies, such as physical therapy, occupational therapy, speech therapy, and dietary services.

Seasons states that these services are available as needed via contractual arrangement.

Seasons has documented that it provides the services in (a)-(l), above, consistent with the standard.

(3) An applicant shall provide bereavement services to the family for a period of at least one year following the death of the patient.

Seasons states that bereavement services for both the patient and family which are provided by a person qualified by training and experience in the development, implementation, and assessment of a plan of care to meet the needs of the bereaved. Counseling services are available to families for not less than 13 months after the patient's death.

Seasons is in compliance with this standard.

D. Setting. An applicant shall specify where hospice services will be delivered: in a private home; a residential unit; an inpatient unit; or a combination of settings.

This application is to provide general inpatient hospice services in a 12-bed unit housed in Sinai Hospital in Baltimore City. Seasons already serves Baltimore City and Baltimore County (among others) with in-home hospice services.

Seasons is consistent with this standard.

E. Volunteers. An applicant shall have available sufficient trained caregiving volunteers to meet the needs of patients and families in the hospice program.

Seasons states that it has an active volunteer program. That program is managed and coordinated centrally to service all of Seasons' Maryland sites. There is a Volunteer Manager and two Volunteer Coordinators. One of those Coordinators will be assigned as the main contact for the Sinai site. Volunteers are qualified through an orientation/training program and perform in defined roles under the supervision of a designated hospice employee.

Seasons is in compliance with this standard.

F. Caregivers. An applicant shall provide, in a patient's residence, appropriate instruction to, and support for, persons who are primary caretakers for a hospice patient.

Seasons states that if a patient is discharged home, it will provide instruction and support for the primary caregiver in the patient's home. Seasons has complied with this standard.

G. Impact. An applicant shall address the impact of its proposed hospice program, or change in inpatient bed capacity, on each existing general hospice authorized to serve each jurisdiction affected by the project. This shall include projections of the project's impact on future demand for the hospice services provided by the existing general hospices authorized to serve each jurisdiction affected by the proposed project.

See response under **Standard P(2)** below

H. Financial Accessibility. An applicant shall be or agree to become licensed and Medicare-certified, and agree to accept patients whose expected primary source of payment is Medicare or Medicaid.

Both Seasons and Sinai Hospital are Medicare- and Medicaid-certified and Seasons affirmed that it will accept Medicare or Medicaid patients at the Sinai unit. (DI#29)

Seasons has complied with this standard.

I. Information to Providers and the General Public.

(1) General Information. An applicant shall document its process for informing the following entities about the program's services, service area, reimbursement policy, office location, and telephone number:

- (a) Each hospital, nursing home, home health agency, local health department, and assisted living provider within its proposed service area;**
- (b) At least five physicians who practice in its proposed service area;**
- (c) The Senior Information and Assistance Offices located in its proposed service area; and**
- (d) The general public in its proposed service area.**

Seasons provided copies of brochures and fliers targeting patients, families, and physicians educating them about hospice, Seasons' services, and contact information. Seasons states that – given its presence as both a home hospice provider and operator of an inpatient hospice -- it has already established practices for informing physicians, the public, hospitals, nursing homes and home health agencies about its services. Seasons said that it contacts physicians on a regular basis, and that it contacted approximately 100 physicians in Maryland between April and June of 2013, resulting in 67 referrals and 59 admissions to its hospice. It also states that it has met with the local Offices on Aging in the jurisdictions that Seasons serves.

Seasons has met this standard.

(2) Fees. An applicant shall make its fees known to prospective patients and their families before services are begun.

Seasons states in its application that it “currently makes its fees known to clients and their families before services are begun. It will continue to do so.” When asked to explain how patients/families can obtain such fee schedule, Seasons responded that its fee schedule matches

the Medicare rate and that Seasons addresses this on its website under a “Who Pays for Hospice” section that states:

Seasons Hospice bills directly to Medicare, Medicaid, and/or private insurance for hospice care. These benefits usually cover 100% of all aspects of hospice care, including medications, supplies and equipment related to the terminal illness. Hospice encourages referrals early on, so that the patient and family may receive maximum benefit from the comprehensive services that we provide.

The applicant also stated that it “provide[s] information on hospice costs upon request to families that contact Seasons.” Seasons is in compliance with this standard.

J. Charity Care and Sliding Fee Scale. Each applicant shall have a written policy for the provision of charity care for indigent and uninsured patients to ensure access to hospice services regardless of an individual’s ability to pay and shall provide hospice services on a charitable basis to qualified indigent persons consistent with this policy. The policy shall include provisions for, at a minimum, the following:

(1) Determination of Eligibility for Charity Care. Within two business days following a patient's request for charity care services, application for medical assistance, or both, the hospice shall make a determination of probable eligibility.

Seasons’ policy for *Charity Care and Sliding Fee Scale* commits to making a determination of probable eligibility for charity care within two business days following a patient’s request. (DI#4; DI#18)

Seasons is consistent with this requirement.

(2) Notice of Charity Care Policy. Public notice and information regarding the hospice’s charity care policy shall be disseminated, on an annual basis, through methods designed to best reach the population in the hospice’s service area, and in a format understandable by the service area population. Notices regarding the hospice’s charity care policy shall be posted in the business office of the hospice and on the hospice’s website, if such a site is maintained. Prior to the provision of hospice services, a hospice shall address any financial concerns of patients and patient families, and provide individual notice regarding the hospice’s charity care policy to the patient and family.

Seasons’ policy calls for notifying each patient/family regarding charity care and financial assistance options through a section of its consent package, signed by each patient or their representative. It stated that notice of the availability of charity and reduced fee care will be published annually in a regional newspaper, and a posting of the policy in its business office. (DI#4, DI#18) Seasons’ Maryland website, at <http://www.seasons.org/page/Our%2BLocations>, contains an appropriate notice regarding charity and reduced care:

Seasons meets the notice of charity care standard.

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

Seasons’ policy provides for charity care for patients with an income below 200% of the Federal Poverty Guidelines and for a sliding fee scale and/or time payment plan for those with incomes between 200% - 400% of those poverty guidelines. (DI#18)

Seasons has met this requirement.

(4) Policy Provisions. An applicant proposing to establish a general hospice, expand hospice services to a previously unauthorized jurisdiction, or change or establish inpatient bed capacity in a previously authorized jurisdiction shall make a commitment to provide charity care in its hospice to indigent patients. 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

As described earlier in this section, Seasons has expressed a commitment to providing charity care. When queried regarding its performance regarding charity and reduced-cost care at its inpatient unit at Northwest Hospital, it provided the information below for FY13 (DI#12):

	#	Patient days
Patients provided hospice services at no charge	3	19
Patients provided hospice services at reduced charge	0	0
Patients provided hospice services with a time payment plan	0	0

For a broader perspective, staff notes that according to the 2012 MHCC Hospice Survey, .68% of Seasons’ patient days in 2012 were uncompensated and charity care; the statewide average was .94%.

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

The three-year pro-forma presented in the CON application projects charity care at about 1.5% over the first three years of operation. (DI#4) When asked for a specific plan for achieving that level of charity care, Seasons replied that it has plans to open an office in Prince George’s County where applicant states that statistics indicate that Prince George’s County has both the most uninsured residents and the highest percentage of uninsured residents. Seasons has also hired a full-time Director of Community Outreach with responsibility to provide education to community and spiritual leaders, and healthcare and government institutions about end-of-life

services and how to access them regardless of ability to pay.(DI#18 and DI#21)

Seasons has complied with this standard.

K. Quality.

(1) An applicant that is an existing Maryland licensed general hospice provider shall document compliance with all federal and State quality of care standards.

(2) An applicant that is not an existing Maryland licensed general hospice provider shall document compliance with federal and applicable state standards in all states in which it, or its subsidiaries or related entities, is licensed to provide hospice services or other applicable licensed health care services.

(3) An applicant that is not a current licensed hospice provider in any state shall demonstrate how it will comply with all federal and State quality of care standards.

(4) An applicant shall document the availability of a quality assurance and improvement program consistent with the requirements of COMAR 10.07.21.09.

(5) An applicant shall demonstrate how it will comply with federal and State hospice quality measures that have been published and adopted by the Commission.

In response, Seasons stated that, “[a]s an existing hospice, Seasons is in compliance with all federal and state Quality of Care standards.” When asked for documentation, it submitted a copy of its Maryland license and its Joint Commission accreditation. Seasons also provided a copy of its *Quality Assessment & Performance Improvement Plan* and a “framework” document that indicated the areas of focus for 2013, with corresponding goals and methods of measurement. (DI#12)

Seasons has complied with this standard.

L. Linkages with Other Service Providers.

(1) An applicant shall identify how inpatient hospice care will be provided to patients, either directly, or through a contract with an inpatient provider that ensures continuity of patient care.

Seasons states that it will provide inpatient hospice care directly. (DI#4)

(2) An applicant shall agree to document, before licensure, that it has established links with hospitals, nursing homes, home health agencies, assisted living providers, Adult Evaluation and Review Services (AERS), Senior Information and Assistance Programs, adult day care programs, the local Department of Social Services, and home delivered meal programs located within its proposed service area.

As an established hospice in Maryland, Seasons has already established linkages with the organizations and individuals listed in the standard. Application materials included a resource

binder used by its social work staff that includes such contacts.

Seasons has complied with this standard.

M. Respite Care. An applicant shall document its system for providing respite care for the family and other caregivers of patients.

Seasons states that it currently has contracts with “dozens” of skilled nursing facilities in which it provides respite care. The aforementioned resource binder lists 39 such contracted facilities in Baltimore City and Baltimore County alone. (DI#12) Seasons also provides respite care in its GIP units. Seasons has complied with this standard.

N. Public Education Programs. An applicant shall document its plan to provide public education programs designed to increase awareness and consciousness of the needs of dying individuals and their caregivers, to increase the provision of hospice services to minorities and the underserved, and to reduce the disparities in hospice utilization. Such a plan shall detail the appropriate methods it will use to reach and educate diverse racial, religious, and ethnic groups that have used hospice services at a lower rate than the overall population in the proposed hospice’s service area.

Seasons cited a number of ongoing vehicles and materials designed to increase awareness and consciousness of the needs of dying individuals and their caregivers. These included:

- Opening the continuing education programs held for Seasons’ professional staff to community professionals;
- Maintaining information on its web site including “frequently asked questions”;
- Maintaining a 24-hour, seven-days- a-week toll-free phone number;
- Participating in health fairs and other venues where they can reach their target market;
- Distributing a variety of educational pamphlets and brochures.

The applicant also states that it conducts in-service and education programs at hospitals, nursing homes, physician groups, and religious groups to educate them on end of life care.

Addressing the part of the standard that speaks to reducing the disparities in hospice utilization” Seasons presented data from the 2011 MHCC public use data set showing that it provided services to the second highest number of minority patients in the State. Seasons cited its relationships with minority communities that include holding programs and distributing educational materials in minority community churches and organizations. In addition, Seasons spoke of its plan to open an office in Prince George’s County; that county is both heavily minority and an underutilizer of hospice services. (DI#21)

Seasons has met the requirements of this standard.

O. Patients' Rights. An applicant shall document its ability to comply with the patients' rights requirements as defined in COMAR 10.07.21.21.

Seasons documented its compliance with this standard by including a copy of its "Patient/Family Rights and Responsibilities" policy. That policy calls for patients to be informed, orally and in writing, of their rights and responsibilities related to the care or services provided. The policy also obligates Seasons to educate all employees and volunteers – both in orientation and annually – about these rights and responsibilities. The policy provided by the applicant was fully compliant with COMAR 10.07.21.21. (DI#4)

Seasons has met the requirements of this standard.

P. Inpatient Unit: In addition to the applicable standards in .05A through O above, the Commission will use the following standards to review an application by a licensed general hospice to establish inpatient hospice capacity or to increase the applicant's inpatient bed capacity.

(1) Need. An applicant shall quantitatively demonstrate the specific unmet need for inpatient hospice care that it proposes to meet in its service area, including but not limited to:

(a) The number of patients to be served and where they currently reside;

Seasons projects serving 521 inpatients in the first year of operation of the proposed unit, 531 inpatients in the second year, and 541 inpatients in the third year of operation, with the vast majority of these patients originating from Baltimore City and Baltimore County. (DI#4) Its projection is based on its CY2012 experience. and has five sources, as follows: (DI#4)

- **Sinai Hospital deaths:** The applicant assumed that 50% of the patients dying annually in licensed hospital beds at Sinai Hospital would, with implementation of this project, be transferred to hospice care before expiring. This assumption is based on the applicant's experience with GIP units operated at Northwest Hospital, Weiss Memorial Hospital (Chicago), and Christiana Hospital (Delaware), as well as Seasons' experience during four months of operating a dedicated inpatient hospice unit within Sinai Hospital (before a ruling was issued that a CON was required to operate this unit as licensed hospice beds). For CY 2012, this yields a total of 276 patients.
- **Other Sinai Hospital patients:** This group is Sinai Hospital patients who do not die in the hospice unit but are admitted to GIP care after admission to acute care at Sinai for symptom management, and after stabilization, transition to routine hospice care. (Based on Seasons' experience elsewhere, its assumption is that this number is equivalent to 4.2% of the number of patients who die in the hospice unit.) For CY 2012, this yields a total projection of 12 patients.
- **Referrals from other facilities:** Seasons did an analysis of referrals to the Seasons' inpatient hospice unit at Northwest Hospital from other facilities. Seasons assumed that most of the referrals of Baltimore City residents would have "prefer(red) to go to

the Sinai inpatient unit because it is within Baltimore City and closer to where the patients live(d).” (DI#4) Excepted from this rule were referrals from zip code areas identified as “Baltimore-East” which Seasons assumed would be more likely to use the Seasons Franklin Square unit which is scheduled to open in the summer of 2014. For CY 2012, this yields a projection of 96 patients.

- **Internal referrals from Seasons’ home hospice program:** Seasons analyzed the population of Seasons’ hospice patients from Baltimore City who were transferred from routine hospice care to general inpatient care at Northwest, and culled out the number whose place of residence is closer to Sinai, projecting that this population would be disposed in the future to use the proposed unit at Sinai. For CY 2012, this yielded a projection of 84 patients.
- **Respite care:** In 2012, Seasons served 36 respite patients from Baltimore City in contracted Medicare-approved nursing facilities; Seasons assumed that all but the five who were from “Baltimore City – East” zip code areas (assumed to be more likely to use the Seasons unit at Franklin Square) would be patients at a Sinai campus GIP facility. For CY 2012, this assumption yielded a projected 31 patients.

This modeling of referral sources would have yielded 499 admissions to a Sinai inpatient hospice in 2012, had one existed. Under its assumptions, 211 of these patients – or 36% of the projected total at Sinai– would be “internal” reallocation between two Seasons units, Sinai and NWH, that are 7.7 miles apart (Google maps).

Table IV-1

Description of population	Number of GIP admissions projected for an inpatient unit at Sinai Hospital
Assumption that 50% of the deaths at Sinai Hospital would use hospice	276
Sinai non-deaths	12
Annual number of patients (from the assumed Sinai catchment area) referred to Seasons at NWH by other facilities	96
Annual number of Seasons hospice patients from Baltimore City who were transferred from routine hospice care to general inpatient care at Northwest, but had resided closer to Sinai	84
Respite care	31
Total	499

To arrive at its need projections (beginning with 2014), Seasons used this 2012 data as a baseline and applied the compound annual growth rate of the Sinai service area population aged 65+,³ yielding the projected admissions of 521 to 541 patients for the first three years of operation. (DI#4)

³ Seasons used the growth rate projected for Sinai Hospital’s service area between 2012 and 2016 (9.6% according to Claritas data) to project growth for the “Sinai deaths” component of its projected census, and estimates by the Maryland Department of Planning for Baltimore City (7.1%) for the other components of its census projections.

(b) The source of inpatient hospice care currently used by the patients identified in subsection (1) (a);

As described above, the projected admissions come from several patient categories. The overwhelming majority of the population projected to use the proposed project is already receiving hospice services from Seasons.

According to the data provided by Seasons, including respite care patients, 42% of the projected Sinai hospice population consists of patients who otherwise would be served at the Seasons unit at Northwest Hospital. (DI#4) Of those:

- One category is patients from the Sinai Hospital catchment area who were referred to Seasons at NWH by other facilities, but would be expected to go to Seasons at Sinai if and when a GIP is established there. This represents 19% of the projected admissions.
- Another patient category of this type is Seasons hospice patients from Baltimore City who were transferred from routine hospice care to general inpatient care at Northwest, but who resided closer to Sinai. This population comprises 16.8% of the projected admissions.

The majority of the projected admissions are patients who, absent a hospice unit on the Sinai campus, would be admitted to Sinai Hospital at the end of their lives and would die in the hospital's acute care facilities. This group represents 55% of the projected admissions. For this group, Seasons presented data – displayed in the table immediately below -- showing that 88.6% of the GIP referrals from Sinai Hospital went to Seasons during FY12 and FY13, either to the Seasons NWH unit or the unit Seasons had operated at Sinai before having to suspend operation of the unit.

Table IV-2

Sinai Hospital Referrals to General Inpatient Hospice Care	FY2012	FY2013
GIP referrals to Seasons*	156	154
GIP referrals to other facilities	20	27
Total	176	181

Source: Sinai Hospital data provided by Seasons. (DI#4)

* Includes referrals to Seasons GIP care in "as available" hospital and nursing home beds, and at NWH unit.

(c) The projected average length of stay for the hospice inpatients identified in subsection (1) (a).

Seasons projected an average length of stay of 6 days for hospice inpatients, except for those there on respite care, for whom the projected LOS is 5 days. (DI#4) Excluding the small number of respite care patients, the six-day average LOS is consistent with Seasons' experience at Northwest Hospital, where 604 patients averaged a 6.03 length of stay. (DI#18)

The applicant has demonstrated a specific unmet need for inpatient hospice care that will result in fewer Sinai patients dying as general acute care hospital patients and has shown how it will meet that need through the proposed project.

(2) Impact. An applicant shall quantitatively demonstrate the impact of the establishment or expansion of the inpatient hospice capacity on existing general hospices in each jurisdiction affected by the project, that provide either home-based or inpatient hospice care, and, in doing so, shall project the impact of its inpatient unit on future demand for hospice services provided by these existing general hospices.

Given the sources of referrals projected by Seasons, the most significant impact is likely to be internal to Seasons, i.e., a reallocation of admissions currently from the GIP at NWH to the proposed unit at Sinai. As described in Table IV-1 Seasons projected that, had the Seasons Sinai unit been in existence in 2012, 96 GIP referrals to Seasons NWH from other Baltimore City providers, and 84 Baltimore City patient transfers to Seasons NWH from Seasons' community-based hospice would instead have gone to a GIP at Sinai.⁴ (DI#4) Seasons has stated that it anticipates that, after the Sinai unit opens, the Seasons NWH unit will have capacity to provide more respite care.

Based on the 2012 data in Table IV-1 half of the Sinai Hospital patients that die as acute hospital inpatients, or 276, are projected to instead receive end-of-life care in the Seasons Sinai unit. The bulk of the other referrals are projected by Seasons to come from other facilities or from Seasons' own home hospice program.

As noted in Table IV-2 above, in 2012, only 20 Sinai patients were referred to GIP care at a provider other than Seasons. In 2013, 27 Sinai patients were referred to non-Seasons inpatient hospice care. For these reasons, the impact on non-Seasons' home-based or inpatient hospice providers is expected to be minimal.

(3) Cost Effectiveness. An applicant shall demonstrate that:

(a) It has evaluated other options for the provision of inpatient hospice care, including home-based hospice care, as well as contracts with existing hospices that operate inpatient facilities and other licensed facilities, including hospitals and comprehensive care facilities; and

(b) Based on the costs or the effectiveness of the available options, the applicant's proposal to establish or increase inpatient bed capacity is the most cost-effective alternative for providing care to hospice patients.

Seasons is a general hospice that offers home-based care; contracts with other facilities (hospitals and comprehensive care facilities) to provide inpatient and respite care, and operates

⁴ An additional 15 patients were referred from Sinai Hospital to the NWH inpatient hospice unit, making a total of 195 (out of 685 admissions, or 28% of the admissions to the NWH unit) in 2012. (DI#21)

its own inpatient units in dedicated, leased space on hospital campuses. Its application speaks to cost effectiveness as summarized below.

- Lower cost alternative for inpatient hospice

Because the primary payor for hospice care, Medicare, pays the same flat rate to any inpatient hospice provider in Baltimore City for GIP care – regardless of whether it is in a freestanding hospice, a hospital, or a nursing home – referring Seasons hospice patients to inpatient units operated by other hospices in the jurisdiction would not result in a savings to Medicare. (DI#12) However, Seasons has presented data (see table immediately below) purporting to show that its proposed Sinai unit is a lower cost option. Seasons’ cost per day of delivering inpatient hospice services in the proposed Sinai Hospital unit is projected to be \$536. With the exception of some nursing homes, that would make it the least-costly alternative presented, while the contractual relationship model with Sinai Hospital is the most costly (DI#18)

Setting for GIP care	Cost per day
Proposed Sinai unit	\$536
Seasons unit at NWH	\$545
Contractual agreement with Sinai Hospital *	\$667
Contractual agreement with a hospital other than Sinai *	\$650
Contractual agreement with a nursing home	\$450-\$650

* Consistent with OHCQ licensure requirements and HSCRC “waiver” policy

Given that reimbursement for the vast majority of patients (Seasons projects 86.5% to be Medicare) (DI#12) is fixed and unrelated to cost, this cost advantage accrues to the benefit of Seasons more than it does to the general health care system, however.

- Availability of higher level acuity services for palliation and symptom management for inpatient hospice patients

Seasons states that access to the higher-level technology and personnel that is available when an inpatient hospice is ensconced within a hospital benefits patients by providing the patient and hospice provider with higher level acuity services for palliation and symptom management. (DI#12) Seasons states, and the Commission has agreed, that placement within a hospital leads more families to choose hospice care, and more clinicians to recommend it, ultimately leading to greater acceptance and use of hospice services. (DI#12) This model also reduces the risk and additional cost of transport to another hospice facility. (DI#21)

- Twenty-four hour availability of the hospice model and hospice staff

Seasons stated that inpatient hospice care delivered in a facility that is not a hospice, the patient receives daily hospice visits of 1-3 hours daily, contrasted with the care in a dedicated inpatient hospice unit where hospice-trained staff are available around the clock, at the same cost (i.e., reimbursement). (DI#12)

- Preservation of capital

Seasons states that the use of existing vacant space within a hospital is less costly than the cost of developing a new facility. (DI#12)

Based on the information and analysis it provided, Seasons has met the cost-effectiveness standard.

B. COMAR 10.24.01.08G(3)(b) NEED

Need. 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.

The Hospice Chapter does not provide a need methodology or specific standards for needs assessment with respect to inpatient hospice bed capacity. Currently, ten of 27 general hospices operating in Maryland provide inpatient care directly through their own facilities within the State (one additional hospice has a CON to develop an inpatient hospice facility and two hospice programs that already operate hospice facilities hold CON approvals to change their bed capacity by developing second facility locations); the others provide this required service through relationships with hospitals and nursing homes that accommodate their enrolled hospice patients when inpatient admission is necessary. In such cases, the hospice coordinates with the admitting facility in caring for the patients, with hospice personnel providing some of the services needed by the patient during the inpatient stay. Empirical data show that hospices that operate their own units have a higher ratio of inpatients to total patients than hospices that do not operate their own inpatient facilities.⁵

As described above in Standard **10.24.13.05P(1)**, Seasons utilized data from Sinai Hospital (annual deaths occurring at the hospital) and patient origin data from its NWH unit to develop a need projection for its proposed unit at Sinai. The requirements of this criterion have been met by the applicant in its response to that standard. However, as previously noted, there was an extant hospice license that was issued to the special hospital, Levindale, which shares a campus with Sinai. This license originated many years ago when regulation of hospice services was just beginning and was renewed continuously. However, it had not been used by LifeBridge to operate a hospice or hospice facility at any recent time. Staff recommended that this anachronism be addressed prior to establishing an inpatient hospice facility on the campus and LifeBridge complied with this recommendation by relinquishing its license in a letter to the Office of Health Care Quality of DHMH (See Appendix 3).

C. COMAR 10.24.01.08G(3)(c) AVAILABILITY OF MORE COST-EFFECTIVE ALTERNATIVES.

⁵ “Hospices that used inpatient units provided GIP to 35 percent of their beneficiaries. In contrast, hospices that did not use inpatient units and provided GIP in hospitals or SNFs did so for 12 percent of their beneficiaries.” DHHS OIG Report: Medicare Hospice: Use of General Inpatient Care, OEI-02-10-00490. May 3, 2013

Availability of More Cost-Effective Alternatives. 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.

Information presented above, under SHP Standard **10.24.13.05 P(3) Cost Effectiveness**, posited the cost-effectiveness of this proposed project on the basis of the following:

- Costs to payors will not increase, as 85% of patients are Medicare patients, for whom the same fixed rate is paid to all providers in Baltimore City;
- Placement of an inpatient hospice unit in a hospital would benefit patients by affording greater availability to higher level acuity services for palliation and symptom management;
- Placement within a hospital leads more families to choose hospice care, and more clinicians to recommend it, ultimately leading to greater acceptance and use of hospice services;
- Twenty-four hour availability of the hospice model and hospice staff is available in a GIP unit, compared to daily hospice visits of 1-3 hours that characterizes inpatient hospice care delivered in a facility that is not a hospice;
- Preservation of capital, as the use of existing vacant space within a hospital is less costly than the cost of developing a new facility. (DI#12)

The applicant's response to that standard meets the requirements of this criterion.

D. COMAR 10.24.01.08G(3)(d) VIABILITY OF THE PROPOSAL

Viability of the Proposal. 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.

Availability of resources to implement the project

Because this unit was previously renovated by Sinai Hospital, and because Seasons has already incurred the legal and consulting fees related to the project, it has been paid for. Cash from both organizations covered their respective expenditures.

Availability of Resources Necessary to Sustain the Project

In order to assess Seasons' ongoing financial viability, staff requested financial statements. Seasons submitted unaudited financial statements for the period ending December 31, 2012. The balance sheet showed:

- Total assets of almost \$8.6 million against total liabilities of \$3,314,177
- Current assets of \$6.95 million and current liabilities of \$3.2 million
- Total equity of \$5,253,017

The income statement for 2012 showed a net income of \$1,848,596 on total service revenue of \$24,976,005. (DI#12)

Key volume and financial data points from the operating projections for the proposed Sinai unit are excerpted below. (DI#21) The financial projections for the proposed project show a positive bottom line.

Key Operating Statistics: Proposed Seasons Sinai GIP

	2014	2015	2016
Patient days	3,095	3,155	3,214
Occupancy	70.7%	72.0%	73.4%
Net patient service revenue	\$2,161,440	\$2,204,218	\$2,245,437
Expenses	\$1,711,312	\$1,717,012	\$1,722,617
Charity Care	\$10,972	\$11,184	\$11,394
Gain (Loss)	\$450,128	\$487,206	\$522,820

Source: Seasons' CON data submissions (DI#21)

The financial performance and projections for the entire Seasons Hospice & Palliative Care of Maryland enterprise is excerpted below (rounded to nearest thousand).

	Actual		Projected	Projected years ending with first year at full utilization		
	2011	2012	2013	2014	2015	2016
Revenue						
Inpatient	\$3,799	\$4,652	\$4,509	\$5,811	\$7,854	\$8,104
Outpatient	\$19,152	\$19,986	\$22,146	\$23,454	\$23,373	\$24,303
Charity care	\$ 111	\$ 135	\$ 105	\$ 146	\$ 156	\$ 162
Net operating revenue	\$23,110	\$24,726	\$26,815	\$29,391	\$31,353	\$32,546
Total operating expenses	\$20,912	\$22,877	\$24,060	\$27,443	\$29,258	\$30,293
Net income (loss)	\$2,198	\$1,849	\$2,756	\$1,9491	\$2,095	\$2,254

Source: Seasons' CON data submissions (DI#21)

With regard to effect on the health care system, Seasons has projected that the impact on other hospice providers would be negligible because the source of referrals is primarily from Sinai Hospital and from Seasons' general hospice. Seasons also states and staff agrees that there will be benefits to the health care delivery system associated with moving terminal patients from the high-cost acute inpatient general hospital setting to much less expensive inpatient hospice care.

Seasons has demonstrated the viability of this proposed project.

E. COMAR 10.24.01.08G(3)(e) COMPLIANCE WITH CONDITIONS OF PREVIOUS CERTIFICATES OF NEED

Compliance with Conditions of Previous Certificates of Need. 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.

Seasons received a CON to create a 16-bed inpatient hospice at MedStar Franklin Square Medical Center in Baltimore County in July of 2013. Seasons was issued a Modified CON in April 2014 increasing the total authorized project by \$454,014 to \$1,075,211. Seasons was also granted an extension of Performance Requirement #3 (project completion within six months of the effective date of signing a binding construction contract) through December 13, 2014, although Seasons expects that the project will be completed by July 15, 2014. Seasons has applied for and received first-use approval after reporting that the project was approaching completion and submitting a revised Payment for Services Policy that clarified the household bands eligible for partial charity care.

Seasons' performance on its prior CON has been satisfactory.

F. COMAR 10.24.01.08G(3)(f) IMPACT ON EXISTING PROVIDERS AND THE HEALTH CARE DELIVERY SYSTEM

Impact on Existing Providers and the Health Care Delivery System. 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.

Impact on other hospice providers

This project is unlikely to have a substantive impact on other hospice providers, as evidenced by the chief sources of patients projected for the proposed hospice unit, as previously discussed regarding **Standards P(1)(a)** and **P(2)**.

It will have a substantive impact on demand for the inpatient hospice unit operated by the applicant at NWH. Seasons stated that it expects that the redirection of inpatient hospice patients from its NWH unit to its Sinai unit will permit the NWH unit to accommodate more hospice respite patients. Further, reduced demand at the NWH site should be manageable by Seasons in the short-run by adjusting staffing needs for a smaller average patient census. Long-term, if the Seasons unit at NWH stabilizes at a substantially lower average census level, it can seek to alter its fixed cost structure by seeking to alter its lease arrangements with NWH.

Impact on Costs to the Health Care Delivery System

The Seasons Sinai inpatient unit is likely to have a substantive impact on the number of deaths occurring in acute care hospital beds at the hospital, because the Seasons experience at

NWH and other hospitals shows that many patients using that Seasons' inpatient hospice facilities transferred from acute care to the hospice unit for end-of-life care. At Northwest Hospital, mortality declined 52% in the year after the Seasons hospice unit opened. At Seasons' hospice unit at Weiss Memorial Hospital in Chicago, mortality rate declined by 32% in the year following the establishment of the hospice unit. Seasons reports that, at Christiana Hospital (Newark, Delaware) mortality in acute beds declined 30% within six months of the opening of the Seasons hospice unit. Finally, Seasons noted that, in the four months it operated an inpatient unit at Sinai Hospital, deaths in acute beds declined by 50%. (DI#4) According to Seasons, not only will the Seasons Sinai unit have a beneficial impact on patients and their families, it will also reduce the cost of providing care to these patients in the last days of their lives, thereby reducing the charges and reimbursement required for their care by third party payers who pay for the great majority of hospice care.

Positive impact on access to services

Seasons states that the availability of inpatient hospice care in the hospital leads to many more families choosing hospice care, and many more clinicians recommending this service to patients. (DI#12) Seasons believes that more families will have the confidence that the level of care will be "what they expect in a hospital" for pain relief and palliative care. According to Seasons, its experience shows that a culture change occurs in hospitals with inpatient hospices on-site as hospital staff become more familiar with and likely to recommend hospice services. (DI#12) The data previously discussed regarding declining hospital mortality rates after the opening of Seasons hospice inpatient units.

Benefits to hospitals and the health system at large; lower system costs.

Hospitals that lease space to Seasons for dedicated inpatient hospice gain by converting otherwise vacant space into rental income. They also benefit by a greater ability to decompress critical care units. Seasons' application included evidence of this phenomenon. Citing the Maryland Institute for Emergency Medical Services ("MIEMSS") County Hospital Alert Tracking System ("CHATS") it pointed out that between April 1, 2007 and March 31, 2008 Northwest Hospital had 1,016.18 hours of "Red Alert" (i.e., the hospital had no ECG-monitored beds available during these Red Alert hours and, thus, requested that patients likely to need such monitoring not be transported to its facility). According to the applicant, the NWH hospice unit began having a substantial impact on deaths in acute care beds in April of 2008, and for the period April 1, 2008-March 31, 2009 the number of Red Alert hours plummeted to 385.6, just 38% of the prior year total. (DI#4)

Seasons reports that the expected shift will have a substantial impact on costs to the health care system. It reports that the ICU at Sinai Hospital costs an average of \$3,395.45/patient day in FY2012 (DI# 4) and tha hospice care in the proposed Seasons Sinai unit would cost \$709/patient day. (DI#21)

Staff concludes that this project will not have an undue negative impact on other hospice providers, and that the proposal may have a positive impact on costs to the health care delivery system.

V. SUMMARY AND RECOMMENDATION

The State Health Plan

The State Health Plan chapter that applies is COMAR 10.24.13: Hospice Services (the Chapter”). The Chapter contains applicable hospice standards, at 10.24.13.05

As a mature, full-service hospice that has operated in Maryland since 2003, Seasons is in compliance with the State Health Plan standards, which specify the services and resources it must provide. With regard to other standards such as need, impact, and cost effectiveness, Seasons presented a case that blended need with cost-effectiveness and impact on costs to the health care delivery system. That is, Seasons demonstrated that, when available, inpatient hospice utilization increases in a dedicated unit located in a hospital by shifting patients from the more expensive acute care setting to one that is both less costly and more attuned to the needs of the dying patient and family members. Because it appears likely that the projected use of the proposed unit will come primarily from expanding the pool of hospice patients or internal transfers from one Seasons’ unit to another, staff concludes that the Seasons Sinai unit should not have an undue negative impact on other hospice providers.

Need

Seasons complied with the requirement to show that the project will fill an unmet need of the population it seeks to serve by shifting end-of-life care away from costly acute care hospital beds at Sinai Hospital and into its less costly inpatient hospice unit at the hospital.

Cost-Effectiveness of Alternatives

Given that Medicare is the primary payor for hospice services and pays a flat rate regardless of where the inpatient care is delivered, unit cost is not a key factor in this review. Seasons presented a number of strong points as to the *effectiveness* of placing a GIP within a hospital setting, including the greater likelihood of acceptance and use by patients, families, and clinicians. Seasons also pointed out the benefits of having ready access to higher-level technology and personnel, providing the patient and hospice provider with higher acuity level services for palliation and symptom management.

Viability of the Proposal

Seasons has a strong balance sheet and a history of profitable operation. The proposed project has also been paid for. Projected volumes and revenues appear to be reasonable.

Impact on Existing Providers and the Health Care Delivery System

The project is not likely to have an undue negative impact on other hospice providers, but should have a positive impact on costs to the health care delivery system.

IN THE MATTER OF

SEASONS HOSPICE & PALLIATIVE

CARE OF MARYLAND, INC.

Docket No. 13-24-2346

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BEFORE THE

MARYLAND HEALTH

CARE COMMISSION

FINAL ORDER

Based on the analysis and recommendations in the Staff Report and Recommendation and the record in this review, it is, this 18th day of December, 2014, **ORDERED:**

That the application filed by Seasons Hospice & Palliative Care of Maryland, Inc. to add bed capacity by establishing 12-bed general inpatient hospice unit to be operated in 9,125 square feet of leased space at Sinai Hospital in Baltimore City at an estimated cost of \$1,388,372, is hereby **APPROVED.**

MARYLAND HEALTH CARE COMMISSION

APPENDIX 1: Record of the Review

APPENDIX 1: Record of the Review

Docket Item #	Description	Date
1	Letter of Intent received from Seasons Hospice and Palliative Care of Maryland, Inc. ("Seasons") on May 17, 2013; MHCC acknowledged receipt on May 28, 2013..	5/17/13 and 5/28/13
2	Letter from Joel Suldan, VP and General Counsel for Lifebridge Health, and Dean Forman, Executive Director of Seasons, regarding hospice services at Northwest Hospital Center.	8/ 23/13
3	Revised letter of intent.	9/27/13
4	Certificate of Need (CON) application received.	9/30/13
5	Letters of Support	Received 8/5/13, 8/13/13, and 10/9/13.
6	Receipt of CON acknowledged in letter to Todd Stern.	10/3/13
7	Request to run legal notice regarding receipt of CON in Baltimore Sun.	10/3/13
8	Request to publish notice of receipt of application in the <i>Maryland Register</i> .	10/3/13
9	Confirmation of legal notice publication in 10/8/13 edition of the Baltimore Sun.	10/9/13
10	MHCC Staff requested additional information from the applicant.	10/15/13
11	Letter in follow-up to questions that arose at the application review conference.	10/29/13
12	Response to first set of completeness questions.	11/8/13
13	Letter from Attorney Sollins requesting that any financial statements submitted by Seasons be treated as confidential commercial information under the Maryland Public Information Act.	11/12/13
14	Letter with questions and comments submitted by Peter Parvis and Molly Ferraioli on behalf of Gilchrist Hospice.	11/19/13
15	MHCC Staff requested additional information from the applicant.	11/26/13
16	Request for extension made by Seasons and granted by McDonald.	12/16/13 and 12/20/13
17	Email correspondence between Sollins/McDonald requesting extension until 1/16/14; granted.	12/30/13
18	Seasons' response to additional information request.	1/15/14
19	MHCC Staff requested additional information from the applicant.	1/31/14
20	Email correspondence between Sollins/McDonald requesting extension until 2/18/14 due to inclement weather disruption;	2/14/13

	granted.	
21	Seasons' response to third additional information request.	2/18/14
22	MHCC Staff notified applicant that application would be docketed but also requested additional information.	3/6/14
23	Request to publish docketing announcement in the <i>Baltimore Sun</i> .	3/6/14
24	Request to publish docketing announcement in the <i>Maryland Register</i> .	3/6/14
25	Request for comment on CON application.	3/10/14
26	Confirmation of publication of docketing announcement in the <i>Baltimore Sun</i> .	3/14/14
27	Responses to additional information request (letter dated March 6).	3/20/14
28	Letter from Eric Shope, Senior Vice president for Business and Clinical Development for Stella Maris urging the MHCC to deny CON approval.	4/21/14
29	Response to additional information request	6/3/14
30	Email with further information re: background of Seasons' hospice work at Sinai Hospital	7/3/14
31	Letter from Lifebridge Health to the Office of Health Care Quality surrendering its general hospice license for Levindale Hebrew Geriatric Center and Hospital, effective at the end of the day December 18, 2014.	12/9/14

APPENDIX 2: Project Drawings

APPENDIX 3: Letter Relinquishing Levindale’s Hospice License

APPENDIX 3: Letter Relinquishing Levindale's Hospice License



Barry Eisenberg, FACHE, LHNA
Executive Director/COO

December 9, 2014

Patricia Tomsko Nay, M.D.
Executive Director
Office of Health Care Quality
55 Wade Avenue
Catonsville, MD 21228

Re: Levindale Hebrew Geriatric Center & Hospital, Inc.
License No. H153

Dear Dr. Nay:

As reflected in the enclosed certificate, Levindale Hebrew Geriatric Center & Hospital, Inc. ("Levindale") possesses an unexpired license to operate as a hospice care facility serving Baltimore City (the "Levindale License").

This letter is to inform you that Levindale has agreed to surrender the Levindale License. Levindale has agreed to surrender the Levindale License as a condition for the Maryland Health Care Commission staff's recommendation for Commission approval of a pending certificate of need application of Seasons Hospice & Palliative Care to provide hospice services at Sinai Hospital. Please make such surrender effective as of the end of the day December 18, 2014 so as to coincide with Commission approval of the aforementioned certificate of need. Please let me know if you need anything in addition to this letter to implement this surrender.

Your attention is appreciated.

Sincerely,

Barry Eisenberg, FACHE, LHNA
Executive Director

Enclosure

cc: Mr. Paul Parker
Mr. Kevin McDonald
Suellen Wideman, Esq.
Joel Suldan, Esq.
Howard Sollins, Esq.
Jonathan Montgomery, Esq.

Caring for Our Communities Together

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www.lifebridgehealth.org