

EXHIBIT 32

MARYLAND HEALTH CARE COMMISSION**Certificate of Need**

TO: Jeffrey L. Johnson, Vice President
Shore Health System
219 South Washington Street
Easton, Maryland 21601

July 17, 2003
(Date)

RE: Capital Renovation and Expansion to
Memorial Hospital at Easton

03-20-2112
(Docket Number)

PROJECT DESCRIPTION

The Memorial Hospital at Easton (Memorial-Easton), located in Talbot County, is a 132-bed acute general hospital with a 33-bed comprehensive care facility. The hospital provides a complete range of inpatient and outpatient services, and has served residents of Talbot, Caroline, Dorchester, Queen Anne's and surrounding counties since 1907. Memorial-Easton applied for Certificate of Need approval from the Maryland Health Care Commission to renovate its Telemetry Unit, relocate and expand its Emergency Department, reconfigure space for outpatient services, and upgrade its heating, ventilating, and air-conditioning system and other elements of its infrastructure. No new services will be initiated as part of this project, and no additional beds will be required as a result of the expansion and renovation. The project's total capital cost is estimated at \$33,430,000. The Health Services Cost Review Commission reviewed the project's capital expenditure and financial projections and found it financially feasible, even without a 2.5 percent rate increase, for which Memorial-Hospital intends to apply.

This project will be completed in two primary phases over two years: Phase 1, the construction of the Telemetry Unit, is to begin in August 2003, and be completed in August 2004; Phase 2 of the project, construction of a new Emergency Department and Outpatient Services space, will begin in January 2004, and be completed in 2005.

ORDER

The Commission has reviewed Staff's analysis, and, based on Staff's recommendation and the record in this matter, has awarded the project a Certificate of Need.

Memorial-Easton must submit quarterly status reports to the Commission, beginning three months from the date of Certificate of Need approval, and continuing through the completion of the project. In accordance with COMAR 10.24.01.12B, .12C(3), and .12C(4), the project is subject to the following performance requirements:

- I. Obligation of not less than 51% of the certified capital expenditure as documented by binding construction contracts or equipment purchase orders no later than **July 17, 2005**, 24 months after Certificate of Need approval.

2. Initiation of construction within **four (4) months** of the effective date of the binding construction contract;
3. Documentation from Memorial-Easton that the approved project has been completed, and has met all applicable legal requirements within **24 months** of the required binding construction contract.

Failure to meet these performance requirements will render incomplete stages of this Certificate of Need void and of no further effect, subject to the Commission's finding and the requirements for due process found in COMAR 10.24.01.12.F through I.


If it is necessary to make any changes to the approved project before the first use of the expanded and renovated facility, the Memorial Hospital at Easton must notify the Commission, and must receive Commission approval of the proposed change, including the obligation of any funds above those approved by the Commission in this Certificate of Need, in accordance with COMAR 10.24.01.17.

The project's architect or engineer is required to contact the Plans Review and Approval office of the Department of Health and Mental Hygiene, to ascertain the specific information concerning project drawings and specifications that the law requires to be submitted and approved prior to the initiation of construction.

Since this project will be undertaken by an existing, operating health care facility, and none of its components require separate or additional licensure, the Commission requests notification of the completion at least 30 days before first use of the new or renovated space.

Please acknowledge in writing within 30 days that you have received this Certificate of Need, and accept its terms and conditions.

MARYLAND HEALTH CARE COMMISSION


Barbara Gill McLean
Executive Director

BGM/at

cc: Carol Benner
Brian Dubey
Robert Murray

MARYLAND HEALTH CARE COMMISSION

Certificate of Need

TO: Jeffrey L. Johnson, Vice President
Shore Health System
The Memorial Hospital at Easton
219 South Washington Street
Easton, Maryland 21601

September 14, 2004
(Date)

RE: Establishment of a Twenty-Bed Acute
Inpatient Rehabilitation Unit at
The Memorial Hospital at Easton

03-20-2128
(Docket No.)

PROJECT DESCRIPTION

The Memorial Hospital at Easton ("Memorial-Easton"), a 132-bed acute general hospital in Talbot County on Maryland's Eastern Shore, has sought Certificate of Need ("CON") approval to establish a twenty-bed acute inpatient rehabilitation unit, providing comprehensive integrated inpatient rehabilitation ("CIIR") services in what is now the Memorial-Easton subacute care unit, on the hospital's fifth floor. The area intended for the proposed rehabilitation unit currently houses a skilled nursing unit with 33 comprehensive care facility beds; Memorial-Easton will seek authorization for temporary delicensure of these beds, and understands that it must obtain Commission action through an exemption from CON review for the permanent closure of the comprehensive care service at the hospital, pursuant to Health-General Article § 19-120(1)(2), Annotated Code of Maryland.

In order to convert its use to inpatient rehabilitation, Memorial-Easton will undertake a major interior renovation of the Five-South Unit, originally constructed in 1966, that would affect a total of 14,300 square feet of current hospital space. This includes 7,200 square feet to house the 20 inpatient rehabilitation beds (arrayed as 4 private and 8 semi-private patient rooms) and standard support space, to conform to the requirements of the 2001 edition of the *American Institute of Architects Guidelines for Design and Construction of Hospitals and Health Care Facilities*, and of the Americans with Disabilities Act; 4,200 square feet for rehabilitation spaces (including a gym, space for dining and recreation, and a kitchen and bathroom facilities for therapies related to activities of daily living) and also offices for the rehabilitation staff; 1,700 square feet for mechanical needs, utilities, stairs, elevators, and other structural details; and 1,200 square feet of space for use by staff of Memorial-Easton's Maternal Health Unit, to replace space taken by the rehabilitation renovations.

Memorial-Easton proposes to complete its construction-level architectural design for the rehabilitation unit within five months of CON approval, and to complete construction over 15 months, in two phases. Memorial-Easton estimates that the total cost to convert the 33-bed hospital-based skilled nursing facility to a 20-bed rehabilitation unit will be \$4,287,520. Of this

total, proposed current capital costs account for \$3,785,000, \$422,520 is budgeted as an inflation allowance and for capitalized construction interest, and \$80,000 is allocated to financing costs and other cash requirements, including legal and auditing costs. The source of funds for the Memorial-Easton project will be \$230,000 in cash, and \$4,057,520 in authorized bonds, issued by the Maryland Health and Higher Education Facilities Authority, although a later communication from Memorial-Easton explained that the hospital may also investigate the possibility of self-funding the project, rather than seeking a bond issue from MHHEFA.

ORDER

The Maryland Health Care Commission has reviewed Staff's report and recommendation on the Certificate of Need application submitted by The Memorial Hospital at Easton, and, based on this analysis and the record in this review, approved its application for Certificate of Need on September 14, 2004. The Commission imposed no additional conditions on the approval.

In accordance with COMAR 10.24.01.12C(3)(c), the project is subject to the following performance requirements:

1. Obligation of not less than 51% of the approved capital expenditure, as documented by a binding construction contract, by March 14, 2006, 18 months after the September 14, 2004 Certificate of Need approval;
2. Initiation of construction within four (4) months of the effective date of the binding construction contract;
3. Documentation from Memorial-Easton that it has completed the project; received a State license, if licensure is required, or has otherwise met all applicable legal requirements to begin operation; and has begun to provide the approved service, within 18 months of the effective date of the binding construction contract.

Memorial-Easton must notify the Commission when the hospital executes the binding construction contract, because the deadlines for meeting the second and third performance requirements are set based on the compliance with Performance Requirement 1.

Commission regulations at COMAR 10.24.01.13B require Memorial-Easton to submit quarterly status reports, beginning December 14, 2004, three months from the date of this Certificate of Need, and continuing through the completion of the project.

Before making any changes to the facts in the Certificate of Need application approved by the Commission, Memorial-Easton must notify the Commission in writing and receive Commission approval of each proposed change, including the obligation of any funds above those approved by the Commission in this Certificate of Need, in accordance with COMAR 10.24.01.17.

The project's architect or engineer is required to contact the Plans Review and Approval section of the Department of Health and Mental Hygiene, to ascertain the specific information concerning the project's drawings and specifications that the law requires to be submitted and approved prior to the initiation of construction.

Please acknowledge in writing within thirty days that you have received this Certificate of Need, and that you accept its terms and conditions.

MARYLAND HEALTH CARE COMMISSION

A handwritten signature in dark ink, appearing to read "Barbara Gill McLean", is written over a horizontal line.

Barbara Gill McLean
Executive Director

cc: Carol Benner, Office of Health Care Quality
Kathleen Foster, Health Officer, Talbot County
Howard Jones, Office of Plans Review, DHMH
Robert Murray, Executive Director, HSCRC

MARYLAND HEALTH CARE COMMISSION

Certificate of Conformance

TO: Kenneth D. Kozel
President and Chief Executive Officer
University of Maryland Shore Medical Center at Easton
219 S. Washington Street
Easton, Maryland 21601

April 11, 2016
(Date)

RE: Emergency and Elective Percutaneous
Coronary Intervention Services

CC-15-20-0001
(Docket No.)

SERVICE DESCRIPTION

This Certificate of Conformance authorizes the University of Maryland Shore Medical Center at Easton (UMSMC-E or Hospital) to establish both emergency (primary) and elective (non-primary) percutaneous coronary intervention (PCI) services. Emergency PCI includes PCI capable of relieving coronary vessel narrowing associated with ST-segment elevation myocardial infarction (STEMI) or STEMI equivalent, as defined by the Maryland Health Care Commission (MHCC) in COMAR 10.24.17. Elective PCI is PCI provided to a patient who is not suffering from STEMI or STEMI equivalent, but whose condition is appropriately treated with PCI as provided in COMAR 10.24.17.

The Hospital estimates that the capital expenditure related to the establishment of emergency and elective PCI services will be \$2,568,600, primarily for fixed equipment and building expenses.

ORDER

MHCC reviewed Staff's Report and Recommendation and, based on that analysis and the record in the review, ordered, on March 17, 2016, that a Certificate of Conformance with required conditions be issued authorizing the establishment of elective and primary PCI services at UMSMC-E if, on or before April 11, 2016, UMSMC-E provided documentation satisfactory to Commission staff that:

1. The Hospital has protocols for both routine and infrequent emergency situations, such as recurrent ischemia or infarction, failed angioplasty requiring emergency CABG surgery, and primary angioplasty system failure; and
2. The Hospital has executed an agreement that provides for 30-minute response time regardless of the circumstances.

The Hospital met the required conditions by providing satisfactory documentation on April 11, 2016. Specifically, UMSMC-E submitted: (1) its protocol for addressing conditions such as

recurrent ischemia or infarction and failed angioplasty requiring emergency coronary artery bypass graft surgery; and (2) a copy of an amended agreement with Best Care Ambulance, effective April 6, 2016, that provides for a 30-minute response time regardless of circumstances.

CONDITIONS

This Certificate of Conformance is issued with the following conditions:

1. At least 90 days prior to first use approval, UMSMC-E shall provide the names of its medical director and interventionalists on staff and documentation that each interventionalist on staff has achieved an average annual case volume of 50 or more PCI cases over the two-year period;
2. UMSMC-E shall agree to comply with the requirements for a Certificate of Ongoing Performance outlined at COMAR 10.24.17.07C and D;
3. UMSMC-E shall agree to voluntarily relinquish its authority to provide elective PCI or both emergency and elective PCI and close its program in a timely manner upon notice by the Executive Director of MHCC if it: (i) has failed to comply with standards for a Certificate of Ongoing Performance or a Certificate of Conformance; (ii) has been given an opportunity to address the deficiencies identified by the Commission through an approved plan of correction; and (iii) has failed to adequately correct the deficiencies.
4. UMSMC-E shall apply for a Certificate of Ongoing Performance on or before June 30, 2020.

ACKNOWLEDGEMENT OF RECEIPT OF CERTIFICATE OF CONFORMANCE

Acknowledgement of your receipt of this Certificate of Conformance, stating acceptance of its terms and conditions, is required within thirty (30) days.

MARYLAND HEALTH CARE COMMISSION



Ben Steffen
Executive Director

cc: Manjula Paul, Health Officer, Talbot County
Donna Kinzer, Executive Director, HSCRC
Kevin Seaman, M.D., F.A.C.E.P., Executive Director, MIEMMS