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June 2, 2016

VIA EMAIL AND FIRST-CLASS MAIL

Commissioner Robert E. Moffit, Ph.D.
c/o Ruby Potter, Health Facilities Coordination Officer
ruby.potter@maryland.gov
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, Maryland 21215

Re: In the Matter of Dimensions Health Corporation *d/b/a* Prince
George's Hospital Center; Mt. Washington Pediatric Hospital, Inc.
Docket No. 13-16-2351

Dear Commissioner Moffit:

On behalf of Dimensions Health Corporation ("Dimensions"), we write to respectfully request that you make certain factual material a part of the record in this review.

Dimensions appreciated the opportunity at the May 17, 2016 project status conference to receive your comments and conclusions on its proposed project and as well as your recommendations as to how Dimensions may modify its project so that you may recommend approval. Dimensions respectfully requests that any data and other facts relied upon in forming these conclusions be placed in the record so that Dimensions may have the opportunity to review these facts in advance of the preparation and submission of its modified application. As Dimensions has begun the work to modify the Certificate of Need application, we realize that understanding and evaluating the factual support for the conclusions will help Dimensions determine how best to modify its application.

Maryland law requires that this information be placed into the record in this review. This contested review is governed by the Administrative Procedures Act. Pursuant to MD. CODE, STATE GOVERNMENT ARTICLE, "findings of fact must be based exclusively on the evidence of record in the contested case proceeding and on matters officially noticed in that proceeding." MD. CODE, STATE GOVT. § 10-214. When an agency wishes to rely upon evidence outside of the record, the agency must make that evidence part of the record, and provide parties the opportunity to offer evidence in rebuttal on any genuine issues. *Id.* at § 10-213(a)(2) and (f). When an agency proposes

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to take judicial notice of facts, parties must be given a meaningful opportunity to contest those facts. Id. § 10-213(h). Thus, entering the facts into the record at this time will help prevent any delay in the process caused by possible appeals.

At the May 17, 2016 project status conference, the parties were provided with copies of your written report, “Areas of Non-Compliance with State Health Plan Standards and Certificate of Need Criteria, and Recommended Modifications” (the “Report”). The Report includes conclusions as to whether the proposed project meets certain standards and review criteria. The conclusions are based on the record facts in this review, as well as an analysis of data and other facts that have not yet been placed into the record.

Accordingly, Dimensions respectfully requests that any data and other facts used in forming the analyses and conclusions contained in the Report be placed in the record for the benefit of all parties. In particular Dimensions seeks the factual support for the conclusions below, to the extent that these facts have not yet been made a part the record.

1. Conclusions Regarding Size and Cost of Project.

The Report concludes that the proposed Prince George’s Regional Medical Center Project (“PGRMC”) is “unnecessarily large and thus, substantially more expensive than it needs to be or should be” based on a comparison of PGRMC to (i) the recently approved Certificate of Need for Washington Adventist Hospital (with adjustments); and (ii) “other new and replacement hospital projects in Maryland developed in the last six years . . . adjusting for differences in those projects and the [PGRMC] project.” (Report, p. 2.) Based on this comparison, the Report concludes that PGRMC should not exceed “more than 2,400 gross square feet per bed (exclusive of the space identified by Dimensions for ‘resident/faculty’ space and the cancer center space);” that the construction cost should be no more than \$225 million; and that the total project cost should not exceed \$543 million. (Report, p. 4.)

Dimensions respectfully requests that the following facts related to these conclusions be included in the record:

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- Identification of the relevant facts regarding all projects considered in any comparison to the proposed PGRMC, and a description of any adjustments made to compare those projects to the proposed project.
- Any facts relied upon to support the conclusion that the project space should not exceed 2,400 gross square feet per bed.
- Any facts relied upon to support the conclusions concerning maximum construction and project cost levels.

2. Conclusions Regarding Volume and Market Share Projections.

The Report questions the applicants' volume projections as well as assumptions and analyses underlying the projected volume. Specifically, the Report includes conclusions that reject applicants' projections regarding acute care average daily census ("ADC"), market recapture and market share, utilization, and length of stay. (Report, pp. 2-3.)

Dimensions respectfully requests that the following facts related to those conclusions be included in the record:

- Any facts relied upon to conclude that PGRMC's acute care ADC will not increase in the manner projected in the application.
- The data provided by HSCRC on May 3, 2016, referenced in the Report, p. 2.
- Any facts relied upon to support the conclusion that "hospitalization rates will continue to decline in line with recent trends and the objectives of the payment model established in Maryland in 2014." (Report, p. 3.)
- Any facts relied upon to support the conclusion that "Medicare length of stay of medical/surgical patients . . . will experience some further

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reduction and non-Medicare length of stay will see a slight increase.”
(Report, p. 3.)¹

- Any facts relied upon to support the conclusion that PGRMC will not achieve the market share gains Dimensions projected in the application.

3. Conclusions Regarding Bed and Service Need.

The Report concludes “the project plan should trim service capacity as part of the plan to reduce the scale of construction and overall project cost.” (Report, p. 3.) The Report recommends a number of bed and service changes as set forth below, which would reduce service capacity below the reduced levels set forth in the application:

- No more than 219 beds (204 general acute beds and 15 special hospital – pediatric beds)
- Reduce MSGA beds by at least 11 beds
- Reduce obstetric bed capacity by at least three beds
- Reduce finished operating rooms (OR) by at least one, eliminate unfinished OR
- Reduce Emergency Department treatment spaces to no more than 45 spaces; bring the size of the ED in line with this treatment capacity
- Consider elimination of Mt. Washington Pediatric Hospital (“MWPH”)
- Consider elimination of special pediatric bed

Dimensions respectfully requests that any facts relied upon to conclude that the need for the beds and services described in the application is less than as projected by the applicants, and is instead consistent with the limitations summarized above, be included in the record.

¹ In the application, Dimensions projected a 19% reduction in length of stay for medical/surgical patients between FY 2013 and FY 2022. (Modified Application, p. 81.) Please provide any facts that support a further projected reduction in length of stay.

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Thank you for your continued consideration of this matter.

Sincerely,



Thomas C. Dame



Ella R. Aiken

cc: Ben Steffen, Executive Director, MHCC
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