

GALLAGHER
EVELIUS & JONES LLP
ATTORNEYS AT LAW

June 2, 2016

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

**VIA EMAIL AND
FIRST-CLASS MAIL**

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 and Mt. Washington Pediatric Hospital, we write to respectfully request additional clarification regarding your recommendations at the May 17, 2016 project status conference.

The applicants thank you for your May 26, 2016 letter providing clarification regarding your recommendations. The information provided will assist the applicants as they attempt to develop a project that addresses your concerns and can achieve your recommended approval.

The applicants understand that the recommendation that the construction cost for the building should not exceed \$225 million is based on the building cost as identified in the project budget, line A(1)(b)(1) (titled "Building"), for the "Total" column. (Modified Appl., Exh. 50, Table E.) The applicants seek additional clarification regarding the recommendation that the project cost not exceed \$543 million. Specifically, the applicants interpret this recommendation as referring to the "Total Capital Costs" for the project, projected in the most recent Table E as \$615,917,000, as opposed to the "Total Use of Funds," and seek your confirmation.

The applicants' interpretation is based on the clarification regarding the \$225 million for building construction costs. When the building construction line item is reduced from its most recent estimate to \$225 million, and appropriate reductions to the contingency allowance, gross interest during construction period, and inflation allowance are made, the Total Capital Costs equal approximately \$543 million. The applicants' projections identify an additional \$35.3 million in Financing Cost and Other Cash Requirements. While these amounts may be affected somewhat by the change in the Total Capital Costs, such change would not be proportional to the reduction in Total Capital Costs.

Accordingly, the applicants request your confirmation or clarification regarding their interpretation that the total project cost recommendation refers to the "Total Capital Costs" identified on Table E, rather than "Total Uses of Funds."

#560637
013346-0001

Commissioner Robert E. Moffit
June 2, 2016
Page 2

As stated in our May 23, 2016 letter, the applicants already have begun the planning process. In light of the significant work that will be required in order to meet August 31, 2016 deadline, we greatly appreciate your response to our prior letter, and we respectfully request your clarification of this issue as soon as possible as well.

Thank you for your continued consideration of this matter. The applicants look forward to receiving your guidance.

Sincerely,



Thomas C. Dame



Ella R. Aiken

cc: Ben Steffen, Executive Director, MHCC
Paul Parker, Director, Center for Health Planning and Development
Kevin McDonald, Chief, Certificate of Need
Joel Riklin, Program Manager
Suellen Wideman, Esq.
Pamela Creekmur, R.N., Prince George's County Health Officer
Peter P. Parvis, Esq.
Jennifer J. Coyne, Esq.
Jonathan Montgomery, Esq.
Neil J. Moore, President & CEO, Dimensions Healthcare System
Carl Jean-Baptiste, Esq., General Counsel, Dimensions Healthcare System
Lisa Goodlett, Chief Financial Officer, Dimensions Healthcare System
Jeffrey Johnson, Dimensions Healthcare System
Mary Miller, Chief Financial Officer, Mt. Washington Pediatric Hospital
John W. Ashworth III, Senior Vice President, Network Development, University of Maryland Medical System
Henry J. Franey, MBA, Executive Vice President and Chief Financial Officer, University of Maryland Medical System
Sandra H. Benzer, Esq., Associate Counsel, University of Maryland Medical System