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February 28, 2014

Ms. Ruby Potter  
Health Facilities Coordinator  
Maryland Health Care Commission  
4160 Patterson Avenue  
Baltimore, Maryland 21215

MedStar Southern Maryland Hospital Center  
Certificate of Need Application #13-16-2350

Dear Ms. Potter:

Enclosed please find the responses of MedStar Southern Maryland Hospital Center to the January 29, 2014 request for completeness and additional information in the above referenced certificate of need application. In addition to these responses, we have included several letters of support for the project.

Sincerely,

Patricia Cameron

cc: Pamela B. Creekmur, Health Officer, Prince George's County  
Thomas Dame, Gallagher Evelius & Jones  
Howard Sollins, Ober, Kaler, Grimes & Shriver

Enclosures:  
Attestations  
Responses  
Letters of Support

Knowledge and Compassion  
**Focused on You**

Affirmation Statement

I hereby declare and affirm under the penalties of perjury that the facts stated in this application and its attachments are true and correct to the best of my knowledge, information and belief.

Grant McCune  
(signature)

GRANT MCCUNE MEDSTAR SOUTHERN MARYLAND HOSPITAL CENTER  
(print name and affiliation)

2/27/14  
(date)

Affirmation Statement

I hereby declare and affirm under the penalties of perjury that the facts stated in this application and its attachments are true and correct to the best of my knowledge, information and belief.

A handwritten signature in blue ink, appearing to read "Derek Warr", written over a horizontal line.

(signature)

DEREK WARR, PERKINS + WILL

(print name and affiliation)

02.27.14

(date)

**Affirmation Statement**

I hereby declare and affirm under the penalties of perjury that the facts stated in this application and its attachments are true and correct to the best of my knowledge, information and belief.

Michael Lynch  
(signature)

Michael Lynch - SC&H Group  
(print name and affiliation)

2/28/14  
(date)

MedStar Southern Maryland Hospital Center - #13-16-2350

**Response to January 29, 2014  
Request for Additional Information**

February 28, 2014

1. Regarding the *Financial Feasibility* standard and the *Viability* criterion:
  - a) Please confirm that the global budget agreement between MedStar and HSCRC that applies to MSMHC has been finalized.

**RESPONSE:** The global budget agreement was finalized in January.

- b) Does the reimbursement model established in this agreement affect future budget projections that were submitted in the CON application? That is, are the financial projections in the CON consistent with the recent HSCRC agreement? (repeated from January 22 letter)
- c) Does the global budget affect MedStar Southern Maryland Hospital Center's revenue/expense budget for this fiscal year? ? (repeated from January 22 letter)
- d) Assuming that the global budget does indeed change the revenue (and perhaps expense) budgets submitted in the application, please submit revised Table 3s with and without inflation, including any related assumptions.

**RESPONSE:** The current fiscal year's financial projections as well as the future years' projections are affected by the budget agreement. The previously submitted versions of Table 3, with and without inflation, and with the 85% variable cost factor assumption and the requested 50% variable cost factor assumption, have been revised to be consistent with the agreement. See Exhibits A -D.

2. Regarding the *Shell Space Standard* and Question #13d, please provide a clearer explanation on how Perkins + Will arrived at the estimated costs for temporary work, general conditions, and allowance for site measures.

**RESPONSE:** The total cost of temporary works for the project was estimated at 5% of the total construction cost, or  $.05 \times \$56,846,021^1 = \$2,842,301$ . The portion of this cost accruing to the shell space was estimated in proportion to the percentage of total project square footage represented by the shell space. In other words, the total shell space represents 17.91% of the total project (37,380 GSF of shell space<sup>2</sup> / 208,713 of total project area<sup>3</sup>), and this percentage applied to the total estimated cost of temporary works (\$2,842,301) yields an estimate of \$509,056. A combination of rounding errors and reliance on estimated areas rather than accurate, calculated areas led to the initial calculated estimate of \$476,208, when in fact \$509,056 is a more accurate reflection of this methodology.

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<sup>1</sup> From Chart 1 of initial application.

<sup>2</sup> From Attachment 1 of initial application.

<sup>3</sup> Sum of "New Construction" and "Renovation" square footages from Chart 1 of initial application.

The General Conditions estimate was derived by applying the same estimated percentage (9%<sup>4</sup>) used in the overall cost estimate to the construction cost of the Level 04 shell space:

$$.09 \times \$3,700,000^5 = \$333,000$$

An allowance of \$250,000 was allocated for dust control, temporary parking and traffic mitigation, and other anticipated measures related specifically to construction of the shell space. This figure is based on previous experience with projects of similar complexity, scope, and duration, and generally represents an extended duration for general construction provisions rather than specialized provisions necessitated solely by construction of elevated shell space.

**3. Regarding *Impact* and Question #14a, please identify all of the hospitals that have a market share exceeding 10% of the 69,860 Total Service Area Discharges.**

**RESPONSE:** As shown in the table below, only MSMHC and MedStar Washington Hospital Center have 10% or more share of MSMHC’s total service area discharges.

**Market Share of MSMHC's Service Area, FY 2013 (a)**

Hospital	Discharges	Share
MedStar Southern Maryland Hosp	13,424	19.2%
MedStar Washington Hospital Cntr	10,279	14.7%
UM Charles Regional (Civista )	5,840	8.4%
All Other	40,317	57.7%
<b>Total Service Area Discharges</b>	<b>69,860</b>	<b>100.0%</b>

Source: DCHA WebFocus Accessed: 10.7.13

Note: (a) Annualized based on three quarters of data available at the time it was pulled.

**4. Regarding the *General Surgical Services Standard* and Question #16, please respond to the following:**

- a. **The table on p. 19 incorrectly assumes that all 10 operating rooms are Dedicated Outpatient Operating Rooms and uses the 1,632 hours threshold for optimal capacity for all then rooms. COMAR 10.24.11.06A(1)(a) states that the optimal capacity threshold for either a Dedicated Inpatient Operating or Mixed-Use Operating Room is 1,900 hours. Therefore, please identify the current and projected number of Dedicated Inpatient**

<sup>4</sup> Response to Question #13i, dated November 21, 2013.

<sup>5</sup> Response to Question #20d, dated November 21, 2013.

**Operating, Dedicated Outpatient Operating, and/or Mixed-Use Operating Rooms at MSMHC.**

**RESPONSE:** The table on page 19 inadvertently carried a typographical error from another project. All operating rooms at MSMHC are mixed use rooms for both inpatients and outpatients. The project will not result in a change in the number of ORs and no ORs will be dedicated to either inpatient or outpatient use.

- b. Based on the type of operating rooms in use, please provide another needs assessment assuming utilization at the appropriate optimal capacity identified in (a) above.**

**RESPONSE:** This analysis is being prepared, and will be submitted by Tuesday, March 4<sup>th</sup>.

- 5. Regarding the *Inpatient Nursing Unit Space Standard* and question 2a, please provide the following clarifications:**

- a. The response to this standard was that the critical care nursing unit space totaled 15,816 sq. ft. (659 sq. ft. per bed). The benchmarking comparison reported that the critical care beds would total 26,377 sq. ft (Exhibit 2, first completeness response). Please provide a space program for this unit that accounts for the difference and details the spaces included in the 15, 816 sq. ft. consistent with those identified in the definition of Inpatient Unit Program Space at COMAR 10.24.10.06B(16).**

**RESPONSE:** This discrepancy results from a difference in area calculation methodology between the COMAR 10.24.10.06B(16) standard and P+W's benchmarking guidelines.

COMAR 10.24.10.06B(16) clearly defines what types of spaces are included in their definition of "program space per bed." These spaces can be grouped in several overall categories as follows:

1. Patient Rooms (including the Toilet)
2. Family Support (Lounges, Toilets and Consult Rooms)
3. Staff Support (Staff and Physician Work Stations, Toilets, Lockers, Lounges and Offices)
4. Logistics Support – Clean (Clean Supply, Nourishment, Medication, Equipment Storage, Soiled Utility and Housekeeping)

Areas excluded from this definition are:

5. Internal Unit corridors
6. Building Infrastructure (Exterior Wall, Mechanical Closets, Vertical Shafts and Circulation)

P+W's benchmarking values and the tabulation of the proposed space included the areas otherwise excluded by the COMAR standard. If the COMAR definition is directly applied to these tabulations, the program area per bed meets the guidelines put forth in the CON Application itself <sup>3</sup>.

Therefore: The program for the proposed 24-bed CCU/ICU Unit can be summarized as follows:

1. Patient Rooms/Tlts:	8,856
2. Family Support:	1,444
3. Staff Support:	3,177
4. <u>Logistics Support</u>	<u>2,631</u>
Subtotal	16,108

Therefore, per COMAR's definition, the program space per bed is 671 SF (the original calculation of 659 SF mistakenly excluded some areas that should have been included). This is the value that should be compared to the SF Benchmark value of 18,300 for 24 beds or 762 SF/Bed.

Areas excluded from this definition of Patient Room area are:

5. Internal Unit corridors	6,821
6. <u>Building Infrastructure</u>	<u>4,507</u>
Subtotal	11,328

The total of these two values equals the Gross Square Footage of the Unit (27,436 GSF). The originally reported Gross Square Footage of the Unit, 26,377 GSF, mistakenly omitted some areas that should have been included in this calculation.

Please refer to the attached area tabulations for a detailed, categorized space program for this unit (see Exhibit E).

**b. Explain why the use of acuity adaptive rooms requires additional square footage for critical care beds and observation beds in excess of the Perkins + Will benchmarks.**

**RESPONSE:** With the clarification of the inclusion of spaces for consistency in our comparisons, the Perkins+Will benchmark of 18,300 SF for comparison with the comparable space of the proposed critical care unit (formerly stated as 26,377 SF for 24 beds or 1,099 SF/Bed), is effectively 16,108 SF, or 671 SF/Bed (for 24 beds). This eliminates the approximately 44% of over-sizing noted in the 12/12/13 Completeness Letter.

Notwithstanding, an acuity adaptive patient room will be larger than a conventional critical care room due to the following factors:

1. In general, Acuity Adaptive Rooms trade off additional space, features and services to achieve more flexibility in staffing and in the delivery of care.
2. Because a wide range of patient types, as well as more complex cases with multiple ailments, will use the room, additional floor space required for key equipment which must sit bedside is taken into account.
3. Units with Acuity Adaptive Patient Rooms move the staff to the patient. Accordingly, adequate space must be provided within the Patient Room to allow for the caregivers to work as they may have to bring some of their resources with them.

4. Multiple specialties within a single room call for the combination of a wider range of code-required clearances specific to certain modalities.
5. Patients with complex illness tend to be more susceptible to infection. Therefore, adequate space for handwashing, waste disposal and the preservation of distinct activity zones within the room is required.
6. In the Acuity Adaptive Room, the Toilet/Shower is adequately sized for regular patient, and often family, use. In a traditional CCU/ICU, if a patient is well enough to go to a toilet room, they will have stepped out of an intensive and down into a more acute care setting.
7. With patients trending toward multiple acuities, exacerbated by chronic conditions such as diabetes and obesity, inpatient stays have become less routine. Accordingly, the patient's family becomes more involved in the daily care of the patient. For the presence of family in the room to remain a positive influence on the healing environment, they must have adequate space to occupy, out of the way of the main flow of patient care and comfortable enough that they themselves can remain healthy as they provide care giving and support.

# Exhibit A

Revised Table 3 - With Inflation

MedStar Southern Maryland Hospital Center, Inc.

TABLE 3: REVENUES AND EXPENSES - ENTIRE FACILITY

CY or FY (Circle)	Two Most Actual Ended Recent Years		Current Year Projected	Projected Years (ending with first full year at full utilization)						
	2012	2013		2014	2015	2016	2017	2018	2019	2020
<b>1. Revenue<sup>a</sup></b>										
a. Inpatient Services <sup>b</sup>	\$ 184,149,559	\$ 167,004,215	\$ 166,894,302	\$ 169,480,608	\$ 171,585,878	\$ 171,967,175	\$ 173,425,070	\$ 192,282,695	\$ 200,492,648	
b. Outpatient Services <sup>b</sup>	\$ 86,487,262	\$ 100,950,594	\$ 108,483,098	\$ 112,432,679	\$ 116,266,722	\$ 116,266,722	\$ 116,266,722	\$ 122,149,576	\$ 126,406,197	
c. Gross Patient Services	\$ 270,636,821	\$ 267,954,809	\$ 275,377,400	\$ 281,913,287	\$ 287,852,600	\$ 288,233,897	\$ 289,691,793	\$ 314,432,271	\$ 326,898,845	
d. Allowance for Bad Debt <sup>c</sup>	\$ 14,841,008	\$ 15,671,754	\$ 14,379,329	\$ 16,264,931	\$ 16,624,751	\$ 16,647,345	\$ 16,733,736	\$ 18,199,787	\$ 18,938,520	
e. Contractual Allowance <sup>c</sup>	\$ 29,096,276	\$ 38,500,483	\$ 39,374,825	\$ 38,758,550	\$ 39,615,985	\$ 39,669,827	\$ 39,875,692	\$ 43,369,220	\$ 45,129,587	
f. Charity Care <sup>c</sup>	\$ 1,038,183	\$ 2,463,285	\$ 1,208,439	\$ 1,706,132	\$ 1,743,876	\$ 1,746,246	\$ 1,755,308	\$ 1,909,091	\$ 1,986,582	
g. Net Patient Services	\$ 225,661,354	\$ 211,319,287	\$ 220,414,807	\$ 225,183,674	\$ 229,867,989	\$ 230,170,479	\$ 231,327,057	\$ 250,954,173	\$ 260,844,156	
h. Other Operating Revenues (cafeteria, gift shop, med records abstract, telephone) <sup>d</sup>	\$ 824,578	\$ 1,132,011	\$ 1,104,676	\$ 1,137,816	\$ 1,171,950	\$ 1,207,109	\$ 1,243,322	\$ 1,207,109	\$ 1,243,322	
<b>l. Net Operating Revenue</b>	<b>\$ 226,485,932</b>	<b>\$ 212,451,298</b>	<b>\$ 221,519,483</b>	<b>\$ 226,321,490</b>	<b>\$ 231,039,939</b>	<b>\$ 231,377,588</b>	<b>\$ 232,570,379</b>	<b>\$ 252,161,282</b>	<b>\$ 262,087,477</b>	
<b>2. Expenses<sup>a</sup></b>										
a. Salaries, Wages, and Professional Fees, (including fringe benefits) <sup>d</sup>	\$ 106,115,073	\$ 116,724,246	\$ 114,287,468	\$ 116,123,416	\$ 118,059,973	\$ 118,185,432	\$ 118,665,127	\$ 126,805,542	\$ 130,907,448	
b. Contractual Services <sup>d</sup>	\$ 19,689,858	\$ 28,235,612	\$ 13,870,382	\$ 14,148,556	\$ 14,441,974	\$ 14,460,984	\$ 14,533,664	\$ 15,767,060	\$ 16,388,560	
c. Interest on Current Debt	\$ 1,237,744	\$ 2,412,769	\$ 8,094,955	\$ 7,690,207	\$ 7,305,697	\$ 6,940,412	\$ 6,593,391	\$ 6,263,721	\$ 5,950,535	
d. Interest on Project Debt <sup>e</sup>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
e. Current Depreciation	\$ 5,566,726	\$ 4,599,985	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,265,173	\$ 5,193,737	
f. Project Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
g. Current Amortization	\$ -	\$ 1,278,012	\$ 2,019,054	\$ 2,019,054	\$ 2,019,054	\$ 2,019,054	\$ 2,019,054	\$ 2,019,054	\$ 2,019,054	
h. Project Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
i. Supplies <sup>d</sup>	\$ 42,849,230	\$ 40,409,909	\$ 38,747,566	\$ 38,860,512	\$ 39,783,039	\$ 39,840,675	\$ 40,068,694	\$ 43,938,172	\$ 45,887,978	
j. Other Expenses (Management fees, corporate overhead, risk) <sup>f</sup>	\$ 37,225,241	\$ 32,593,472	\$ 28,793,755	\$ 29,541,913	\$ 30,404,907	\$ 30,460,816	\$ 30,674,583	\$ 34,302,219	\$ 36,130,162	
<b>k. Total Operating Expenses</b>	<b>\$ 212,683,872</b>	<b>\$ 226,254,005</b>	<b>\$ 205,813,180</b>	<b>\$ 208,383,657</b>	<b>\$ 212,012,644</b>	<b>\$ 211,907,973</b>	<b>\$ 212,554,513</b>	<b>\$ 239,547,719</b>	<b>\$ 247,664,252</b>	
<b>3. Income</b>										
a. Income from Operation	\$ 13,802,060	\$ (13,802,707)	\$ 15,706,303	\$ 17,937,833	\$ 19,027,295	\$ 19,470,215	\$ 20,015,866	\$ 22,613,563	\$ 14,423,225	
b. Non-Operating Income	\$ (215,201)	\$ 105,417	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
c. Subtotal	\$ 13,586,859	\$ (13,697,290)	\$ 15,706,303	\$ 17,937,833	\$ 19,027,295	\$ 19,470,215	\$ 20,015,866	\$ 22,613,563	\$ 14,423,225	
d. Income Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>e. Net Income (Loss)</b>	<b>\$ 13,586,859</b>	<b>\$ (13,697,290)</b>	<b>\$ 15,706,303</b>	<b>\$ 17,937,833</b>	<b>\$ 19,027,295</b>	<b>\$ 19,470,215</b>	<b>\$ 20,015,866</b>	<b>\$ 22,613,563</b>	<b>\$ 14,423,225</b>	
<b>4. Patient Mix:</b>										
<b>A. Percent of Total Revenue</b>										
1) Medicare	39.2%	41.1%	41.1%	41.1%	41.1%	41.1%	41.1%	41.1%	41.1%	
2) Medicaid	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	
3) Blue Cross	16.4%	15.7%	15.7%	15.7%	15.7%	15.7%	15.7%	15.7%	15.7%	
4) Commercial Insurance	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	
5) Self-Pay	5.5%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	
6) Other (Specify)	3.9%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	
<b>7) TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	
<b>B. Percent of Patient Days/Visits/Procedures (as applicable)</b>										
1) Medicare	39.2%	39.2%	39.2%	39.2%	39.2%	39.2%	39.2%	39.2%	39.2%	
2) Medicaid	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	
3) Blue Cross	16.4%	16.4%	16.4%	16.4%	16.4%	16.4%	16.4%	16.4%	16.4%	
4) Commercial Insurance	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	
5) Self-Pay	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	
6) Other (Specify)	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	
<b>7) TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	

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Note 1: Revenues based on actual volumes ('12, '13), MedStar internal budget ('14), or projections using SG2 methodology with 2014 as baseline ('15-'20).

Note 2: Expenses based on actual volumes ('12, '13), MedStar internal budget ('14), or projections using SG2 methodology with 2014 as baseline amounts ('15-'20).

Note 3: The below rate increases and inflation for revenue and expenses are internal assumptions being utilized by MedStar in their internal multi-year projections:

- a - Income/Expenses exclude physicians expense and CRNA expense as required by standard accounting practice.
- b - Inflation of 1.65% in 2014, 2.28% in 2015, and 2.3% in 2016 - 2020. Includes Rate impact associated w/ Global Budget Revenue Model (GBR) for FY 2014 through FY 2020.
- c - Inflation equals 50% of the inflation of revenue allocated between allowance for bad debt, contractual allowance and charity chare.
- d - Inflation of 2%
- e - Interest capitalized during construction periods and expensed starting in FY 2019
- f - Incremental revenue on projected volume growth is discounted by 15%
- g - Variable expenses related to the incremental volume growth equal 59% of discounted revenue, which was validated with national averages. Allocation is 33% salaries, 5% contracted services, 16% supplies, and 5% other.

# Exhibit B

Revised Table 3 - Uninflated

TABLE 3: REVENUES AND EXPENSES – ENTIRE FACILITY

CY or FY (Circle)	Two Most Actual Ended Recent Years				Current Year Projected 2014	Projected Years (ending with first full year at full utilization)				
	2012	2013	2014	2015		2016	2017	2018	2019	2020
<b>1. Revenue<sup>and</sup></b>										
a. Inpatient Services <sup>1</sup>	\$ 184,149,559	\$ 167,004,215	\$ 164,623,160	\$ 165,800,227	\$ 167,826,606	\$ 168,199,330	\$ 169,624,448	\$ 188,058,099	\$ 196,083,468	
b. Outpatient Services <sup>1</sup>	\$ 86,487,262	\$ 100,950,594	\$ 106,774,125	\$ 109,991,450	\$ 113,718,360	\$ 113,718,360	\$ 113,718,360	\$ 119,468,950	\$ 123,629,870	
c. Gross Patient Services	\$ 270,636,821	\$ 267,954,809	\$ 271,037,285	\$ 275,791,677	\$ 281,544,966	\$ 281,917,690	\$ 283,342,808	\$ 307,527,049	\$ 319,713,338	
d. Allowance for Bad Debt	\$ 14,841,008	\$ 15,671,754	\$ 14,345,397	\$ 15,023,131	\$ 15,345,050	\$ 15,365,905	\$ 15,445,646	\$ 16,798,846	\$ 17,480,715	
e. Contractual Allowance	\$ 29,096,276	\$ 38,500,483	\$ 39,154,132	\$ 35,803,104	\$ 36,570,299	\$ 36,620,002	\$ 36,810,040	\$ 40,034,985	\$ 41,660,015	
f. Charity Care	\$ 1,038,183	\$ 2,463,285	\$ 1,208,139	\$ 1,577,122	\$ 1,610,917	\$ 1,613,106	\$ 1,621,477	\$ 1,763,536	\$ 1,835,118	
g. Net Patient Services	\$ 225,661,354	\$ 211,319,287	\$ 216,329,617	\$ 223,388,320	\$ 228,018,700	\$ 228,318,677	\$ 229,465,645	\$ 248,929,682	\$ 258,737,490	
h. Other Operating Revenues (cafeteria, gift-shop, med records abstract, telephone)	\$ 824,578	\$ 1,132,011	\$ 1,083,016	\$ 1,115,506	\$ 1,148,972	\$ 1,183,441	\$ 1,218,944	\$ 1,183,441	\$ 1,218,944	
<b>i. Net Operating Revenue</b>	<b>\$ 226,485,932</b>	<b>\$ 212,451,298</b>	<b>\$ 217,412,633</b>	<b>\$ 224,503,826</b>	<b>\$ 229,167,672</b>	<b>\$ 229,502,118</b>	<b>\$ 230,684,589</b>	<b>\$ 250,113,123</b>	<b>\$ 259,956,434</b>	
<b>2. Expenses<sup>and</sup></b>										
a. Salaries, Wages, and Professional Fees, (including fringe benefits)	\$ 106,115,073	\$ 116,724,246	\$ 112,046,537	\$ 113,846,486	\$ 115,745,072	\$ 115,868,071	\$ 116,338,360	\$ 124,319,159	\$ 128,340,635	
b. Contractual Services	\$ 19,689,858	\$ 28,235,612	\$ 13,598,414	\$ 13,871,133	\$ 14,158,798	\$ 14,177,435	\$ 14,248,690	\$ 15,457,902	\$ 16,067,216	
c. Interest on Current Debt	\$ 1,237,744	\$ 2,412,769	\$ 8,094,955	\$ 7,690,207	\$ 7,305,697	\$ 6,940,412	\$ 6,593,391	\$ 6,263,722	\$ 5,950,536	
d. Interest on Project Debt <sup>4</sup>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
e. Current Depreciation	\$ 5,566,726	\$ 4,599,985	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,265,173	\$ 5,193,737	
f. Project Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,128,111	\$ 5,128,111	
g. Current Amortization	\$ -	\$ 1,278,012	\$ 2,019,054	\$ 2,019,054	\$ 2,019,054	\$ 2,019,054	\$ 2,019,054	\$ 2,019,054	\$ 2,019,054	
h. Project Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,667	\$ 58,667	
i. Supplies	\$ 42,849,230	\$ 40,409,909	\$ 37,987,810	\$ 38,860,512	\$ 39,781,039	\$ 39,840,675	\$ 40,068,694	\$ 43,938,172	\$ 45,887,978	
j. Other Expenses (Management fees, corporate overhead, risk)	\$ 37,225,241	\$ 32,593,472	\$ 28,793,755	\$ 29,541,913	\$ 30,404,907	\$ 30,460,816	\$ 30,674,583	\$ 34,302,219	\$ 36,130,162	
<b>k. Total Operating Expenses</b>	<b>\$ 212,683,872</b>	<b>\$ 226,254,005</b>	<b>\$ 202,540,525</b>	<b>\$ 205,829,305</b>	<b>\$ 209,414,567</b>	<b>\$ 209,306,463</b>	<b>\$ 209,942,772</b>	<b>\$ 236,752,179</b>	<b>\$ 244,776,096</b>	
<b>3. Income</b>										
a. Income from Operation	\$ 13,802,060	\$ (13,802,707)	\$ 14,872,108	\$ 18,674,521	\$ 19,753,105	\$ 20,195,655	\$ 20,741,817	\$ 13,360,944	\$ 15,180,338	
b. Non-Operating Income	\$ (215,201)	\$ 105,417	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
c. Subtotal	\$ 13,586,859	\$ (13,697,290)	\$ 14,872,108	\$ 18,674,521	\$ 19,753,105	\$ 20,195,655	\$ 20,741,817	\$ 13,360,944	\$ 15,180,338	
d. Income Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>e. Net Income (Loss)</b>	<b>\$ 13,586,859</b>	<b>\$ (13,697,290)</b>	<b>\$ 14,872,108</b>	<b>\$ 18,674,521</b>	<b>\$ 19,753,105</b>	<b>\$ 20,195,655</b>	<b>\$ 20,741,817</b>	<b>\$ 13,360,944</b>	<b>\$ 15,180,338</b>	
<b>4. Patient Mix:</b>										
<b>A. Percent of Total Revenue</b>										
1) Medicare	39.2%	41.1%	41.1%	41.1%	41.1%	41.1%	41.1%	41.1%	41.1%	
2) Medicaid	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	
3) Blue Cross	16.4%	15.7%	15.7%	15.7%	15.7%	15.7%	15.7%	15.7%	15.7%	
4) Commercial Insurance	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	
5) Self-Pay	5.5%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	
6) Other (Specify)	3.9%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	
<b>7) TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	
<b>B. Percent of Patient Days/Visits/Procedures (as applicable)</b>										
1) Medicare	39.2%	39.2%	39.2%	39.2%	39.2%	39.2%	39.2%	39.2%	39.2%	
2) Medicaid	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	
3) Blue Cross	16.4%	16.4%	16.4%	16.4%	16.4%	16.4%	16.4%	16.4%	16.4%	
4) Commercial Insurance	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	
5) Self-Pay	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	
6) Other (Specify)	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	
<b>7) TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	

Note 1: Revenues based on actual volumes ('12, '13), MedStar internal budget ('14), or projections using SG2 methodology with 2014 as baseline ('15-'20).

Note 2: Expenses based on actual volumes ('12, '13), MedStar internal budget ('14), or projections using SG2 methodology with 2014 as baseline amounts ('15-'20).

- a - No inflation included
- b - Income/Expenses exclude physicians expense and CRNA expense as required by standard accounting practice.
- c - Interest capitalized during construction periods and expensed starting in FY 2019
- d - Incremental revenue on projected volume growth is discounted by 15%
- e - Variable expenses related to the incremental volume growth equal 59% of discounted revenue, which was validated with national averages. Allocation is 33% salaries, 5% contracted services, 16% supplies, and 5% other.
- f - Includes rate impact associated w/ Global Budget Revenue Model (GBR) for FY 2014 through FY 2020.

# Exhibit C

Revised Table 3 - With Inflation  
Alternate Variable Cost Factor Assumption

TABLE 3: REVENUES AND EXPENSES - ENTIRE FACILITY

CY or FY (Circle)	Two Most Actual Ended Recent Years			Current Year Projected	Projected Years (ending with first full year at full utilization)					
	2012	2013	2014		2015	2016	2017	2018	2019	2020
<b>1. Revenue<sup>a/</sup></b>										
a. Inpatient Services <sup>b</sup>	\$ 184,149,559	\$ 167,004,215	\$ 166,303,062	\$ 188,061,479	\$ 169,312,890	\$ 169,537,181	\$ 170,394,767	\$ 181,487,488	\$ 186,316,871	
b. Outpatient Services <sup>b</sup>	\$ 86,487,262	\$ 100,950,594	\$ 108,483,098	\$ 110,959,770	\$ 113,223,620	\$ 113,223,620	\$ 113,223,620	\$ 116,684,122	\$ 119,188,016	
c. Gross Patient Services	\$ 270,636,821	\$ 267,954,809	\$ 274,786,160	\$ 279,021,250	\$ 282,536,509	\$ 282,760,801	\$ 283,618,387	\$ 296,171,609	\$ 305,504,888	
d. Allowance for Bad Debt <sup>c</sup>	\$ 14,841,008	\$ 15,671,754	\$ 14,379,325	\$ 16,104,415	\$ 16,320,649	\$ 16,333,948	\$ 16,384,800	\$ 17,247,760	\$ 17,682,600	
e. Contractual Allowance <sup>c</sup>	\$ 29,096,276	\$ 38,500,483	\$ 39,374,826	\$ 38,380,272	\$ 38,895,603	\$ 38,927,299	\$ 39,048,491	\$ 41,105,109	\$ 42,141,426	
f. Charity Care <sup>c</sup>	\$ 1,038,183	\$ 2,463,285	\$ 1,208,439	\$ 1,690,964	\$ 1,713,668	\$ 1,715,065	\$ 1,720,404	\$ 1,811,015	\$ 1,856,673	
g. Net Patient Services	\$ 225,661,354	\$ 211,319,287	\$ 219,823,569	\$ 222,845,599	\$ 225,606,590	\$ 225,784,489	\$ 226,464,692	\$ 238,007,726	\$ 243,824,189	
h. Other Operating Revenues (catereria, gift shop, med records abstract, telephone) <sup>d</sup>	\$ 824,578	\$ 1,132,011	\$ 1,104,676	\$ 1,137,816	\$ 1,171,950	\$ 1,207,109	\$ 1,243,322	\$ 1,207,109	\$ 1,243,322	
<b>i. Net Operating Revenue</b>	<b>\$ 226,485,932</b>	<b>\$ 212,451,298</b>	<b>\$ 220,928,246</b>	<b>\$ 223,983,415</b>	<b>\$ 226,778,540</b>	<b>\$ 226,991,598</b>	<b>\$ 227,708,014</b>	<b>\$ 239,214,835</b>	<b>\$ 245,067,511</b>	
<b>2. Expenses<sup>a</sup></b>										
a. Salaries, Wages, and Professional Fees, (including fringe benefits) <sup>d</sup>	\$ 106,115,073	\$ 116,724,246	\$ 114,091,687	\$ 115,171,657	\$ 116,310,808	\$ 116,384,607	\$ 116,666,781	\$ 121,455,261	\$ 123,866,146	
b. Contractual Services <sup>d</sup>	\$ 19,689,858	\$ 28,235,612	\$ 13,866,144	\$ 14,127,956	\$ 14,404,114	\$ 14,422,004	\$ 14,490,410	\$ 15,651,253	\$ 16,236,195	
c. Interest on Current Debt	\$ 1,237,744	\$ 2,412,769	\$ 8,094,955	\$ 7,690,207	\$ 7,305,697	\$ 6,940,412	\$ 6,593,391	\$ 6,263,721	\$ 5,950,535	
d. Interest on Project Debt <sup>e</sup>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
e. Current Depreciation	\$ 5,566,726	\$ 4,599,985	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,265,173	\$ 5,193,737	
f. Project Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
g. Current Amortization	\$ -	\$ 1,278,012	\$ 2,019,054	\$ 2,019,054	\$ 2,019,054	\$ 2,019,054	\$ 2,019,054	\$ 2,019,054	\$ 2,019,054	
h. Project Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,667	
i. Supplies <sup>d</sup>	\$ 42,849,230	\$ 40,409,909	\$ 38,974,706	\$ 39,943,067	\$ 41,770,583	\$ 41,888,977	\$ 42,341,662	\$ 50,023,715	\$ 53,894,654	
j. Other Expenses (Management fees, corporate overhead, risk) <sup>d</sup>	\$ 37,225,241	\$ 32,593,472	\$ 28,706,508	\$ 29,117,779	\$ 29,625,422	\$ 29,658,310	\$ 29,784,055	\$ 31,917,958	\$ 32,993,219	
<b>k. Total Operating Expenses</b>	<b>\$ 212,683,872</b>	<b>\$ 226,254,005</b>	<b>\$ 205,753,054</b>	<b>\$ 208,069,720</b>	<b>\$ 211,435,678</b>	<b>\$ 211,313,365</b>	<b>\$ 211,895,353</b>	<b>\$ 237,782,913</b>	<b>\$ 245,342,318</b>	
<b>3. Income</b>										
a. Income from Operation	\$ 13,802,060	\$ (13,802,707)	\$ 15,175,192	\$ 15,913,695	\$ 15,342,862	\$ 15,678,233	\$ 15,812,661	\$ 1,431,921	\$ (274,807)	
b. Non-Operating Income	\$ (215,201)	\$ 105,417	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
c. Subtotal	\$ 13,586,859	\$ (13,697,290)	\$ 15,175,192	\$ 15,913,695	\$ 15,342,862	\$ 15,678,233	\$ 15,812,661	\$ 1,431,921	\$ (274,807)	
d. Income Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>e. Net Income (Loss)</b>	<b>\$ 13,586,859</b>	<b>\$ (13,697,290)</b>	<b>\$ 15,175,192</b>	<b>\$ 15,913,695</b>	<b>\$ 15,342,862</b>	<b>\$ 15,678,233</b>	<b>\$ 15,812,661</b>	<b>\$ 1,431,921</b>	<b>\$ (274,807)</b>	
<b>4. Patient Mix:</b>										
<b>A. Percent of Total Revenue</b>										
1) Medicare	39.2%	41.1%	41.1%	41.1%	41.1%	41.1%	41.1%	41.1%	41.1%	
2) Medicaid	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	
3) Blue Cross	16.4%	15.7%	15.7%	15.7%	15.7%	15.7%	15.7%	15.7%	15.7%	
4) Commercial Insurance	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	
5) Self-Pay	5.5%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	
6) Other (Specify)	3.9%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	
7) TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	
<b>B. Percent of Patient Days/Visits/Procedures (as applicable)</b>										
1) Medicare	39.2%	39.2%	39.2%	39.2%	39.2%	39.2%	39.2%	39.2%	39.2%	
2) Medicaid	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	
3) Blue Cross	16.4%	16.4%	16.4%	16.4%	16.4%	16.4%	16.4%	16.4%	16.4%	
4) Commercial Insurance	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	
5) Self-Pay	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	
6) Other (Specify)	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	
7) TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	

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Note 1: Revenues based on actual volumes ('12, '13), MedStar internal budget ('14), or projections using SG2 methodology with 2014 as baseline ('15-'20).

Note 2: Expenses based on actual volumes ('12, '13), MedStar internal budget ('14), or projections using SG2 methodology with 2014 as baseline amounts ('15-'20).

Note 3: The below rate increases and inflation for revenue and expenses are internal assumption being utilized by MedStar in their internal multi-year projections:

- a - Income/Expenses exclude physicians expense and CRNA expense as required by standard accounting practice.
- b - Inflation of 1.65% in 2014, 2.28% in 2015, and 2.3% in 2016 - 2020. Includes rate impact associated w/ Global Budget Revenue Model (GBR) for FY 2014 through 2020.
- c - Inflation equals 50% of the inflation of revenue allocated between allowance for bad debt, contractual allowance and charity share.
- d - Inflation of 2%
- e - Interest capitalized during construction periods and expensed starting in FY 2019
- f - Incremental revenue on projected volume growth is discounted by 15%
- g - Variable expenses related to the incremental volume growth equal 59% of discounted revenue, which was validated with national averages. Allocation is 33% salaries, 5% contracted services, 16% supplies, and 5% other.

# Exhibit D

Revised Table 3 - Uninflated  
Alternate Variable Cost Factor Assumption

MedStar Southern Maryland Hospital Center, Inc.

TABLE 3: REVENUES AND EXPENSES – ENTIRE FACILITY

CY or FY (Circle)	Two Most Actual Ended Recent Years		Current Year Projected		Projected Years (ending with first full year at full utilization)						
	2012	2013	2014	2015	2016	2017	2018	2019	2020		
<b>1. Revenue<sup>a-d</sup></b>											
a. Inpatient Services <sup>f</sup>	\$ 184,149,559	\$ 167,004,215	\$ 163,681,517	\$ 164,412,733	\$ 165,604,721	\$ 165,823,970	\$ 166,662,275	\$ 177,505,599	\$ 182,226,404		
b. Outpatient Services <sup>f</sup>	\$ 86,487,262	\$ 100,950,594	\$ 106,774,125	\$ 108,551,375	\$ 110,743,675	\$ 110,743,675	\$ 110,743,675	\$ 114,126,375	\$ 116,573,975		
c. Allow Patient Services	\$ 270,636,821	\$ 267,954,809	\$ 270,455,642	\$ 272,964,108	\$ 276,348,986	\$ 276,567,645	\$ 277,405,950	\$ 291,631,974	\$ 298,800,379		
d. Allowance for Bad Debt	\$ 14,841,008	\$ 15,671,754	\$ 14,345,397	\$ 14,875,621	\$ 15,065,121	\$ 15,077,398	\$ 15,124,338	\$ 15,920,911	\$ 16,322,300		
e. Contractual Allowance	\$ 29,096,276	\$ 38,500,483	\$ 39,154,132	\$ 35,455,263	\$ 35,906,927	\$ 35,936,188	\$ 36,048,067	\$ 37,946,658	\$ 38,903,346		
f. Charity Care	\$ 1,038,183	\$ 2,463,285	\$ 1,208,139	\$ 1,561,414	\$ 1,581,305	\$ 1,582,594	\$ 1,587,521	\$ 1,671,133	\$ 1,713,264		
g. Net Patient Services	\$ 225,661,354	\$ 211,319,287	\$ 215,747,974	\$ 221,071,810	\$ 223,795,043	\$ 223,971,466	\$ 224,646,025	\$ 236,093,272	\$ 241,861,469		
h. Other Operating Revenues (colleteria, gift shop, med records abstract, telephone)	\$ 824,578	\$ 1,132,011	\$ 1,083,016	\$ 1,115,506	\$ 1,148,972	\$ 1,183,441	\$ 1,218,944	\$ 1,183,441	\$ 1,218,944		
<b>l. Net Operating Revenue</b>	<b>\$ 226,485,932</b>	<b>\$ 212,451,298</b>	<b>\$ 216,830,990</b>	<b>\$ 222,187,316</b>	<b>\$ 224,944,015</b>	<b>\$ 225,154,907</b>	<b>\$ 225,864,969</b>	<b>\$ 237,276,713</b>	<b>\$ 243,080,414</b>		
<b>2. Expenses<sup>a-h</sup></b>											
a. Salaries, Wages, and Professional Fees, (including fringe benefits)	\$ 106,115,073	\$ 116,724,246	\$ 111,854,595	\$ 112,913,389	\$ 114,030,204	\$ 114,102,556	\$ 114,379,197	\$ 119,073,785	\$ 121,439,359		
b. Contractual Services	\$ 19,689,858	\$ 28,235,612	\$ 13,594,259	\$ 13,850,937	\$ 14,121,680	\$ 14,139,220	\$ 14,206,284	\$ 15,344,366	\$ 15,917,838		
c. Interest on Current Debt	\$ 1,237,744	\$ 2,412,769	\$ 8,094,955	\$ 7,690,207	\$ 7,305,697	\$ 6,940,412	\$ 6,593,391	\$ 6,263,722	\$ 5,950,536		
d. Interest on Project Debt <sup>f</sup>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
e. Current Depreciation	\$ 5,666,726	\$ 4,599,985	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,265,173	\$ 5,193,737		
f. Project Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,128,111	\$ 5,128,111		
g. Current Amortization	\$ -	\$ 1,278,012	\$ 2,019,054	\$ 2,019,054	\$ 2,019,054	\$ 2,019,054	\$ 2,019,054	\$ 2,019,054	\$ 2,019,054		
h. Project Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,667		
i. Supplies	\$ 42,849,230	\$ 40,409,909	\$ 38,210,496	\$ 39,943,067	\$ 41,770,583	\$ 41,888,977	\$ 42,341,662	\$ 50,023,715	\$ 53,894,654		
j. Other Expenses (Management fees, corporate overhead, risk)	\$ 37,225,241	\$ 32,593,472	\$ 28,706,508	\$ 29,117,779	\$ 29,625,422	\$ 29,658,310	\$ 29,784,055	\$ 31,917,958	\$ 32,993,219		
<b>k. Total Operating Expenses</b>	<b>\$ 212,683,872</b>	<b>\$ 226,254,005</b>	<b>\$ 202,479,867</b>	<b>\$ 205,534,433</b>	<b>\$ 208,872,640</b>	<b>\$ 208,748,529</b>	<b>\$ 209,323,643</b>	<b>\$ 235,094,551</b>	<b>\$ 242,595,175</b>		
<b>3. Income</b>											
a. Income from Operation	\$ 13,802,060	\$ (13,802,707)	\$ 14,351,123	\$ 16,652,883	\$ 16,071,375	\$ 16,406,378	\$ 16,541,325	\$ 2,182,162	\$ 485,238		
b. Non-Operating Income	\$ (215,201)	\$ 105,417	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
c. Subtotal	\$ 13,586,859	\$ (13,697,290)	\$ 14,351,123	\$ 16,652,883	\$ 16,071,375	\$ 16,406,378	\$ 16,541,325	\$ 2,182,162	\$ 485,238		
d. Income Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
<b>e. Net Income (Loss)</b>	<b>\$ 13,586,859</b>	<b>\$ (13,697,290)</b>	<b>\$ 14,351,123</b>	<b>\$ 16,652,883</b>	<b>\$ 16,071,375</b>	<b>\$ 16,406,378</b>	<b>\$ 16,541,325</b>	<b>\$ 2,182,162</b>	<b>\$ 485,238</b>		
<b>4. Patient Mix:</b>											
<b>A. Percent of Total Revenue</b>											
1) Medicare	39.2%	41.1%	41.1%	41.1%	41.1%	41.1%	41.1%	41.1%	41.1%		
2) Medicaid	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%		
3) Blue Cross	16.4%	15.7%	15.7%	15.7%	15.7%	15.7%	15.7%	15.7%	15.7%		
4) Commercial Insurance	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%		
5) Self-Pay	5.5%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%		
6) Other (Specify)	3.9%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%		
7) TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%		
<b>B. Percent of Patient Days/Visits/Procedures (as applicable)</b>											
1) Medicare	39.2%	39.2%	39.2%	39.2%	39.2%	39.2%	39.2%	39.2%	39.2%		
2) Medicaid	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%		
3) Blue Cross	16.4%	16.4%	16.4%	16.4%	16.4%	16.4%	16.4%	16.4%	16.4%		
4) Commercial Insurance	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%		
5) Self-Pay	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%		
6) Other (Specify)	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%		
7) TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%		

Note 1: Revenues based on actual volumes ('12, '13), MedStar internal budget ('14), or projections using SG2 methodology with 2014 as baseline ('15-'20).

Note 2: Expenses based on actual volumes ('12, '13), MedStar internal budget ('14), or projections using SG2 methodology with 2014 as baseline amounts ('15-'20).

- a - No inflation included
- b - Income/Expenses exclude physicians expense and CRNA expense as required by standard accounting practice.
- c - Interest capitalized during construction periods and expensed starting in FY 2019
- d - Incremental revenue on projected volume growth is discounted by 15%
- e - Variable expenses related to the incremental volume growth equal 59% of discounted revenue, which was validated with national averages. Allocation is 33% salaries, 5% contracted services, 16% supplies, and 5% other.
- f - Includes rate impact associated w/ Global Budget Revenue Model (GBR) for FY 2014 through 2020.

# Exhibit E

Area Tabulations  
Proposed Critical Care and Intensive Care Units

<b>Intensive Care Unit</b>				
<b>Name</b>	<b>Area (Net SF)</b>	<b># of Rms</b>	<b>SubTotal Area</b>	
<b>Patient Room</b>				<b>4,428</b>
ICU (1 - 12)	324	12	3,888	
TLT (1-12)	45	12	540	
<b>Family Area</b>				<b>976</b>
WAITING	613	1	613	
RECEPTION	207	1	207	
TLT (Public/ Family)	78	2	156	
<b>Staff Support</b>				<b>1,513</b>
NURSE STATION	326	2	652	
STAFF	392	1	392	
TLT/SH (STAFF)	75	3	225	
OFFICE	146	1	146	
OFFICE	98	1	98	
<b>Logistics Support</b>				<b>1,059</b>
CLEAN	121	1	121	
MED SUPPLY	215	1	215	
NOURISH	104	1	104	
EQUIP ALCOVE	48	1	48	
EQUIP ALCOVE	21	2	42	
STOR	270	1	270	
STOR	106	1	106	
SOIL	104	1	104	
HSKG	49	1	49	
<b>Programmed Area Subtotal (NSF)</b>				<b>7,976</b>
				<b># of Beds NSF/Bed</b>
				<b>12 665</b>
<b>Intradepartmental Circulation</b>				<b>2,905</b>
CORR			2,905	
<b>Building Infrastructure</b>				<b>2,782</b>
WALLS, SHAFTS, STRUCTURE			2,782	
<b>Unit Departmental Gross Area (DGSF)</b>				<b>13,663</b>
				<b># of Beds DGSF/Bed</b>
				<b>12 1,139</b>

<b>Critical Care Unit</b>						
<b>Name</b>	<b>Area (Net SF)</b>	<b># of Rms</b>	<b>SubTotal Area</b>			
<b>Patient Room</b>				<b>4,428</b>		
CCU (1 - 12)	324	12	3,888			
TLT (1-12)	45	12	540			
<b>Family Area</b>				<b>468</b>		
WAITING	378	1	378			
TLT (Public/ Family)	45	2	90			
<b>Staff Support</b>				<b>1,664</b>		
NURSE STATION	326	2	652			
CONF	279	1	279			
TLT/SH (STAFF)	80	1	80			
OFFICE	86	2	172			
ON-CALL	79	2	158			
PALLIATIVE CARE	323	1	323			
<b>Logistics Support</b>				<b>1,572</b>		
CLEAN	149	2	298			
MED SUPPLY	302	1	302			
MED SUPPLY	180	1	180			
NOURISH	104	1	104			
EQUIP ALCOVE	21	2	42			
STRETCHER ALCOVE	63	1	63			
STOR	180	1	180			
STOR	122	1	122			
STOR	106	1	106			
SOIL	126	1	126			
HSKG	49	1	49			
<b>Programmed Area Subtotal (NSF)</b>				<b>8,132</b>	<b>12</b>	<b>678</b>
<b>Intradepartmental Circulation</b>				<b>3,916</b>		
CORR			325			
CORR			3,591			
<b>Building Infrastructure</b>				<b>1,725</b>		
WALLS, SHAFTS, STRUCTURE			1,725			
<b>Unit Departmental Gross Area (DGSF)</b>				<b>13,773</b>	<b>12</b>	<b>1,148</b>

MedStar Southern Maryland Hospital Center - #13-16-2350

# Letters of Support

February 28, 2014



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10201 MARTIN LUTHER KING, JR. HIGHWAY SUITE 220 ▲ BOWIE, MD 20720  
301-860-0809 PHONE ▲ 301-860-1449 FAX ▲ BIZROUNDTABLE.ORG

---

M.H. JIM ESTEPP  
President & CEO

Ben Steffen  
Executive Director  
Maryland Health Care Commission  
4160 Patterson Ave.  
Baltimore, MD 21215-2299

October 4, 2013

Dear Mr. Steffen:

On behalf of the *Greater Prince George's Business Roundtable*, an organization of CEO's who represent nearly 60,000 personnel, I am writing to urge the Maryland Health Care Commission to approve MedStar Southern Maryland Hospital's plan to renovate and expand its facility in order to widen the range of medical and surgical services available to our rapidly growing community.

Founded 36 years ago as a remedy to the paucity of medical services in our community, MedStar Southern Maryland Hospital Center has clearly outgrown its current facility. The time has come to enlarge the facility to better serve the critical healthcare needs of our citizenry.

The hospital's expansion plans are carefully designed to enhance patient comfort and care and include a new larger emergency department, critical care center, clinical observation unit, and an interventional cardiology service. The plans also allow for growth of oncology, cardiology, and neurosciences services. The hospital expansion and renovation guarantees that patients will have access to the finest medical and surgical services near where they live, work, and go to school.

With nearly 20,000 admissions and approximately 65,000 emergency room visits each year, MedStar Southern Maryland Hospital Center is a vital part of the region's health care infrastructure. The one million residents of Prince George's, Charles, Calvert and St. Mary's Counties depend on this hospital as a trusted resource for medical and surgical care.

For the long-term health of this region's citizens, I strongly support MedStar Southern Maryland Hospital Center's application for a Certificate of Need.

Sincerely,

A handwritten signature in black ink, appearing to read "M.H. Estep". The signature is fluid and cursive, with a long horizontal stroke at the end.

M.H. Jim Estep

JOSEPH F. VALLARIO, JR.  
*Legislative District 27A*  
Prince George's and Calvert Counties

-----  
*Chair*  
Judiciary Committee

-----  
Legislative Policy Committee  
Rules and Executive  
Nominations Committee



*Annapolis Office*  
The Maryland House of Delegates  
6 Bladen Street, Room 101  
Annapolis, Maryland 21401  
301-858-3488 • 410-841-3488  
800-493-7122 Ext. 3488

-----  
*District Office*  
5210 Auth Road, Sixth Floor  
Suitland, Maryland 20746-4325  
301-423-8100

THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

October 10, 2013

Ben Steffen  
Executive Director, Maryland Health Care Commission  
4160 Patterson Ave.  
Baltimore, MD 21215-2299

Re: MedStar Southern Maryland Hospital Certificate of Need Application 2013

Dear Mr. Steffen:

On behalf of the citizens of Legislative District 27A, comprising both Calvert and Prince George's Counties, I urge that the Health Care Commission approve MedStar Southern Maryland Hospital's Certificate of Need application to renovate and expand its Clinton facility.

I understand that Southern Maryland Hospital's application is designed to allow the hospital to accommodate more emergency room visits and patients through the addition of 180,000 square feet of new hospital space. The hospital's plans include a new larger emergency department, a critical care center, a clinical observation unit, and an interventional cardiology service. An expansion of the Southern Maryland Hospital is desperately needed in order to ensure that the residents of Southern Maryland have access to critical medical and surgical services.

Southern Maryland Hospital currently takes care of 65,000 emergency room visits and 20,000 admissions each year, a number that is projected to increase. For the long-term health of Southern Maryland's citizens, I strongly support MedStar Southern Maryland Hospital Center's application for a Certificate of Need.

Sincerely,

A handwritten signature in black ink, appearing to read "Joseph F. Vallario, Jr.", written over a large, stylized flourish.

Joseph F. Vallario, Jr.

JAMES E. PROCTOR, JR.  
*Legislative District 27A*  
Prince George's and Calvert Counties

*Vice Chair*  
Appropriations Committee

*Subcommittees*  
Public Safety and Administration  
Oversight Committee on Personnel

Rules and Executive Nominations Committee



THE MARYLAND HOUSE OF DELEGATES

ANNAPOLIS, MARYLAND 21401

*Annapolis Office*  
The Maryland House of Delegates  
6 Bladen Street, Room 121  
Annapolis, Maryland 21401  
410-841-3083 • 301-858-3083  
800-492-7122 Ext. 3083  
Fax 410-841-3459 • 301-858-3459  
James.Proctor@house.state.md.us

*District Office*  
14202 Cold Harbour Drive  
Accokeek, Maryland 20607-3701  
301-203-0310  
Fax 301-203-0215

Ben Steffen  
Executive Director  
Maryland Health Care Commission  
4160 Patterson Ave.  
Baltimore, MD 21215-2299

November 21, 2013

Dear Mr. Steffen:

On behalf of the citizens of Prince George's County, I am writing to urge the Maryland Health Care Commission to approve MedStar Southern Maryland Hospital's plan to renovate and expand its facility in order to widen the range of medical and surgical services available to our rapidly growing community.

Founded 36 years ago as a remedy to the paucity of medical services in our community, MedStar Southern Maryland Hospital Center has clearly outgrown its current facility. The time has come to enlarge the facility to better serve the critical healthcare needs of our citizenry.

The hospital's expansion plans are carefully designed to enhance patient comfort and care and include a new larger emergency department, critical care center, clinical observation unit, and an interventional cardiology service. The plans also allow for growth of oncology, cardiology, and neurosciences services. The hospital expansion and renovation guarantees that patients will have access to the finest medical and surgical services near where they live, work, and go to school.

With nearly 20,000 admissions and approximately 65,000 emergency room visits each year, MedStar Southern Maryland Hospital Center is a vital part of the region's health care infrastructure. The one million residents of Prince George's, Charles, Calvert and St. Mary's Counties depend on this hospital as a trusted resource for medical and surgical care.

For the long-term health of this region's citizens, I strongly support MedStar Southern Maryland Hospital Center's application for a Certificate of Need.

Sincerely,

James E. Proctor, Jr.

Maryland House of Delegates

MELONY G. GRIFFITH  
25th Legislative District  
Prince George's County

Appropriations Committee

Chair  
Oversight Committee  
on Pensions

Vice Chair  
Capital Budget Subcommittee

Education and Economic  
Development Subcommittee



*The Maryland House of Delegates*  
ANNAPOLIS, MARYLAND 21401

The Maryland House of Delegates  
6 Bladen Street, Room 307  
301-858-3557 • 410-841-3557  
800-492-7122 Ext. 3557  
Fax 301-858-3498 • 410-841-3498

Ben Steffen  
Executive Director  
Maryland Health Care Commission  
4160 Patterson Ave.  
Baltimore, MD 21215-2299

October 10, 2013

Dear Mr. Steffen:

On behalf of the citizens of Prince George's County, I am writing to urge the Maryland Health Care Commission to approve MedStar Southern Maryland Hospital's plan to renovate and expand its facility in order to widen the range of medical and surgical services available to our rapidly growing community.

Founded 36 years ago as a remedy to the paucity of medical services in our community, MedStar Southern Maryland Hospital Center has clearly outgrown its current facility. The time has come to enlarge the facility to better serve the critical healthcare needs of our citizenry.

The hospital's expansion plans are carefully designed to enhance patient comfort and care and include a new larger emergency department, critical care center, clinical observation unit, and an interventional cardiology service. The plans also allow for growth of oncology, cardiology, and neurosciences services. The hospital expansion and renovation guarantees that patients will have access to the finest medical and surgical services near where they live, work, and go to school.

With nearly 20,000 admissions and approximately 65,000 emergency room visits each year, MedStar Southern Maryland Hospital Center is a vital part of the region's health care infrastructure. The one million residents of Prince George's, Charles, Calvert and St. Mary's Counties depend on this hospital as a trusted resource for medical and surgical care.

For the long-term health of this region's citizens, I strongly support MedStar Southern Maryland Hospital Center's application for a Certificate of Need.

Sincerely,

A handwritten signature in cursive script, appearing to read "Melony G. Griffith".

Melony G. Griffith

# **The Community Associations of Marlton**

**P.O. Box 1055**

**Upper Marlboro, Maryland 20773**

**CommunityAssociationsOfMarlton@comcast.net**

**Ben Steffen  
Executive Director  
Maryland Health Care Commission  
4160 Patterson Ave.  
Baltimore, MD 21215-2299**

**October 4, 2013**

**Dear Mr. Steffen:**

**On behalf of the Community Associations of Marlton (CAM), I am writing to urge the Maryland Health Care Commission to approve MedStar Southern Maryland Hospital's plan to renovate and expand its facility in order to widen the range of medical and surgical services available to our rapidly growing community.**

**When Dr. Francis Chiaramonte founded the hospital 36 years ago, he saw a need to remedy the scarcity of medical services in our community; MedStar Southern Maryland Hospital Center has clearly outgrown its current facility and the time is now to expand, which in turn will better serve the critical healthcare needs of our citizenry.**

**The planned hospital expansion is a necessity to an ever-growing community that needs facilities designed to enhance patient comfort and care and include a new larger emergency department, critical care center, clinical observation unit, and an interventional cardiology service. The plans also allow for growth of oncology, cardiology, and neurosciences services. The hospital expansion and renovation guarantees that patients will have access to the finest medical and surgical services near where they live, work, and go to school.**

**With nearly 20,000 admissions and approximately 65,000 emergency room visits each year, MedStar Southern Maryland Hospital Center is a vital part of the region's health care infrastructure. The one million residents of Prince George's, Charles, Calvert and St. Mary's Counties depend on this hospital as a trusted resource for medical and surgical care.**

**For the long-term health of this region's citizens, I strongly support MedStar Southern Maryland Hospital Center's application for a Certificate of Need.**

**Sincerely,**

**William Manning**

**Vice President**

**Community Associations of Marlton**



Ben Steffen  
Executive Director  
Maryland Health Care Commission  
4160 Patterson Ave.  
Baltimore, MD 21215-2299

Dear Mr. Steffen:

On behalf of Oak Orchard Community Association, I am writing to urge the Maryland Health Care Commission to approve MedStar Southern Maryland Hospital's plan to renovate and expand its facility in order to widen the range of medical and surgical services available to our rapidly growing community.

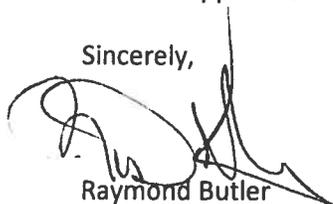
Founded 36 years ago as a remedy to the paucity of medical services in our community, MedStar Southern Maryland Hospital Center has clearly outgrown its current facility. The time has come to enlarge the facility to better serve the critical healthcare needs of our citizenry.

The hospital's expansion plans are carefully designed to enhance patient comfort and care and include a new larger emergency department, critical care center, clinical observation unit, and an interventional cardiology service. The plans also allow for growth of oncology, cardiology, and neurosciences services. The hospital expansion and renovation guarantees that patients will have access to the finest medical and surgical services near where they live, work, and go to school.

With nearly 20,000 admissions and approximately 65,000 emergency room visits each year, MedStar Southern Maryland Hospital Center is a vital part of the region's health care infrastructure. The one million residents of Prince George's, Charles, Calvert and St. Mary's Counties depend on this hospital as a trusted resource for medical and surgical care.

For the long-term health of this region's citizens, I strongly support MedStar Southern Maryland Hospital Center's application for a Certificate of Need.

Sincerely,

A handwritten signature in black ink, appearing to read 'Raymond Butler', is written over a horizontal line. The signature is fluid and cursive.

Raymond Butler

Vice President

Oak Orchard Community Association

9820 Green Apple Turn  
Upper Marlboro, MD 20772  
October 3, 2013

Ben Steffen  
Executive Director  
Maryland Health Care Commission  
4160 Patterson Ave.  
Baltimore, MD 21215-2299

Dear Mr. Steffen:

On behalf of the Williamsburg Estates Citizens Association, I am writing to urge the Maryland Health Care Commission to approve MedStar Southern Maryland Hospital's plan to renovate and expand its facility in order to widen the range of medical and surgical services available to our rapidly growing community.

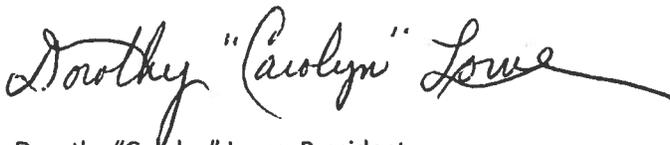
Founded 36 years ago as a remedy to the paucity of medical services in our community, MedStar Southern Maryland Hospital Center has clearly outgrown its current facility. The time has come to enlarge the facility to better serve the critical healthcare needs of our citizenry.

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With nearly 20,000 admissions and approximately 65,000 emergency room visits each year, MedStar Southern Maryland Hospital Center is a vital part of the region's health care infrastructure. The one million residents of Prince George's, Charles, Calvert and St. Mary's Counties depend on this hospital as a trusted resource for medical and surgical care.

For the long-term health of this region's citizens, I strongly support MedStar Southern Maryland Hospital Center's application for a Certificate of Need.

Sincerely,

A handwritten signature in cursive script that reads "Dorothy 'Carolyn' Lowe". The signature is written in black ink and includes a long, sweeping horizontal line at the end.

Dorothy "Carolyn" Lowe, President  
Williamsburg Estates Citizens Association

[letterhead]

Ben Steffen  
Executive Director  
Maryland Health Care Commission  
4160 Patterson Ave.  
Baltimore, MD 21215-2299

Dear Mr. Steffen:

On behalf of the Brookwood-Hollaway Civic Association, Inc., I am writing to urge the Maryland Health Care Commission to approve MedStar Southern Maryland Hospital's plan to renovate and expand its facility in order to widen the range of medical and surgical services available to our rapidly growing community.

Founded 36 years ago as a remedy to the paucity of medical services in our community, MedStar Southern Maryland Hospital Center has clearly outgrown its current facility. The time has come to enlarge the facility to better serve the critical healthcare needs of our citizenry.

The hospital's expansion plans are carefully designed to enhance patient comfort and care and include a new larger emergency department, critical care center, clinical observation unit, and an interventional cardiology service. The plans also allow for growth of oncology, cardiology, and neurosciences services. The hospital expansion and renovation guarantees that patients will have access to the finest medical and surgical services near where they live, work, and go to school.

With nearly 20,000 admissions and approximately 65,000 emergency room visits each year, MedStar Southern Maryland Hospital Center is a vital part of the region's health care infrastructure. The one million residents of Prince George's, Charles, Calvert and St. Mary's Counties depend on this hospital as a trusted resource for medical and surgical care.

For the long-term health of this region's citizens, I strongly support MedStar Southern Maryland Hospital Center's application for a Certificate of Need.

Sincerely,



Barry J. Schlossberg

Community Affairs Representative

Past President



12435C Mattawoman Drive  
Waldorf, MD 20601-3100  
Pastor and Founder, Elder Willie R. Hunt  
Phone: (240) 222-3021 Fax: (240) 419-2515  
Email: [nccogic@comcast.net](mailto:nccogic@comcast.net)  
[www.newcommunity-cogic.org](http://www.newcommunity-cogic.org)

Ben Steffen  
Executive Director  
Maryland Health Care Commission  
4160 Patterson Ave.  
Baltimore, MD 21215-2299

Dear Mr. Steffen:

On behalf of New Community Church of God in Christ, I am writing to urge the Maryland Health Care Commission to approve MedStar Southern Maryland Hospital's plan to renovate and expand its facility in order to widen the range of medical and surgical services available to our rapidly growing community.

Founded 36 years ago as a remedy to the paucity of medical services in our community, MedStar Southern Maryland Hospital Center has clearly outgrown its current facility. The time has come to enlarge the facility to better serve the critical healthcare needs of our citizenry. With nearly 20,000 admissions and approximately 65,000 emergency room visits each year, MedStar Southern Maryland Hospital Center is a vital part of the region's health care infrastructure.

MedStar Southern Maryland Hospital Center promotes wellness and community health. Well-known for extensive clinical outreach services, support groups, and health education programming, MedStar Southern Maryland Hospital partners with New Community Church of God in Christ and the New Community Development Corporation—a 501(c)(3) organization—to provide families and individuals in the Southern Maryland community with Human Value Enhancement (HVE) programs. The hospital's expanded facility and increased medical services strengthens our collective efforts to establish a greater footprint of community-based, emergency assistance, and supportive services for families and individuals to enhance their well-being and self-sufficiency.

For the long-term sustainability and health of Southern Maryland residents, I strongly support MedStar Southern Maryland Hospital Center's application for a Certificate of Need.

Sincerely,

Willie R. Hunt, Pastor  
New Community Church of God in Christ

Dr. Essam Tellawi, M.D., P.A.  
7700 Old Branch Ave, Ste. B102  
Clinton, MD 20735

Ben Steffen  
Executive Director  
Maryland Health Care Commission  
4160 Patterson Ave.  
Baltimore, MD 21215-2299

Dear Mr. Steffen:

On behalf of Dr. Essam Tellawi, M.D., P.A., I am writing to urge the Maryland Health Care Commission to approve MedStar Southern Maryland Hospital's plan to renovate and expand its facility in order to widen the range of medical and surgical services available to our rapidly growing community.

Founded 36 years ago as a remedy to the paucity of medical services in our community, MedStar Southern Maryland Hospital Center has clearly outgrown its current facility. The time has come to enlarge the facility to better serve the critical healthcare needs of our citizenry.

The hospital's expansion plans are carefully designed to enhance patient comfort and care and include a new larger emergency department, critical care center, clinical observation unit, and an interventional cardiology service. The plans also allow for growth of oncology, cardiology, and neurosciences services. The hospital expansion and renovation guarantees that patients will have access to the finest medical and surgical services near where they live, work, and go to school.

With nearly 20,000 admissions and approximately 65,000 emergency room visits each year, MedStar Southern Maryland Hospital Center is a vital part of the region's health care infrastructure. The one million residents of Prince George's, Charles, Calvert and St. Mary's Counties depend on this hospital as a trusted resource for medical and surgical care.

For the long-term health of this region's citizens, I strongly support MedStar Southern Maryland Hospital Center's application for a Certificate of Need.

Sincerely,

A handwritten signature in black ink, appearing to read 'Essam Tellawi', with a long horizontal flourish extending to the right.

Dr. Essam Tellawi, M.D., P.A.



BEL AIR  
510 Upper Chesapeake Dr 415  
Bel Air, MD 21014  
443-643-3000

BOWIE  
16900 Science Dr, Ste 100  
Bowie, MD 20715  
301-464-7008

CHEVY CHASE  
5550 Friendship Blvd., Ste 100  
Chevy Chase, MD 20815  
301-664-9405

CLINTON  
7501 Surratts Road, Suite 202  
Clinton, MD 20735  
301-877-6110

COLUMBIA  
7120 Minstrel Way, Ste 106  
Columbia, MD 21045  
410-290-9191

FREDERICK  
75 Thomas Johnson Dr, Ste C  
Frederick, MD 21702  
301-620-0012

GERMANTOWN  
19735 Germantown Rd, Ste 360  
Germantown, MD 20874  
301-528-2810

GLEN BURNIE  
1600 Crain Highway SW, Ste 301  
Glen Burnie, MD 21061  
410-787-8315

GREENBELT-  
BERWYN HEIGHTS  
8824 Cuningham Dr, Ste B  
Berwyn Heights, MD 20740  
240-965-0800

HAGERSTOWN  
1150 Professional Ct, Ste P  
Hagerstown, MD 21740  
301-665-9696

PIKESVILLE/BALTIMORE  
1838 Greene Tree Rd, Ste 150  
Pikesville, MD 21208  
410-383-7443

ROCKVILLE  
11921 Rockville Pike, Ste 505  
Rockville, MD 20852  
301-881-7246

SILVER SPRING  
8455 Colesville Rd, Ste 200  
Silver Spring, MD 20910  
301-588-0505

WALDORF  
3460 Old Washington Rd, Ste 300  
Waldorf, MD 20602  
301-645-1523

WHITE MARSH  
6820 Hospital Dr, Ste 302  
Baltimore, MD 21237  
410-682-2823

October 9, 2013

www.treatingpain.com

Ben Steffen  
Executive Director  
Maryland Health Care Commission  
4160 Patterson Avenue  
Baltimore, MD 21215-2299

Dear Mr. Steffen:

I am writing to urge the Maryland Health Care Commission to approve MedStar Southern Maryland Hospital's plan to renovate and expand its facility in order to widen the range of medical and surgical services available to our rapidly growing community.

Founded 36 years ago as a remedy to the paucity of medical services in our community, MedStar Southern Maryland Hospital Center has clearly outgrown its current facility. The time has come to enlarge the facility to better serve the critical healthcare needs of our citizenry.

The hospital's expansion plans are carefully designed to enhance patient comfort and care and include a new larger emergency department, critical care center, clinical observation unit, and an interventional cardiology service. The plans also allow for growth of oncology, cardiology, and neurosciences services. The hospital expansion and renovation guarantees that patients will have access to the finest medical and surgical services near where they live, work, and go to school.

With nearly 20,000 admissions and approximately 65,000 emergency room visits each year, MedStar Southern Maryland Hospital Center is a vital part of the region's health care infrastructure. The one million residents of Prince George's, Charles, Calvert and St. Mary's Counties depend on this hospital as a trusted resource for medical and surgical care.

For the long-term health of this region's citizens, I strongly support MedStar Southern Maryland Hospital Center's application for a Certificate of Need.

Sincerely,

Arthur P. Barletta, M.D.



DEPARTMENT OF THE AIR FORCE  
79TH MEDICAL WING (AFDW)

OCT 24 2013

Major General Gerard A. Caron, USAF, DC  
Commander, 79th Medical Wing  
1050 West Perimeter Road, Suite A1-11  
Joint Base Andrews MD 20762

Ben Steffen  
Executive Director  
Maryland Health Care Commission  
4160 Patterson Avenue  
Baltimore MD 21215-2299

Dear Mr. Steffen

On behalf of the 79th Medical Wing, Joint Base Andrews, I am writing to urge the Maryland Health Care Commission to approve MedStar Southern Maryland Hospital's plan to renovate and expand its facility in order to widen the range of medical and surgical services available to our growing community.

The hospital's expansion plans are carefully designed to enhance patient comfort and care and include a new larger emergency department, critical care center, clinical observation unit and an interventional cardiology service. The plans also allow for growth of oncology, cardiology and neurosciences services. The hospital expansion and renovation guarantees patients will have access to the finest medical, surgical and emergency services near where they live, work and go to school. I am writing particularly to provide the commission with information on the support MedStar Southern Maryland Hospital Center provides to our military medical mission.

Under the Base Realignment and Closure of 2005, we were directed to close inpatient services by 2010. Thanks to a strong partnership with MedStar Southern Maryland Hospital, we continue to serve 450,000 TRICARE-eligible beneficiaries who reside in the Southern Maryland counties, and provide aeromedical transit services to battle-injured service members and in-flight emergency response to Air Force One missions. Air Force physicians deliver 30 babies per month, on average, close to home where their families live. Also thanks to this partnership, Southern Maryland Hospital serves as the critical back-up to our emergency clinic on Andrews, particularly for cardiac and stroke response where time to treatment directly impacts the patient's recovery.

For the long-term health of this region's citizens and in support of our Air Force medical missions, I strongly support MedStar Southern Maryland Hospital Center's application for a Certificate of Need.

Sincerely

A handwritten signature in black ink, appearing to read "Gerard A. Caron", with a long horizontal flourish extending to the right.

GERARD A. CARON  
Major General, USAF, DC  
Commander



HEALTH  
DEPARTMENT  
Prince George's County

*Office of the Health Officer*

October 11, 2013

Ben Steffen  
Executive Director  
Maryland Health Care Commission  
4160 Patterson Ave.  
Baltimore, MD 21215-2299

Dear Mr. Steffen:

On behalf of Prince George's County Health Department, I am writing to urge the Maryland Health Care Commission to approve MedStar Southern Maryland Hospital's plan to renovate and expand its facility in order to widen the range of medical and surgical services available to our rapidly growing community. Founded 36 years ago as a remedy to the paucity of medical services in our community, MedStar Southern Maryland Hospital Center has clearly outgrown its current facility. The time has come to enlarge the facility to better serve the critical healthcare needs of our citizenry.

The hospital's expansion plans are carefully designed to enhance patient comfort and care and include a new larger emergency department, critical care center, clinical observation unit, and an interventional cardiology service. The plans also allow for growth of oncology, cardiology, and neurosciences services. The hospital expansion and renovation guarantees that patients will have access to the finest medical and surgical services near where they live, work, and go to school.

With nearly 20,000 admissions and approximately 65,000 emergency room visits each year, MedStar Southern Maryland Hospital Center is a vital part of the region's health care infrastructure. The one million residents of Prince George's, Charles, Calvert and St. Mary's Counties depend on this hospital as a trusted resource for medical and surgical care.

For the long-term health of this region's citizens, I strongly support MedStar Southern Maryland Hospital Center's application for a Certificate of Need.

Sincerely,

Pamela B. Creekmur  
Health Officer



Barbara L. Beher, II  
County Executive

Headquarters Building  
1701 McCormick Drive, Suite 200, Largo, Maryland 20774  
Office 301-883-7834, Fax 301-883-7896, TTY/STS Dial 711  
[www.princegeorgescountymd.gov/health](http://www.princegeorgescountymd.gov/health)

# Pediatric Dentistry

Felix J. Aguto, D.D.S., P.A.  
Giannina Galliani, D.D.S.  
Yuka Tanabe, D.D.S.  
Reza Beheshti, D.D.S.  
Eun Sun Hwang, D.D.S.

Ben Steffen  
Executive Director  
Maryland Health Care Commission  
4160 Patterson Ave.  
Baltimore, MD 21215-2299

Dear Mr. Steffen:

On behalf of We Make Kids Smile, I am writing to urge the Maryland Health Care Commission to approve MedStar Southern Maryland Hospital's plan to renovate and expand its facility in order to widen the range of medical and surgical services available to our rapidly growing community.

Founded 36 years ago as a remedy to the paucity of medical services in our community, MedStar Southern Maryland Hospital Center has clearly outgrown its current facility. The time has come to enlarge the facility to better serve the critical healthcare needs of our citizenry.

The hospital's expansion plans are carefully designed to enhance patient comfort and care and include a new larger emergency department, critical care center, clinical observation unit, and an interventional cardiology service. The plans also allow for growth of oncology, cardiology, and neurosciences services. The hospital expansion and renovation guarantees that patients will have access to the finest medical and surgical services near where they live, work, and go to school.

With nearly 20,000 admissions and approximately 65,000 emergency room visits each year, MedStar Southern Maryland Hospital Center is a vital part of the region's health care infrastructure. The one million residents of Prince George's, Charles, Calvert and St. Mary's Counties depend on this hospital as a trusted resource for medical and surgical care.

For the long-term health of this region's citizens, I strongly support MedStar Southern Maryland Hospital Center's application for a Certificate of Need.

Sincerely,



Felix J Aguto, DDS

We Make Kids Smile