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MARYLAND HEALTH CARE COMMISSION

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April 22, 2015

Kathleen McCollum, Sr. Vice President
Clinical Integration and COO
University of Maryland
Baltimore Washington Medical Center
301 Hospital Drive
Glen Burnie, Maryland 21061

Re: University of Maryland Baltimore
Washington Medical Center
Proposal to Change the Type and Scope of
Health Care Services Offered to Include
Cardiac Surgery
Matter No. 15-02-2361

VIA E-MAIL AND REGULAR MAIL

Dear Ms. McCollum:

Staff of the Maryland Health Care Commission (“MHCC”) has reviewed the March 30, 2015 responses to the March 10, 2015 completeness letter. We have the following questions and requests for additional information concerning this application. Please respond to this request, following the rules at COMAR 10.24.01.07. The application will be docketed if the response is complete.

1. The project drawings submitted in response to question 3 are not sufficiently legible. Please submit larger scale drawings of the Surgery Department clearly show the space that will be dedicated to the cardiac surgery program and any other spaces that will be used by the program, if approved. Please submit drawings showing how the space is used now.

Cardiac Surgery State Health Plan Chapter Standards

Minimum Volume Standard

1. Regarding Table 3 on page 45 of the application, are the estimates of the referred cardiac surgery cases adjusted for patients with extreme severity? If no, please make such adjustment and explain the basis for any assumptions made in making the adjustments.
2. Regarding the response to question 9b, please provide the following additional explanations:
 - a. What is the basis for the assumption that by FY 2020 80% of the non-severe cardiac surgery cases for UM BWMC's expected cardiac surgery service area that would have been performed at UMMC will shift to UM BWMC and that 20% of the cases will continue to be performed at UMMC?
 - b. What is the basis of the assumption that the volume of cardiac surgery cases that will shift from other programs in Maryland and Washington, DC will be 30% by FY 2020?

Impact

3. Explain why the impact analysis presented in Table 21 is based on the shift of 11 cases from JHH, 5 cases from Union Memorial, 1 from Sinai, 2 from Peninsula, 1 from WAH, and 4 from UMSJMC in FY2017 when Exhibit 23 shows that expected market shift for that year will be 17 from JHH, 8 from Union Memorial, 3 from Peninsula, 2 from WAH, and 5 from UMSJMC?

Cost Effectiveness

4. In the first paragraph of the response to question 17 concerning how the proposed establishment of a cardiac surgery program at UM BWMC will alter the effectiveness of such services for service area patients it states that "UM BWMC cardiac surgery service area will benefit from a patient/family focused system of discharge planning and follow-up care" In the second paragraph of the response it states that "the proposed network of convenient outpatient clinic locations (Glen Burnie, Queenstown, and Baltimore) will increase patient satisfaction with the experience of care and will help increase patient compliance with recommended post-surgical care." Please provide the following additional information regarding how the establishment of the proposed program will alter the effectiveness of cardiac surgery services for cardiac surgery patients in the proposed service area:

- a. Why can't a patient/family focused system of discharge and follow-up care be developed within the current University of Maryland Medical System for the residents of UM BWMC's service area with cardiac surgery continuing to be primarily performed at UMMC?
- b. Why can't a network of convenient outpatient clinic locations (Glen Burnie, Queenstown, and Baltimore) be developed within the current University of Maryland Medical System with cardiac surgery continuing to be primarily performed at UMMC?

Viability of the Proposal

5. Regarding the response to question 26, please provide the following additional clarifications:
 - a. What changes in inpatient and outpatient revenue are covered by the assumptions labeled *other* in Exhibit 41 (pages 1 and 2)?
 - b. The revenue assumptions for Table J and K appear to refer to two excel files, Revenue v2 020615.xls and volume projections 6 years with market impact 02172015.xls. Staff could not locate these files in the submission. Please direct staff to where these files can be found or resubmit the files.
 - c. Regarding the revenue assumptions for Table J, please submit the calculations detailing the calculation of the revenue for patients that are expected to move from UMMS hospitals as well as the revenue for patients expected to move from hospitals outside the University of Maryland Medical System.
6. Regarding the response to question 27, please submit the calculation of projected workforce benefit costs for the proposed program and demonstrate how the workforce table costs tie to Table J.

Other Questions

7. Please provide the following clarifications of the information reported in Table 7 of the application (page 62):
 - a. The revenue per case at UMMC based on the data in Table 7 is \$93,138 per case in FY14 (\$126,574,136/1,359 cases) and projected to be \$93,168 for FY16 (\$120,093,540/1,289 cases). Reconcile these net revenue per case figures with the \$66,211 charge per case reported in Table 5 (page 55).

- b. Provide a detailed explanation of what is included in the UMMC direct variable expense savings and the UMMC direct fixed savings. Submit calculations where helpful in explaining the calculation of these savings. Explain the relationship of these savings to the key components of net system improvement shown at the bottom of Table 7.
- c. Explain why projected drug and supply savings appears to be twice the estimated \$100/case. For example, in FY 2017 145 cases are expected to shift from UMMC to UM BWMC. At a savings rate of \$100/case one would expect the savings to be \$14,500 but the table indicates the savings will be \$29,000.

Please submit six copies of the responses to completeness questions and the additional information requested in this letter within ten working days of receipt. Also submit the response electronically, in both Word and PDF format, to Ruby Potter (ruby.potter@maryland.gov).

All information supplementing the applicant must be signed by person(s) available for cross-examination on the facts set forth in the supplementary information, who shall sign a statement as follows: "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."

Should you have any questions regarding this matter, feel free to contact me at (410) 764-5596.

Sincerely,



Joel Riklin
Program Manager

cc: Thomas C. Dame, Esquire
Ella R. Aiken, Esquire
Andrew L. Solberg
Jinlene Chan, M.D., Health Officer, Anne Arundel County
Leana Wen, M.D., Health Commissioner, Baltimore City
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Susan Kelley, Health Officer, Harford County

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