

CHESAPEAKE TREATMENT CENTERS, INC.



New Directions Program

9700 Old Harford Rd.
Baltimore, MD 21234
410-663-8500
FAX 410-663-0805

RECEIVED

DEC 22 2015

MARYLAND HEALTH
CARE COMMISSION

December 22, 2015

Kevin McDonald
Chief
Certificate of Need Division
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, Maryland 21215

Dear Mr. McDonald:

Chesapeake Treatment Centers, Inc. is pleased to submit a Certificate of Need for an urgently needed service for Department of Juvenile Services youth. We thank you for the opportunity to enhance our existing service programs.

Attached please find six copies of an application for certificate of need from Chesapeake Treatment Center, Inc. (CTC). CTC filed a letter of modified letter of intent for this project on June 25, 2015.

Digital copies of the application in Word and .pdf format will be submitted by email.

Sincerely,



Patricia Bixler
Administrator
Chesapeake Treatment Centers, Inc. d/b/a New Directions

Application for Certificate of Need (CON) Chesapeake Treatment Centers, Inc.

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Craig P. Tanio, M.D.
CHAIR

Ben Steffen
EXECUTIVE DIRECTOR

RECEIVED

DEC 22 2015

MARYLAND HEALTH
CARE COMMISSION

For internal staff use:



**MARYLAND
HEALTH
CARE
COMMISSION**

15-24-2371

MATTER/DOCKET NO.

DATE DOCKETED

INSTRUCTIONS: GENERIC APPLICATION FOR CERTIFICATE OF NEED (CON)

Note: Specific CON application forms exist for hospital, comprehensive care facility, home health, and hospice projects. This form is to be used for any other services requiring a CON.

ALL APPLICATIONS MUST FOLLOW THE FORMATTING REQUIREMENTS DESCRIBED IMMEDIATELY BELOW. NOT FOLLOWING THESE FORMATTING INSTRUCTIONS WILL RESULT IN THE APPLICATION BEING RETURNED.

Required Format:

Table of Contents. The application must include a Table of Contents referencing the location of application materials. Each section in the hard copy submission should be separated with tabbed dividers. Any exhibits, attachments, etc. should be similarly tabbed, and pages within each should be numbered independently and consecutively. **The Table of Contents must include:**

- Responses to PARTS I, II, III, and IV of the this application form
- Responses to PART IV must include responses to the standards in the State Health Plan chapter that apply to the project being proposed.
 - All Applicants must respond to the Review Criteria listed at 10.24.01.08G(3)(b) through 10.24.01.08G(3)(f) as detailed in the application form.
- Identification of each Attachment, Exhibit, or Supplement

Application pages must be consecutively numbered at the bottom of each page. Exhibits attached to subsequent correspondence during the completeness review process shall use a consecutive numbering scheme, continuing the sequencing from the original application. (For example, if the last exhibit in the application is Exhibit 5, any exhibits used in subsequent responses should begin with Exhibit 6. However, a replacement exhibit that merely replaces an

exhibit to the application should have the same number as the exhibit it is replacing, noted as a replacement.

SUBMISSION FORMATS:

We require submission of application materials and the applicant's responses to completeness questions in three forms: hard copy; searchable PDF; and in Microsoft Word.

- **Hard copy:** Applicants must submit six (6) hard copies of the application to:
Ruby Potter
Health Facilities Coordinator
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, Maryland 21215
- **PDF:** Applicants must also submit *searchable* PDF files of the application, supplements, attachments, and exhibits.¹ All subsequent correspondence should also be submitted both by paper copy and as *searchable PDFs*.
- **Microsoft Word:** Responses to the questions in the application and the applicant's responses to completeness questions should also be electronically submitted in Word. Applicants are strongly encouraged to submit any spreadsheets or other files used to create the original tables (the native format). This will expedite the review process.

Applicants are strongly encouraged to submit any spreadsheets or other files used to create the original tables (the native format). This will expedite the review process.

PDFs and spreadsheets should be submitted to ruby.potter@maryland.gov and kevin.mcdonald@maryland.gov.

Note that there are certain actions that may be taken regarding either a health care facility or an entity that does not meet the definition of a health care facility where CON review and approval are not required. Most such instances are found in the Commission's procedural regulations at COMAR 10.24.01.03, .04, and .05. Instances listed in those regulations require the submission of specified information to the Commission and may require approval by the full Commission. Contact CON staff at (410) 764-3276 for more information.

A pre-application conference will be scheduled by Commission Staff to cover this and other topics. Applicants are encouraged to contact Staff with any questions regarding an application.

¹ PDFs may be created by saving the original document directly to PDF on a computer or by using advanced scanning technology

PART I - PROJECT IDENTIFICATION AND GENERAL INFORMATION

1. FACILITY

Name of Facility: Chesapeake Treatment Centers, Inc.
d/b/a New Directions and The Right Moves

Address:
9700 Old Harford Rd. Baltimore 21234 Baltimore
 Street City Zip County

2. Name of Owner Florida Investment Group, LP

xIf Owner is a Corporation, Partnership, or Limited Liability Company, attach a description of the ownership structure identifying all individuals that have or will have at least a 5% ownership share in the applicant and any related parent entities. Attach a chart that completely delineates this ownership structure.

3. APPLICANT. *If the application has a co-applicant, provide the following information in an attachment.*

Legal Name of Project Applicant (Licensee or Proposed Licensee): Chesapeake Treatment Centers, Inc.

 C/O

Address:

3800 Frederick Ave Street	Baltimore	21229	MD	Balt.
	City	Zip	State	County
Telephone:	410 663 8500			

4. NAME OF LICENSEE OR PROPOSED LICENSEE, if different from the applicant:

N/A

5. LEGAL STRUCTURE OF APPLICANT (and LICENSEE, if different from applicant).

Check or fill in applicable information below and attach an organizational chart showing the owners of applicant (and licensee, if different).

- A. Governmental
- B. Corporation
- (1) Non-profit
- (2) For-profit
- (3) Close State & Date of Incorporation
- C. Partnership
- General
- Limited
- Limited Liability Partnership
- Limited Liability Limited Partnership
- Other (Specify): _____
- D. Limited Liability Company
- E. Other (Specify): _____
- To be formed:
- Existing:

6. PERSON(S) TO WHOM QUESTIONS REGARDING THIS APPLICATION SHOULD BE DIRECTED

A. Lead or primary contact:

Name and Title: Patricia Bixler, Administrator

Company Name Chesapeake Treatment Centers, Inc. d/b/a New Directions

Mailing Address:

Street 9700 Old Harford Road City Baltimore Zip 21234 State MD

Telephone: Business Phone: 410 663 8500 Cell: 443 562 4394

E-mail Address (required): pbixler@ctcmd.net

Fax: 410 663 0805

If company name
is different than
applicant briefly
describe the
relationship

B. Additional or alternate contact:

Name and Title: Richard McAlee, Esq., Attorney for CTC

Company Name

Mailing Address:

69 Prince George's Ave

Street

Tacoma Park

City

20912

Zip

MD

State

Telephone: 410 703 5046

E-mail Address (required): rmcalee@gmail.com

Fax:

If company name
is different than
applicant briefly
describe the
relationship

7. TYPE OF PROJECT

The following list includes all project categories that require a CON pursuant to COMAR 10.24.01.02(A). Please mark all that apply in the list below.

If approved, this CON would result in (check as many as apply):

- (1) A new health care facility built, developed, or established
- (2) An existing health care facility moved to another site
- (3) A change in the bed capacity of a health care facility
- (4) A change in the type or scope of any health care service offered by a health care facility
- (5) A health care facility making a capital expenditure that exceeds the current threshold for capital expenditures found at:

http://mhcc.maryland.gov/mhcc/pages/hcfs/hcfs_con/documents/con_capital_threshold_20140301.pdf

8. PROJECT DESCRIPTION

A. Executive Summary of the Project: The purpose of this BRIEF executive summary is to convey to the reader a holistic understanding of the proposed project: what it is,

why you need to do it, and what it will cost. A one-page response will suffice. Please include:

- (1) Brief Description of the project – what the applicant proposes to do
- (2) Rationale for the project – the need and/or business case for the proposed project
- (3) Cost – the total cost of implementing the proposed project

Please see attached 8.A. Executive Summary of the Project

B. Comprehensive Project Description: The description should include details regarding:

- (1) Construction, renovation, and demolition plans
- (2) Changes in square footage of departments and units
- (3) Physical plant or location changes
- (4) Changes to affected services following completion of the project
- (5) Outline the project schedule.

Please see attached 8.B. Comprehensive Project Description

9. Current Capacity and Proposed Changes:

Service	Unit Description	Currently Licensed/ Certified	Units to be Added or Reduced	Total Units if Project is Approved
ICF-MR	Beds	___/___		
ICF-C/D	Beds	___/___		
Residential Treatment	Beds	29/29	8 beds to be transferred to new service	29
Ambulatory Surgery	Operating Rooms			
	Procedure Rooms			
Home Health Agency	Counties	___/___		
Hospice Program	Counties	___/___		
Other (Specify)				
TOTAL		29	8 beds to be transferred to new service	29

10. Identify any community based services that are or will be offered at the facility and explain how each one will be affected by the project.

N/A

12. PROJECT SCHEDULE

(INSTRUCTION: IN COMPLETING THE APPLICABLE OF ITEMS 10, 11 or 12, PLEASE CONSULT THE PERFORMANCE REQUIREMENT TARGET DATES SET FORTH IN COMMISSION REGULATIONS, COMAR 10.24.01.12)

For new construction or renovation projects.

Project Implementation Target Dates

- A. Obligation of Capital Expenditure N/A months from approval date.
- B. Beginning Construction _____ months from capital obligation.
- C. Pre-Licensure/First Use _____ months from capital obligation.
- D. Full Utilization _____ months from first use.

For projects not involving construction or renovations.

Project Implementation Target Dates

- A. Obligation or expenditure of 51% of Capital Expenditure 1 months from CON approval date.
- B. Pre-Licensure/First Use 2 months from capital obligation.
- C. Full Utilization 2 months from first use.

For projects not involving capital expenditures.

Project Implementation Target Dates

- A. Obligation or expenditure of 51% Project Budget _____ months from CON approval date.
- B. Pre-Licensure/First Use _____ months from CON approval.
- C. Full Utilization _____ months from first use.

13. PROJECT DRAWINGS

Projects involving new construction and/or renovations should include scalable schematic drawings of the facility at least a 1/16" scale. Drawings should be completely legible and include dates.

These drawings should include the following before (existing) and after (proposed), as applicable:

- A. Floor plans for each floor affected with all rooms labeled by purpose or function, number of beds, location of bath rooms, nursing stations, and any proposed space for future expansion to be constructed, but not finished at the completion of the project, labeled as "shell space".
- B. For projects involving new construction and/or site work a Plot Plan, showing the "footprint" and location of the facility before and after the project.
- C. Specify dimensions and square footage of patient rooms.

Please see attachments

14. FEATURES OF PROJECT CONSTRUCTION

- A. If the project involves new construction or renovation, complete **Tables C and D of the Hospital CON Application Package**
- B. Discuss the availability and adequacy of utilities (water, electricity, sewage, natural gas, etc.) for the proposed project and identify the provider of each utility. Specify the steps that will be necessary to obtain utilities.

The Chesapeake Treatment Centers, Inc. *New Directions* program is not charged by the state of Maryland for any of the utilities utilized by the program at the facility since the facility is on the grounds of the Charles H. Hickey School.

PART II - PROJECT BUDGET

Complete Table E of the Hospital CON Application Package

Note: Applicant should include a list of all assumptions and specify what is included in each budget line, as well as the source of cost estimates and the manner in which all cost estimates are derived. Explain how the budgeted amount for contingencies was determined and why the amount budgeted is adequate for the project given the nature of the project and the current stage of design (i.e., schematic, working drawings, etc.).

PART III - APPLICANT HISTORY, STATEMENT OF RESPONSIBILITY, AUTHORIZATION AND RELEASE OF INFORMATION, AND SIGNATURE

1. List names and addresses of all owners and individuals responsible for the proposed project and its implementation.

Marc Fishman: 3800 Frederick Avenue, Baltimore MD 21229
Barbara Groves: 3800 Frederick Avenue, Baltimore MD 21229
Susan Liedlich: 3800 Frederick Avenue, Baltimore MD 21229
Patricia Bixler: 9700 Old Harford Road, Baltimore MD 21234

2. Are the applicant, owners, or the responsible persons listed in response to Part 1, questions 2, 3, 4, 7, and 9 above now involved, or have they ever been involved, in the ownership, development, or management of another health care facility? If yes, provide a listing of these facilities, including facility name, address, and dates of involvement.

Yes. Maryland Treatment Centers, Inc. from December 18, 1985 to present and Chesapeake Youth Centers, Inc. from November 29, 1988 to September 11, 2006, both at 3800 Frederick Avenue, Baltimore MD 21229

3. Has the Maryland license or certification of the applicant facility, or any of the facilities listed

in response to Question 2, above, been suspended or revoked, or been subject to any disciplinary action (such as a ban on admissions) in the last 5 years? If yes, provide a written explanation of the circumstances, including the date(s) of the actions and the disposition. If the applicant, owners or individuals responsible for implementation of the Project were not involved with the facility at the time a suspension, revocation, or disciplinary action took place, indicate in the explanation.

No

4. Other than the licensure or certification actions described in the response to Question 3, above, has any facility with which any applicant is involved, or has any facility with which any applicant has in the past been involved (listed in response to Question 2, above) received inquiries in last from 10 years from any federal or state authority, the Joint Commission, or other regulatory body regarding possible non-compliance with any state, federal, or Joint Commission requirements for the provision of, the quality of, or the payment for health care services that have resulted in actions leading to the possibility of penalties, admission bans, probationary status, or other sanctions at the applicant facility or at any facility listed in response to Question 2? If yes, provide for each such instance, copies of any settlement reached, proposed findings or final findings of non-compliance and related documentation including reports of non-compliance, responses of the facility, and any final disposition or conclusions reached by the applicable authority.

Yes, See attachment "Settlement Agreement"

5. Have the applicant, owners or responsible individuals listed in response to Part 1, questions 2, 3, 4, 7, and 9, above, ever pled guilty to or been convicted of a criminal offense in any way connected with the ownership, development or management of the applicant facility or any of the health care facilities listed in response to Question 2, above? If yes, provide a written explanation of the circumstances, including as applicable the court, the date(s) of conviction(s), diversionary disposition(s) of any type, or guilty plea(s).

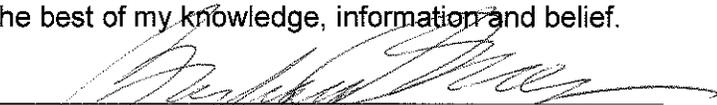
No

One or more persons shall be officially authorized in writing by the applicant to sign for and act for the applicant for the project which is the subject of this application. Copies of this authorization shall be attached to the application. The undersigned is the owner(s), or Board-designated official of the proposed or existing facility.

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.

12/18/15

Date


Signature of Owner or Board-designated Official
Executive Vice-President

Position/Title

Barbara Groves

Printed Name

**PART IV - CONSISTENCY WITH GENERAL REVIEW CRITERIA AT COMAR
10.24.01.08G(3):**

**INSTRUCTION: Each applicant must respond to all criteria included in COMAR
0.24.01.08G(3), listed below.**

An application for a Certificate of Need shall be evaluated according to all relevant State Health Plan standards and other review criteria.

If a particular standard or criteria is covered in the response to a previous standard or criteria, the applicant may cite the specific location of those discussions in order to avoid duplication. When doing so, the applicant should ensure that the previous material directly pertains to the requirement and to the directions included in this application form. Incomplete responses to any requirement will result in an information request from Commission Staff to ensure adequacy of the response, which will prolong the application's review period.

10.24.01.08G(3)(a). The State Health Plan.

Every applicant must address each applicable standard in the chapter of the State Health Plan for Facilities and Services². Commission staff can help guide applicants to the chapter(s) that applies to a particular proposal.

Please provide a direct, concise response explaining the project's consistency with each standard. Some standards require specific documentation (e.g., policies, certifications) which should be included within the application as an exhibit.

Please see Narrative Attachment Part IV

10.24.01.08G(3)(b). Need.

The Commission shall consider the applicable need analysis in the State Health Plan. If no State Health Plan need analysis is applicable, the Commission shall consider whether the applicant has demonstrated unmet needs of the population to be served, and established that the proposed project meets those needs.

INSTRUCTIONS: Please discuss the need of the population served or to be served by the Project. See the discussion above under State Health Plan, G(3)(a)

Responses should include a quantitative analysis that, at a minimum, describes the Project's expected service area, population size, characteristics, and projected growth. If the relevant chapter of the State Health Plan includes a need standard or need projection methodology, please reference/address it in your response. For applications proposing to address the need of special population groups, please specifically identify those populations that are underserved and describe how this Project will address their needs.

If the project involves modernization of an existing facility through renovation and/or expansion,

² [1] Copies of all applicable State Health Plan chapters are available from the Commission and are available on the Commission's web site here:http://mhcc.maryland.gov/mhcc/pages/hcfs/hcfs_shp/hcfs_shp

provide a detailed explanation of why such modernization is needed by the service area population. Identify and discuss relevant building or life safety code issues, age of physical plant issues, or standard of care issues that support the need for the proposed modernization.

Please assure that all sources of information used in the need analysis are identified. List all assumptions made in the need analysis regarding demand for services, utilization rate(s), and the relevant population, and provide information supporting the validity of the assumptions.

Complete Tables 1 and/or 2 below, as applies.

[(INSTRUCTION: Complete Table 1 for the Entire Facility, including the proposed project, and Table 2 for the proposed project only using the space provided on the following pages. Only existing facility applicants should complete Table 1. All Applicants should complete Table 2. Please indicate on the Table if the reporting period is Calendar Year (CY) or Fiscal Year (FY)]

TABLE 1: STATISTICAL PROJECTIONS - 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)			
	2014____	2015____		2016____	2017____	20____	20____
1. Admissions							
a. ICF-MR							
b. RTC-Residents	19	12	17	25			
Day Students							
c. ICF-C/D							
d. Other (Specify)							
e. TOTAL							
2. Patient Days							
a. ICF-MR							
b. RTC-Residents	8673	6236	6205	9125			
c. ICF-C/D							
d. Other (Specify)							
e. TOTAL							

Table 1 Cont.	Two Most Actual Ended Recent Years		Current Year Projected	Projected Years (ending with first full year at full utilization)				
	CY or FY (Circle)	2014__	2015__	2016__	2017	20__	20__	20__
3. Average Length of Stay								
a. ICF-MR								
b. RTC-Residents	435	312	365	365				
c. ICF-C/D								
d. Other (Specify)								
e. TOTAL								
4. Occupancy Percentage*								
a. ICF-MR								
b. RTC-Residents	82%	59%	59%	86%				
c. ICF-C/D								
d. Other (Specify)								
e. TOTAL								
5. Number of Licensed Beds*								
a. ICF-MR								
b. RTC-Residents	29	29	29	29				
c. ICF-C/D								
d. Other (Specify)								
e. TOTAL								
6. Home Health Agencies								
a. SN Visits								
b. Home Health Aide								
c. Other Staff								
d.								
e. Total patients svcd.								

Table 1 Cont.	Two Most Actual Ended Recent Years		Current Year Projected	Projected Years (ending with first full year at full utilization)			
CY or FY (Circle)	20__	20__	20__	20__	20__	20__	20__
7. Hospice Programs							
a. SN visits							
b. Social work visits							
c. Other staff visits							
d.							
e. Total patients served.							
8. Ambulatory Surgical Facilities							
a. Number of operating rooms (ORs)							
• Total Procedures in ORs							
• Total Cases in ORs							
• Total Surgical Minutes in ORs**							
b. Number of Procedure Rooms (PRs)							
• Total Procedures in PRs							
• Total Cases in PRs							
• Total Minutes in PRs**							

*Number of beds and occupancy percentage should be reported on the basis of licensed beds.

**Do not include turnover time.

**TABLE 2: STATISTICAL PROJECTIONS - PROPOSED PROJECT
(INSTRUCTION: All applicants should complete this table.)**

	Projected Years (Ending with first full year at full utilization)			
CY or FY (Circle)	2017__	20__	20__	20__
1. Admissions				
a. ICF-MR				
b. RTC-Residents	8			

Day Students				
c. ICF-C/D				
d. Other (Specify)				
e. TOTAL				
2. Patient Days				
a. ICF-MR				
b. Residential Treatment Ctr	2920			
c. ICF-C/D				
d. Other (Specify)				
e. TOTAL				
3. Average Length of Stay				
a. ICF-MR				
b. Residential Treatment Ctr	365			
c. ICF-C/D				
d. Other (Specify)				
e. TOTAL				
4. Occupancy Percentage*				
a. ICF-MR				
b. Residential Treatment Ctr	28%			
c. ICF-C/D				
d. Other (Specify)				
e. TOTAL				

Table 2 Cont.	Projected Years (Ending with first full year at full utilization)			
CY or FY (Circle)	2017 ____	20 ____	20 ____	20 ____
5. Number of Licensed Beds				
a. ICF-MR				
b. Residential Treatment Ctr	29			
c. ICF-C/D				
d. Other (Specify)				

e. TOTAL				
6. Home Health Agencies				
a. SN Visits				
b. Home Health Aide				
c.				
d.				
e. Total patients served				
7. Hospice Programs				
a. SN Visits				
b. Social work visits				
c. Other staff visits				
d. Total patients served				
8. Ambulatory Surgical Facilities				
a. Number of operating rooms (ORs)				
• Total Procedures in ORs				
• Total Cases in ORs				
• Total Surgical Minutes in ORs**				
b. Number of Procedure Rooms (PRs)				
• Total Procedures in PRs				
• Total Cases in PRs				
• Total Minutes in PRs**				

*Do not include turnover time

10.24.01.08G(3)(c). Availability of More Cost-Effective Alternatives.

The Commission shall compare the cost effectiveness of the proposed project with the cost effectiveness of providing the service through alternative existing facilities, or through an alternative facility that has submitted a competitive application as part of a comparative review.

Placing the target population out of state would be more expensive for the Department of Juvenile Services and not as clinically effective as treating the youth at the *New Directions* program (see narrative attachment).

INSTRUCTIONS: Please describe the planning process that was used to develop the proposed project. This should include a full explanation of the primary goals or objectives of the project or the problem(s) being addressed by the project. It should also identify the alternative approaches to achieving those goals or objectives or solving those problem(s) that were considered during the project planning process, including the alternative of the services being provided by existing facilities.

For all alternative approaches, provide information on the level of effectiveness in goal or objective achievement or problem resolution that each alternative would be likely to achieve and the costs of each alternative. The cost analysis should go beyond development cost to consider life cycle costs of project alternatives. This narrative should clearly convey the analytical findings and reasoning that supported the project choices made. It should demonstrate why the proposed project provides the most effective goal and objective achievement or the most effective solution to the identified problem(s) for the level of cost required to implement the project, when compared to the effectiveness and cost of alternatives including the alternative of providing the service through alternative existing facilities, or through an alternative facility that has submitted a competitive application as part of a comparative review.

10.24.01.08G(3)(d). Viability of the Proposal.

The Commission shall consider the availability of financial and nonfinancial resources, including community support, necessary to implement the project within the time frames set forth in the Commission's performance requirements, as well as the availability of resources necessary to sustain the project.

INSTRUCTIONS: Please provide a complete description of the funding plan for the project, documenting the availability of equity, grant(s), or philanthropic sources of funds and demonstrating, to the extent possible, the ability of the applicant to obtain the debt financing proposed. Describe the alternative financing mechanisms considered in project planning and provide an explanation of why the proposed mix of funding sources was chosen.

We expect the project's capital costs to be funded entirely through existing operations. If needed, working capital advances are available from CTC's parent company, Florida Investment Group. CTC's audited financial statements for the past two years are attached.

- Complete Tables 3 and/or 4 below, as applicable. Attach additional pages as necessary detailing assumptions with respect to each revenue and expense line item.
- Complete Table L (Workforce) from the Hospital CON Application Table Package.)
- Audited financial statements for the past two years should be provided by all applicant entities and parent companies to demonstrate the financial condition of the entities involved and the availability of the equity contribution. If audited financial statements are not available for the entity or individuals that will provide the equity contribution, submit documentation of the financial condition of the entities and/or individuals providing the funds and the availability of such funds. Acceptable documentation is a letter signed by an independent Certified Public Accountant. Such letter shall detail the financial information considered by the CPA in reaching the conclusion that adequate funds are available.

- If debt financing is required and/or grants or fund raising is proposed, detail the experience of the entities and/or individuals involved in obtaining such financing and grants and in raising funds for similar projects. If grant funding is proposed, identify the grant that has been or will be pursued and document the eligibility of the proposed project for the grant.
- Describe and document relevant community support for the proposed project.
- Identify the performance requirements applicable to the proposed project (see question 12, "Project Schedule") and explain how the applicant will be able to implement the project in compliance with those performance requirements. Explain the process for completing the project design, obtaining State and local land use, environmental, and design approvals, contracting and obligating the funds within the prescribed time frame. Describe the construction process or refer to a description elsewhere in the application that demonstrates that the project can be completed within the applicable time frame(s). Please see Narrative Attachment 4: Comprehensive Project Description

TABLE 3: REVENUES AND EXPENSES - ENTIRE FACILITY (including proposed project)

(INSTRUCTION: ALL EXISTING FACILITY APPLICANTS MUST SUBMIT AUDITED FINANCIAL STATEMENTS)

Please see attachment

CY or FY (Circle)	Two Most Actual Ended Recent Years		Current Year Projected	Projected Years (ending with first full year at full utilization)			
	2014__	2015__	2016_	2017_	20__	20__	20__
1. Revenue							
a. Inpatient services	4,369	3,429	3,413	5,019			
b. Outpatient services	92	70	102	105			
c. Gross Patient Service Revenue	4,461	3,499	3,515	5,124			
d. Allowance for Bad Debt	(74)	(85)	(20)	(20)			
e. Contractual Allowance	(512)	(623)	(468)	(603)			
f. Charity Care	--	--	--				
g. Net Patient Services Revenue	3,875	2,791	3,027	4,501			
h. Other Operating Revenues (Specify)**	1,233	892	749	949			
i. Net Operating Revenue	5,108	3,683	3,776	5,450			

(in thousands)

**Education and grant revenues

Table 3 Cont. CY or FY (Circle	Two Most Actual Ended Recent Years		Current Year Projected	Projected Years (ending with first full year at full utilization)			
	2014__	2015__	2016__	2017_	20__	20__	20__
2. Expenses							
a. Salaries, Wages, and Professional Fees, (including fringe benefits)	2,910	2,492	2,472	3,452			
b. Contractual Services	1,175	793	637	1,165			
c. Interest on Current Debt	9	6	5	4			
d. Interest on Project Debt	--	--					
e. Current Depreciation	18	30	28	42			
f. Project Depreciation	--	--	--				
g. Current Amortization	--	--	--				
h. Project Amortization	--	--	--				
i. Supplies	214	144	120	201			
j. Other Expenses (Specify)**	475	437	411	484			
k. Total Operating Expenses	4,801	3,902	3,673	5,348			
3. Income							
a. Income from Operation	307	(219)	103	102			
b. Non-Operating Income	--	--	--	--			
c. Subtotal	307	(219)	103	102			
d. Income Taxes	(106)	33	--	6			
e. Net Income (Loss)	201	(186)	103	96			

(In thousands)

**Rent, utilities, insurance, and other

Table 3 Cont. CY or FY (Circle)	Two Most Actual Ended Recent Years		Current Year Projected	Projected Years (ending with first full year at full utilization)			
	2014_	2015_	2016_	2017_	20__	20__	20__
4. Patient Mix:							
A. Percent of Total Revenue							
1. Medicare							
2. Medicaid	75%	93%	89%	89%			
3. Blue Cross							
4. Commercial Insurance							
5. Self-Pay							
6. Other (Specify)**	25%	7%	11%	11%			
7. TOTAL	100%	100%	100%	100%	100%	100%	100%
B. Percent of Patient Days/Visits/Procedures (as applicable)							
1. Medicare							
2. Medicaid	75%	95%	90%	90%			
3. Blue Cross							
4. Commercial Insurance							
5. Self-Pay							
6. Other (Specify)**	25%	5%	10%	10%			
7. TOTAL	100%	100%	100%	100%	100%	100%	100%

(in thousands)

**Department of Juvenile Services

TABLE 4: REVENUES AND EXPENSES - PROPOSED PROJECT

(INSTRUCTION: Each applicant should complete this table for the proposed project only)

CY or FY (Circle)	Projected Years (Ending with first full year at full utilization)			
	2017 ____	20 ____	20 ____	20 ____
1. Revenues				
a. Inpatient Services	1,606			
b. Outpatient Services	--			
c. Gross Patient Services Revenue	1,606			
d. Allowance for Bad Debt	--			
e. Contractual Allowance	(193)			
f. Charity Care	--			
g. Net Patient Care Service Revenues	1,413			
h. Total Net Operating Revenue	1,613			
2. Expenses				
a. Salaries, Wages, and Professional Fees, (including fringe benefits)	1,036			
b. Contractual Services	350			
c. Interest on Current Debt	1			
d. Interest on Project Debt	--			
e. Current Depreciation	8			
f. Project Depreciation	4			
g. Current Amortization	--			
h. Project Amortization	--			
i. Supplies	60			
j. Other Expenses (Specify)**	145			
k. Total Operating Expenses	1,604			

(in thousands)

**Rent, utilities, insurance, and other

10.24.01.08G(3)(e). Compliance with Conditions of Previous Certificates of Need.

An applicant shall demonstrate compliance with all terms and conditions of each previous Certificate of Need granted to the applicant, and with all commitments made that earned preferences in obtaining each previous Certificate of Need, or provide the Commission with a written notice and explanation as to why the conditions or commitments were not met.

N/A

INSTRUCTIONS: List all of the Maryland Certificates of Need that have been issued to the project applicant, its parent, or its affiliates or subsidiaries over the prior 15 years, including their terms and conditions, and any changes to approved Certificates that needed to be obtained. Document that these projects were or are being implemented in compliance with all of their terms and conditions or explain why this was not the case.

N/A

10.24.01.08G(3)(f). Impact on Existing Providers and the Health Care Delivery System.

An applicant shall provide information and analysis with respect to the impact of the proposed project on existing health care providers in the health planning region, including the impact on geographic and demographic access to services, on occupancy, on costs and charges of other providers, and on costs to the health care delivery system.

INSTRUCTIONS: Please provide an analysis of the impact of the proposed project. Please assure that all sources of information used in the impact analysis are identified and identify all the assumptions made in the impact analysis with respect to demand for services, payer mix, access to service and cost to the health care delivery system including relevant populations considered in the analysis, and changes in market share, with information that supports the validity of these assumptions. Provide an analysis of the following impacts:

- a) On the volume of service provided by all other existing health care providers that are likely to experience some impact as a result of this project;
- b) On the payer mix of all other existing health care providers that are likely to experience some impact on payer mix as a result of this project. If an applicant for a new nursing home claims no impact on payer mix, the applicant must identify the likely source of any expected increase in patients by payer.
- c) On access to health care services for the service area population that will be served by the project. (State and support the assumptions used in this analysis of the impact on access);
- d) On costs to the health care delivery system.

If the applicant is an existing facility or program, provide a summary description of the impact of the proposed project on the applicant's costs and charges, consistent with the information

provided in the Project Budget, the projections of revenues and expenses, and the work force information.

Since Chesapeake Treatment Centers, Inc. will treat only residents who cannot be treated at other Maryland facilities, there will be no impact on other Maryland Residential Treatment Centers.

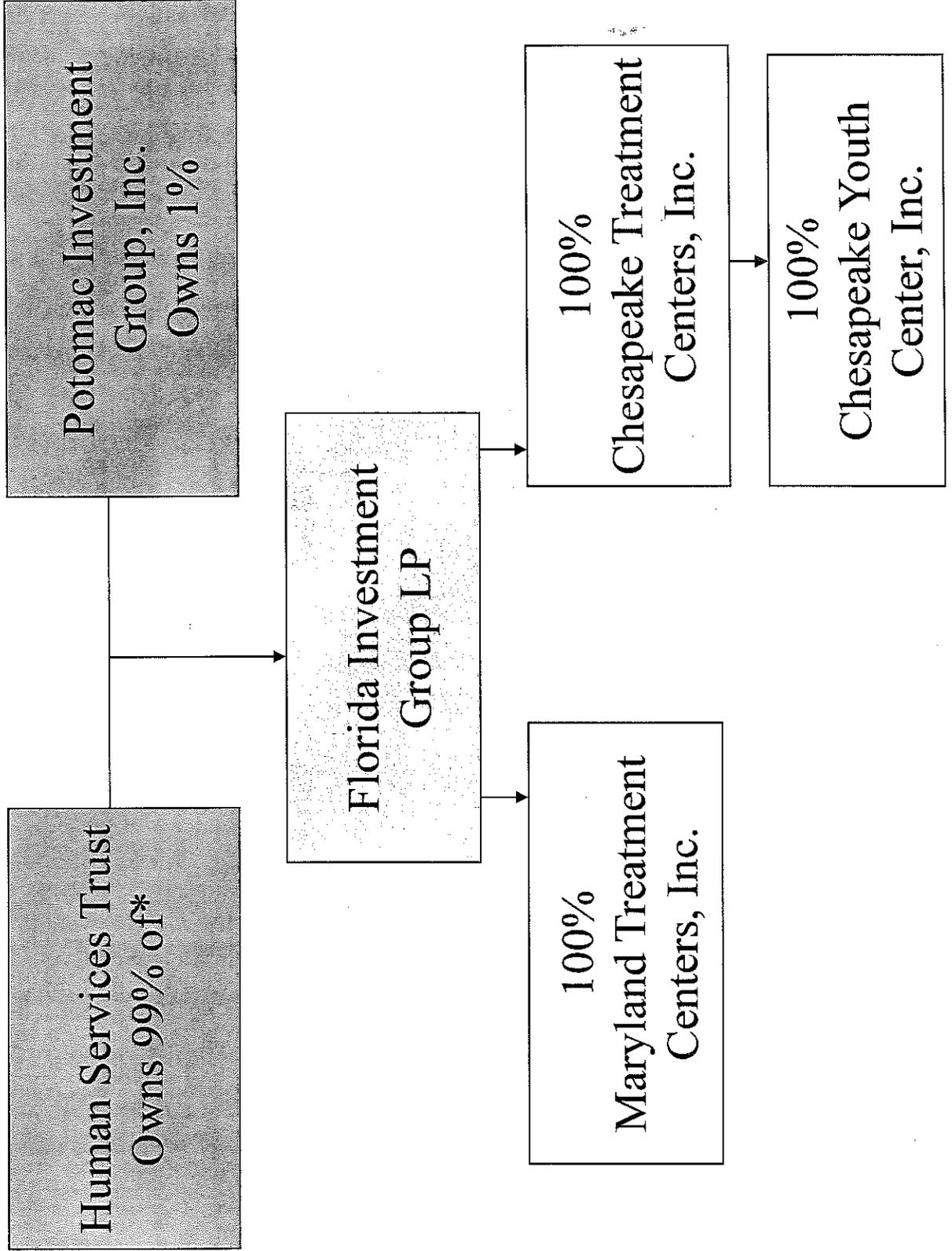
Attachment

|

Attachment 1

Part I.2 Ownership Structural Chart

Chesapeake Treatment Centers, Inc. Ownership Structure



*For the benefit of
Marc Fishman
Rebecca Fishman
Zalman Fishman
Risa Fishman-Kapit

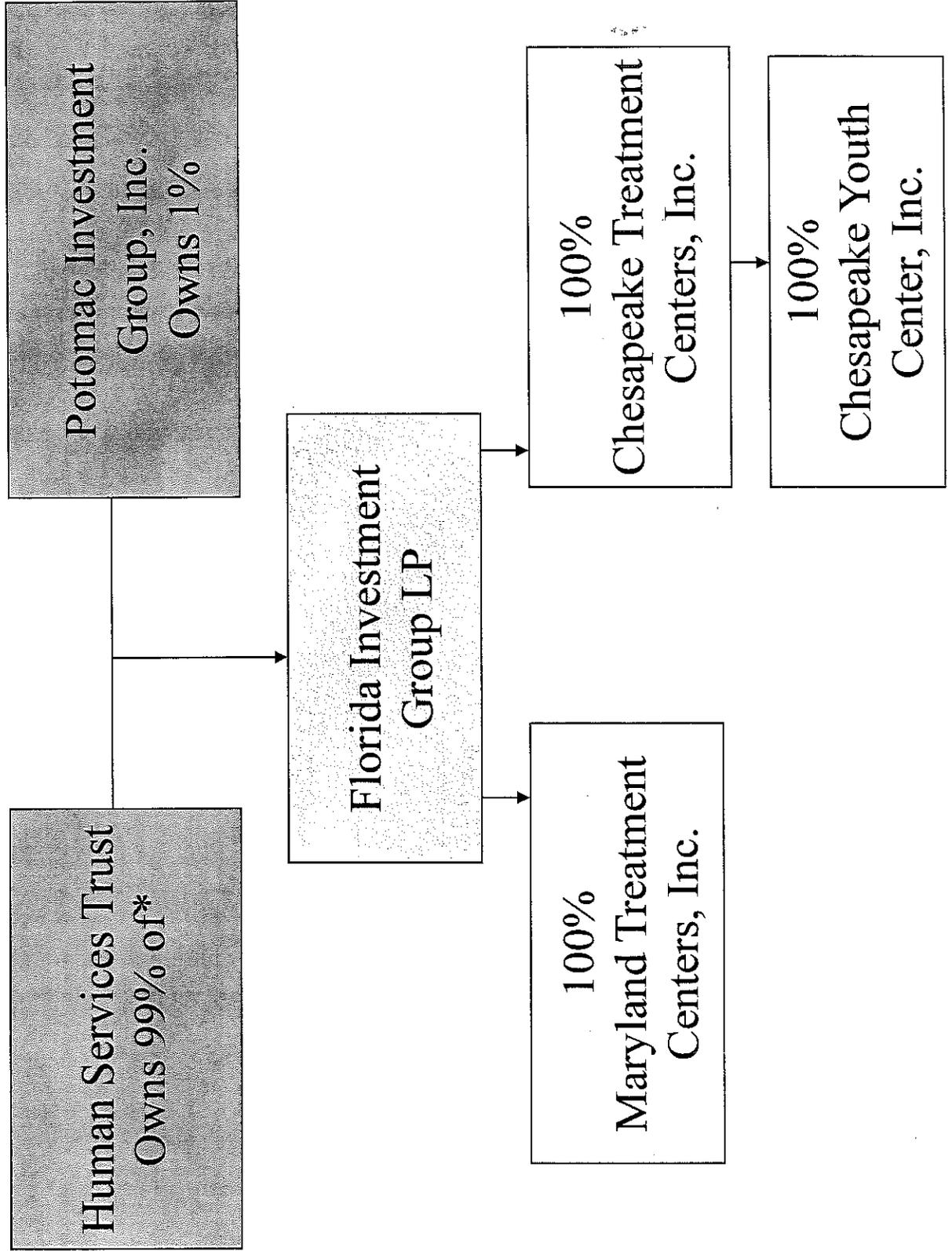
Attachment

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Attachment 2

Part I.5. Organizational Chart

Chesapeake Treatment Centers, Inc. Ownership Structure



*For the benefit of
Marc Fishman
Rebecca Fishman
Zalman Fishman
Risa Fishman-Kapit

A Hachment

3

Attachment 3

Part I.8.A. Executive Summary of the Project

Part 1 – PROJECT IDENTIFICATION AND GENERAL INFORMATION

8. Project Description

A. Executive Summary of the Project:

The Chesapeake Treatment Centers (CTC) **New Directions** Residential Treatment Center is licensed by the Maryland Department of Health and Mental Hygiene and accredited by The Joint Commission. **New Directions** has established itself with the Maryland Department of Juvenile Services (DJS) as an *extremely effective* clinical service provider. It is the only Residential Treatment Center (RTC) in the State historically dedicated to the assessment and treatment of adjudicated juvenile sex offenders (AJSOs) and their families.

DJS has identified a need to bring back older males now placed out of state because of the lack of an appropriate program for them in Maryland. CTC is proposing to use 8 of its 29 existing beds to provide a highly specialized program for these transition-age youth (ages 18 through 20). The proposed non-AJSO RTC beds would be dedicated to transitional youth in the custody of the Maryland Department of Juvenile Services for whom placement in another Maryland RTC has not been possible, or for whom clinically suitable services are not available in another Maryland RTC.

Established in 2000 on the grounds of the Charles H. Hickey School, **New Directions** has treated more than 400 youth aged 14 through 20 in its treatment continuum. The **New Directions** clinical team members implement a comprehensive array of “promising practice” evidence-based treatment models that have proven highly successful in treating their young patients. Elements of these treatment models will be implemented with the new program for older youth, *The Right Moves*.

For the last several years, DJS officials have been concerned about the consistent yearly placement of ten to twelve male adolescents aged 18 through 20 in out-of-state facilities. Three major factors cause these placements: the transitional age of the youth in need; the lack of a hardware-secure RTC in Maryland that can offer comprehensive clinical services to this age group; and the complexity of mental health, substance abuse and behavioral problems that a number of the older youth exhibit.

The **New Directions** social workers, psychiatrists, nurses, special educators, and support staff have developed clinical skills that equip them to successfully treat DJS youth of *all* ages who exhibit a multiplicity of difficult treatment issues, yet who do **not** have a history of sexual misconduct.

Establishing *The Right Moves* requires a projected cost of \$80,000.00 for paint, minor repairs, new furniture, curriculum materials, etc. No new construction is involved. A

grouping of already existing patient rooms will be dedicated to the new service separate from the current patient bedrooms. Additional evidence-based practice models will be introduced for the new program, expanded training will be provided for all staff, and meticulous scheduling of activities and common areas for the two populations of patients will ensure a safe, secure therapeutic environment for patients in *both* programs.

Attachment

4

Attachment 4

Part I.8.B. Comprehensive Project
Description

8.B. Comprehensive Project Description:

Description of the Current "New Directions" Program:

The **Chesapeake Treatment Centers, Inc. (CTC) New Directions** program is the only Residential Treatment Center in Maryland specifically designed for the assessment, treatment and placement of juveniles with sexual behavioral problems, sexual disorders and other complex behavioral and medical problems. The Maryland Department of Juvenile Services is the *exclusive* referring agency to **New Directions**. The 29 bed program treats male adolescents between the ages of 14 through 20 who have committed sexual offenses and who demonstrate the need for the comprehensive continuum of clinical programming offered at the facility.

New Directions is located on the grounds of the Charles H. Hickey School and is considered a hardware secure facility. **New Directions** is licensed by the Maryland Department of Health and Mental Hygiene (Department of Behavioral Health) and accredited by The Joint Commission. **New Directions** has established a state-wide reputation for excellence and quality care since opening in 2000. Program clinicians have treated more than 400 youth presenting for treatment with a multiplicity of problems in addition to their sexual behavioral disorders including: mental health disorders, substance use disorders, socialization, cognitive, learning and behavioral issues, family problems, and communication issues. Lengths of stay for residents vary from six to eighteen months and are dictated by clinical need and progress and the resident's risk to self or community. All treatment is coordinated closely with DJS and court personnel.

Skilled clinicians with many years of experience in treating troubled youth have designed the therapeutic components of the program to address the particular strengths and problem areas germane to each resident and his family. The highly individualized approach utilized to construct each youth's treatment plan involves the juvenile services case manager, parents/guardians, family members, and any other relevant community-based agency personnel. All work together to assist the youth in achieving his treatment goals and those treatment goals constructed for the family/foster family during his residential stay. Support resources are identified prior to discharge so treatment gains can be maintained successfully after discharge.

Clinicians for **New Directions** address key areas of the patients' functioning. Components of clinical programming include: understanding personal patterns of maladaptive abuse behaviors; victim empathy and impact; healthy sexuality and relationships; affective regulation; social and communication skills development; and safety/relapse prevention.

In recent data released by the Maryland Department of Juvenile Services, a review of graduates from the program over a period of five years post discharge revealed that less than 6% of **New Directions** graduates had been arrested for *any* crime.

New Directions has distinguished its services from other Residential Treatment Centers

(RTCs) in Maryland in several important areas that have influenced the decision to devote a portion of the clinical programming to *The Right Moves*. **New Directions** is the only RTC in Maryland that is currently dedicated to the treatment of patients referred *exclusively* by the Maryland Department of Juvenile Services (DJS). The program's clinical teams have successfully treated many youth who were rejected by other providers because of the youth's physical health, severity of conduct disorder, or other behavioral issues. Despite accepting highly challenged youth, **New Directions** has established and maintained a therapeutic environment that is safer and has had less incidents, e.g., AWOLS, patient to patient aggression, therapeutic holds, etc. than most other providers in the State. *The Right Moves* will accept *only* patients referred from DJS and the clinical teams will utilize their collective years of experience to successfully treat the new population.

New Directions has developed a unique clinical treatment continuum that is particularly effective. Since opening, more than 90% of the youth treated at the facility have been transitioned successfully into the community. In formulating each patient's treatment plan, **New Directions** clinicians consider and include information about: the stability of the home situation and the capacity of parents or guardians to provide effective supervision; the perception and feelings of the parents/guardians; the ability of parents to protect vulnerable family members; strengths evident in family members that can be utilized to support treatment goals; the role of the parents/guardians/family members in any of the abuse incidents or the victimization of the patient; any Social Services family involvement; and the identification of all treatment modalities and community support services necessary for the family.

Throughout treatment in the *current* specialized programming, the **New Directions** clinicians focus on the following elements as related to each youth: the assessment of risk that ongoing dangerous behaviors could continue; identification of the youth's learned experiences and processes that may have led to abuse-related behaviors and their potential continuance; the motivation of the youth to accept and engage in treatment; the identification of abnormal, antisocial or deviant patterns of thoughts, feelings and behaviors; and finally, an understanding of the situational context in which the sexual offense has occurred. That understanding is essential, since every youth entering treatment exhibits *different* and *varying* degrees of sexual misconduct and disorders.

The individuals contributing to the construction of each treatment plan include the **New Directions** psychiatrist, the Clinical Director of the program who is a licensed mental health practitioner, the primary therapist for each resident, the parents or guardians, relevant court personnel, the probation officer/case manager, a representative of the facility's milieu staff, a member of the New Directions Academy staff, and a victim's advocate/therapist where clinically appropriate.

The individualized treatment plan for each resident involves group and individual therapy and counseling, intensive family education and counseling (familial and/or foster), cognitive behavioral therapy, educational/vocational services, participation in an extensive life skills curriculum, substance abuse/use treatment, anger management,

recreational and expressive therapies, primary nursing and medical care, cultural enrichment activities, and a very active sports program. The Board Certified psychiatrist for the program leads the clinical team efforts, conducts all psychiatric assessments, and monitors medication management.

All youth attend the New Directions Academy, a Maryland State Department of Education approved Special Education and regular education school on grounds. Many of the current patient population enter **New Directions** with school histories riddled with excessive absenteeism, learning problems, suspensions and failure. The New Directions Academy staff is skilled in assessment, diagnosis of learning problems and remediation of those problems. Course work is high interest and geared to individual needs. The success rate for youngsters graduating with a high school diploma from the Academy is significant. There is also a vocational education component to the Academy that allows youngsters who will never be able to achieve graduation with a regular diploma to successfully attain a vocational education and certification. A number of the patients have successfully attended college classes off campus after graduating from the New Directions Academy.

Family involvement and communication and counseling and therapy with family members is a primary focus of the program. Transportation or in-home therapy is provided gratis and as needed for those family members who cannot travel to the facility because of costs or lack of access to private transport. Communication takes place between the therapists and the relevant family members throughout the treatment process. Transition, placement and aftercare planning takes place months before the patient is actually discharged. Identification of appropriate resources within the community and the safety of the patient, the family and the community are key in determining placement plans.

The philosophy of care embraced by **New Directions** clinicians in treating the young sexual offender places primary importance on the individual patient's understanding of and taking responsibility for his own behaviors and for his learning how his offence has negatively impacted his victim, his victim's family, his own family and himself. Finally, the philosophy of care at the facility emphasizes a strengths-based approach that considers each life domain and that enhances the positive elements identified in each patient and in specific family members, and the identification of and connection with resources in the home community that can support treatment gains post-discharge.

Description of Proposed New Service:

The Right Moves -

A Treatment and Life Preparation Program for Older Adolescents

The Right Moves will be a comprehensive treatment and life preparation program for older youth ages 18 through 20 referred **directly and exclusively** by the Maryland Department of Juvenile Services (DJS). The program will consist of eight (8) specifically

dedicated beds that will be converted to the new service from the already existing 29 beds at the **New Directions** facility.

The patients will be those for whom placement in another Maryland RTC has not been possible, or for whom clinically suitable services are not available in another Maryland RTC. Youth referred to **The Right Moves** will present for treatment with a constellation of mental health, substance abuse, and behavioral, family, socialization, cognitive, learning, educational and vocational problems.

Most patients referred to the new program will have a history of residential treatment in varied settings including long-term residential treatment, acute psychiatric hospitalizations, group homes, and/or short-term residential stays for substance use disorders (SUD). **The Right Moves** Program has been designed by and will be implemented by the current treatment experts, administrators, clinicians, special educators and support staff from **New Directions**. **The Right Moves** will offer a multifaceted array of evidence-based clinical approaches, life skills and vocational preparation curriculum materials, and extensive family communication and counseling. The program's focus will be to furnish each patient with the tools he will need to function as a healthy, self-regulating, responsible and contributing member of his home community.

The program will include integrated mental health services and substance abuse education, prevention and treatment, in addition to a core curriculum that will emphasize individualized assessment, stabilization of mental health, education, socialization skills, physical health, cognitive and communication skills building, self-discovery, self-regulation, and family re-connection (as appropriate). Major emphasis will be placed on job/vocational preparation and training, career exploration and planning, and participation in community service programs both on and off grounds.

The Right Moves will be a highly structured program with a full daily schedule of individual therapy, counseling groups, and participation in academic, vocational, job preparation or Grade Equivalency Diploma (GED) class work in addition to an extensive array of other structured activities. **The Right Moves** program will utilize a positive behavioral intervention approach that has rewards and positive recognition built into it in order to reinforce desired behaviors from participants. Rules regarding behaviors, language and appearance, and guidelines for successfully participating in groups and activities will be included in the patient handbook. The handbooks will be given to each youngster and his/her parent/guardian and the DJS case manager upon admission.

Before placement in **The Right Moves** groups or activities, each new admission will be assisted by staff to become familiar with and understand his individualized program schedule, the rules and guidelines for groups, school/vocational education and daily activities participation, and the need to comply so that all may benefit from the group experience and other program elements.

The ongoing group process will allow the patients to have active input into

implementation of the positive behavioral intervention system, into planning certain group activities related to the curriculum elements presented, and into a peer support culture where successful functioning, demonstrating healthy leadership skills, and being honest about one's own behaviors (self-rating) will be given positive and immediate recognition. This positive behavioral intervention and peer support approach has been extremely successful with the current **New Directions** patient population and staff expect that this intervention system will be extremely effective with *The Right Moves* patients.

The Right Moves clinicians will implement individual and group counseling sessions that focus on social skills development, problem solving, anger management, self-understanding, self-regulation, responsibility to one's self, one's family and one's community and, as appropriate for those with SUD, relapse prevention. The curriculum elements will include materials on all of these topics and a primary emphasis will be placed throughout the treatment process on the building of basic life skills, identification of strengths, and elimination of all high-risk behaviors that would, if not addressed, contribute to the patient's inability to disengage from antisocial behaviors and activities after discharge.

Each resident's ability to successfully complete high school or a vocational/pre-vocational certification program will be reviewed and *The Right Moves* clinical team will coordinate efforts in this area with the New Directions Academy staff members. Successful participation in the educational/vocational components of the program will increase each patient's chances for employment and/or continued schooling/training after discharge.

The New Directions Academy successfully graduates from six to eight high school students each year. Often, these youth have experienced many years of absenteeism, suspensions and a persistent cycle of school failure. The high-interest programming at the Academy, implemented by a dedicated and creative team of teachers and a school principal committed to the success of her students has contributed each academic year to the successful re-engagement of young patients who were previously "turned off" to school and learning. The Academy offers a wide range of all required academic subject areas as well as pre-vocational training coursework that includes computer technology and the culinary arts.

Another aspect of the educational/vocational services offered by the New Directions Academy and clinical team is the Graduate Work Program. The Graduate Work Program was instituted several years ago and offers paid work opportunities in the maintenance, custodial, and dietary departments of the facility. The program is specifically designed to simulate a work environment and prepare the older patients for the workplace. Patients from *The Right Moves* who will be enrolled in the graduate work program must have achieved a certain level of clinical progress, maintain their standing in the therapeutic community by complying with all aspects of their treatment, and perform productively in their particular job responsibilities on campus.

The patients enrolled in the Graduate Work Program receive Job Descriptions,

performance evaluations, and supervisory support and guidance from the Director of Environmental Services, who functions as a member of the clinical team. The Graduate Work participants need to punch in and punch out when their duty hours are over and they receive a real paycheck for services rendered. The Graduate Work Program patients from *The Right Moves* will deposit their checks in the “bank” which is set up by Chesapeake Treatment Centers and a bi-monthly account balance will be issued to them. Upon discharge from treatment, all funds in the account will be distributed to the patient.

The Graduate Work patients learn basic maintenance and environmental care skills and participate in ongoing safety training and equipment use workshops. This program has proven to be an extremely valuable treatment component at **New Directions**, particularly for our older residents. Enrollment of *The Right Moves* patients, once they have progressed in treatment, will be an extremely productive treatment element for them.

The average length of stay for patients in treatment in *The Right Moves* will be nine months. Once the youth has achieved a certain level of responsibility and has met his treatment goals, he will be able to go on home passes that are approved by DJS, the psychiatrist, and the rest of the clinical team members. These home passes will be issued on a graduated scale - from several-hour visits, to day passes, to overnight passes. Discharge and transition planning begins from the first day of admission since many of the older youth referred to the program will not return home and will need a support system of community based resources in the communities to which they will return. The **New Directions** staff has many years of experience in placing hundreds of graduates from its program in placements throughout the State and has developed collaborative working relationships with hundreds of agency and advocacy personnel that will be very valuable to *The Right Moves* patient population.

The Right Moves program elements will include:

- Comprehensive mental health assessment, diagnosis, treatment, and medication management
- Substance Use Disorders (SUD) prevention, education, and treatment
- Therapeutic milieu and positive peer culture
- Evidence-based practice models for care, e.g., Cognitive Behavioral Therapy (CBT), Motivational Enhancement Therapy (MET), Recovery-Oriented Systems of Care (ROSC)
- Individual, group and family counseling
- Strengths-based individualized treatment
- Educational assessment and services as needed, regular or special education
- Individual and group counseling
- Structured family education and counseling program with flexible hours available to provide easy access and transportation for family members provided as needed
- Case Management
- Positive Behavioral Interventions including a Peer Support Culture
- Vocational assessments, programming and vocational program placement
- Career exploration and planning

- Job preparedness and help with job search with the goal of each resident accessing a viable part-time or full-time position in his home community prior to discharge
- Community services program with residents volunteering, e.g., in the local animal shelters, soup kitchens, etc.
- Competency, Life Skills and Character Development curriculum
- Special interest and gender specific groups will include: conflict resolution, health education, anger management, violence prevention, accountability and responsibility, etc.
- Victim awareness
- Nutritional and diet planning
- Physical health and training with youth in an already existing sports and recreation program
- Parenting classes for those youth with children
- Cultural awareness with field trips to local museums, cultural events, etc.
- Art and music activities
- Recreation and sports activities on grounds
- Identification of community resources that are specifically designed to support the gains made for each individual upon discharge
- Discharge and Continuing Care planning
- Monitoring twelve months post-discharge in a collaborative effort with the Department of Juvenile Services so that model viability and outcomes can be assessed

The following section describes in more detail all of those therapeutic program elements that will be offered at *The Right Moves*. These include:

Individual Therapy – Each patient will have weekly one-on-one scheduled therapy sessions throughout his treatment stay with his primary therapist in order to process individual issues and discuss the treatment plan, achievement of goals, problems encountered, successes for the week, family dynamics, participation in overall program, etc. The number of weekly individual sessions for each patient will vary according to clinical need.

Group Therapy - The overall goal is to help the youth identify the role of his emotions in triggering and/or reinforcing negative and destructive behaviors while dealing with peers, while at the same time developing tools for intervening and learning more adaptive and healthy ways to experience and cope with emotions.

Cognitive individual and group work helps build the skills of self-analysis, understanding all options available, and learning to make better choices. The denial, minimizations, and rationalizations that are characteristic of youth who habitually offend are cognitive processes, so the cognitive work in treatment really supports the building of each youth's constructive self-monitoring and enhanced self-control. Group therapy is offered four times per week.

Positive Peer Culture: Community Group - The Positive Peer Culture community group is a daily forum where the patients address their relationships with each other. The focus is on conflict resolution, constructive interpersonal communication, and/or to express appreciation for other patients who have been helpful to a peer or to the entire group. In addition to being a forum for practicing interpersonal skills being learned, the Community Group also serves as a prevention tool to ensure that personal conflicts and tensions are addressed regularly and do not escalate into more serious incidents. The Positive Peer Culture approach supports the philosophy of strengths-based treatment at **New Directions** and has proven to be an extremely valuable clinical tool. Since the approach is so successful for current patients, a Positive Peer Culture Community Group will be established for the patients in *The Right Moves* program.

Family Therapy - Clinicians will assess each patient's family situation and actively solicit parent and/or guardian involvement as part of the family counseling program. Parents and guardians will learn how to communicate better with their son and will be assisted to recognize their son's strengths and other factors that have led their son into a cycle of juvenile justice involvement and failed placements. Parents and/or guardians will help formulate initial and ongoing treatment goals for the patient and for family members, and will learn methods to healthfully support the patient upon discharge.

Participation in the family therapy sessions is a key element in treatment. Therefore, *The Right Moves* clinical team will assist family members who cannot access transportation on their own to attend the family sessions, either by providing transportation with one of the facility vans, by paying for public transport to the facility, or by delivering family therapy in the home.

Clinicians at the facility view family counseling and therapy for the patients as a vehicle to build new channels of communication, to assist with the family's self-identification of dysfunctional patterns of family behavior, and to educate and guide so that the parents and guardians can contribute to supporting the patient's successful functioning after discharge.

Expressive Therapies - Patients are helped with expressing difficult and negative thoughts and feelings through various creative mediums, including art, music, and physical activities. **New Directions** currently provides a comprehensive expressive therapy program that offers music therapy, a theater arts program, cultural enrichment activities, and three competitive sports teams (softball, volleyball and basketball). The **New Directions** sports teams compete with other RTC and non-public school teams. The art, music and drama activities give the patients safe and structured settings to help them express emotions and deal with issues they might otherwise not be able to do. Participating in the sports programs help patients work as a team, build upon their own strengths and skills, and have successful normalized peer interactions. *The Right Moves* patients will have access to all of those expressive therapies and activities currently offered at the facility.

Trauma/Grief/Spirituality - Recovery from dependencies and other self-defeating behaviors involves recognizing that grieving, i.e., that process by which all humans adjust

to loss and change, has been a significant and frequently under-acknowledged dynamic in our patients' lives. Many of the older youth referred to *The Right Moves* will have histories of loss, trauma, abuse, and will have suffered from feelings of depression and hopelessness.

Through the Trauma/Grief and Spirituality counseling sessions, *The Right Move* patients will be educated in the normal and natural process that leads to resolution of loss and trauma. Patients will learn how this process has been interrupted by the use of mood-altering substances, compulsive behaviors, antisocial behaviors, or dysfunctional family roles. Outcomes of grief/trauma work at the current program frequently include increased self-esteem, reduction in reported depression and self-harm, and a dramatic emergence of energy for life and the tasks of recovery.

Emotional access is further encouraged as the bridge to personal spiritual discovery. The ability to identify, experience, and express all emotions appropriately is the conduit to authenticity, values clarification, and healthy and adaptive connections with self and others.

For those patients who wish to participate, a non-denominational church services is provided every other Friday evening. *The Right Moves* patients will also be allowed, with the juvenile services and family permission, to have periodic visits from personal clergy members from the individual patient's religious organization.

Physical Health/Medication - *The Right Moves* patients will have access to the CTC full-time psychiatrist, attending pediatrician, and licensed dietician for all psychiatric, medical and physical health care needs. The nursing station is located in the same building as the patients and staff are available 24 hours a day, 7 days a week for immediate medical needs. Each patient in the program will be paired with a primary nurse. Patients will receive dental care services every 6 months and yearly vision screenings. The appropriate use of medications for individuals suffering from severe depression, bipolar disorder, panic disorder, or other disorders can be extremely helpful in furthering rehabilitation and recovery. A thorough evaluation is given prior to prescribing any medication. The physician and/or nurse will also speak with individual residents before a prescription is considered in order to explain the purpose of the medication and any side effects that could ensue. Nursing and Medical staff will offer educational sessions on medications and common diseases, e.g. diabetes and high blood pressure, as part of their ongoing didactic lectures series. Weekly nursing psycho-educational groups will also address other relevant health care topics, e.g., HIV, safe sexual practices, etc.

Educational and Vocational Training - As mentioned in an earlier section of this description, patients in *The Right Moves* program will attend the Maryland State Department of Education certified school, The New Directions Academy, which offers Special Education, Regular Education and Vocational Education coursework. A number of the current **New Directions** patients have attended college courses and vocational training programs off campus, and several have held part-time jobs in the community

(those close to discharge). Clearly, an adequate education is fundamentally important for success in later life. As *The Right Moves* patients learn new ways to deal with their problems, cognitive reasoning, and behaviors, they are provided with educational opportunities to help them obtain the information and experiences necessary for achieving their goals.

Patients will be given many and varied opportunities for vocational development since exploration of different career paths can assist each patient to learn about new areas of interest. A Culinary Arts curriculum and computer technology arts coursework are available through The New Directions Academy. As described in a previous section, a Graduate Employee work program on site is available for those patients who have completed high school.

Prior to discharge back into the community, the clinical team will arrange for patients to become involved with the local branch of the Maryland Division of Rehabilitation Services (DORS) since *The Right Moves* patients will qualify for access to training and services provided by DORS.

Behavior Management System - All patients will participate in the positive Behavioral Management System utilized at the facility. In order to help each patient be successful in the community and in achieving his individualized treatment goals, a Level System and the treatment and achievement approaches included therein provide a step-by-step learning experience that addresses specific behavioral and conduct issues and, at the same time, identifies and supports the strengths and clinical needs of each patient.

The Behavior Management System is based on strengths, health and achievement and has proven to be extremely successful since it supports the other treatment components and curriculum utilized at the treatment center.

Transition and Discharge Planning - The entire treatment team is responsible for planning the transition and continuing care plan well in advance of discharge. During the several months prior to discharge, the individual therapist and other clinical team members begin to hold specific meetings (more frequently as the projected discharge date approaches), in order to identify issues regarding housing, mental health and SUD support services in the community, job opportunities or continuation of school or vocational training, services provided by the local DORS office, and the availability of family support and involvement with the patient post-discharge. These Discharge Planning meetings will include the patient, the DJS case manager, the parent or guardian, Academy staff, direct care staff, and the individual therapist.

The written Transition and Discharge Plan will include specific information for the patient, the DJS case manager, and the family regarding support services and the patient's connection to a school, vocational training, or job placement; an appointment with a community-based mental health therapist; identification of and appointment with ongoing substance abuse treatment and prevention resources (as clinically appropriate); identification of and appointments with community-based family support resources, etc.

If the patient cannot return home, a housing arrangement will be made in collaboration with DJS that will support the safety and progress of the patient and the ongoing safety of the community. Other life domains will be considered and addressed in construction of the discharge plan, including: spirituality, social/recreational, medical care, physical fitness, nutrition, vocational/educational, financial, and legal support.

As described previously, if the family is involved and supportive the patient will be sent on graduated day/overnight home passes to “test” functioning. These home visits will help the team, patient, and family to measure progress in treatment as well as present opportunities for discussion in counseling with the patient and the family.

Assiduous planning with attention to details in each life domain will ensure the patient’s better and more successful functioning back in the community. *The Right Moves* will offer older DJS-involved youth a solution-oriented, problem-specific program that will equip each patient with the support, treatment, and tools necessary to transition to a healthy and independent adulthood.

Physical Plant and Schedule – B. (1) through (5)

8.B(1)

Construction, renovation, and demolition plans – *The Right Moves* program will not require construction or demolition. As reflected in the schematic drawings of the floor plans for the facility (**Attachment A**), a number of existing patient rooms will be reassigned for use by the target population. These rooms are all single-occupancy and each contains its own private lavatory. The rooms will be repainted and will be refurbished with new bedding, new bed frames and mattresses, and dressers. Additionally, small desks with chairs that will function as study areas will be added to the bedrooms. The projected costs for repairs, furnishings and painting is \$80,000. An itemized list and budget is included in **Attachment B**.

8.B(2)

Changes in square footage of departments and units – The square footage for each bedroom dedicated to the new program is 80 sq. ft. The square footage for the newly designated community (day) room for the patients in *The Right Moves* is 696 sq. ft. The indoor gymnasium, cafeteria, and the New Directions Academy are common areas that will be scheduled for exclusive use by *The Right Moves* during certain time slots within the facility’s daily schedule. However, since both **New Directions** patients and *The Right Moves* patients will be utilizing those common areas, there is no change of square footage usage for those areas. In summary, the total change in square footage utilization for the new program is 1,336 sq. ft.

8.B(3)

Physical Plant or Location Changes – There will be no location or physical plant changes required for *The Right Moves* programming other

than the minor renovations described above.

8.B.(4)

Changes to affected services following completion of the project –

There will be no change to the current services offered at the **New Directions** service except for the reallocation of the eight (8) designated beds to the new program patients for *The Right Moves*.

8.B.(5)

Project Schedule – It is estimated that within sixty (60) days of the Certificate of Need approval, *The Right Moves* program will be able to accept its first patient. Staffing is already in place and the cosmetic repairs and furnishings will be in place within sixty days of the granting of the Certificate of Need. Notification will be sent to the Maryland Department of Juvenile Services immediately upon receipt of the Certificate of Need approval so the Department can initiate the process for bringing back to Maryland some of those patients currently out of state. The Department would then also be able to send out notice to all of the DJS Directors and Supervisors that *The Right Moves* was approved and that target population patients could be placed at the facility rather than sending any more older youth to out-of-state placements.

Attachment

5

Attachment 5

Part I.13. Project Drawings

CHESAPEAKE TREATMENT CENTER

USE	SQUARE FOOTAGE	CODE	COMMON AREA
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CHEESAPEAKE TREATMENT CENTER, INC

FYE JUNE 30, 2014

SQUARE FOOTAGE SUMMARY

	Line	Square Footage
Employee Health and Welfare	3	88
A&G	4	1332
Repairs & Maintenance	5	423
Laundry/Linens	7	80
Housekeeping	8	40
Dietary	9	682
Medical Records	15	207
Social Services	16	464
Medical Services	19	86
Activity Therapy	21	1958
RTC	26	3903
Education	44	1557
Subtotal		10820
Common Area	1	0
Total		10820

CHESAPEAKE TREATMENT CENTER

Square Footage

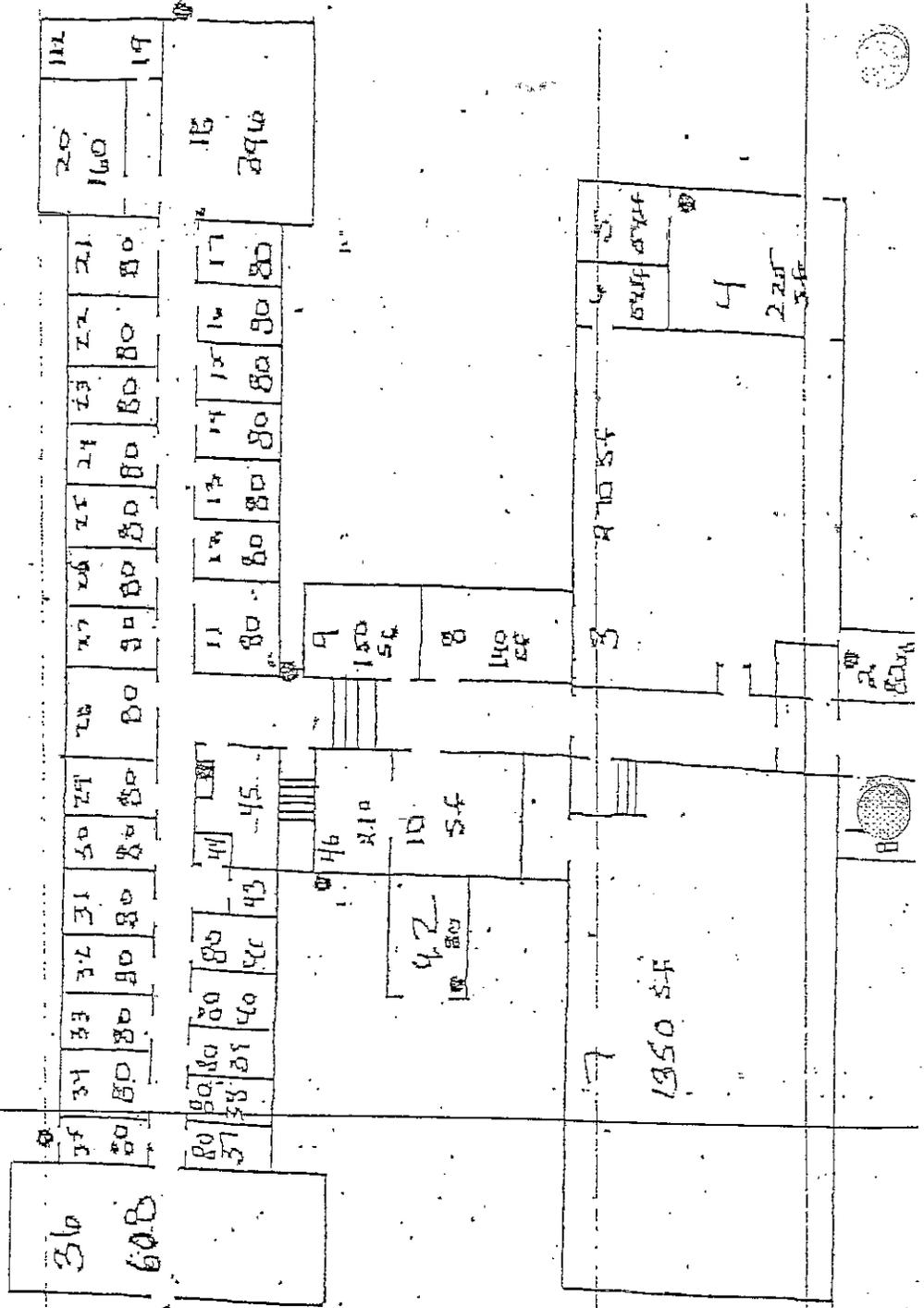
ROOM NO.	ROOM USE	SQ. FT.	CODE	COMMON AREA	EMPLOYEE HEALTH & WELFARE	AGE	MAINTENANCE & REPAIRS	LAUNDRY	HOUSEKEEPING	DIETARY	ADMISSIONS	RECORDS	MEDICAL SERVICES	SOCIAL SERVICES	ACTIVITY THERAPY	RTC	SCHOOL
1	SECLUSION	80	26														
2	DIRECTOR-RESIDENTIAL SERVICES	75	26														
3	DAY ROOM	270	26														
4	STAFF LOUNGE	225	4														
5	EMPLOYEE BATHROOM	54	4														
6	PATIENT BATHROOM	54	26														
7	ACTIVITIES/GYM	1350	21														
8	PATIENT BEDROOM	140	26														
9	PATIENT BEDROOM	150	26														
10	PATIENT BATHROOM	250	26														
11	LAUNDRY/LINENS	80	7				80										
12	PATIENT BEDROOM	80	26														
13	PATIENT BEDROOM	80	26														
14	PATIENT BEDROOM	80	26														
15	PATIENT BEDROOM	80	26														
16	PATIENT BEDROOM	80	26														
17	PATIENT BEDROOM	80	26														
18	NURSES STATION	396	26														
19	UNIT CLERK	112	26														
20	MEDICAL RECORDS	160	15								160						
21	PATIENT BEDROOM	80	26														
22	PATIENT BEDROOM	80	26														
23	PATIENT BEDROOM	80	26														
24	PATIENT BEDROOM	80	26														
25	PATIENT BEDROOM	80	26														
26	PATIENT BEDROOM	80	26														
27	PATIENT BEDROOM	80	26														
28	PATIENT BEDROOM	80	26														
29	PATIENT BEDROOM	80	26														
30	PATIENT BEDROOM	80	26														
31	PATIENT BEDROOM	80	26														
32	PATIENT BEDROOM	80	26														
33	PATIENT BEDROOM	80	26														
34	PATIENT BEDROOM	80	26														
35	MERIT STORE	80	26														
36	EXPRESSIVE THERAPY	608	21												608		
37	PATIENT STORAGE	80	26														
38	PATIENT BEDROOM	80	26														
39	PATIENT BEDROOM	80	26														
40	PATIENT BEDROOM	80	26														
41	PATIENT BEDROOM	80	26														
42	MAINTENANCE STORAGE	80	5														
43	EMPLOYEE BATHROOM	40	4				80										
44	HOUSEKEEPING STORAGE	40	8						40								
45	MAINTENANCE STORAGE	45	5				45										
46	BOILER ROOM	210	5				210										
		6499															
	MODULAR																
1	CLASSROOM	252	44														252
2	CLASSROOM	252	44														252
3	CLASSROOM	252	44														252

CHESAPEAKE TREATMENT CENTER

Square Footage

ROOM NO.	USE	SQ. FT.	CODE	COMMON AREA	EMPLOYEE HEALTH & WELFARE	LAUNDRY	HOUSEKEEPING	DIETARY	ADMISSIONS	MEDICAL RECORDS	SOCIAL SERVICES	MEDICAL SERVICES	ACTIVITY THERAPY	RTC	SCHOOL
4	CLASSROOM	165	44											26	44
5	LIBRARY	132	44												132
6	PRINCIPAL	132	44												132
7	BEHAVIOR MGR	108	44												108
8	VOTECH/COMPUTER LAB	192	44												192
9	SCHOOL STORAGE	72	44												72
10	CASE MANGER	64	26											64	
MODULAR II															
1	DINING ROOM	682	9					682							
2	THERAPIST OFFICE	160	16							160					
3	SOCIAL WORKER/CASE MANAGER	144	16							144					
4	CLINICAL SUPERVISOR	144	26							160				144	
5	THERAPIST OFFICE	160	16												
MODULAR III															
1	HUMAN RESOURCES	88	3		88										
2	MILIEU SUPERVISORS/INTERNS	88	26												88
3	MAINTENANCE	88	5												
4	QUALITY ASSURANCE/MEDICAL RECORDS DIR	47	15							47					
4	ADMINISTRATIVE ASSISTANT	47	4		47										
5	ADMINISTRATOR	94	4												
6	STORAGE	59	4												
7	PSYCHIATRIST OFFICE	86	19									86			
	CONFERENCE AREA	769	4												
	EMPLOYEE BATHROOM	44	4												
	TOTAL EACH AREA	10820		0	88	80	40	682	0	207	464	86	1958	3903	1557

FIRE EVACUATION PLAN CHEAPEAKE (U-7)



DRAWN BY: [unclear] DATE: [unclear]

CASUALTY (1)
THERAPISTS (1) 12 X 12

CHEMICAL
DIRECTOR 12 X 12

144 SRF

144 SRF

(3)

(4)

(2)

16 X 10

160 SRF

THERAPISTS (3)

16 X 5

80 SRF

(5)

THERAPISTS (2)

160

SRF

16 X 10

ANNEX II
(MAGAZINE II)

Secondary
EXIT

31 X 22

682 SRF

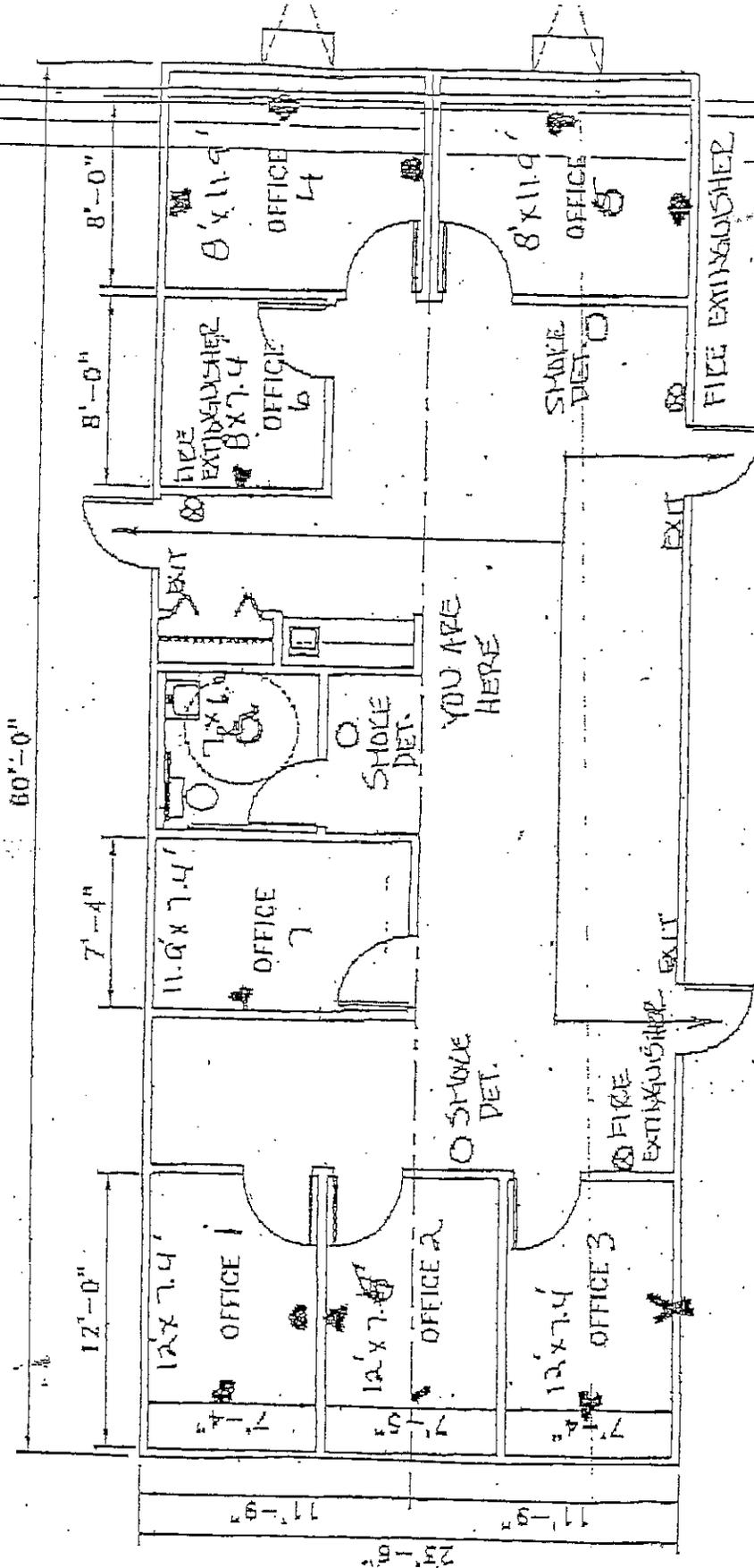
DINING
ROOM

Primary
EXIT

(1)

Fire Extinguisher

MODULAR III



Office 1 = 12' x 7.4' = 87.9
 Office 2 = 12' x 7.4' = 88.8
 Office 3 = 12' x 7.4' = 87.9
 Office 4 = 8' x 11.9' = 94

Office 5 = 8' x 11.9' = 94
 Office 6 = 8' x 7.4' = 58.64
 Office 7 = 11.9' x 7.4' = 86.12
 Bathroom = 7' x 6.4' = 44.31
 Conference Area = 7' x 6.4' = 44.31

Total
 1410 sq. ft.

CHESAPEAKE TREATMENT CENTER

USE	SQUARE FOOTAGE	CODE	1 COMMON AREA
-----	-------------------	------	---------------------

CHESAPEAKE TREATMENT CENTER, INC
 FYE JUNE 30, 2014

SQUARE FOOTAGE SUMMARY

	Line	Square Footage
Employee Health and Welfare	3	88
A&G	4	1332
Repairs & Maintenance	5	423
Laundry/Linens	7	80
Housekeeping	8	40
Dietary	9	682
Medical Records	15	207
Social Servives	16	464
Medical Services	19	86
Avtivity Thearapy	21	1958
RTC	26	3903
Education	44	1557
Subtotal		10820
Common Area	1	0
Total		10820

CHESAPEAKE TREATMENT CENTER

Square Footage

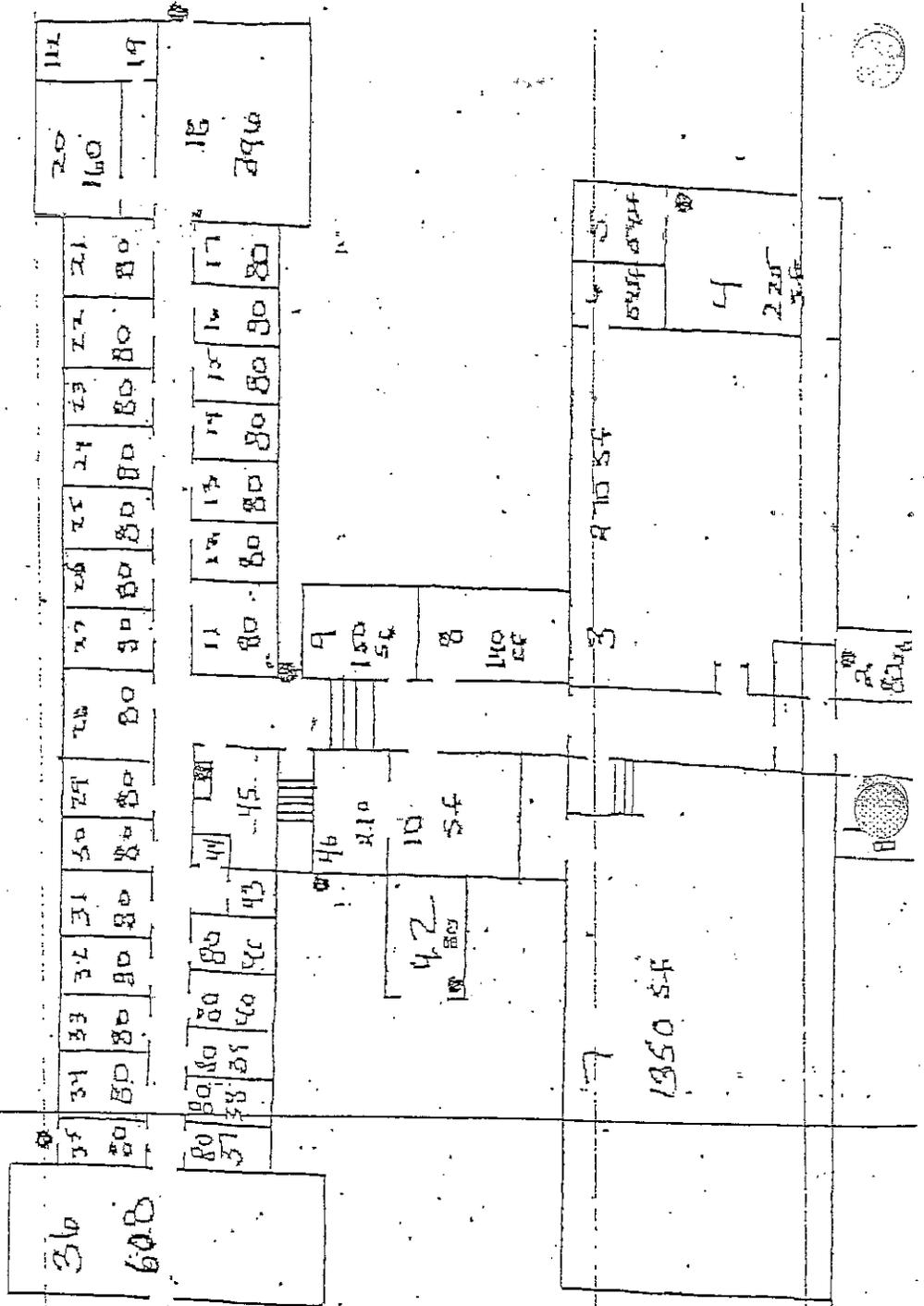
ROOM NO.	USE	SQUARE FOOTAGE	CODE	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800	801	802	803	804	805	806	807	808	809	810	811	812	813	814	815	816	817	818	819	820	821	822	823	824	825	826	827	828	829	830	831	832	833	834	835	836	837	838	839	840	841	842	843	844	845	846	847	848	849	850	851	852	853	854	855	856	857	858	859	860	861	862	863	864	865	866	867	868	869	870	871	872	873	874	875	876	877	878	879	880	881	882	883	884	885	886	887	888	889	890	891	892	893	894	895	896	897	898	899	900	901	902	903	904	905	906	907	908	909	910	911	912	913	914	915	916	917	918	919	920	921	922	923	924	925	926	927	928	929	930	931	932	933	934	935	936	937	938	939	940	941	942	943	944	945	946	947	948	949	950	951	952	953	954	955	956	957	958	959	960	961	962	963	964	965	966	967	968	969	970	971	972	973	974	975	976	977	978	979	980	981	982	983	984	985	986	987	988	989	990	991	992	993	994	995	996	997	998	999	1000
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CHESAPEAKE TREATMENT CENTER

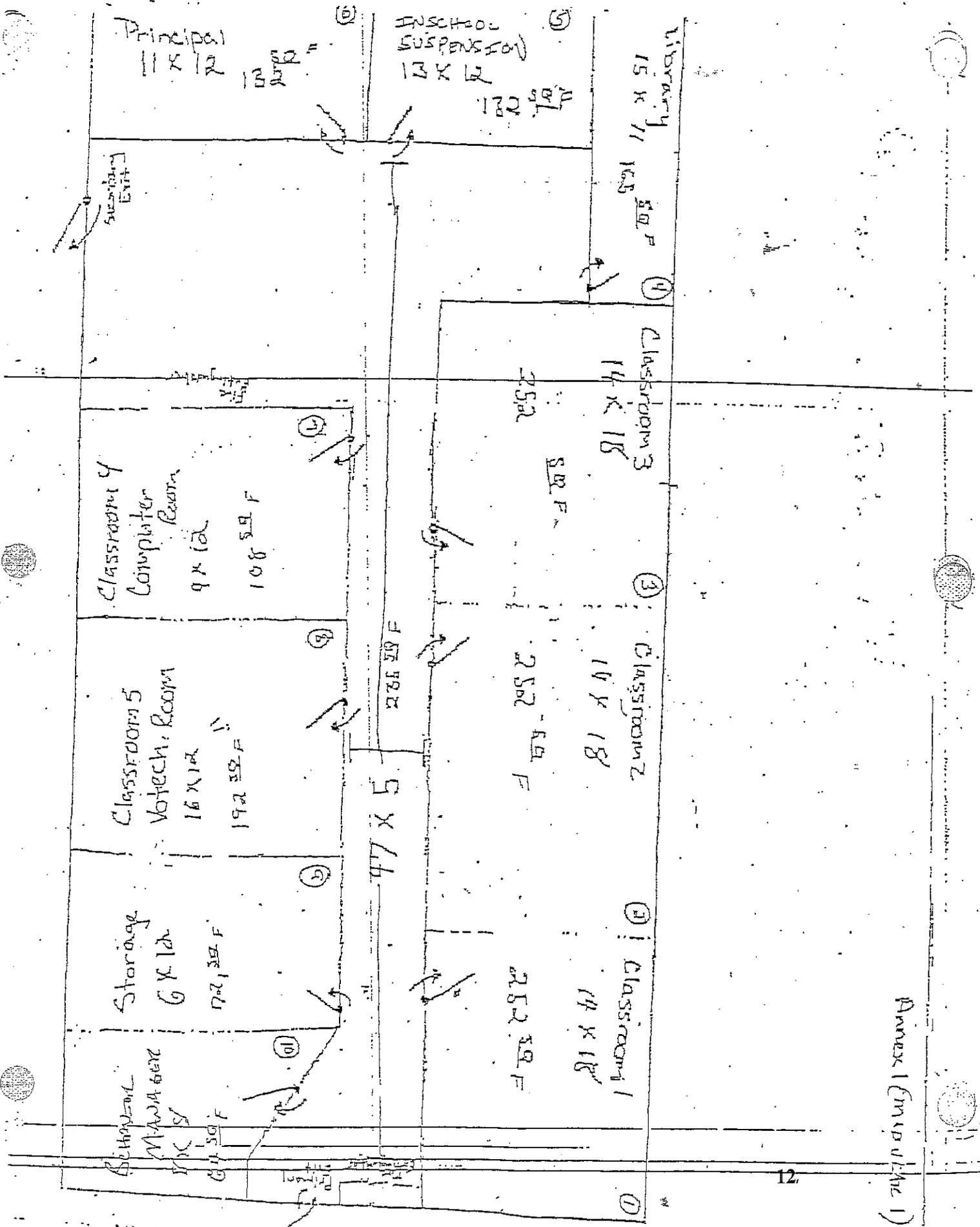
Square Footage

ROOM NO.	USE	SQUARE FOOTAGE	CODE	1 COMMON AREA	3 EMPLOYEE HEALTH & WELFARE	4 AGG	5 MAINTENANCE & REPAIRS	6 LAUNDRY	7 HOUSEKEEPING	9 DIETARY	11 ADMISSIONS	15 MEDICAL RECORDS	16 SOCIAL SERVICES	19 MEDICAL SERVICES	21 ACTIVITY THERAPY	25 RTC	44 SCHOOL
4	CLASSROOM	165	44														165
5	LIBRARY	132	44														132
6	PRINCIPAL	132	44														132
7	BEHAVIOR MGR	108	44														108
8	VOTECH/COMPUTER LAB	192	44														192
9	SCHOOL STORAGE	72	44														72
10	CASE MANGER	64	26													64	72
MODULAR II																	
1	DINING ROOM	682	9							682							
2	THERAPIST OFFICE	160	16														
3	SOCIAL WORKER/CASE MANAGER	144	16										160				
4	CLINICAL SUPERVISOR	144	26										144				144
5	THERAPIST OFFICE	160	16										160				
MODULAR III																	
1	HUMAN RESOURCES	88	3														
2	MILIEU SUPERVISORS/INTERNS	88	26														
3	MAINTENANCE	88	5														
4	QUALITY ASSURANCE/MEDICAL RECORDS DIR	47	15									47					
5	ADMINISTRATIVE ASSISTANT	47	4														
6	ADMINISTRATOR	94	4														
7	STORAGE	59	4														
8	PSYCHIATRIST OFFICE	86	19											86			
9	CONFERENCE AREA	769	4														
10	EMPLOYEE BATHROOM	44	4														
TOTAL EACH AREA		10820		0	88	1332	423	80	40	682	0	207	464	86	1958	3903	1557

FIRE EVACUATION PLAN CHEAPEAKE (U-7)



CHEAPEAKE (U-7) FLOOR PLAN
DATE: _____



Annex 1 (Imp of the 1)

ANNEX II
(MODULAR II)

Secondary
EXIT

31 X 22

682 SRF

DINING
ROOM

COUNSELOR (1)
THERAPIST (1) 12 X 12

COUNSELOR
DIRECTOR 12 X 12

(3)

(2)

16 X 10

160 SRF

THERAPISTS (3)

(4)

16 X 5

80 SRF

(5)

THERAPISTS (3)

160 SRF

160

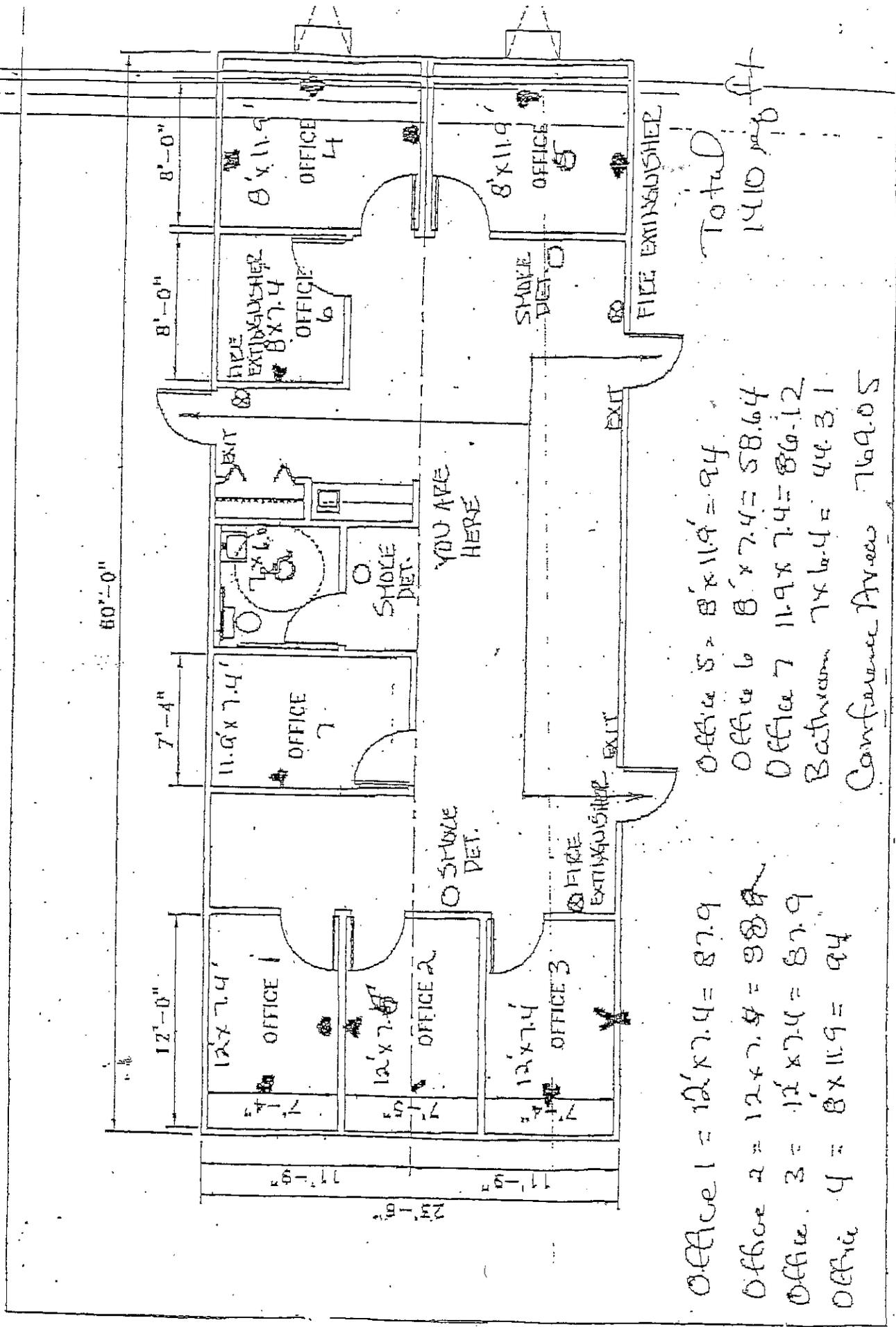
16 X 10

Primary
EXIT

(1)

Fire Extinguisher

MODULAR III



Office 1 = 12' x 7.4' = 87.9
 Office 2 = 12' x 7.4' = 88.8
 Office 3 = 13' x 7.4' = 97.9
 Office 4 = 8' x 11.9' = 94

Office 5 = 8' x 11.9' = 94
 Office 6 = 8' x 7.4' = 58.64
 Office 7 = 11.9' x 7.4' = 86.12
 Bathroom = 7' x 6.4' = 44.31
 Conference Areas = 76.905

Total
 1410 sq ft

CHESAPEAKE TREATMENT CENTER

Square Footage

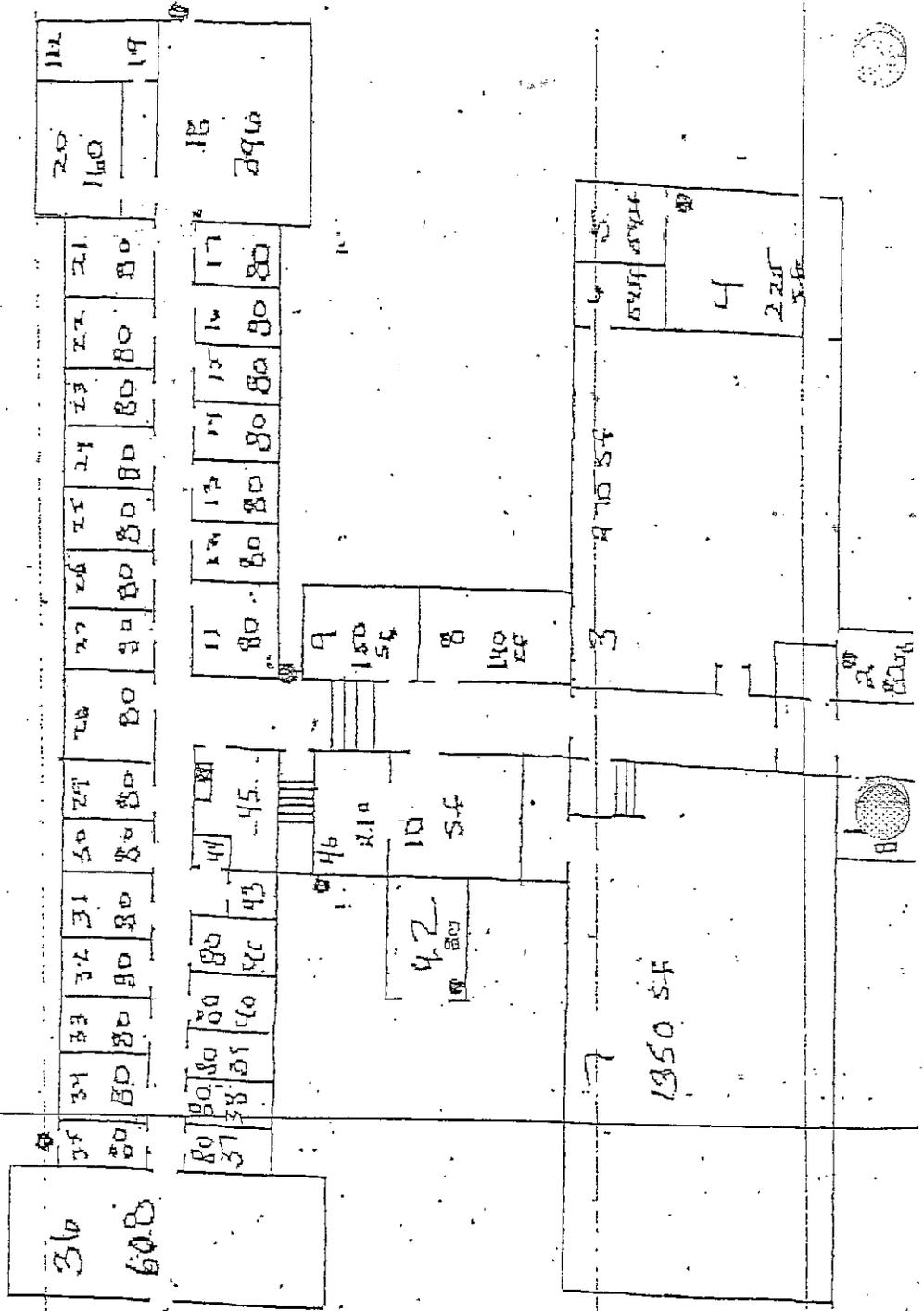
ROOM NO.	USE	SQUARE FOOTAGE	CODE	1 COMMON AREA	2 EMPLOYEE HEALTH & WELFARE	3 A&G	4 MAINTENANCE REPAIRS	5 LAUNDRY	6 HOUSEKEEPING	7 DIETARY	8 ADMISSIONS	9 MEDICAL RECORDS	10 SOCIAL SERVICES	11 MEDICAL SERVICES	12 ACTIVITY THERAPY	13 RTC	14 SCHOOL
TAMAR BUILDING																	
1	SECLUSION	80	26														
2	DIRECTOR-RESIDENTIAL SERVICES	26	26														
3	DAY ROOM	270	26														
4	STAFF LOUNGE	225	4														
5	EMPLOYEE BATHROOM	54	4														
6	PATIENT BATHROOM	54	26														
7	ACTIVITIES/GYM	1350	21												1350		
8	PATIENT BEDROOM	140	26														
9	PATIENT BEDROOM	150	26														
10	PATIENT BATHROOM	250	26														
11	LAUNDRY/LINENS	80	7					80									
12	PATIENT BEDROOM	80	26														
13	PATIENT BEDROOM	80	26														
14	PATIENT BEDROOM	80	26														
15	PATIENT BEDROOM	80	26														
16	PATIENT BEDROOM	80	26														
17	PATIENT BEDROOM	80	26														
18	PATIENT BEDROOM	396	26														
19	NURSES STATION	112	26														
20	UNIT CLERK	160	15								160						
21	MEDICAL RECORDS	80	26														
22	PATIENT BEDROOM	80	26														
23	PATIENT BEDROOM	80	26														
24	PATIENT BEDROOM	80	26														
25	PATIENT BEDROOM	80	26														
26	PATIENT BEDROOM	80	26														
27	PATIENT BEDROOM	80	26														
28	PATIENT BEDROOM	80	26														
29	PATIENT BEDROOM	80	26														
30	PATIENT BEDROOM	80	26														
31	PATIENT BEDROOM	80	26														
32	PATIENT BEDROOM	80	26														
33	PATIENT BEDROOM	80	26														
34	PATIENT BEDROOM	80	26														
35	PATIENT BEDROOM	80	26														
36	MERIT STORE	80	26														
37	EXPRESSIVE THERAPY	608	21														
38	PATIENT STORAGE	80	26														
39	PATIENT BEDROOM	80	26														
40	PATIENT BEDROOM	80	26														
41	PATIENT BEDROOM	80	26														
42	MAINTENANCE STORAGE	80	5														
43	EMPLOYEE BATHROOM	40	4														
44	HOUSEKEEPING STORAGE	40	8														
45	MAINTENANCE STORAGE	46	5														
46	BOILER ROOM	210	5														
		6499															
MODULAR																	
1	CLASSROOM	252	44														
2	CLASSROOM	252	44														
3	CLASSROOM	252	44														

CHESAPEAKE TREATMENT CENTER

Square Footage

ROOM NO.	USE	SQ. FT.	CODE	COMMON AREA	EMPLOYEE HEALTH & WELFARE	AGG. MAINTENANCE & REPAIRS	LAUNDRY	HOUSEKEEPING	DIETARY	ADMISSIONS	MEDICAL RECORDS	SOCIAL SERVICES	MEDICAL SERVICES	ACTIVITY THERAPY	RTC	SCHOOL
4	CLASSROOM	165	44													165
5	LIBRARY	132	44													132
6	PRINCIPAL	132	44													132
7	BEHAVIOR MGR	108	44													108
8	VOTECH/COMPUTER LAB	182	44													182
9	SCHOOL STORAGE	72	44													72
10	CASE MANGER	64	26												64	
MODULAR II																
1	DINING ROOM	682	9						682							
2	THERAPIST OFFICE	160	16													
3	SOCIAL WORKER/CASE MANAGER	144	16													
4	CLINICAL SUPERVISOR	144	26													
5	THERAPIST OFFICE	160	16													
MODULAR III																
1	HUMAN RESOURCES	88	3		88											
2	MILIEU SUPERVISORS /INTERNS	88	26													
3	MAINTENANCE	88	5													
4	QUALITY ASSURANCE/MEDICAL RECORDS DIR	47	15													
4	ADMINISTRATIVE ASSISTANT	47	4			47										
5	ADMINISTRATOR	94	4													
6	STORAGE	59	4													
7	PSYCHIATRIST OFFICE	86	19										86			
	CONFERENCE AREA	769	4													
	EMPLOYEE BATHROOM	44	4													
	TOTAL EACH AREA	1410		0	88	1332	80	40	682	0	207	464	86	1958	3903	1557

FIRE EVACUATION PLAN CHEESAPEAKE (U-7)



CHEESAPEAKE (U-7) FLOOR PLAN

Annex II
(Module II)

Secondary Exit

Primary Exit

31 X 22

682 SRF

DINING ROOM

COUNSELLOR (1)
THERAPIST (1) 12 X 12

COUNSELLOR
DIRECTOR 12 X 12

144 SRF

144 SRF

(3)

(4)

(2)

16 X 10

160 SRF

THERAPISTS (3)

80 SRF

16 X 5

(5)

THERAPISTS (2)

160 SRF

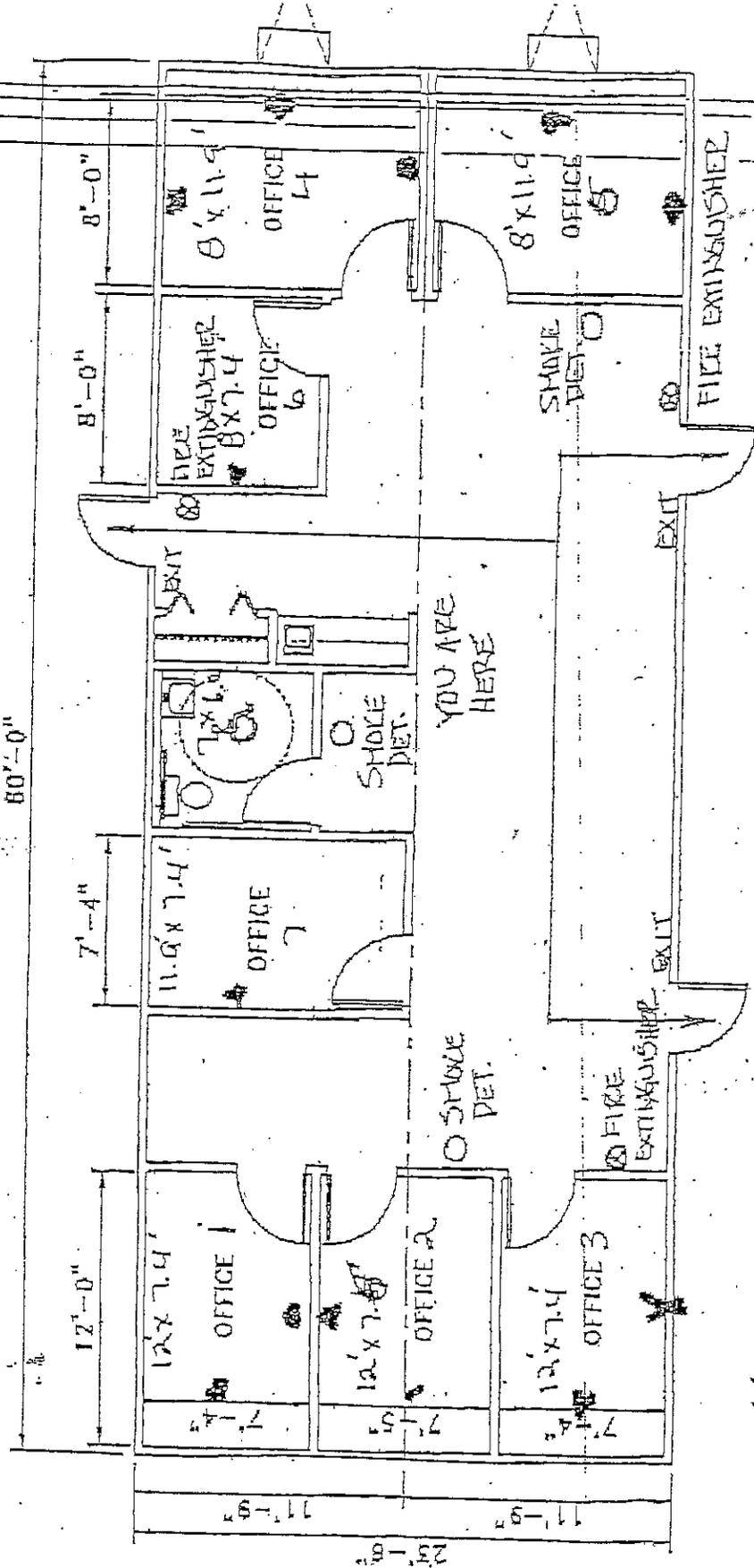
16 X 10

16 X 10

Fire Exit

(1)

MODULAR III



Office 1 = 12' x 7.4' = 87.9
 Office 2 = 12' x 7.4' = 88.8
 Office 3 = 12' x 7.4' = 87.9
 Office 4 = 8' x 11.9' = 94

Office 5 = 8' x 11.9' = 94
 Office 6 = 8' x 7.4' = 58.64
 Office 7 = 11.9' x 7.4' = 86.12
 Bathroom = 7' x 6.4' = 44.31
 Conference Areas = 769.05

Total
 1410 sq. ft.

A Hachment

6

Attachment 6

Part II. Project Budget, Table E

TABLE E. PROJECT BUDGET

INSTRUCTION: Estimates for Capital Costs (1.a-e), Financing Costs and Other Cash Requirements (2.a-g), and Working Capital Startup Costs (3) must reflect current costs as of the date of application and include all costs for construction and renovation. Explain the basis for construction cost estimates, renovation cost estimates, contingencies, interest during construction period, and inflation in an attachment to the application. See additional instruction in the column to the right of the table.
NOTE: Inflation should only be included in the inflation allowance line A.1.e. The value of donated land for the project should be included on line A.1.a as a use of funds and on line B.8 as a source of funds.

	Hospital Building	Other Structure	Total
A. USE OF FUNDS			
1. CAPITAL COSTS			
a. Land Purchase			\$0
b. New Construction			
(1) Building			\$0
(2) Fixed Equipment			\$0
(3) Site and Infrastructure			\$0
(4) Architect/Engineering Fees			\$0
(5) Permits (Building, Utilities, Etc.)			\$0
SUBTOTAL	\$0	\$0	\$0
c. Renovations			
(1) Building		\$40,000	\$40,000
(2) Fixed Equipment (not included in construction)			\$0
(3) Architect/Engineering Fees			\$0
(4) Permits (Building, Utilities, Etc.)			\$0
SUBTOTAL	\$0	\$40,000	\$40,000
d. Other Capital Costs			
(1) Movable Equipment		\$40,000	\$40,000
(2) Contingency Allowance			\$0
(3) Gross Interest during construction period			\$0
(4) Other (Specify/add rows if needed)			\$0
SUBTOTAL			\$0
TOTAL CURRENT CAPITAL COSTS	\$0	\$40,000	\$40,000
e. Inflation Allowance			\$0
TOTAL CAPITAL COSTS	\$0	\$40,000	\$40,000
2. Financing Cost and Other Cash Requirements			
a. Loan Placement Fees			\$0
b. Bond Discount			\$0
c. Legal Fees			\$0
d. Non-Legal Consultant Fees			\$0
e. Liquidation of Existing Debt			\$0
f. Debt Service Reserve Fund			\$0
g. Other (Specify/add rows if needed)			\$0
SUBTOTAL			\$0
3. Working Capital Startup Costs			
			\$0
TOTAL USES OF FUNDS	\$0	\$40,000	\$40,000
B. Sources of Funds			
1. Cash			
		\$80,000	\$80,000
2. Philanthropy (to date and expected)			
			\$0
3. Authorized Bonds			
			\$0
4. Interest Income from bond proceeds listed in #3			
			\$0
5. Mortgage			
			\$0
6. Working Capital Loans			
			\$0
7. Grants or Appropriations			
a. Federal			\$0
b. State			\$0
c. Local			\$0
8. Other (Specify/add rows if needed)			
			\$0
TOTAL SOURCES OF FUNDS		\$80,000	\$80,000
Annual Lease Costs (if applicable)			
1. Land			\$0
2. Building			\$0
3. Major Movable Equipment			\$0
4. Minor Movable Equipment			\$0
5. Other (Specify/add rows if needed)			\$0

⁴ Additional instruction for cost categories

These costs should be consistent with the Marshall Valuation Service definition of Group 1 equipment: Permanent equipment, installed on or attached to the building, part of a general contract, and included in calculator costs.

Ensure that SUBTOTAL includes all categories under 1.b.

Ensure that SUBTOTAL includes all categories under 1.c.

Calculate sum of all categories under 1.d.

Ensure that TOTAL CURRENT CAPITAL COSTS includes all SUBTOTALS above

Inflation should only be included in this category

Ensure that TOTAL CAPITAL COSTS includes TOTAL CURRENT CAPITAL COSTS and Inflation Allowance

Calculate sum of all categories under 2.

Start up costs are costs incurred before opening a facility or new service that under generally accepted accounting principles are not chargeable as operating expense or maintenance.

Ensure that TOTAL USES OF FUNDS includes TOTAL CAPITAL COSTS, SUBTOTAL under A.2., and Working Capital Startup Costs

Identify and explain the sources, plans, and the hospital's experience regarding fundraising goals under the response to the Viability standard in Section XX of the CON application.

Include the value of any donated land for the project in this category

Calculate sum of all categories under B; Note that TOTAL SOURCES OF FUNDS should match TOTAL USES OF FUNDS

Describe the terms of the lease(s) below, including information on the fair market value of the item(s), and the number of years, annual cost, and the interest rate for the lease.

Attachment

7

Attachment 7

Part III.4 Settlement Agreement

SETTLEMENT AGREEMENT

I. PARTIES

This Settlement Agreement (Agreement) is entered into among the United States of America, acting through the United States Department of Justice and on behalf of the Office of Inspector General (OIG-HHS) of the Department of Health and Human Services (HHS) (collectively the "United States") and the State of Maryland, acting through the Attorney General's Office ("State of Maryland"); and the Chesapeake Youth Center, Inc. (hereafter referred to as "the Parties"), through their authorized representatives.

II. PREAMBLE

As a preamble to this Agreement, the Parties agree to the following:

A. Chesapeake Youth Center, Inc. ("**Chesapeake Youth Center**") is a Maryland corporation. From the date of its organization until in or around September 2006, **Chesapeake Youth Center** operated a residential treatment facility that was located originally on the old campus of the Eastern Shore Hospital Center, then moved temporarily to the grounds of Spring Grove and, in 1999, moved to a new facility located at 821 Fieldcrest Lane, Cambridge, Maryland 21613. During the last several years of its operation, **Chesapeake Youth Center** operated a 59-bed residential treatment center for adolescents.

B. On or about December 20, 2005 and May 9, 2006, the United States and State of Maryland issued subpoenas *duces tecum* to **Chesapeake Youth Center** seeking the production of documents from January 1, 2002, to the date of the subpoena, including documents relating to **Chesapeake Youth Center's** (1) legal and organizational structure, (2) directors, officers, partners, managers, and executives, (3) finances and financial performance, (4) health care operations (including patient charts and seclusion and restraints records) (5) board of directors' meetings, (6) internal surveys, reports, and complaints, (7) reports, memoranda, correspondence and other documents from various accreditation, licensing, and regulatory entities regarding its health care services and operations, (8) provider agreements with Medicaid and Medicare, and electronic billing provider agreements, (9) diaries, calendars, date books, schedules, and phone records, and (10) computers and computer records. In response to the subpoenas, **Chesapeake Youth Center** produced approximately 82 banker's boxes of documents.

C. Under Title 10, Code of Maryland Regulations, Chapter 7, the Office of Health Care Quality ("OHCQ") for the State of Maryland licenses and regulates residential treatment centers for adolescents.

D. The United States and the State of Maryland contend that **Chesapeake Youth Center** submitted or caused to be submitted claims for payment to the Medicaid Program (Medicaid), Title XVIII of the Social Security Act, 42 U.S.C. §§ 1396-1396v, for the treatment of the residents of **Chesapeake Youth Center**.

E. To be entitled to receive reimbursement from Medicaid for services provided at a residential treatment center for adolescents, the center must provide inpatient psychiatric services for the diagnosis, active treatment, and care of residents under 21 years of age with mental diseases and those psychiatric services must be medically necessary, performed under the direction of a physician, certified as necessary by an admissions team before the recipient's admission to the residential treatment center, and certified as necessary by the team developing the individual plan of care and for the treatment of a mental illness. Code of Maryland Regulations (COMAR) 10.09.29.04. Pursuant to COMAR 10.09.29.01 .01 and Code of Federal Regulation 42 C.F.R. § 441.154, "active treatment" is defined as care provided pursuant to the implementation of a professionally developed and supervised individual plan of care.

F. The United States and the State of Maryland contend that they have certain civil claims, as specified in Paragraph 2 below, against **Chesapeake Youth Center** for knowingly submitting, or causing to be submitted, to Medicaid for the period January 2005 through July 2005 claims for adolescent psychiatric services to the residents in the Blue Heron Unit that were not provided or were substandard or worthless (hereinafter as the "Covered Conduct.")

G. The United States and the State of Maryland also contend that they have certain administrative claims, as specified in Paragraphs 2 and 3 below, against **Chesapeake Youth Center** for engaging in the Covered Conduct.

H. This Agreement is neither an admission of liability by **Chesapeake Youth Center** nor a concession by the United States and the State of Maryland that their claims are not well founded.

I. **Chesapeake Youth Center** denies that it knowingly submitted or caused to be submitted to Medicaid from January 2005 through July 2005 claims for adolescent psychiatric services to the residents in the Blue Heron Unit that were not provided or were substandard or worthless.

J. To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, the Parties have reached a full and final settlement pursuant to the Terms and Conditions set forth below.

III. TERMS AND CONDITIONS

1. **Chesapeake Youth Center** agrees to pay to the United States \$259,120 (the "Settlement Amount") by electronic funds transfer pursuant to written instructions to be provided by the United States Attorney's Office for the District of Maryland. **Chesapeake Youth Center** agrees to make this electronic funds transfer within fifteen (15) days after the Effective Date of this Agreement.

2. Subject to the exceptions in Paragraph 4 below (concerning excluded claims), in consideration of the obligations of **Chesapeake Youth Center** in this Agreement, conditioned upon **Chesapeake Youth Center's** full payment of the Settlement Amount and subject to Paragraph 12 below (concerning bankruptcy proceedings commenced within 91 days of the Effective Date of this Agreement or any payment made under this Agreement), the United States (on behalf of itself, its officers, agents, agencies, and departments) and the State of Maryland (on behalf of itself, its officers, agents, agencies, and departments) agree to release **Chesapeake Youth Center** and its parents, officers, directors, agents, servants, and employees from any civil or administrative monetary claim the United States and/or the State of Maryland have or may have for the Covered Conduct, including claims under the False Claims Act, 31 U.S.C. §§ 3729-3733, the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a, the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812, the Maryland Medicaid Fraud Act, Md. Code Ann., CL § 8-508 *et seq.*, or the common law theories payment by mistake, unjust enrichment, and fraud.

3. OIG-HHS expressly reserves all rights to institute, direct, or to maintain any administrative action seeking exclusion against **Chesapeake Youth Center** and/or its

officers, directors, and employees from Medicare, Medicaid, and all other Federal health care programs (as defined in 42 U.S.C. § 1320a-7b(f)) under 42 U.S.C. § 1320a-7(a) (mandatory exclusion), or 42 U.S.C. § 1320a-7(b) or 42 U.S.C. 1320a-7a (permissive exclusion).

4. Notwithstanding any term of this Agreement, specifically reserved and excluded from the scope and terms of this Agreement as to any entity or person (including **Chesapeake Youth Center**) are the following claims of the United States and the State of Maryland:

(a) Any civil, criminal, or administrative liability arising under Title 26, U.S. Code (Internal Revenue Code);

(b) Any criminal liability;

(c) Except as explicitly stated in this Agreement, any administrative liability, including mandatory exclusion from Federal health-care programs;

(d) Any liability to the United States (or its agencies) and the State of Maryland for any conduct other than the Covered Conduct;

(e) Any liability based upon such obligations as are created by this Agreement;

(f) Any liability for personal injury, property damage, or other consequential damages to third parties arising from the Covered Conduct; and

(g) Any civil or administrative liability of individuals (including current or former directors, officers, employees, agents, or shareholders of **Chesapeake Youth Center**) who receive written notification that they are the target of a criminal investigation (as defined in the United States Attorneys' Manual), are indicted, charged, or convicted, or who enter into a plea agreement related to the Covered Conduct.

5. **Chesapeake Youth Center** waives and shall not assert any defenses **Chesapeake Youth Center** may have to any criminal prosecution or administrative action relating to the Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution, this Agreement bars a remedy sought

in such criminal prosecution or administrative action. Nothing in this Paragraph or any other provision of this Agreement constitutes an agreement by the United States concerning the characterization of the Settlement Amount for purposes of the Internal Revenue laws, Title 26 of the United States Code.

6. **Chesapeake Youth Center** fully and finally releases the United States and the State of Maryland, their agencies, employees, servants, and agents from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) that **Chesapeake Youth Center** has asserted, could have asserted, or may assert in the future against the United States and the State of Maryland, their agencies, employees, servants, and agents, related to the Covered Conduct and the United States' and the State of Maryland's investigation and prosecution thereof, PROVIDED, HOWEVER, that **Chesapeake Youth Center** does not release any claim relating to applicable Medicaid cost report audits.

7. The Settlement Amount shall not be decreased as a result of the denial of claims for payment now being withheld from payment by any Medicare carrier or intermediary or any state payer related to the Covered Conduct; and **Chesapeake Youth Center** agrees not to resubmit to any Medicare carrier or intermediary or any state payer any previously denied claims related to the Covered Conduct, and agrees not to appeal any such denials of claims.

8. **Chesapeake Youth Center** agrees to the following:

(a) Unallowable Costs Defined: that all costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. §§ 31.205-47; and in Titles XVIII and XIX of the Social Security Act, 42 U.S.C. §§ 1395-1395hhh and 1396-1396v; and the regulations and official program directives promulgated thereunder) incurred by or on behalf of **Chesapeake Youth Center**, its present or former officers, directors, employees, shareholders, and agents in connection with the following shall be "Unallowable Costs" on government contracts and under the Medicare Program, Medicaid Program, TRICARE Program, and Federal Employees Health Benefits Program (FEHBP):

(i) the United States' civil investigation of the matters covered by this Agreement;

(ii) **Chesapeake Youth Center's** investigation, defense, and corrective actions undertaken in response to the United States' civil investigation in connection with the matters covered by this Agreement (including attorney's fees);

(iii) the negotiation and performance of this Agreement; and

(iv) the payment **Chesapeake Youth Center** makes to the United States pursuant to this Agreement, including costs and attorney's fees.

(b) Future Treatment of Unallowable Costs: These Unallowable Costs shall be separately determined and accounted for in nonreimbursable cost centers by **Chesapeake Youth Center**, and **Chesapeake Youth Center** shall not charge such Unallowable Costs directly or indirectly to any contracts with the United States or any State Medicaid program, or seek payment for such Unallowable Costs through any cost report, cost statement, information statement, or payment request submitted by **Chesapeake Youth Center** or any of its subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

(c) Treatment of Unallowable Costs Previously Submitted for Payment: **Chesapeake Youth Center** further agrees that within 90 days of the Effective Date of this Agreement it shall identify to applicable Medicare and TRICARE fiscal intermediaries, carriers, and/or contractors, and Medicaid and FEHBP fiscal agents, any Unallowable Costs (as defined in this Paragraph) included in payments previously sought from the United States, or any State Medicaid program, including, but not limited to, payments sought in any cost reports, cost statements, information reports, or payment requests already submitted by **Chesapeake Youth Center** or any of its subsidiaries or affiliates, and shall request, and agree, that such cost reports, cost statements, information reports, or payment requests, even if already settled, be adjusted to account for the effect of the inclusion of the unallowable costs. **Chesapeake Youth Center** agrees that the United States and the State of Maryland, at a minimum, shall be entitled to recoup from **Chesapeake Youth Center** any overpayment plus applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously-submitted cost reports, information reports, cost statements, or requests for payment. Any payments due after the adjustments have been made shall be paid to the United States and/or the State of Maryland pursuant to the direction of the Department of Justice and/or the affected agencies. The United States and the State of Maryland reserve their rights to

disagree with any calculations submitted by **Chesapeake Youth Center** or any of its subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this Paragraph) on **Chesapeake Youth Center** or any of its subsidiaries or affiliates' cost reports, cost statements, or information reports.

(d) Nothing in this Agreement shall constitute a waiver of the rights of the United States or the State of Maryland to audit, examine, or re-examine **Chesapeake Youth Center's** books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this Paragraph.

9. This Agreement is intended to be for the benefit of the Parties only. The Parties do not release any claims against any other person or entity, except as otherwise provided in this Agreement.

10. **Chesapeake Youth Center** agrees that it waives and shall not seek payment for any health care billings covered by this Agreement from any health care beneficiaries or their parents, sponsors, legally responsible individuals, or any non-governmental payors based upon the claims defined as Covered Conduct.

11. The Parties warrant that, in evaluating whether to execute this Agreement, they (a) have intended that the mutual promises, covenants, and obligations set forth constitute a contemporaneous exchange for new value given to **Chesapeake Youth Center**, within the meaning of 11 U.S.C. § 547(c)(1), and (b) conclude that these mutual promises, covenants, and obligations do, in fact, constitute such a contemporaneous exchange. Further, the Parties warrant that the mutual promises, covenants, and obligations set forth herein are intended to and do, in fact, represent a reasonably equivalent exchange of value that is not intended to hinder, delay, or defraud any entity to which **Chesapeake Youth Center** was or became indebted to on or after the date of this transfer, within the meaning of 11 U.S.C. § 548(a)(1).

12. If within 91 days of the Effective Date of this Agreement or of any payment made under this Agreement, **Chesapeake Youth Center** commences, or a third party commences, any case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors (a) seeking to have any order for relief of

Chesapeake Youth Center's debts, or seeking to adjudicate Chesapeake Youth Center as bankrupt or insolvent; or (b) seeking appointment of a receiver, trustee, custodian, or other similar official for Chesapeake Youth Center or for all or any substantial part of Chesapeake Youth Center's assets, Chesapeake Youth Center agrees as follows:

(a) Chesapeake Youth Center's obligations under this Agreement may not be avoided pursuant to 11 U.S.C. § 547, and Chesapeake Youth Center shall not argue or otherwise take the position in any such case, proceeding, or action that: (i) Chesapeake Youth Center's obligations under this Agreement may be avoided under 11 U.S.C. § 547; (ii) Chesapeake Youth Center was insolvent at the time this Agreement was entered into, or became insolvent as a result of the payment made to the United States; or (iii) the mutual promises, covenants, and obligations set forth in this Agreement do not constitute a contemporaneous exchange for new value given to Chesapeake Youth Center.

(b) If Chesapeake Youth Center's obligations under this Agreement are avoided for any reason, including, but not limited to, through the exercise of a trustee's avoidance powers under the Bankruptcy Code, and if a third party does not within thirty (30) days after such avoidance satisfy Chesapeake Youth Center's obligations under this Agreement by paying the United States the Settlement Amount, the United States, at its sole option, may rescind the releases in this Agreement and bring any civil and/or administrative claim, action, or proceeding against Chesapeake Youth Center for the claims that would otherwise be covered by the release provided in Paragraph 2, above. Chesapeake Youth Center agrees that (i) any such claims, actions, or proceedings brought by the United States (including any proceedings to exclude Chesapeake Youth Center from participation in Medicare, Medicaid, or other Federal health care programs) are not subject to an "automatic stay" pursuant to 11 U.S.C. § 362(a) as a result of the action, case, or proceedings described in the first clause of this Paragraph, and Chesapeake Youth Center shall not argue or otherwise contend that the United States' claims, actions, or proceedings are subject to an automatic stay; (ii) Chesapeake Youth Center shall not plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any such civil or administrative claims, actions, or proceeding that are brought by the United States within 30 calendar days of written notification to Chesapeake Youth Center that the releases have been rescinded pursuant to this Paragraph,

except to the extent such defenses were available on the effective date of the Agreement; and (iii) the United States has a claim against Chesapeake Youth Center in the amount of \$777,360 plus penalties to be determined by the Court, and the United States may pursue its claim in the case, action, or proceeding referenced in the first clause of this Paragraph, as well as in any other case, action, or proceeding.

(c) Chesapeake Youth Center acknowledges that its agreements in this Paragraph are provided in exchange for valuable consideration provided in this Agreement.

13. Except as expressly provided to the contrary in this Agreement, each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

14. Chesapeake Youth Center represents that this Agreement is freely and voluntarily entered into without any degree of duress or compulsion whatsoever.

15. This Agreement is governed by the laws of the United States. The parties agree that the exclusive jurisdiction and venue for any dispute arising between and among the Parties under this Agreement is the United States District Court for the District of Maryland.

16. For purposes of construction, this Agreement shall be deemed to have been drafted by all Parties to this Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

17. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties.

18. The individuals signing this Agreement on behalf of Chesapeake Youth Center represent and warrant that they are authorized by Chesapeake Youth Center to execute this Agreement. The United States and the State of Maryland signatories represent that they are signing this Agreement in their official capacities and that they are authorized to execute this Agreement.

19. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Agreement.

20. This Agreement is binding on and inures to the benefit of **Chesapeake Youth Center's** successors, transferees, heirs, and assigns.

21. All parties consent to the United States and the State of Maryland's disclosure of this Agreement, and information about this Agreement, to the public.

22. This Agreement is effective on the date the fully executed Agreement shall have been received by the undersigned counsel for **Chesapeake Youth Center** (Effective Date of this Agreement), Lawrence S. Greenwald or Catherine A. Bledsoe. Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

[SIGNATURES ON NEXT PAGE]

UNITED STATES OF AMERICA

ROD I. ROSENSTEIN
UNITED STATES ATTORNEY

DATED: 4/7/09

BY: 

THOMAS F. CORCORAN
Assistant Attorney General
District of Maryland
36 South Charles Street, 4th Floor
Baltimore, Maryland 21201

DATED: _____

BY: _____

GREGORY E. DEMSKE
Assistant Inspector General for Legal Affairs
Office of Counsel to the Inspector General
Office of Inspector General
United States Department of Health and
Human Services

STATE OF MARYLAND

DOUGLAS GANSLER
ATTORNEY GENERAL OF MARYLAND

DATED: _____

BY: _____

RICHARD BARDOS
Assistant Attorney General
Office of the Attorney General
200 St. Paul Place
Baltimore, Maryland 21202

UNITED STATES OF AMERICA

ROD J. ROSENSTEIN
UNITED STATES ATTORNEY

DATED: _____

BY: _____

THOMAS F. CORCORAN
Assistant Attorney General
District of Maryland
36 South Charles Street, 4th Floor
Baltimore, Maryland 21201

DATED: 4/6/09

BY: 

GREGORY E. DEMSKE
Assistant Inspector General for Legal Affairs
Office of Counsel to the Inspector General
Office of Inspector General
United States Department of Health and
Human Services

STATE OF MARYLAND

DOUGLAS GANSLER
ATTORNEY GENERAL OF MARYLAND

DATED: _____

BY: _____

RICHARD BARDOS
Assistant Attorney General
Office of the Attorney General
200 St. Paul Place
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UNITED STATES OF AMERICA

ROD J. ROSENSTEIN
UNITED STATES ATTORNEY

DATED: _____

BY: _____

THOMAS F. CORCORAN
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DATED: _____

BY: _____

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STATE OF MARYLAND

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DATED: 3 April 2009

BY: 

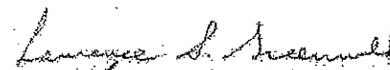
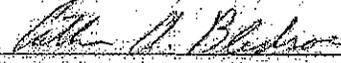
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CHESAPEAKE YOUTH CENTER, INC.

DATED: 3/30/09

BY:  president CYC
MARC J. FISHMAN, President
Chesapeake Youth Center, Inc.

DATED: 4/1/09

BY: 

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Attachment

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Attachment 8

Part IV. Consistency with General Review
Criteria at COMAR 10.24.01.08G(3), parts a-c

**PART IV – CONSISTENCY WITH GENERAL REVIEW CRITERIA AT
COMAR 10.24.01.08G(3):**

10.24.01.08G(3)(a) The State Health Plan

The only relevant section of the State Health Plan is COMAR 10.24.07G (Interim Residential Treatment Capacity), which was adopted as Supplement 14 to the chapter on Psychiatric Services effective June 30, 1997, almost two decades ago. Many provisions in this section are now out-of-date, and it seems highly unlikely that the Commission intended the 1997 plan for “interim” (which, according to the Oxford Desk Dictionary, means “provisional; temporary”) RTC capacity to apply to this service in 2016 and beyond.

We address that section below, while noting that some of its provisions are now clearly obsolete.

COMAR 10.24.07

G. Interim Residential Treatment Center Capacity.

(1) Core Principles

- (a) A seamless child and adolescent mental health system that offers a comprehensive continuum should be available in Maryland.**

The Right Moves will, if approved, provide a highly specialized clinical service that will fill a gap in the current child and adolescent mental health system in Maryland. Chesapeake Treatment Centers, Inc. is requesting approval for the conversion of 8 beds from the already existing 29 beds at **New Directions** to the new service, *The Right Moves*. **New Directions**, a 29-bed hardware-secure Residential Treatment Center on the grounds of the Charles H. Hickey School, is the *only* licensed Residential Treatment Center in Maryland that is located “behind the fence” and the *only* Residential Treatment Center in Maryland that is exclusively dedicated to Maryland Department of Juvenile Services (DJS) referrals.

Since it was established in 2000, the **New Directions** program has focused on the comprehensive treatment of youth ages 14 through 20 who have diagnoses of sexual disorders and misconduct in addition to other complex mental health, substance abuse, family, learning and legal problems. During the last four years, the average daily census at the facility has decreased because of the expansion by DJS of community-based outpatient programs for young sexual offenders, a general decrease in numbers of young sexual offenders who required the RTC level of care, and the addition of other types of community-based resources such as transitional housing, family outreach services, etc. The average daily census for the facility for the last four years has been fairly consistent: 2011 – ADC 21 patients; 2012 – ADC 18 patients; 2013 – ADC 21 patients; and 2014 – ADC 21 patients. However, since **New Directions** is a small facility with only 29 beds,

occupancy of 90% and above is ideal in order to remain cost efficient.

During that same four-year period, the administration and clinical team members at **New Directions** identified a gap in the continuum of mental health services for DJS youth that was not being filled in Maryland. Discussions with Maryland DJS leadership confirmed the following need: Each year 8 or more DJS-committed youth, ages 18 through 20, are being placed in out-of-state Psychiatric Treatment Residential Facilities. These older youth are rejected by providers within Maryland because of several reasons: the youths' transitional age; the multiplicity of problems they exhibit; and/or safety issues posed to the community. There currently does not exist in Maryland a facility or program that is both hardware and staff secure and that is expressly designed to treat this special population in need.

New Directions administration and clinicians at the facility are interested in providing a new and highly specialized treatment track/program, called *The Right Moves*, for those older males currently placed out of state. After numerous discussions and meetings with DJS leadership, our clinicians and administrative leadership worked collaboratively to create a treatment "track" that will provide a quality and effective multi-faceted program in a secure and safe facility. *The Right Moves* will allow DJS to bring back those older youth currently in out-of-state placements and will also afford DJS the opportunity to place within Maryland future referrals who meet the criteria for admission and who would otherwise be placed out of state. It is important to note here that DJS will function as the gatekeeper and referral source for the older youth referred to the program.

(b) In-state resources should be developed to meet the mental health needs of children and adolescents.

The Right Moves program, located in Baltimore, Maryland, will, if the Certificate of Need is approved, be established to meet a very specific mental health need of a very unique group of older youth who need in-state treatment. If not approved, the target population discussed within this proposal will continue to be placed far away from home, family and their DJS case managers, since they cannot readily and effectively be treated in the community or in a "regular" Residential Treatment Center. (See discussion under subsection (a) above.)

(c) The Maryland child and adolescent mental health system should evaluate the efficacy of programs based upon outcome measures.

New Directions is considered by the Maryland Department of Juvenile Services to be an extremely effective Residential Treatment program. One measure of successful outcomes for any Residential Treatment Center is the number of successful graduates of the RTC. More than 90% of patients admitted to **New Directions** have successfully completed the program. Of those youth discharged and monitored by DJS over a five-year period (post discharge), more than 85% of **New Directions** graduates did not have any further legal charges against them, and of those who did have other legal charges,

none of those charges involved a sexual offense.

The clinicians at **New Directions** will utilize their long and collective years of successful work with DJS youth in implementing the new program. As reflected in the Certificate of Need documentation, ***The Right Moves*** will be an individualized, strengths-based, and solution-oriented program. As with **New Directions**, the clinical team at ***The Right Moves*** will work in close collaboration with the Department of Juvenile Services to monitor program quality and outcomes. Based on the “track record” of the current clinical team, the outcomes for ***The Right Moves*** will demonstrate that the new program will fulfill expectations from DJS regarding the success of ***The Right Moves*** graduates.

(2) Bed Need.

The bed-need methodology in the 1997 plan is clearly out-of-date. It only addresses RTC units to be approved during CY 1997 and CY 1998. It stated that the “Subcabinet will supply to the Commission revised data to update the bed need”, but the bed need was never updated. Moreover, it states that the units must be located “in special hospital-psychiatric facilities with excess capacity” and that the units must be “dually licensed as special psychiatric hospital and RTC beds”. This is no longer possible, because in 2001 CMS issued regulations which established Psychiatric Residential Treatment Facilities (“PRTFs”) as a new category of Medicaid facility eligible for reimbursement under the Medicaid under-21 benefit. Those regulations define a PRTF as “a facility *other than a hospital*, that provides psychiatric services, as described in Subpart D of part 441 of this chapter, to individuals under the age of 21, in an inpatient setting”. 42 CFR § 483.352 (emphasis added). A unit licensed as part of a special psychiatric hospital would not meet this definition and would therefore be ineligible for Medicaid certification as a PRTF, something which is required by the State Health Plan in COMAR 10.24.07G(3)(g).

(3) Commission will use the following standards to review applications to provide residential treatment center care.

- (a) *Need.* Each applicant shall document the need for residential treatment center care in the community it intends to serve, consistent with G(2)(a)-(e) above.**

The Right Moves program will fulfill an urgent need for a small and unique population identified by the Maryland Department of Juvenile Services as in need.

In its February 18, 2015 Response to the Juvenile Justice Monitoring Unit’s 2014 Annual Report¹, DJS stated:

Despite the success evidenced by falling crime rates and Department reforms in driving down detention populations, a population of committed youth still remains in committed programs out of state due to not having appropriate programming space in Maryland to accommodate them. The

¹ Juvenile Justice Monitoring Unit, Office of the Attorney General, 2014 Annual Report, pp. 44-45.

Department is obligated to serve these youth committed by the court in a setting determined by the court. In order to meet the security level and treatment needs of these youth, the Department must contract for out of state services. Our view is that it is far better for those youth to be treated in Maryland rather than an out of state program and therefore, we will continue to explore ways to meet that need with services located in Maryland.

In the FY2014 Out-of-Home Placement Report and Resource Guide², DJS stated:

DJS has in recent years increased capacity to serve higher-risk youth who may have in previous years been either placed in out-of-State non-community-based placements or in Maryland non-secure community-based residential programs - often with unsuccessful outcomes. ... One of the drivers of pending-placement populations has been the youth who had been placed into non-secure programs, only to be sent back to detention from programs that were not equipped to manage behavior.

....

A large portion of secure placement options for committed youth continues to be in out-of-State programs, and the placement process for these youth has often led to long stays in detention for youth requiring secure placement.

The Right Moves program will be able to admit patients currently out of state and future patients who would otherwise be sent out of state, because ***The Right Moves*** program will be located in an existing Residential Treatment facility which is staff and hardware secure, licensed, approved by The Joint Commission, and considered by the Department to be a highly effective and quality facility.

The older male within the DJS system who exhibits a multiplicity of mental health, substance abuse and other problems in every life domain requires the kind of particularly focused array of services that ***The Right Moves*** will provide. ***The Right Moves*** will exclusively serve older male adolescents ages 18 through 20 referred by the Maryland Department of Juvenile Services for treatment in the program. These older youth exhibit a complex constellation of mental health, substance abuse and/or co-occurring disorders in addition to serious problems in every life domain. These young men are ill-equipped to function successfully either in an independent living situation or at home despite a history of numerous treatment interventions and previous placements.

In its 2013 Services Gap Analysis³, DJS stated:

There is a shortage in capacity to serve boys in Level III programs.

² Governor's Office for Children, FY2014 State of Maryland Out-of-Home Placement and Family Preservation Resource Plan, DJS Summary at pp. 43-44.

³ Maryland Department of Juvenile Services Residential and Community-Based Services Gap Analysis (12/31/2013), p. 3.

Whereas 135-138 boys are projected to require Level III programming on any given day, there is currently only one hardware secure program in Maryland that serves 48 boys. An assessment of boys' needs indicates that Level III programming should address the continuum of behavioral health needs with emphasis on alcohol and drug use, family functioning, aggression, and mental health. These findings are also supported by an analysis of boys who were placed in programs outside of Maryland in FY12 and FY13.

The DJS Capital Improvement Plan includes two male secure treatment centers, Baltimore Regional Treatment Center and Cheltenham Treatment Center, to address the need for Level III/hardware secure residential programming. However, these two facilities would not be certified as PRTFs and would not be eligible for Medicaid reimbursement. While these two new DJS facilities would, if constructed, be able to provide services to youth who would otherwise be placed in non-PRTF facilities out of state, they would not be able to provide services to youth who would otherwise be placed in PRTF facilities out of state. On average, there are 8 to 10 Maryland youth placed by DJS in out-of-state PRTFs. This is the population which *The Right Moves* would serve.

Although there are community-based outpatient levels of care available for some older DJS youth throughout the State, logistical accessibility issues and chaotic home environments (in which the family is unable to provide the support, structure and supervision needed) can adversely affect attendance and the ability to achieve positive results from participation in those outpatient levels of care. The new program will provide that support, structure and supervision.

The Right Moves does not require the creation of *new* residential treatment beds. The program will, instead, utilize already existing beds in a facility that is "behind the fence" at the Charles Hickey site and can, therefore, admit highly challenged youth who need placement that will keep them safe and the community safe while they receive the specialized treatment that they require to become habilitated. The proven success record of Chesapeake Treatment Centers, Inc. contributes to the premise that the target population identified for the new service will be best served by CTC in filling the bed/program need identified by DJS.

The need for the special population to be served by *The Right Moves* is clear, as evidenced by the information provided within this document and by the support of the Maryland Department of Juvenile Services leadership. The community of patients served will be older youth who reside throughout the state but who need a central, single program of treatment within State boundaries.

There is currently a vacuum in the services system available in Maryland for those youth ages 18 to 20 with histories of failed placements that can fully address their complex clinical needs before they can live productively and independently in the community. It has been the intent of the Maryland Governor's Children's Cabinet for several years to support programs that focus on problem reduction and on fully preparing youth for adult

roles and responsibilities and becoming constructive, contributing members of their communities.

DJS leadership has become increasingly concerned over the last four years about the number of older youth consistently placed out of state. These youngsters are rejected by many of the RTCs throughout Maryland because of their transitional age and/or because of complex clinical issues. As documented in data for the last four years published by DJS, there are, at any given time, eight to ten older youth in out-of-state placements who could be treated in Maryland if the appropriate level of care with a specifically tailored program was available. *The Right Moves* will offer DJS the ideal setting for the older male in need. By utilizing *already existing* space in a facility that has an *already existing* experienced, qualified and quality clinical team, the target population of young men who will be admitted to the program will receive the very focused array of services they need *in State*, thereby saving DJS a great deal of money while ensuring optimal treatment *and* agency and family involvement and accessibility.

- (b) ***Sex Specific Programs.*** Each applicant shall document sex-specific programs, and provide a separate therapeutic environment and, to the extent necessary, a separate physical environment consistent with the treatment needs of each group it proposes to serve.

The Right Moves is designed for older male adolescents ages 18 through 20 **exclusively referred** to the program by the Maryland Department of Juvenile Services. As described above in the Comprehensive Project Description, CTC will provide programmatic elements that are specific to the gender and ages of the patients served. Additionally, the physical plant organization, program components and scheduling will be designed to provide a safe and secure therapeutic milieu for the patients. The 29 beds at the facility are dedicated to serving only male patients 14 through 20.

- (c) ***Special Clinical Needs.*** Each applicant shall document treatment programs for those youth with a coexisting mental health [condition] and a developmental disability.

As described above in the Comprehensive Project Description, the strengths, problems and issues of each patient are considered in the development of each patient's Individual Treatment Plan. The significant majority of the youth in the older male population referred for treatment will have a co-occurring mental health and substance abuse disorder, and the program will provide mental health and substance abuse assessments and treatment (see Program Description). The **New Directions** program has successfully treated patients with mild developmental disabilities, and *The Right Moves* will also admit and treat patients in the target population who exhibit mild developmental disabilities.

- (d) ***Minimum Services.*** Each applicant shall propose and document services which include, at a minimum: patient supervision,

assessment, screening, evaluation including psychiatric evaluation, psychological testing and individual treatment plan; ward activities; individual, group, and family treatment; patient and family education; medication management; treatment planning; case management; placement and aftercare/discharge planning.

The Right Moves will provide a comprehensive array of services, including all of those listed above as “minimum services”. See the Comprehensive Project Description above.

As discussed in that section, *The Right Moves* will offer a multi-faceted, solution-oriented, and creative treatment system that will be highly individualized. Because older youth need a major focus on completing their education, pursuing a career path, and accessing housing in their home communities, participation in the New Directions Academy will be an important component of treatment. A comprehensive array of assessments will be utilized to evaluate each patient’s family history and projected placement post-discharge. The clinical team will explore how and if the patient can be reconnected with his family through the team’s work with each family. *The Right Moves* clinical team and DJS case managers and supervisors will coordinate treatment, discharge and transition for the patients.

With the older patient population, it is essential to establish treatment and placement goals from the first day of referral, because much must be accomplished in a relatively short period of time (ALOS – nine months).

Treatment Components will include a variety of evidence-based treatment models and will include a wide array of other therapeutic and educational/vocational components including:

- Psychiatric assessment, mental health therapy and medication management
- Substance Use Disorders assessment, treatment and education
- History, physical and nursing assessments and ongoing 24 hour/7 day per week nursing services available
- Individualized Treatment
- Individual, Group and Family counseling and therapy
- Structured family education and counseling program with flexible hours available to provide easy access
- Case Management
- Positive Behavioral Interventions including a Peer Support Culture
- Educational assessment and participation in the New Directions Academy with the goal of attaining a high school diploma or a G.E.D.
- Vocational assessments, programming and vocational program placement
- Evidence-based model of care, including Cognitive Behavioral Therapy (CBT), Motivational Enhancement Therapy (MET), and Recovery Oriented Systems of Care (ROSC)
- Career exploration and planning
- Job preparedness and help with job search with the goal of each resident holding a

viable job prior to discharge

- Community services program with residents volunteering in, e.g., the animal sanctuary, “soup kitchen”, etc.
- Competency, Life Skills and Character Development curriculum
- Special interest and gender specific groups will include: conflict resolution, health education, anger management, violence prevention, accountability and responsibility, etc.
- Victim awareness curriculum
- Nutritional and diet planning
- Physical health and training
- Parenting classes for those youth with children
- Cultural awareness with field trips to local museums, cultural events, etc.
- Art and music activities
- Recreation and sports activities on grounds
- Identification of community resources that are specifically designed to support the gains made for each individual upon discharge
- Discharge and Continuing Care planning
- Participation in and collaboration with the DJS monitoring and outcomes systems

All treatment modalities offered will be high-interest, evidence-based, and will emphasize the acquisition of fresh skills and exposure to new areas of interest and opportunity. Clinical team members will assist the residents to overcome the debilitating lack of motivation that can typify the older adolescent population, including feelings of hopelessness and a lack of regard for one’s future, one’s family and one’s community.

Communication is considered key by the clinical staff at the facility. The individual therapists maintain consistent and ongoing communication with DJS case managers, parents, guardians and all other community-based resources personnel who are involved with the patient. Prior to discharge, the program therapists will connect the patient to community-based resource personnel who will provide support services to the youth upon discharge. Appointments with community-based SUD counseling and mental health professionals are made before discharge and the transitioning patient is taken to those appointments while still a patient at *The Right Moves*. This process ensures that the patient will form a positive therapeutic relationship with the community-based caregiver and will begin counseling in his home community prior to the discharge date.

The clinical team at CTC are extremely enthusiastic about establishing *The Right Moves* since we believe that this program can fill a much-needed gap in services and will support those goals and objectives embodied in the Governor’s Office for Children report *Ready by 21: An Action Agenda for Children (2007)* and in the *Maryland Child and Family Services Interagency Strategic Plan (2008)* - to provide and enhance effective community-based programs that will effectively prepare all young Maryland residents to function successfully, healthfully, and productively in the community and to make positive contributions to their communities.

- (e) ***Treatment Planning and Family Involvement.*** Each applicant shall document that the required minimum services will be provided by a coordinated multi-disciplinary treatment team that addresses daily living skills within a group setting; family involvement in treatment to the greatest extent possible, restoration of family functioning; and any other specialized areas that the individualized diagnostic and treatment process reveals is necessary for the patient and family.

Family Involvement - The Right Moves clinicians will assess each patient's family situation and with the support of the DJS case manager specialist, will involve the family in counseling sessions and, if possible, in a multi-family support group. Additionally, clinicians will refer parents/guardians to other community-based resources that will be helpful to the family system.

We view family counseling and therapy for ***The Right Moves*** patients as a vehicle to build new channels of communication between the patient and family members; to assist with the family's self-identification of dysfunctional patterns of family behavior; and to educate and guide parents and guardians so that the family unit may become healthier. We consider family therapy as an important component of treatment, whether or not the patient will be returning to live with his family.

Important to the success of ***The Right Moves*** program will be the availability of the clinicians to parents/guardians generally and especially in crisis situations. ***The Right Moves*** clinicians will be available to the family in need. The nurses at the facility are on call at the nurse's station 24 hours a day, seven days per week, and will contact the individual patient's therapist as appropriate. All emergency situations will be immediately reported to the DJS case manager specialist either during regular business hours or through the emergency line provided by DJS.

The Right Moves will provide in-home services or transportation through its transportation system at no cost for those parents and guardians who have no access to private transportation to the facility. For those families, the individual therapist will arrange for a counseling session to take place the same day as the patient's family visit.

Consistent weekly communication will take place by telephone between the individual therapist and the parents or guardians. The parents and guardians will be actively solicited to participate in construction of the initial Treatment Plan and in treatment planning meetings all throughout the patient's stay. Updates of all treatment plans will take place once per month.

The Biopsychosocial assessment will be an essential component of the Individual Treatment Plan for each patient. The initial Treatment Plan will be constructed within the first two weeks after admission by ***The Right Moves*** multidisciplinary clinical team.

An important contributor to the full Biopsychosocial assessment and the Treatment Plan is the utilization of historical data and information provided by the DJS case manager,

which will include family functioning and history, mental health history and diagnoses, medications, physical health and conditions, history of placement in other facilities, school records, vocational training information, legal history, and substance abuse use and disorders history.

All the materials in the admission referral packet will be reviewed by *The Right Moves* clinicians prior to contact with the youth and his/her parent or guardians and all relevant information included in the admissions referral packet will be included in the patient's record and incorporated into the final Biopsychosocial Assessment. Other evaluations will be conducted after admission and those results will also be utilized in the construction of the Treatment Plan and medical record.. This information and data will include the Nursing Assessment, History and Physical, Psychiatric Evaluation, Individual Therapist's interview and assessment, Psychological Evaluation (as clinically appropriate), an educational assessment, vocational assessment, nutritional assessment, a substance use disorder assessment, and information that will be gained through discussions with the referring DJS case manager and the parent or guardian.

The Right Moves clinicians will view the assessment process and ongoing reassessment as a clinical intervention in itself (Lundrigan, 2001). Our clinicians understand that the initial and ongoing assessments for each youth are intended to assist the clinicians, DJS case managers, family members and each patient to be informed regarding the youth's emotional stability, social functioning, behavioral control issues, cognitive abilities, interests and attitudes, mental status, substance abuse use and abuse, and educational/vocational status and past performance.

Before the final Individual Treatment Plan is formulated, the following information is assembled in the patient record:

- a. Previous and current psychiatric evaluations and diagnoses
- b. Medication history and current medications recommended by *The Right Moves* psychiatrist
- c. Name, address and contact information for the parent/guardian, the DJS case manager and all other relevant community-based agency personnel
- e. History of convictions and current charges
- f. Listing of dates and assessment methods employed prior to admission and dates and assessments conducted by *The Right Moves* clinicians, including: nursing, history and physical, substance use disorder assessment, nutritional assessment, educational assessment, individual counselor/therapist assessment, etc.
- g. Medical history
- h. Current stressors requiring intervention/management
- i. All information gathered through discussions/contacts with DJS case managers, parents and guardians, and previous placement clinicians
- f. Historical data regarding *all* previous placements
- g. A discharge preliminary placement plan, e.g., possibility of return to family, need for transitional DJS housing post-discharge, etc.

The Right Moves will formulate an Individual Treatment Plan that will serve as the blueprint for the patient's course of treatment, will establish measurable treatment goals and objectives, will contain ongoing treatment progress and will contain important information regarding the ongoing development of a support system for the youth that will be based in the community to which the patient will return after discharge.

The Individual Treatment Plan summarizes information from all of the assessments and interviews conducted upon and after admission and includes: Individual strengths that have been identified by the clinicians, the patient, the parent/guardians and the DJS case manager and the interventions that will be utilized to build upon those strengths; specific problem areas and the treatment goals and interventions that address each problem area; goals for the educational or vocational planning for the patient; special focus groups that may be needed by the individual patient, e.g., anger management, life skills, etc. The short and long-term treatment goals established will *all* have definitive interventions and specified time frames for achievement.

In formulating the Treatment Plan, clinicians consider and include information about the stability of the home situation and the capacity of parents/guardians to provide effective supervision; the perception and feelings of the parents/guardians; and the ability or lack thereof of parents/guardians to support the patient upon discharge. Consideration is given to where the patient will be placed after discharge from the day of admission. *The Right Moves* and the multidisciplinary clinical team members work together with the parents/guardian and the DJS case managers to determine and find an appropriate and safe living situation in the community within a sixty to ninety day period before the patient is discharged.

The Treatment Plan contains all progress notes, individual, group and family counseling documentation, and copies of school/vocational training progress; it is updated every thirty days. The patient, the clinical team members, parents/guardians and the DJS case managers will participate in the construction of the Initial Treatment Plan and in all updated Treatment Plan meetings. Parents/guardians will be transported as needed to these meetings or will participate by telephone.

The Right Moves patient records, including the Treatment Plan, will conform to the current CTC medical records system since the current system is in compliance with **all** applicable Maryland COMAR regulations and those guidelines and criteria regarding medical records, confidentiality and documentation set forth by The Joint Commission and HIPAA. Medical records are kept in locked areas not accessible to patients or visitors. Each patient has his own individualized medical record. Clinical guidelines regarding timeliness of documentation, quality of content, legibility of content, staff and other signatures, accuracy of dates, etc., are dictated by COMAR regulations, HIPAA compliance and Joint Commission requirements. CTC has an ongoing Quality Assurance program that incorporates regular audits of the medical records to ensure completeness, quality and timeliness of all documentation contained therein and will implement the Quality Assurance program with *The Right Moves*.

(f) *Education.*

Seventeen percent (17%) of Maryland youth ages 18-24 have less than a high school diploma or its equivalent (MSDE, 2008). Lack of a high school diploma, lack of opportunity for job training or employment, continuing substance use disorders and untreated mental health problems will lead to difficulties and life issues well beyond the age of 21 for our target population. All these factors are particularly important when considering the youth “in the system” and contribute to the vulnerability of the target population to ongoing emotional distress, physical health issues, greater risk for ongoing substance use and other illegal activities, and a potential for a life style of living on public assistance. The New Directions Academy, the facility’s already existing Special and General Education non-public school, which is certified by the Maryland State Department of Education, will provide the general, special education, pre-career and technology instruction for the patients in *The Right Moves* program.

The New Directions Academy complies fully with COMAR 13.A.05.01 and COMAR 13A.09.09 Educational Programs in Nonpublic Schools and Child Care and Treatment Facilities. It provides the educational service on site within a few feet of the residential building. The Academy is able, through cooperative agreements with the patients’ home schools, to grant credits for academic coursework and to offer certification in its vocational coursework programs.

As described in greater detail in the Comprehensive Program Description in Part I.8B, the New Directions Academy staff provide career planning, job readiness and preparation programming, a work study program on grounds, and G.E.D. coursework. For the older patients in *The Right Moves* program, the experiences provided through the Academy are essential, since they must be better equipped once discharged to pursue definitive school, vocational or work goals that they have set for themselves.

Patients who are college-bound will be assisted in exploration of options and in the application process. Each year, the New Directions Academy graduates from four to eight patients who have successfully completed their high school education. The Academy teachers and principal provide many diverse high-interest activities that encourage students with repeated histories of school failure to become re-motivated and finally begin to succeed. High school students and already graduated patients attend classes for remediation, work readiness and independent living. In the afternoon sessions, *The Right Moves* patients in the program will be eligible for the campus work program and will receive payment for the work they accomplish. If clinically appropriate (considering level of functioning and safety to the community), and with the authorization of the Department of Juvenile Services Resource Coordinator and DJS case manager, some patients will be able to participate in off-campus college coursework.

- (g) *Medical Assistance.* Each applicant shall meet Maryland Medical Assistance Program requirements to establish an Early and Periodic Screening, Diagnosis, and Treatment program, called in Maryland, “The Maryland Healthy Kids Program”.

All youth admitted to *The Right Moves* by the Department of Juvenile Services will have a Medical Assistance card. Chesapeake Treatment Centers currently meets all requirements for the establishment and operation of The Maryland Healthy Kids Program.

- (h) **Staff Training. Each applicant shall document that it will:**
 - (i) **Provide a minimum of 40 hours of training to new employees prior to their assuming full job responsibilities;**
 - (ii) **For each category of direct service personnel provide the curriculum for this training and show how the training will help staff meet the clinical needs of this population; and**
 - (iii) **Provide a continuing education program for all categories of direct-service personnel.**

CTC employees who are going to work directly with the patient population receive forty (40) hours of training prior to assuming full job responsibilities. Newly hired direct care staff, the Counselor Technicians, receive particularly intensive training since these caretakers are on duty twenty-four hours per day, seven days per week, and they provide valuable clinical insight to the professional staff who counsel the patients. Newly hired counselor technicians work under the guidance and supervision of a well-experienced counselor technician on different shifts so that they can learn how the program functions throughout the day, evening and night shifts. Counselor Technicians receive consistent supervision throughout the month through the ongoing monitoring and guidance of the Milieu Supervisor and ongoing shift meetings to discuss the patients, areas of concern, and upcoming trainings.

No Counselor Technician at the CTC facility is allowed to work without supervision for the first week "on the floor". All Counselor Technicians receive staff training throughout the year and are re-trained each year in Fire and Safety, Infection Control, and CPR. Additionally, direct care staff are trained in an early intervention treatment model, Crisis Prevention and Intervention (CPI). This training has proven to be highly effective in helping patients to avoid situations that could result in their losing control and harming themselves or others. There are ongoing trainings monthly for direct care staff.

All new employees at CTC participate in an orientation run by the Corporate Director of Human Resources and participate in a refresher orientation course once per year every year after hire. Professional staff are required to take coursework throughout the year and earn CEUs that will ensure their continued professional licensure and certification. CTC administrative leadership pre-approves and pays for continuing education coursework for the professionals in its system, including attendance at conferences, workshops, and educational seminars that will enhance their professional knowledge and skills.

A tuition reimbursement program has been established for all levels of staff at CTC and all staff at every level in the facility are encouraged to take advantage of that program.

(i) **Staffing.**

(i) The applicant shall document that it will provide, either directly or by agreement, sufficient number of qualified professional, technical, and supportive staff to provide services to attain or maintain the highest practicable physical, mental, and psychosocial well-being of each resident as determined by a comprehensive assessment and individualized treatment and education plan.

(ii) The applicant shall document how the level of staffing will provide active treatment and fulfill the goals of its proposed treatment programs and meet the needs of the patients.

An important aspect of staffing at the CTC programs is the professional credentials, experience and skills of the multidisciplinary team members. Chesapeake Treatment Centers' leadership consistently hires those licensed/certified professionals and direct care staff who demonstrate special skills in working with the particular patient/resident populations they serve. Ongoing and consistent training ensures effective treatment of coexisting medical, emotional, and behavioral issues.

The **New Directions** multidisciplinary team will form the foundation of staffing for the new program, **The Right Moves**. The clinical team consists of a Board Certified Psychiatrist, an Administrator, Nurses, Licensed Professional Counselors and Social Workers, Certified Substance Abuse Counselors, Special Educators, a licensed Dietician, Counselor Technicians, a Milieu Supervisor, Activities Specialists, and Bachelor's and Master's Level Counselors, Dietary Team Members, Quality Assurance personnel, Human Resources staff, Transportation staff and a Director of Environment and physical plant.

CTC leadership ensures that all professional and paraprofessional staff members have ongoing training and knowledge of the evidence-based practices and models utilized throughout the facility and programs, including CBT, MET, ROSC, positive behavioral interventions and trauma informed care. CTC staff members are proud that the multiracial and multiethnic make-up of staff throughout its corporate system, including leadership staff, mirrors the diverse and multiracial patient and family populations. The unique cross-cultural environment at the facility has cultivated staff members at each program who can successfully work with urban and rural client populations.

CTC programs have a high staff-to-patient ratio. Direct care staff-to-patient ratio is 1: 5; the staff-to-patient ratio is higher when the professional staff are included in that ratio, which is then 1:3.

- (j) **State Regulations.** Each applicant shall document its compliance, or state its intention to comply, with all mandated federal, State, and local health and safety regulations and applicable licensure and certification standards.

Chesapeake Treatment Centers and the **New Directions** facility and all its programs, including **The Right Moves**, will comply with all mandated federal, State and local health and safety regulations and applicable licensure and certification standards. Please see **Attachment E**.

- (k) **Accreditation and Certification.** Each applicant proposing a new facility shall agree in writing to apply for JCAHO accreditation and Medicaid certification as soon as permissible after opening and be jointly licensed as a Special Hospital-Psychiatric Facility (COMAR 10.07.01) and as a Residential Treatment Center (COMAR 10.07.04).

The Chesapeake Treatment Centers, Inc. **New Directions** facility is already accredited by the Joint Commission, certified by Medicaid, and licensed as a Residential Treatment Center, and **The Right Moves** program would fall under that existing accreditation, certification and licensure. Please refer to **Attachment F** and **Attachment G**.

As pointed out above, the standard which refers to joint licensure as a Residential Treatment Center and a Special Hospital-Psychiatric Facility is obsolete, because in 2001 CMS issued regulations which established Psychiatric Residential Treatment Facilities (“PRTFs”) as a new category of Medicaid facility eligible for reimbursement under the Medicaid under-21 benefit. Those regulations define a PRTF as “a facility other than a hospital, that provides psychiatric services, as described in Subpart D of part 441 of this chapter, to individuals under the age of 21, in an inpatient setting”. 42 CFR § 483.352 (emphasis added).

- (l) **Criminal Background Investigations.** Each applicant shall document its procedure for:
 - (i) Complying with Family Law Article, §5-560 through §568, Annotated Code of Maryland, governing criminal background investigations for employees; and
 - (ii) Subjecting volunteers to criminal background investigations.

Chesapeake Treatment Centers has included as **Attachment H** to this document those policies and procedure from the CTC Department of Human Resources that comply with relevant sections of the Family Law Article, Annotated Code of Maryland, governing criminal background investigations for employees. CTC does not have volunteers; however, if leadership ever establishes a volunteer program, as indicated in those policies and procedures attached, the volunteers would be subjected to a mandatory criminal background check.

As indicated in Table L (Work Force Information), the facility is effectively and adequately staffed to ensure the safety and supervision of all patients at all times. As shown in Table L, CTC will hire new employees or will make current PRN employees full time as the census for the new program builds.

(4) Certificate of Need Preference Rules.

This application will not be part of a comparative review, so the preference rules do not apply to the application. Nevertheless, CTC will address the criteria.

CTC has historically treated and will, through the new program, *The Right Moves*, treat patients who are assaultive, highly aggressive, emotionally disturbed individuals who may also exhibit a concomitant substance use disorder (SUD). CTC has treated and will treat individuals with medical issues, physical disabilities and mild developmental disabilities.

CTC can provide aftercare services to the older youth placed in *The Right Moves* program in many locations throughout Maryland post-discharge through its affiliation with Maryland Treatment Centers, Inc. (MTC) and MTC's established outpatient licensed and Joint Commission accredited mental health clinics and intensive outpatient and outpatient SUD facilities. The ongoing affiliation with MTC will allow for a seamless continuum of care for patients from *The Right Moves* who live in the areas surrounding those treatment programs. For other patients, CTC has developed close working relationships with *hundreds* of community-based agency personnel, private practitioners, tertiary care hospitals, psychiatric hospitals, group homes, transitional housing settings, and school and vocational rehabilitation personnel throughout the State.

(5) Certificate of Need Approval Rules.

The Approval Rules are obsolete and inapplicable to this project.

The federal regulation cited (42 CFR 441.1152) no longer exists.

The requirement that the facility be dually licensed as a residential treatment center and special hospital-psychiatric facility is no longer feasible, as explained above.

The minimum unit size of 12 beds was presumably related to the idea of converting excess capacity located in existing special psychiatric hospitals to RTC beds, probably to ensure that such units would have a "critical mass" of services and staff. In the current application there are no such issues, because *The Right Moves* will be part of the 29-bed *New Directions* facility, which will ensure that it has access to the necessary services, staff, and other resources.

(6) Performance Requirements.

The Performance Requirements are, we believe, obsolete and not enforced by the Commission.

However, if the Commission determines that it wishes to impose such performance requirements, Chesapeake Treatment Centers will fulfill all of the relevant requirements set forth by the Commission after the Certificate of Need is granted and will commit to

monthly reporting all relevant data to the Department of Health and Mental Hygiene, to the Subcabinet for Children, Youth, and Families and to the Maryland Department of Juvenile Services.

Also, if required by the Commission, CTC will prepare an annual report and send it to the Commission to address its compliance with this Chapter. The annual report will describe the measures utilized by the facility to evaluate the patient outcomes for the new program and will analyze for the Commission the extent to which expected outcomes were achieved.

10.24.01.08G(3)(c).

Availability of More Cost-Effective Alternatives

As stated above, the proposed non-AJSO RTC beds which are the subject of this application would be dedicated to transitional youth in the custody of the Maryland Department of Juvenile Services for whom placement in another Maryland RTC has *not been possible*, or for whom clinically suitable services are *not available* in another Maryland RTC.

By definition, therefore, there are no more cost-effective alternatives to the proposed services which would be available at a Maryland RTC. The only other alternative is to place these patients in facilities outside of Maryland, which is the option now being utilized. But this is not a more cost-effective alternative to the services proposed in this application.

Providing the clinical services described in this CON application out-of-state, rather than at the CTC site, will cause additional expense to DJS. As discussed with DJS officials, placement at the *New Directions* site will save the Department funds now utilized for out-of-state placements. Those funds include travel expenses for DJS case managers and regional coordinators, including: expensive air fares; long distance phone calls; expenses and time dedicated to the coordination of long-distance teleconferencing team meetings; and the difficult inclusion and expenses related to including parents and guardians visiting their children.

Most important, as stated by DJS leadership, there are many clinical disadvantages to treating the target population out-of-state, since consistent face-to-face interviews of the youth by the DJS case manager are impossible and parental/guardian involvement is usually minimal. The availability of the CTC program will ensure better treatment and cost savings to DJS and family members.

Attachment

9

Attachment 9

Part IV. Consistency with General Review
Criteria at COMAR 10.24.01.08G(3) part d,
Table L

TABLE L. WORK FORCE INFORMATION

INSTRUCTION: List the facility's existing staffing and changes required by this project. Include all major job categories under each heading provided in the table. The number of Full Time Equivalents (FTEs) should be calculated on the basis of 2,080 paid hours per year equals one FTE. In an attachment to the application, explain any factor used in converting paid hours to worked hours. Please ensure that the projections in this table are consistent with expenses provided in unaffiliated projections in Tables G and J. See additional instruction in the column to the right of the table.

Job Category	CURRENT ENTIRE FACILITY			PROJECTED CHANGES AS A RESULT OF THE PROPOSED PROJECT THROUGH THE LAST YEAR OF PROJECTION (CURRENT DOLLARS)			OTHER EXPECTED CHANGES IN OPERATIONS THROUGH THE LAST YEAR OF PROJECTION (CURRENT DOLLARS)			PROJECTED ENTIRE FACILITY THROUGH THE LAST YEAR OF PROJECTION (CURRENT DOLLARS) *		
	Current Year FTEs	Average Salary per FTE	Current Year Total Cost	FTEs	Average Salary per FTE	Total Cost (should be consistent with projections in Table J)	FTEs	Average Salary per FTE	Total Cost	FTEs	Total Cost (should be consistent with projections in Table G)	
1. Regular Employees												
Administration (List general categories, add rows if needed)												
Administrator	1.0	\$111,795	\$111,795	1.0	\$121,288	\$121,288			\$0	2.0	\$233,083	
Receptionist	0.5	\$24,860	\$12,430	0.5	\$27,082	\$13,541			\$0	1.0	\$26,021	
Administrative Assistant	1.0	\$39,000	\$39,000	1.0	\$39,000	\$39,000			\$0	1.0	\$39,000	
Business Office	0.5	\$69,000	\$34,500	1.3	\$69,419	\$90,345			\$0	1.8	\$126,845	
Total Administration			\$166,724			\$204,134			\$0		\$171,859	
Direct Care Staff (List general categories, add rows if needed)												
Clinical Director	1.0	\$82,500	\$82,500	1.0	\$96,735	\$96,735			\$0	2.0	\$181,235	
Psychiatric/Medical Director	0.7	\$196,429	\$137,500	1.1	\$194,162	\$213,600			\$0	1.8	\$353,201	
Nursing	4.2	\$54,343	\$228,241	4.2	\$73,612	\$309,170			\$0	8.4	\$537,411	
Mental Health Technicians	16.2	\$8,997	\$145,351	22.4	\$35,189	\$787,894			\$0	40.6	\$359,458	
Therapists	1.0	\$43,690	\$43,690	2.0	\$41,376	\$82,752			\$0	3.0	\$124,528	
Case Manager	2.0	\$51,750	\$103,500	4.0	\$55,471	\$221,884			\$0	6.0	\$333,768	
Unit Clerk	1.0	\$24,372	\$24,372	1.0	\$25,960	\$25,960			\$0	2.0	\$51,920	
Outpatient	1.5	\$44,000	\$66,000	1.5	\$44,000	\$66,000			\$0	3.0	\$132,000	
Total Direct Care			\$524,952			\$1,039,352			\$0		\$1,535,352	
Support Staff (List general categories, add rows if needed)												
Maintenance	2.25	\$34,124	\$76,779	2.4	\$38,124	\$88,690			\$0	4.7	\$163,469	
Housekeeping	1.0	\$29,120	\$29,120	1.0	\$29,120	\$29,120			\$0	2.0	\$58,240	
Dietary	2.2	\$23,920	\$52,624	2.4	\$25,953	\$62,287			\$0	4.6	\$114,511	
School	7.9	\$40,511	\$320,037	10.2	\$40,325	\$411,315			\$0	18.1	\$731,352	
Total Support			\$478,550			\$911,412			\$0		\$1,389,764	
REGULAR EMPLOYEES TOTAL			\$1,145,274			\$2,045,564			\$0		\$3,425,618	
2. Contractual Employees												
Administration (List general categories, add rows if needed)												
Corporate Management (CFO, MIS, HR, Environment, Outreach)	1.2	\$202,250	\$242,700	1.9	\$203,668	\$386,969			\$0	3.1	\$529,669	
Human Resources Clerk	0.4	\$48,000	\$19,200	0.5	\$54,000	\$27,000			\$0	0.9	\$46,200	
Payroll Clerk	0.2	\$72,000	\$14,400	0.4	\$72,000	\$28,800			\$0	0.6	\$43,200	
Total Administration			\$276,300			\$442,769			\$0		\$719,069	
Direct Care Staff (List general categories, add rows if needed)												
Chief of Medical Staff	0.1	\$285,000	\$28,500	0.4	\$294,690	\$117,876			\$0	0.5	\$146,376	
Medical Records	0.1	\$139,360	\$13,936	0.4	\$144,038	\$57,639			\$0	0.5	\$71,576	
Pediatrician	0.1	\$168,000	\$16,800	0.1	\$168,000	\$16,800			\$0	0.2	\$33,600	
PI/CA				0.2	\$237,820	\$47,564			\$0	0.0	\$0	
Total Direct Care Staff			\$505,296			\$339,875			\$0		\$865,171	
Support Staff (List general categories, add rows if needed)												
Director of Education	0.3	\$108,810	\$32,643	0.3	\$108,810	\$32,643			\$0	0.6	\$65,286	
Total Support Staff			\$32,643			\$32,643			\$0		\$65,286	
CONTRACTUAL EMPLOYEES TOTAL			\$865,171			\$1,389,764			\$0		\$2,279,435	
CONTRACTUAL EMPLOYEES TOTAL			\$865,171			\$1,389,764			\$0		\$2,279,435	
TOTAL COST			\$2,010,445			\$3,435,328			\$0		\$5,705,053	

Additional instruction

Calculate the sum of Administration

Calculate the sum of Direct Care

Calculate the sum of Administration Support Staff
Calculate the sum of Administration, Direct Care, and Support Staff

Calculate the sum of Administration

Calculate the sum of Direct Care

Calculate the sum of Administration Support Staff
Calculate the sum of Administration, Direct Care, and Support Staff

Includes the method of calculating benefits in green field of far left. Ensure that the sums and Total Cost of Regular Employees Total and Contractual Employees are correct.

Attachment

10

Attachment 10

Part IV. Consistency with General Review
Criteria at COMAR 10.24.01.08G(3) part d,
Audited Financial Statements

Chesapeake Treatment Center, Inc. & Subsidiary

Consolidated Financial Statements

For The Years Ended
June 30, 2015 And 2014



HERTZBACH
certified public accountants · consultants

Chesapeake Treatment Center, Inc. & Subsidiary

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For The Years Ended June 30, 2015 And 2014

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Independent Auditor's Report

**To The Board Of Directors And Stockholder
Chesapeake Treatment Center, Inc. & Subsidiary
3800 Frederick Avenue
Baltimore, Maryland 21229**

We have audited the accompanying consolidated financial statements of Chesapeake Treatment Center, Inc. & Subsidiary, which comprise the consolidated balance sheets as of June 30, 2015 and 2014, and the related consolidated statements of operations and changes in retained earnings, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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Greater Washington, D.C.
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Chesapeake Treatment Center, Inc. & Subsidiary as of June 30, 2015 and 2014, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information presented on pages 11 and 12, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Hertzbach & Company, P.A.

Owings Mills, Maryland
December 16, 2015

**CONSOLIDATED
FINANCIAL
STATEMENTS**

Chesapeake Treatment Center, Inc. & Subsidiary
Consolidated Balance Sheets

June 30,	2015	2014
ASSETS		
CURRENT ASSETS		
Cash	\$ 317,567	\$ 340,255
Accounts Receivable, Net	550,435	1,329,183
Prepaid Expenses	440	2,314
Due From Third-Party Payer, Current Portion	-	244,648
Due From Related Parties	549,407	75,712
Total Current Assets	<u>1,417,849</u>	<u>1,992,112</u>
Property And Equipment, Net	<u>89,647</u>	<u>85,961</u>
OTHER ASSETS		
Deferred Tax Asset	142,357	117,302
Due From Third-Party Payer, Net Of Current Portion	<u>2,782,045</u>	<u>3,064,179</u>
Total Other Assets	<u>2,924,402</u>	<u>3,181,481</u>
Total Assets	<u><u>\$ 4,431,898</u></u>	<u><u>\$ 5,259,554</u></u>
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
Current Maturities Of Long-Term Debt	\$ 58,927	\$ 63,738
Accounts Payable And Accrued Expenses	569,392	869,253
Advance From State	246,128	246,128
Due To Third-Party Payer, Current Portion	31,002	-
Deferred Revenue	-	13,224
Due To Related Parties	207,523	437,040
Income Taxes Payable	-	10,383
Total Current Liabilities	<u>1,112,972</u>	<u>1,639,766</u>
LONG-TERM LIABILITIES		
Due To Third-Party Payer, Net Of Current Portion	2,210,791	2,255,738
Long-Term Debt, Net Of Current Maturities	<u>110,963</u>	<u>169,838</u>
Total Long-Term Liabilities	<u>2,321,754</u>	<u>2,425,576</u>
Total Liabilities	<u>3,434,726</u>	<u>4,065,342</u>
STOCKHOLDER'S EQUITY		
Common Stock, \$.01 Par Value, 5,000 Shares Authorized, 1,000 Shares Issued And Outstanding	10	10
Additional Paid-In Capital	990	990
Retained Earnings	<u>996,172</u>	<u>1,193,212</u>
Total Stockholder's Equity	<u>997,172</u>	<u>1,194,212</u>
Total Liabilities And Stockholder's Equity	<u><u>\$ 4,431,898</u></u>	<u><u>\$ 5,259,554</u></u>

See Accompanying Notes To The Consolidated Financial Statements

Chesapeake Treatment Center, Inc. & Subsidiary
Consolidated Statements of Operations And Changes In Retained Earnings

<u>For The Years Ended June 30,</u>	<u>2015</u>	<u>2014</u>
Operating Revenue:		
Net Patient Revenue	\$ 3,767,534	\$ 5,182,139
Operating Expenses:		
Salaries And Wages	2,121,506	2,486,116
Fringe Benefits	370,064	424,229
Supplies	144,074	214,289
Contractual Services	792,954	1,174,835
Rent, Utilities, And Other	437,429	474,321
Depreciation	29,954	18,212
Interest	5,976	9,559
Bad Debt Expense	84,797	73,885
Total Operating Expenses	<u>3,986,754</u>	<u>4,875,446</u>
(Loss) Income From Continued Operations Before Income Taxes	(219,220)	306,693
Provision For Income Tax Benefit (Expense)	<u>33,332</u>	<u>(105,775)</u>
(Loss) Income From Continued Operations	(185,888)	200,918
Loss From Discontinued Operations (Net Of Income Tax (Expense) Benefit Of \$29,163 And \$3,985, Respectively)	<u>(11,152)</u>	<u>(5,443)</u>
Net (Loss) Income	(197,040)	195,475
Retained Earnings, Beginning Of Year	<u>1,193,212</u>	<u>997,737</u>
Retained Earnings, End Of Year	<u>\$ 996,172</u>	<u>\$ 1,193,212</u>

See Accompanying Notes To The Consolidated Financial Statements

Chesapeake Treatment Center, Inc. & Subsidiary
Consolidated Statements Of Cash Flows

For The Years Ended June 30,	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (Loss) Income	\$ (197,040)	\$ 195,475
Adjustments To Reconcile Net (Loss) Income To Net Cash Provided By Operating Activities		
Depreciation	29,954	18,212
Deferred Income Tax Expense	(25,055)	77,508
Provision For Bad Debts	84,797	73,885
(Increase) Decrease In Operating Assets:		
Accounts Receivable	693,951	27,238
Prepaid Expenses	1,874	20,025
Due From Third-Party Payer	526,782	249,656
Increase (Decrease) In Operating Liabilities:		
Accounts Payable And Accrued Expenses	(299,861)	145,534
Deferred Revenue	(13,224)	13,224
Due From Related Parties, Net	(703,212)	(489,673)
Due To Third-Party Payer	(13,945)	75,218
Income Taxes Payable	(10,383)	(5,481)
NET CASH PROVIDED BY OPERATING ACTIVITIES	74,638	400,821
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases Of Property And Equipment	(33,640)	(59,481)
NET CASH USED IN INVESTING ACTIVITIES	(33,640)	(59,481)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments On Long-Term Debt	(63,686)	(71,888)
NET CASH USED IN FINANCING ACTIVITIES	(63,686)	(71,888)
NET (DECREASE) INCREASE IN CASH	(22,688)	269,452
CASH, BEGINNING OF YEAR	340,255	70,803
CASH, END OF YEAR	\$ 317,567	\$ 340,255
Supplemental Disclosure Of Cash Flow Information:		
Cash Paid During The Year For Interest	\$ 5,976	\$ 9,559
Cash Paid During The Year For Income Taxes	\$ -	\$ 111,256

See Accompanying Notes To The Consolidated Financial Statements

Chesapeake Treatment Center, Inc. & Subsidiary Notes To Consolidated Financial Statements

For The Years Ended June 30, 2015 And 2014

1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF BUSINESS – Chesapeake Treatment Center, Inc. (CTC) is a wholly-owned subsidiary of Florida Investment Group, LP. CTC was incorporated on February 17, 1988. On April 1, 1999, CTC began operating and managing a sex offender treatment program at the Charles H. Hickey, Jr. School. CTC is located in Baltimore, Maryland.

Chesapeake Youth Center, Inc. (CYC) is a wholly-owned subsidiary of CTC and was incorporated on November 29, 1988 and began operations in August 1989. The operations of CYC were sold as of September 11, 2006, and CYC discontinued operations on that date. CYC provided long-term hospital care for emotionally disturbed adolescents, an acute psychiatric services program, and a psychiatric residential treatment program. CYC was located on the Eastern Shore of Maryland.

PRINCIPLES OF CONSOLIDATION – The consolidated financial statements include the accounts of Chesapeake Treatment Center, Inc., and Chesapeake Youth Center, Inc. (together “the Company”). All significant intercompany transactions were eliminated in consolidation.

METHOD OF ACCOUNTING – The consolidated financial statements of the Company are prepared on the accrual basis of accounting. Consequently, revenue is recognized when earned and expenses are recognized when the obligations are incurred.

CASH AND CASH EQUIVALENTS – The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

USE OF ESTIMATES – The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

ACCOUNTS RECEIVABLE AND REVENUE RECOGNITION – CTC has a four-year Per Diem Contract with the Department of Juvenile Services (DJS) to provide residential and educational services through June 30, 2015. The majority of referrals under this contract are Medicaid eligible and residential services are reimbursed by the State of Maryland Medicaid Program on a cost basis subject to annual ceilings. CTC receives an interim per diem rate during the year and ultimately settles final payment based upon an audited Medicaid cost report filing. For Medicaid ineligible referrals, CTC is reimbursed at per diem rates established by the DJS Per Diem Contract. Subsequent to year end, the Company entered into a new contract through June 30, 2016 (see Note 10).

Educational rates are established prospectively by the Maryland State Department of Education (MSDE) based upon an approved operating budget. Educational services are reimbursed at these established rates under the DJS Per Diem Contract or by the student’s local school district as applicable.

CYC income or loss from discontinued operations is comprised primarily from third-party settlements of services provided when CYC was an operating entity.

The Company uses the allowance method for estimating uncollectible accounts, basing the allowance on a periodic review of the receivable balances. The majority of the receivables are due from the State of Maryland. As of June 30, 2015 and 2014, the allowance for uncollectible accounts amounted to \$56,000.

PROPERTY AND EQUIPMENT – Acquisitions of property and equipment in excess of \$5,000 are capitalized. Property and equipment is recorded at cost. For financial reporting purposes, depreciation is provided on a straight-line basis over the estimated useful lives of the assets.

Chesapeake Treatment Center, Inc. & Subsidiary
Notes To Consolidated Financial Statements
(Continued)

For The Years Ended June 30, 2015 And 2014

1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INCOME TAXES – Income taxes are provided for the tax effects of transactions reported in the consolidated financial statements and consist of taxes currently payable plus deferred taxes. Deferred taxes are recognized for differences between the basis of assets and liabilities for financial statement and income tax purposes. Deferred taxes are also recognized for net operating loss carryforwards.

COMPENSATED ABSENCES – Employees of the Company are entitled to paid time off depending on job classification, length of service, and other factors. The Company has accrued \$136,238 and \$137,256 for paid time off as of June 30, 2015 and 2014, respectively.

2. DUE FROM / TO THIRD-PARTY PAYER

The Company is required to file Medicaid cost reports annually. These cost reports are subject to audit by Medicaid and often result in settlements due to or from Medicaid.

The Company estimates its settlements on a current basis and reflects this estimate as amounts due from or to third-party payer in the consolidated financial statements. Future settlements resulting from Medicaid audits are reflected in the period any non-appealed settlement or an appealed settlement occurs. Due from Medicaid as of June 30, 2015 and 2014 amounted to \$2,782,045 and \$3,308,697, respectively. Due to Medicaid as of June 30, 2015 and 2014 amounted to \$2,241,793 and \$2,255,738, respectively.

Estimated settlements are subject to verification and final settlement. Any differences between the estimate and amounts actually paid or received will be recorded in the period they are paid or received.

The Company's contract with the Department of Juvenile Services (DJS) states that the Company is permitted to transfer 10% of program profits to retained earnings. Any profits in excess of 10% are to be refunded to DJS. The Company has estimated a liability due to DJS in the amount of \$-0- and \$75,088 as of June 30, 2015 and 2014, respectively.

3. PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of June 30, 2015 and 2014:

	2015	2014
Furniture And Equipment	\$ 276,758	\$ 272,158
Vehicles	120,213	120,139
Leasehold Improvements	15,598	10,598
Total Cost	412,569	402,895
Less: Accumulated Depreciation	322,922	316,934
Property And Equipment, Net	\$ 89,647	\$ 85,961

Fully depreciated property and equipment in the amount of \$23,966 and \$24,954 was disposed of during the years ended June 30, 2015 and 2014, respectively.

Chesapeake Treatment Center, Inc. & Subsidiary
Notes To Consolidated Financial Statements
(Continued)

For The Years Ended June 30, 2015 And 2014

4. RELATED PARTY TRANSACTIONS

The amounts due from / to related parties are from working capital advances and payment of shared expenses. Terms for repayment are informal and the balances are non-interest bearing. The parties are related through common ownership.

The Company shares staff and dietary services with a related party, and has recognized \$645,271 and \$820,512 related to these services in contractual services on the consolidated statements of operations and changes in retained earnings for the years ended June 30, 2015 and 2014, respectively. Also included on the consolidated statements of operations and changes in retained earnings for the years ended June 30, 2015 and 2014 is salary expense for officers in the amount of \$60,000 and \$120,000, respectively.

The Company has related party payables included in accounts payable and accrued expenses on the consolidated balance sheets in the amount of \$157,128 and \$183,528 due to officers as of June 30, 2015 and 2014, respectively.

5. RETIREMENT PLAN

The Company is a participant in the Maryland Treatment Centers, Inc. 401(k) Plan, a single-employer plan sponsored by an affiliated company. Participants in this plan can defer up to 80% of their salary on a pretax basis, up to the amounts allowable under current income tax regulations. All full time employees who have one-year of service and are age twenty-one or older are eligible to participate in the sponsored plan. The Company contributes to the plan on a discretionary basis. The Company did not contribute to the plan for the years ended June 30, 2015 and 2014.

6. LONG-TERM DEBT

Long-term debt consists of the following as of June 30, 2015 and 2014:

	2015	2014
Note payable to National Bank of Cambridge in 59 monthly installments of \$4,908, including principal and interest at 2.65% per annum, due on April 18, 2018, secured by a related party.	\$ 160,627	\$ 214,494
Note payable to National Bank of Cambridge in 72 monthly installments of \$313, including principal and interest at 6.00% per annum, due on January 6, 2018, secured by a vehicle.	8,759	11,837
Note payable to National Bank of Cambridge in 48 monthly installments of \$257, including principal and interest at 10.00% per annum, due on August 8, 2015, secured by a vehicle.	504	3,378
Note payable to National Bank of Cambridge in 60 monthly installments of \$491, including principal and interest at 8.50% per annum, due on February 15, 2015, secured by a vehicle. This note was paid in full as of June 30, 2015.	-	3,867
	169,890	233,576
Total	169,890	233,576
Less: Current Maturities	58,927	63,738
Long-Term Debt, Noncurrent	\$ 110,963	\$ 169,838

Chesapeake Treatment Center, Inc. & Subsidiary
Notes To Consolidated Financial Statements
(Continued)

For The Years Ended June 30, 2015 And 2014

6. LONG-TERM DEBT (Continued)

Aggregate annual maturities of the long-term debt as of June 30, 2015, are as follows:

<u>Years Ending June 30,</u>	
2016	\$ 58,927
2017	59,797
2018	<u>51,166</u>
	<u>\$ 169,890</u>

7. INCOME TAXES

Provision for income taxes consists of the following for the years ended June 30, 2015 and 2014:

	2015	2014
<u>Continued Operations</u>		
Current Expense		
State	\$ -	\$ (24,282)
Deferred Benefit (Expense)		
Federal	27,424	(81,493)
State	<u>5,908</u>	<u>-</u>
	<u>33,332</u>	<u>(81,493)</u>
	<u>\$ 33,332</u>	<u>\$ (105,775)</u>
<u>Discontinued Operations</u>		
Deferred Benefit (Expense)		
Federal	\$ 977	\$ 3,985
State	<u>(30,140)</u>	<u>-</u>
	<u>\$ (29,163)</u>	<u>\$ 3,985</u>

The Company's total deferred tax assets at June 30, 2015 and 2014 were as follows:

	2015		2014	
	Current	Noncurrent	Current	Noncurrent
Net Operating Loss Carryforwards	\$ -	\$ 142,357	\$ -	\$ 117,302

At June 30, 2015, the Company has net operating loss carry forwards totaling \$288,928 that may be offset against future taxable income. If not used, the carry forwards will expire during various years through 2035.

8. ADVANCE FROM STATE

The Company has received non-interest bearing advances from the State of Maryland as payment towards future claims. The State periodically withholds claims as a repayment of the advances. The advances are due on demand. As of June 30, 2015 and 2014, outstanding advances from the State amounted to \$246,128.

Chesapeake Treatment Center, Inc. & Subsidiary
Notes To Consolidated Financial Statements
(Continued)

For The Years Ended June 30, 2015 And 2014

9. CONCENTRATION OF CREDIT RISK

The Company maintains cash balances at one financial institution. These balances may, from time to time, exceed amounts insured by the Federal Deposit Insurance Corporation. At June 30, 2015, cash balances exceeded the insured amounts by \$197,212.

The Company's net patient revenue and accounts receivables were derived from the Maryland Medicaid program and DJS. If these programs were modified, reducing or eliminating these revenues, the Company's finances could be materially adversely affected. Management believes the concentration of credit risk is minimal due to the nature of the receivables and revenue and the history of this type of program.

The Company's net patient revenue from Medicaid and DJS for the years ended June 30, 2015 and 2014 consisted of:

	2015		2014	
Medicaid	\$ 2,634,201	69.9 %	\$ 2,896,214	55.9 %
DJS	1,061,655	28.2	2,129,111	41.1
	<u>\$ 3,695,856</u>	<u>98.1 %</u>	<u>\$ 5,025,325</u>	<u>97.0 %</u>

The Company's gross accounts receivables as of June 30, 2015 and 2014 consisted of:

	2015		2014	
Medicaid	\$ 333,837	55.0 %	\$ 720,505	52.0 %
DJS	272,598	45.0	664,678	48.0
	<u>\$ 606,435</u>	<u>100.0 %</u>	<u>\$ 1,385,183</u>	<u>100.0 %</u>

10. SUBSEQUENT EVENTS

During August 2015, the Company entered into a new contract with Maryland Department of Juvenile Services through June 30, 2016 (see Note 1).

Management has evaluated events and transactions subsequent to the consolidated balance sheet date for potential recognition or disclosure through the independent auditor's report date, the date the consolidated financial statements were available to be issued. Except as noted above, there were no events that required recognition or disclosure in the consolidated financial statements.

**SUPPLEMENTARY
INFORMATION**

Chesapeake Treatment Center, Inc. & Subsidiary
Schedule Of Program To Actual Funds Received
(Unaudited)

For The Year Ended June 30, 2015

	RTC	Other DJS Services (1)	Education	Outpatient	Shared	Total
Salaries	\$ 1,539,726	\$ -	\$ 240,769	\$ 65,271	\$ 275,740	\$ 2,121,506
Fringe Benefits	268,581	-	41,998	11,386	48,099	370,064
Contractual Services	311,319	16,744	112,237	25,874	326,780	792,954
Supplies	87,424	-	12,110	45	44,495	144,074
Depreciation And Amortization	-	-	-	-	29,954	29,954
Rent, Utilities, And Other interest	63,288	-	56,808	11,271	306,062	437,429
	-	-	-	-	5,956	5,956
	<u>2,270,338</u>	<u>16,744</u>	<u>463,922</u>	<u>113,847</u>	<u>1,037,086</u>	<u>3,901,937</u>
Allocation Of Shared Costs	646,985	-	390,101	-	(1,037,086)	-
Related Services Revenues	-	-	(25,844)	-	-	(25,844)
Total Costs All Patients/Students	<u>\$ 2,917,323</u>	<u>\$ 16,744</u>	<u>\$ 828,179</u>	<u>\$ 113,847</u>	<u>\$ -</u>	<u>\$ 3,876,093</u>
Total Days	6,236		3,760			
Cost Per Day	\$ 467.82		\$ 220.26			
Total DJS Days	328		3,620			
Total DJS Cost	\$ 153,445		\$ 797,341			
Other DJS Services (1)	\$ 16,744		\$ -			
Billed To DJS	\$ 168,920		\$ 793,323			
Revenues in Excess Of Costs	\$ (1,269)		\$ (4,018)			
Transfer To Retained Earnings Per Contract	\$ -		\$ -			
Liability At June 30, 2015	<u>\$ -</u>		<u>\$ -</u>			

(1) Pediatrician, lab, pharmacy, and other amounts not reimbursed by Medicaid.

Chesapeake Treatment Center, Inc. & Subsidiary
Schedule Of Actual Costs To MSDE Budget
(Unaudited)

For The Year Ended June 30, 2015

Budget Category	DIRECT COSTS					INDIRECT COSTS			
	Approved Budget	Modified Budget	Final Expenditures	Variance	Percentage Variance	Approved Budget	Final Expenditures	Variance	Percentage Variance
Salaries:									
Administrative/Executive	\$ 58,000	\$ 58,000	\$ 77,687	\$ 19,687	0.34	\$ -	\$ -	\$ -	-
School Administrative	112,250	96,099	67,106	(28,993)	(0.26)	-	-	-	-
Direct Classroom	330,613	330,613	126,048	(204,565)	(0.62)	-	-	-	-
Related Services	26,400	26,400	37,461	11,061	0.42	-	-	-	-
General Support	62,450	62,450	36,186	(26,264)	(0.42)	-	-	-	-
Fringe Benefits	58,971	57,356	29,476	(29,495)	(0.50)	-	-	-	-
Payroll Taxes	67,817	65,960	45,751	(22,066)	(0.33)	-	-	-	-
Professional Fees	90,800	99,800	151,735	60,935	0.67	53,750	81,692	27,942	0.52
Supplies And Non-Capital Equipment	16,507	16,507	21,879	5,372	0.33	-	-	-	-
Phone/Fax/Internet	4,900	4,900	7,238	2,338	0.48	-	-	-	-
Postage	500	500	399	(101)	(0.20)	-	-	-	-
Occupancy	84,000	94,623	139,941	55,941	0.67	-	-	-	-
Rental/Maintenance Of Equipment	3,200	3,200	5,516	2,316	0.72	-	-	-	-
Public Relations	1,500	1,500	272	(1,228)	(0.82)	-	-	-	-
Publications	500	500	-	(500)	(1.00)	-	-	-	-
Transportation	9,600	9,600	1,737	(7,863)	(0.82)	-	-	-	-
Educational Experiences	3,000	3,000	1,856	(1,144)	(0.38)	-	-	-	-
Dues/Licenses	4,900	4,900	8,535	3,635	0.74	-	-	-	-
Depreciation	7,200	7,200	13,508	6,308	0.88	-	-	-	-
Total	\$ 943,108	\$ 943,108	\$ 772,331	\$ (154,626)	(0.16)	\$ 53,750	\$ 81,692	\$ 27,942	0.52
Total Direct And Indirect Costs	\$ 996,858		\$ 854,023	\$ (142,835)					
Related Service Revenues	\$ (47,500)		\$ (25,844)	\$ 21,656					
Net Tuition Costs	\$ 949,358		\$ 828,179	\$ (121,179)	(0.13)				
Student Days	4,332		3,760	(572)	(0.13)				
Daily Cost	\$ 219.15		\$ 220.26	\$ 1.11					

Payor Source	TUITION REVENUE BY SOURCE			
	Student Days	Tuition Revenue	Tuition Cost	Revenue in Excess Of Costs
Per Diem		\$ 216.69	\$ 220.26	
DJS	3,620	\$ 784,418	\$ 797,341	\$ (12,923)
BOE	140	30,337	30,836	(499)
Total	3,760	\$ 814,755	\$ 828,177	\$ (13,422)

See Accompanying Independent Auditor's Report

Attachmen t

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Attachment 11

Annual Trainings

ELEMENTS OF STAFF DEVELOPMENT

- New Employee Orientation
- New Hire In-Service Training
- Annual Orientation
- Staff Competency Plan
- Elements of Annual Training – Counselors and Counselor Techs
- Manager / Supervisor Training

**MARYLAND TREATMENT CENTERS, INC.
POLICIES AND PROCEDURES MANUAL**

SECTION: HUMAN RESOURCES (HR)

Policy No.:	HR- B08	Effective Date:	April 1, 2004
Subject:	New Employee Orientation	Reviewed and/or Revised:	August 5, 1993 December 6, 2001 December 26, 2007 November 26, 2010
Approved By:	N. Craig Cutter Corporate Director, Human Resources		
	Marc J. Fishman, M.D. Chairperson, Board of Directors		

Policy:

All new Maryland Treatment Centers, Inc. (MTC) employees will complete a comprehensive program of general and departmental orientation within 30 days of hire.

New employee orientation is intended to provide all new employees with an overview of MTC that includes its mission and organizational structure, knowledge about procedural and regulatory requirements and an understanding of performance expectations.

Procedure:

- A. General New Hire Orientation is scheduled once a month. Wherever possible, a new employee's start date will closely coincide with a scheduled General Orientation.
- B. General Orientation consists of one to three days of information and training.
 - One day is devoted to organizational, procedural and regulatory subjects and is mandatory for all employees.
 - One day is devoted to training in Behavior Management and is mandatory for all employees providing direct patient care in adolescent facilities.
 - One day is devoted to training in CPR and is mandatory for all direct patient care employees who do not have current CPR certification.
- C. Department Orientation is a required for all employees and is completed during the first thirty days after hire.
- D. General Orientation and Department Orientation checklists are completed by the employee and trainers and are retained in the employee's personnel file.

Attached is a Requirements Checklist that defines general employee documentation and training required prior to hire and at increments during the first year of employment.

Employee Name _____

SSN _____ - _____ - _____

Requirement	Before Hire	First Day*	First 30 Days	First 90 Days	Each Year	Reviewer Initials & Date
1. Completion of an Employment Application	X					
2. Documentation of current Professional Licensure or Certification	X					
3. Documentation of current CPR Certification if required at hire**	X					
4. Successful completion of CPR training if required post-hire**				X		
5. Completion of Criminal Background Check	X				MMB	
6. Authorization of Child Protective Services Check	MMB					
7. Completion of State Police Finger Print Forms			MMB MME			
8. Completion of a Drug Screen	MMB					
9. Review and acknowledgement of job description	X					
10. Completion of professional reference check	X					
11. Review and acknowledgement of receipt of the Employee Handbook		X				
12. Policy review / acknowledgement: Harassment, Confidentiality, Patient Neglect / Abuse, Ethics, Conflict of Interest, Staff Rights		X				
13. Completion of HIPAA documentation.		X				
14. Review of Employee Benefits		X				
15. Review of payroll and timekeeping procedures		X				
16. Completion of Federal and State tax forms		X				
17. Completion of I-9 Form		X				
18. Documentation of current TB test or completion of a new test / positive reactor form		X			X	
19. Completion of hepatitis election form		X				
20. Completion of a Health Status Form by a licensed practitioner (MD, NP, PA)				MMB		
21. Facility tour and fire safety briefing		X				
22. Issue employee ID badge		X				
23. Issue keys			X			
24. Instruction in the use of the telephone system		X				
25. General New Employee Orientation				X		
26. Departmental Orientation			X			
27. Emergency Management Training			X		X	
28. Infection Control Training				X	X	
29. Successful completion of MAB or CPI training				MMB	MMB	
30. Appraisal of job performance				X	X	
31. Appraisal of core job competencies				X	X	
32. Appraisal of age-specific competencies (patient care staff only)				X	X	

First Day Requirements may be incorporated in General Orientation if it occurs on the first day of employment

**CPR certification must be renewed in order to remain current during employment

*** PPD should be administered and read during the first week of employment.

MMB or MME -- Requirement applies only to Mountain Manor Baltimore or Mountain Manor Emmitsburg.

HR-B08

Effective 04-01-04

New Employee Orientation - MTC
Requirements Checklist

**Mountain Manor Baltimore
New Hire In-Service Training Schedule**

Topic	Presenter	Time	Documents Distributed	Documents Returned
MORNING SESSION - 9:00 a.m. to 12:00 p.m				
Welcome Sign-in	Paul Wells, Administrator	5 Min.	Orientation Schedule	Employee Sign-in
Organization/Facility Overview Philosophy Mission/Vision/Values Personal Appearance National Accreditation Incident Reporting	Paul Wells, Administrator	25 Min.	Organization Chart Incident Report	
Ethics Conflict Interest Boundaries Role of a Child Care Employee Patient Neglect and Abuse Patients's Rights & Representative	Paul Wells, Administrator	30 Min.		
Health Information Management Confidentiality HIPAA Security Training Privacy Security	Jennifer Watson Director of HIM	30 Min.	HIM-Orientation/In-Service Training HIPPA Training Handbook	Post-Test
Harrasment Cultural Diversity / Competency Substance Free Workplace Smoke Free Workplace Computers & Electronic Systems Conduct and Discipline Problem Solving Procedure Staff Rights Solicitation Inclement Weather Workplace Injury	Craig Cutter Corporate Director of HR	60 Min		

**Mountain Manor Baltimore
New Hire In-Service Training Schedule**

Topic	Presenter	Time	Documents Distributed	Documents Returned						
AFTERNOON SESSION - 12:30 to 3 p.m.										
Bloodborne Pathogens TB/ Hepatitis	Carol Robinson Director of Nursing	30 Min.		Quiz-Bloodborne Pathogen						
Fire Safety	Zalman Fishman Corporate Director of Facilities Management	60 Min.	Fire Safety & Emergency Employee Handbook	Post-Test						
Patient Safety										
Emergency Preparedness										
Q & A	Craig Cutter, HR	10 Min.	Evaluation	Evaluation						
Closing - 3 p.m.										
**Must sign and return at the conclusion of orientation in order to receive credit for training										
<table border="1" style="width:100%; height:100%;"> <tr> <td style="width:30%;">Name</td> <td></td> </tr> <tr> <td>Date</td> <td></td> </tr> <tr> <td>Signature</td> <td></td> </tr> </table>					Name		Date		Signature	
Name										
Date										
Signature										

**Maryland Treatment Centers, Inc.
Mountain Manor – Baltimore**

**Certificate of Completion of Continuing Education Hours
Annual Orientation**

Employee Name: _____

Date: _____

Topic: HR

• Harassment	• Staff Rights
• Diversity	• Solicitation
• Substance Free Workplace	• Inclement Weather
• Smoke Free Workplace	• Workplace Injury
• Employee Conduct and Discipline	• Problem Solving Procedure

Topic: Organizational Overview

• Type of Organization	• Personal Appearance
• Mission / Vision / Values	• Child Abuse and Neglect Identification and Reporting
• Patient Rights	• Patient Representative
• Incident Reports	• National Accreditation
• Ethical Boundaries	• Therapeutic Hold
• Role of Child Care Staff	

Method of Instruction: X Lecture
 _____ Film
 _____ Home Study
 _____ One-to-One

Number of Hours: 2.5

Test: Harassment

_____ Emergency Preparedness & General Safety Practices (Fire & Safety)

_____ HIPPA

_____ Bloodborne Pathogen, Infection Control & Communicable Diseases

_____ Organization Overview

Instructor

Date

Instructor

Date

MARYLAND TREATMENT CENTERS, INC.
POLICIES AND PROCEDURES MANUAL

SECTION: HUMAN RESOURCES (HR)

Policy No.:	HR- F05	Effective Date:	March 15, 2004
Subject:	Staff Competency Plan	Reviewed and/or Revised:	December 26, 2007 November 26, 2010
Approved By:	N. Craig Cutter Corporate Director, Human Resources Marc J. Fishman, M.D. Chairperson, Board of Directors		

Policy:

Maryland Treatment Centers, Inc., (MTC) will provide competency development planning and implementation for all employees and it mandates assessment on Core Job Competencies and Age-Specific Competencies.

Procedure:

- A. All employees participate in a competency-based assessment process to determine if they demonstrate and maintain the knowledge and skill appropriate to their position.
- B. Core Competencies are developed for each position at MTC. Core Competencies are based on essential elements of the job and are included as a part of the Job Description / Performance Appraisal / Competency Assessment document.
- C. Age-Specific Competencies are developed for each position at MTC that involves regular patient care and are included as a part of the Job Description / Performance Appraisal / Competency Assessment document.
- D. Assessment on Core Competencies and, if appropriate, Age-Specific Competencies occurs during an employee's Probationary Period as evidence of initial competence and during each annual appraisal to demonstrate continuing / developing competence

Attachment:

Organizational Plan for Staff Competency

**MARYLAND TREATMENT CENTERS, INC.
ORGANIZATIONAL PLAN FOR STAFF COMPETENCY**

A. Scope, Authority and Responsibility

The Board of Directors of Maryland Treatment Centers, Inc., authorizes the facility Administrator / Executive Director to ensure the competency of all employed staff, contractual staff and interns/students who provide care and services to patients and their families. The Administrator/Executive Director, in turn, appoints the facility Human Resources Officer, under the direction of the Corporate Human Resources Director, to oversee the implementation and maintenance of this plan. Ensuring competency of staff according to this plan shall be part of the duties and responsibilities of every staff member with supervisory responsibility.

B. Definitions and Areas of Specific Competence

MTC defines staff competency as the successful demonstration by staff of specific skills and/or knowledge relating to their job and the organization. MTC identifies four areas of skills and knowledge.

1. Skills/Knowledge for all Employees

All employees, contractual staff and interns/students are held accountable for knowledge/skills in the following areas:

- Organizational mission
- Performance improvement
- Safe work environment
- Incidents/accidents
- Safety risks and practices
- Security
- Hazardous materials and waste
- Physical plant emergencies
- Behavioral emergencies
- Rights and organizational ethics
- Confidentiality
- Involvement with patients
- Infection control

2. Skills/Knowledge for Professional Staff

- Position-specific competencies developed in areas of clinical practice.
- Patient-specific competencies in the areas of adolescent or adult patients, as appropriate, and mental health.
- Selected staff will be competent in CPR, emergency response (medical and behavioral) and management of aggressive behavior.

3. Skills/Knowledge for Support Staff

- Position-specific competencies in areas of support service.
- Selected staff will be competent in CPR, and behavioral emergency response.

4. Skills/Knowledge for Management Staff

- Position-specific competencies for leadership positions.
- Managers are held accountable for knowledge/skills in areas such as employee development, managing employee performance, problem-solving and fiscal/budget management.

C. Assessment of Competence

1. Method of Assessment

The skills/knowledge of staff are assessed using one or more of the following methods:

- Supervisor's direct observation
- Review of written documents or records
- Written or verbal references
- Discussion with employees
- Written test

**MARYLAND TREATMENT CENTERS, INC.
ORGANIZATIONAL PLAN FOR STAFF COMPETENCY**

2. Written Assessment Tools

The assessment of an employee's skills/knowledge is recorded using one or more of the following formats:

- Competency checklists
- Reference check forms
- Primary source verification documents
- Orientation checklists
- Performance reviews
- Employee self-evaluation forms

3. Sequence of Assessment

Skills/knowledge of staff are assessed in the following sequence:

- Hiring Process
 - Screening of application/resume for minimal qualifications
 - Interview
 - Verification of references and credentials
- Initial Orientation
 - General orientation to MTC and the facility
 - Department and job specific orientation
- Three Month Review of performance and competencies based on job description and orientation checklist
- Annual Review
 - Assessment of skills/abilities
 - Performance review
- Ongoing Supervision/Competency review

4. Data Aggregation and Reporting

The various written assessment tools are aggregated by department and reviewed for trends of variance or deficiency. Aggregation occurs on an annual basis. Any identified trends are addressed in the context of staff education/training, performance improvement and/or policy and procedure revision. Aggregation and analysis is coordinated by the Director of Human Resources in cooperation with each department and is reviewed by Senior Management.

An Annual Report on Employee Performance and Competency is prepared by the Director of Human Resources for review by Senior Management and submission to the Board of Directors. This report summarizes the year's performance and competency statistics and trends, as well as related staff education/training, performance improvement and policy and procedure revision efforts.

5. Training and Development

When competency review reveals a lack of skill/knowledge in a certain area for an individual, the supervisor will initiate coaching/training in that area. When aggregate trends are identified, the Director of Human Resources and the department head will plan training or other departmental interventions.

APPROVED: *N Craig Cutter*
Corporate Director,
Human Resources

11/26/10
Date

Marc Fishman
Chairman
Board of Directors

11/26/10
Date

Maryland Treatment Centers, Inc.
ELEMENTS OF ANNUAL TRAINING
For
COUNSELORS AND COUNSELOR TECHS

○ Orientation / Annual Policy Review	6 hours
○ CPR	3 hours
○ Behavior Management	8 hours
○ Intensive Tech Training	12 hours
○ Staff Meetings on focus topics identified by line or supervisory staff – Examples—Ethics Confidentiality, Medication Questions	11 hours
○ Total	40 hours

MANAGER / SUPERVISOR TRAINING
-- OVERVIEW --

- INTRODUCTIONS
- OVERVIEW
- TRAITS OF A GOOD MANAGER
- INTERVIEWING / SELECTION
- NEW HIRE SCREENING
- STAFF ORIENTATION & TRAINING
- COMMUNICATION / COACHING / COUNSELING
- PERFORMANCE APPRAISAL
- DISCIPLINE
- HARASSMENT / RETALIATION
- FEDERAL ALPHABET SOUP
- INJURIES / INCIDENT REPORTING
- ATTENDANCE / LEAVE / PAYROLL
- REVIEW – NEXT STEPS

OVERVIEW

- CARDINAL SINS
- TRAITS OF A GOOD MANAGER
- ARE YOU CULTURALLY COMPETENT?
- INTERVIEWING / SELECTION
- NEW HIRE SCREENING
- COMMUNICATION, COACHING, COUNSELING

OVERVIEW

- CHANGE VS. TRANSITION
- DELEGATION
- PERFORMANCE APPRAISAL
- DISCIPLINE
- HARASSMENT / RETALIATION
- FEDERAL ALPHABET SOUP
- LABOR LAW TRUE / FALSE QUIZ

OVERVIEW

- CHANGE VS. TRANSITION
- DELEGATION
- PERFORMANCE APPRAISAL
- DISCIPLINE
- HARASSMENT / RETALIATION
- FEDERAL ALPHABET SOUP
- LABOR LAW TRUE / FALSE QUIZ

A Hadhment

12

Attachment 12

Certifications and Licenses

Chesapeake Treatment Centers The New Directions Program

Baltimore, MD

has been Accredited by



The Joint Commission

Which has surveyed this organization and found it to meet the requirements for the
Behavioral Health Care Accreditation Program

February 22, 2014

Accreditation is customarily valid for up to 36 months.

Rebecca J. Pate

Rebecca J. Pate, MD
Chair, Board of Commissioners

Organization ID #3429
Final Report Date: 05/19/2014

Mark R. Chassin
Mark R. Chassin, MD, FACC, MFR, MPH
President

The Joint Commission is an independent, not-for-profit national body that oversees the safety and quality of health care and other services provided in accredited organizations. Information about accredited organizations may be provided directly to The Joint Commission at 1-800-994-6610. Information regarding accreditation and the accreditation performance of individual organizations can be obtained through The Joint Commission's web site at www.jointcommission.org.





MARYLAND
DEPARTMENT OF HEALTH AND MENTAL HYGIENE
OFFICE OF HEALTH CARE QUALITY
SPRING GROVE CENTER
BLAND BRYANT BUILDING
55 WADE AVENUE
CATONSVILLE, MARYLAND 21228

License No. 03-077

Issued to:

Chesapeake Treatment Center
9700 Old Harford Road
Baltimore, MD 21234

Type of Facility: Residential Treatment Center

Date Issued: February 22, 2014

Authority to operate in this State is granted to the above entity pursuant to The Health-General Article, Title 19 Section 318 Annotated Code of Maryland, 1982 Edition, and subsequent supplements and is subject to any and all statutory provisions, including all applicable rules and regulations promulgated thereunder. This document is not transferable.

Expiration Date: May 22, 2017

Patricia Tomoko May, MD

Director

Falsification of a license shall subject the perpetrator to criminal prosecution and the imposition of civil fines.

MARYLAND STATE BOARD OF EDUCATION

CERTIFICATE OF APPROVAL

No. 3886

Be it known That, pursuant to Chapter 489 of the Acts of 1947, as amended, of the Laws of the State of Maryland, approval is hereby granted to Chesapeake Treatment Centers, Inc.

to operate a nonpublic educational program: Type I full day and partial day Special Education and related services program for students with emotional disability and specific learning disability in an Elementary School (Grades 6 through 8), Secondary School (Grades 9 through 12), and a Type I General Education Program for students in an Elementary School (Grades 6 through 8) and Secondary School (Grades 9 through 12)

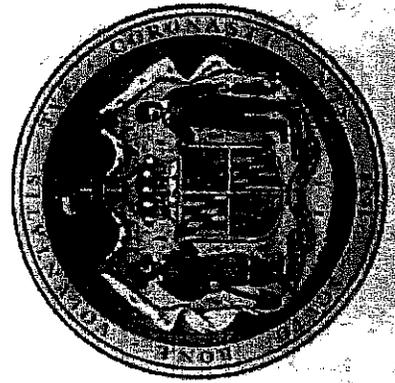
located at 9700 Old Harford Road, Baltimore, Maryland 21234

to be known as

New Directions Academy

This approval is valid unless and until declared null and void or revoked by the State Board of Education in

In witness whereof, for and on behalf of the State Board of Education, I have hereunto set my hand and affixed the seal of the State Board of Education, Maryland this 20th day of November, 2013.



Lillian M. Lowery

State Superintendent of Schools