

# MARYLAND HEALTH CARE COMMISSION

## Certificate of Need

**TO:** Brian A. Gragnolati, CEO  
Suburban Hospital, Inc.  
8600 Old Georgetown Road  
Bethesda, Maryland 20814

July 21, 2005  
(Date)

**RE:** Establishment of a Cardiac Surgery  
and Percutaneous Coronary Intervention  
Program at Suburban Hospital

04-15-2134  
(Docket No.)

### PROJECT DESCRIPTION

Suburban Hospital, Inc. ("Suburban") is a 231-bed acute general hospital, located at 8600 Old Georgetown Road, Bethesda, Montgomery County, Maryland. Suburban will develop a cardiac surgery, research, education, and training program in conjunction with the National Heart, Lung, and Blood Institute ("NHLBI") of the National Institutes of Health, and Johns Hopkins Medicine. Suburban will accommodate the cardiac surgery procedures in two operating rooms dedicated to this program, and other operating rooms will be renovated and upgraded to accommodate surgical procedures previously performed in the two operating rooms. Suburban will develop three cardiac catheterization laboratories and related space on the third floor of the hospital. The total estimated cost of the project is \$18,617,820, including \$8,301,410 in funding budgeted by the NHLBI to support development of the clinical and research program at Suburban.

### ORDER

The Maryland Health Care Commission reviewed the Recommended Decision presented by the Commissioner who served as the Reviewer in this comparative review and, based on this analysis and the record in this review, ordered, on July 21, 2005, that the application of Suburban Hospital for a Certificate of Need to establish a new cardiac surgery and percutaneous coronary intervention program at its facility in Bethesda, Maryland be **APPROVED**, subject to the following conditions:

1. The new cardiac surgery program will achieve minimum volume standards within 24 months of beginning operation and maintain the minimum utilization level in each subsequent year of operation. If Suburban Hospital fails to meet the minimum volume standards within 24 months of beginning operation and maintain the minimum utilization level in each subsequent year of operation, Suburban will close its cardiac surgery program.

2. Suburban Hospital will submit annually to the Commission, within 150 days after the end of the hospital's fiscal year, a written report that includes the ongoing evaluation of the benefit and cost of the cardiac surgery program in a format acceptable to the Commission.
3. Suburban Hospital will submit annually to the Commission, within 150 days after the end of the hospital's fiscal year, a written report that includes an evaluation of the effectiveness of the hospital's proposed regional outreach efforts related to cardiovascular disease prevention and early diagnosis program. The annual report will include Suburban Hospital's progress in obtaining new partners in Prince George's, Calvert, Charles, and St. Mary's Counties to collaborate on regional outreach efforts related to cardiovascular disease prevention, early diagnosis and care, with particular emphasis on outreach to African American and other minority populations. The report shall also specify improvement targets and provide quantitative data documenting Suburban's progress in contacting and serving African American and other minority individuals.
4. Suburban Hospital will continue the rate offset in any future rate reviews with the HSCRC, as long as the HSCRC sets rates for any payer of acute care services in Maryland. If Suburban Hospital fails to comply, Suburban will close its cardiac surgery program.

#### Performance Requirements

In accordance with COMAR 10.24.01.12, the project is subject to the following performance requirements:

1. Obligation of not less than 51% of the approved capital expenditure, as documented by a binding construction contract and/or equipment purchase order, no later than July 23, 2007, which is 24 months after the July 21, 2005 Certificate of Need approval;
2. Initiation of construction within four (4) months of the effective date of the binding construction contract and/or equipment purchase order; and
3. Documentation from Suburban Hospital that it has completed all renovations for the cardiac surgery and percutaneous coronary intervention services and has met all applicable legal requirements and is providing the approved cardiac surgery and percutaneous coronary intervention services within 24 months of the effective date of the binding construction contract and/or equipment purchase order.

Failure to meet these performance requirements will render this Certificate of Need void, subject to the requirements of COMAR 10.24.01.12.

#### Proposed Changes To Approved Project

Before making any changes to the facts in the Certificate of Need application approved by the Commission, Suburban Hospital must notify the Commission in writing and receive Commission approval of each proposed change, including the obligation of any funds above those approved by the Commission in this Certificate of Need, in accordance with COMAR 10.24.01.17

#### Submission Of Project Drawings

The project's architect or engineer is required to contact the Plans Review and Approval section of the Department of Health and Mental Hygiene, to ascertain the specific information concerning the project's drawings and specifications that the law requires to be submitted and approved prior to the initiation of construction.

#### Quarterly Status Reports

Suburban Hospital must submit quarterly status reports to the Commission, beginning October 21, 2005, three months from the date of this Certificate of Need, and continuing through the completion of the project.

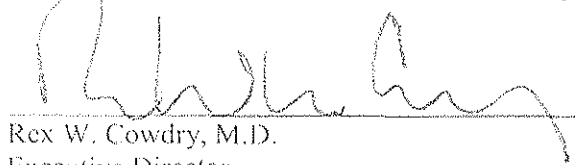
#### Request For First Use Review

Suburban Hospital must request in writing, not less than 60 days but not more than 120 days before the first use of the newly developed and renovated space for cardiac surgery and percutaneous coronary intervention services, a first use review from the Commission and the Office of Health Care Quality specifying the anticipated date of first use. The Commission will review the request in consultation with the Office of Health Care Quality, in accordance with COMAR 10.24.01.18, to determine whether the project conforms with the Certificate of Need. First use approval remains in effect for 90 days. If the newly developed and renovated space for cardiac surgery and percutaneous coronary intervention services is not occupied within 90 days of approval, Suburban Hospital shall reapply for first use review.

#### Acknowledgement Of Receipt Of Certificate Of Need

Please acknowledge in writing within thirty days that you have received this Certificate of Need, and that you accept its terms and conditions.

MARYLAND HEALTH CARE COMMISSION



Rex W. Cowdry, M.D.  
Executive Director

Docket No. 04-15-2134

July 21, 2005

Page 4 of 4

cc: Robert Murray, Executive Director, Health Services Cost Review Commission  
Carol Benner, Director, Office of Health Care Quality  
Ulder Tillman, M.D., Health Officer, Montgomery County  
Brian Dubey, A.I.A., Office of Plans Review and Approval, DHMH  
Gary Terrinoni, Senior Vice President, Finance, Suburban Hospital  
Jack C. Tranter, Esq.