

# BAKER DONELSON

100 LIGHT STREET • BALTIMORE, MARYLAND 21202 • 410.685.1120 • bakerdonelson.com

JOHN J. ELLER, SENIOR COUNSEL  
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September 5, 2017

## VIA EMAIL & OVERNIGHT DELIVERY

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

**Re: Bethesda Chevy Chase Surgery Center, LLC  
Matter No. 17-15-2401  
Responses to Completeness Questions Received on August 8, 2017**

Dear Mr. McDonald:

On behalf of Bethesda Chevy Chase Surgery Center, LLC (“BCCSC”), we are hereby submitting the required four (4) copies of our responses to the July 28, 2017 completeness questions regarding the above-referenced project. We will also provide Word and electronic copies of our responses and exhibits as appropriate.

I hereby certify that a copy of this response has also been forwarded to the appropriate local health planning agency, as noted below.

If any further information is needed, please let us know.

Sincerely,  
BAKER, DONELSON, BEARMAN,  
CALDWELL & BERKOWITZ, PC

  
John J. Eller, Senior Counsel

JJE/tjr

Enclosures

cc: Uma S. Ahluwalia, Acting Health Officer  
Montgomery County  
Ms. Ruby Potter  
Health Facilities Coordination Office

Kevin McDonald, Chief  
Certificate of Need Division  
September 5, 2017  
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cc: Stephanie Leventis, VP of Development  
SurgCenter Development  
Ian I. Friedman, General Counsel  
SurgCenter Development  
Andrew Solberg, CON Consultant  
A.L.S. Healthcare Consultant Services

**Bethesda Chevy Chase Surgery Center, LLC.  
Matter No. 17-15-2401  
Responses to Completeness Questions Received on 8/8/17**

**PART 1 – PROJECT IDENTIFICATION AND GENERAL INFORMATION**

1. Question 3 of the application requests that the applicant provide information about itself. The applicant failed to fill it out. Please submit.

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):**

Bethesda Chevy Chase Surgery Center, LLC

**Address:**

<b>6931 Arlington Road, Suite E Street</b>	<b>Bethesda</b>	<b>20814</b>	<b>MD</b>	<b>Montgomery</b>
	<b>City</b>	<b>Zip</b>	<b>State</b>	<b>County</b>
<b>Telephone:</b>	<b>301.968.3184</b>			

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

2. Part III of the application requests that the applicant provide information regarding ALL OWNERS AND INDIVIDUALS responsible for the proposed project and its implementation. The applicant only provided information regarding the primary contact. Please resubmit and include all members with ownership interests in Bethesda Chevy Chase Surgery Center, LLC.

Question 1: All of the names of owners of the Applicant and their addresses are identified in Exhibit 4 of the application. A copy of this Exhibit is attached hereto for your convenience as Exhibit 15.

Question #2: With the exception of Surgical Center Development #3, LLC, none of the other owners of applicant are now or have ever been involved in the ownership, development, or management of another health care facility. Surgical Center Development #3, LLC is one of the owners of Riva Road Surgical Center, LLC, an entity that was recently granted a Certificate of Need to build a second operating room and upon the completion of that second OR it will qualify as a health care facility.

All of the answers to the other questions in this section remain unchanged.

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

**Charity Care and Sliding Fee Scale.**

3. Please provide a list of the specific media outlets BCCSC plans to use to disseminate the annual public notice regarding the ambulatory surgery facility's policy.

The notice will be published in the *Washington Post* and on the BCCSC website.

4. The charity care standard submitted by the applicant failed to be consistent with the standard in the following ways:
  - a. **Determination of Eligibility for Charity Care.** The language regarding determination of eligibility for charity is not consistent with the standard. The policy should state that, *“Within two business days following a patient’s request for charity care services, application for medical assistance, or both, the facility shall make a determination of probable eligibility”*.
  - b. **Notice of Charity Care Policy.** The current policy does not appear to be in compliance with Subpart (a)(ii) which states that, *“Prior to a patient’s arrival for surgery, facilities should address any financial concerns of patients, and individual notice regarding the facility’s charity care policy will be provided.”*
  - c. **Criteria for Eligibility.** The current policy does not appear to be in compliance with Subpart (a) iii of the Charity Care standard which states that, *“ASFs, at a minimum, must include the following eligibility criteria in charity care policies. Persons with family income below 100 percent of the current federal poverty guideline who have no health insurance coverage and are not eligible for any public program providing coverage for medical expenses shall be eligible for services free of charge.”* Please submit an amended policy that meets the standard’s requirements, and as requested above, quote the specific language, and provide a citation to its location within the policy.
  - d. **Criteria for Eligibility.** Subpart (c)(ii) of this standard requests that the applicant demonstrate that, *“It has a specific plan for achieving the level of charitable care provision to which it is committed”*. The applicant failed to provide a response. Please address.

**Please provide a copy of a policy, amended to remedy the above described inconsistencies. Also, provide a response that quotes the specific language that demonstrates consistency with this part of the standard, and cite the section of the policy where that language can be found.**

Please see Exhibit 16, which includes both a revised charity care policy that complies with the required language and a plan for achieving the level of charitable care provision to which BCCSC has committed.

Regarding the Charity Care Policy, Paragraph 4 contains the required language responding to Standard 4.a.; Paragraph 2 provides the language responding to Standard 4.b.; and Paragraph 6.a. contains the language to comply with Standard 4.c.

The Charity Care Compliance Plan is the specific plan to demonstrate compliance with Standard 4.d.

## **Quality**

- 5. Please provide documentation that BCCSC is in compliance with the conditions of participation of the Medicare and Medicaid programs from CMS.**

Please see Exhibit 17, which includes BCCSC's certification for participation in both the Medicare and Medicaid programs. There has been no change in BCCSC's status since these letters, and BCCSC remains in compliance.

## **Support Services**

- 6. Please document whether BCCSC has a contractual arrangement for non-emergency laboratory services with an existing provider which would comply with this standard. If not, please establish one and submit it.**

BCCSC does have a contract with Bio-Reference Laboratories, Inc.. Please see Exhibit 18.

## **Construction Costs**

- 7. Please submit Table D: Onsite and Offsite Costs Included and Excluded in the MVS from the hospital CON application package.**

Please see Exhibit 19.

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

**8. Please:**

- a. Describe the operational challenges associated with extended hours and provide the incremental costs associated with BCCSC's extension of service hours into the evenings and weekends;**

The biggest operational challenge associated with extended hours is that the patients, the staff, and the physicians who utilize the facility do not like to be treated or operate at hours significantly outside of BCCSC's current operating schedule. BCCSC hours are already extended with opening at 5:30 a.m. and typical closing after 7:00. As far as incremental costs, further extending hours of operation would result in BCCSC having to pay additional overtime to employees or the hiring of additional PRN staff. Finally, adding hours alone will not adequately meet BCCSC's needs.

- b. Compare the estimated costs for the "other" alternative listed in the application – i.e., relocation. Provide a more thorough description of the relocation alternatives, including timeframes to completion and costs associated with relocating to another suite within the same building or relocating to another building.**

There are no other suites of adequate size available in the same building as BCCSC. Further, there is very little, if any, real estate available in the area where BCCSC is located that would meet BCCSC's needs. If BCCSC was able to find suitable space in the same geographic area, the costs of constructing a completely new facility would be significantly greater than the project currently proposed. BCCSC's conservative estimate to build out a brand new facility would be at least \$750,000 more than the project proposed by BCCSC, requiring an expenditure of more than \$2 million. Further, BCCSC would be liable for breaking its current lease, which runs through May 31, 2021 and would have to incur costs associated with relocating and installing equipment. Construction of a new facility would be substantially more expensive than the project proposed by BCCSC.

**COMAR 10.24.01.08G(3)(d) Viability of the Proposal**

- 9. The applicant referenced supporting documentation to meet the Viability criterion which was not included. Please submit the (1) letter from an independent CPA in lieu of audited financials and (2) letters documenting relevant community support for the proposed project.**

Please see the CPA letter attached as Exhibit 20 and the letters of support attached as Exhibit 21.

**10. BCCSC made a practice of substituting tables from the hospital table package despite the fact that the application form to be used included tables. In most such cases, BCCSC's application mislabeled the reference to such "substituted tables." To remedy this situation, please complete the appended table package (Tables 1 through 4). It is drawn from an application that has recently been customized for ambulatory surgery applications, but not yet posted to our web site. Please note that the application DOES CALL FOR THE APPLICANT TO SUBMIT SELECTED TABLES FROM THE HOSPITAL TABLE PACKAGE (i.e., Tables C, D, E and L).**

Please see Exhibit 19.

## Exhibit List

15. Ownership Interests in BCCSC
16. Charity Care Policy and Charity Care Compliance Plan
17. Medicare and Medicaid Certifications
18. Laboratory Service Agreement
19. Tables 1, 2, 3, 4, C, D, E and L
20. Letter from Independent CPA
21. Letters of Support
22. Affirmations



# **EXHIBIT 15**

## Ownership Interests in Bethesda Chevy Chase Surgery Center, LLC

Member	Address	Ownership Percentage in BCCSC
520-570 Green LLC <sup>1</sup>	7406 Honest Way Bethesda, MD 20817	3.38%
Richard Barth MD	5454 Wisconsin Ave Ste 1000 Chevy Chase, MD 20815	5.56%
Steven Bernstein MD	3318 Shephard Street Chevy Chase, MD 20815	4.83%
Edward Bieber MD	10215 Fernwood Rd Ste 506 Bethesda, MD 20817	4.83%
Christopher Cannova MD	5025 Tilden St Washington DC 20016	1.45%
Marc Connell MD	5454 Wisconsin Ave Ste 1000 Chevy Chase, MD 20815	4.11%
Craig R. Faulks MD	1619 Maddux Lane McLean, VA 22101	1.93%
Richard Grossman MD	5454 Wisconsin Ave Ste 1000 Chevy Chase, MD 20815	4.11%
Mustafa Haque MD	6406 Maiden Lane Bethesda, MD 20817	6.28%
John Klimkiewicz MD	10807 Tradewind Drive Oakton, VA 22124	2.42%
David Lutton MD	3650 South Glebe Road, Unit 256 Arlington, VA 22202	2.42%
Edward Magur MD	5454 Wisconsin Ave Ste 1000 Chevy Chase, MD 20815	4.83%
David Moss MD	5454 Wisconsin Ave Ste 1000 Chevy Chase, MD 20815	5.31%
Alexandros Powers MD	8521 Country Club Dr Bethesda, MD 20817	5.80%
Jonas Rudzki MD	5454 Wisconsin Ave Ste 1000 Chevy Chase, MD 20815	4.35%
John K. Starr, MD	3501 Macomb Street NW Washington DC 20016	0.97%
Anthony Unger MD	5454 Wisconsin Ave Ste 1000 Chevy Chase, MD 20815	3.62%
Surgical Center Development #3 LLC <sup>2</sup>	PO Box 1708 Pismo Beach, CA 93448	33.82%
<b>Total:</b>		<b>100.00%</b>

<sup>1</sup> 520-570 Green, LLC is owned by Wayne Olan, MD.

<sup>2</sup> Surgical Center Development #3, LLC's ownership in BCCSC is held, directly or indirectly, by Dr. Gregory George, Sean O'Neal, Dr. Steve Hammerstrom, Dr. William Gueck, Christine Merryman, Dr. Kell Yang, and Peter Roisman, none of whom are practicing physicians.

# **EXHIBIT 16**

## BETHESDA CHEVY CHASE SURGERY CENTER, L.L.C.

MANUAL:	Policy & Procedure	Effective Date:	01/2017
SECTION:	Administrative		
POLICY:	2.3 Charity Care	Revised Date:	08/28/17

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**PURPOSE:** To define facility policy related to provision of Charity Care at the facility.

**POLICY:**

Bethesda Chevy Chase Surgery Center ("BCCSC") will provide services free or at a reduced fee to all patients who meet criteria. Each applicant for financial assistance or reduced fee arrangements must meet criteria as set by BCCSC. BCCSC financial aid is not a substitute for employer-sponsored, public or individually purchased insurance. BCCSC will make an effort to provide Financial Assistance application, policies, procedures, and information available in English, Spanish, and/or any other language that will be understandable to target populations of patients utilizing BCCSC services.

**PROCEDURE:**

1. Notice of the availability of charity care shall be published in the *Washington Post* on an annual basis. Notice will also be posted on the BCCSC website and in the Admissions and Business Offices.
2. Individual notice of the availability of charity care, the potential for Medicaid eligibility and the availability of assistance from other government funded programs shall be provided to each person who seeks services in BCCSC prior to a patient's arrival for surgery. BCCSC shall address any financial concerns of patients prior to a patient's arrival for surgery.
3. Request for charity or reduced fee arrangements must be made prior to service being rendered by BCCSC.
4. Determination of Probable Eligibility for Charity Care: Within two business days following a patient's request for charity care services, application for medical assistance, or both, the facility shall make a determination of probable eligibility.
5. If the patient is eligible for Medical Assistance, but has not yet applied for Medical Assistance, BCCSC staff will assist the patient with the application.
6. BCCSC will review the patient's request for charity care and/or application (whether or not the patient has completed the entire application) for the following:
  - a. Persons with family income below 100 percent of the current federal poverty guideline, which may be found on the website for the US Department of Health and Human Services at <http://aspe.hhs.gov/poverty/>, and who have no health insurance coverage and are not eligible for any public program providing coverage for medical expenses, shall be eligible for services free of charge. If the guideline is met, charity care will be given and the patient will not be responsible for payment on services rendered.
  - b. Persons with family income above 100 percent of the federal poverty guideline but below 200 percent of the federal poverty guideline shall be eligible for services at a discounted charge, based on a sliding scale of discounts for family income bands. The Family Income Bands table below shows the discount on the amount for which the patient will be responsible after insurance payments, if any.

### Family Income Bands

<b>Income % of Poverty Guideline</b>	<b>Discount</b>
100% - 150%	65%
151% - 200%	50%

- c. Extended payment plans are available. For example, payments may be spread evenly over a period of six months for patients who qualify for charity care.
7. Final Determination of Eligibility for Charity Care. If the patient provides supporting documentation consistent with the information provided before BCCSC made a determination that the patient is probably eligible for charity care or provides documentation that otherwise shows that the patient is eligible for charity care, a final determination of eligibility will be made in accordance with item 6.



## BETHESDA CHEVY CHASE SURGERY CENTER, L.L.C.

MANUAL:	Policy & Procedure	Effective Date:	01/2017
SECTION:	Administrative		
POLICY:	2.3 (a) Charity Care Compliance	Revised Date:	08/28/17

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**PURPOSE:** Bethesda Chevy Chase Surgery Center, LLC (BCCSC) has a history of providing charity care. As part of its Certificate of Need application to obtain a second operating room, BCCSC committed to providing, at a minimum, annual charity care that is equivalent to 0.046% of its annual Total Operating Revenue. This policy is intended to assure that BCCSC meets its commitment to providing charity care.

### **POLICY:**

BCCSC will monitor the amount of charity care it provides on an ongoing basis. In addition to advertising in the media and posting notices about the availability of charity care, BCCSC will annually remind referring physicians, surgeons, and BCCSC staff about the availability of charity care.

### **PROCEDURE:**

1. When scheduling patients for surgery, BCCSC will not use ability to pay as a consideration.
2. Consistent with BCCSC's Charity Care Policy, BCCSC will publish annual notice of the availability of charity care in the Washington Post and post notice of it on its website. Individual notice of the availability of charity care, the potential for Medicaid eligibility and the availability of assistance from other government funded programs shall be provided to each person who seeks services in BCCSC at the time of admission.
3. BCCSC will annually remind referring physicians and surgeons that BCCSC accepts patients who need charity care.
4. BCCSC will annually remind BCCSC staff who interact with patients that charity care is available so that they may enable patients who request information about it or suggest it to patients who voice concerns about the ability to pay for services.
5. The Facility Administrator will develop a monthly report will show the Year-to-Date cumulative number of charity care patients and their equivalent charges as well as the cumulative annual Total Operating Costs. This report will be a regular item on the agenda of BCCSC's management meetings.
6. Should this report show that BCCSC's charity care equivalent charges are not consistent with its commitment, BCCSC will take every action possible to meet its commitment, including:
  - a. Notifying all referring physicians and surgeons, reminding them of the availability of charity care.
  - b. Reminding staff who interact with patients that charity care is available.

# **EXHIBIT 17**



# Medicare

October 4, 2011

Bethesda Chevy Chase Surgery Center, LLC  
6931 Arlington Road  
First Floor  
Bethesda, MD 20814-5231

Attention: Heather Abelman

Dear Bethesda Chevy Chase Surgery Center, LLC:

We are pleased to inform you that your Medicare enrollment application CMS-855B is **approved**. Listed below is the information reflected in your Medicare enrollment record, including your National Provider Identifier (NPI) and Provider Transaction Access Number (PTAN).

If you are new to the Medicare program or have been issued a new PTAN and plan on filing claims electronically, please contact our Electronic Data Interchange (EDI) department at (866) 488-0546 for further instructions on electronic claims filing. Information related to electronic claims filing is referenced in the Electronic Billing (EDI) Center found on the Highmark Medicare Services internet site at [www.highmarkmedicare.com](http://www.highmarkmedicare.com).

To start billing the Medicare program, you must use your NPI on all Medicare claim submissions. Your PTAN is also activated for use and will be the required authentication element for all inquiries to customer service representatives (CSRs), written inquiry units and the Interactive Voice Response (IVR) system for inquiries concerning claims status, beneficiary eligibility and to check status or other supplier related transactions, therefore keep your PTAN secure. Because the PTAN is not considered a Medicare legacy identifier, do not report this identifier to the National Plan and Provider Enumeration System (NPPES) as an "other" provider identification number.

### Medicare Enrollment Information

Provider/Supplier Name:	Bethesda Chevy Chase Surgery Center, LLC:
Practice location:	6931 Arlington Road First Floor Bethesda, MD 20814-5231
National Provider Identifier (NPI):	1134431323
Provider Transaction Access Number (PTAN):	227444





Specialty: Ambulatory Surgical Center  
You are a: Participating Provider  
Effective date: August 03, 2011  
Electronic Funds Transfer Effective Date: October 15, 2011

Please verify the accuracy of your enrollment information. If you are a physician, physician assistant, nurse practitioner, clinical nurse specialist, certified registered nurse anesthetist, certified nurse midwife, clinical social worker, clinical psychologist, or registered dietician/nutrition professional and disagree with the established effective date of Medicare billing privileges, you may request a reconsideration before a contractor hearing officer. The reconsideration is an independent review and will be conducted by a person who was not involved in the initial determination. You must request the reconsideration in writing to this office within 60 calendar days of the postmark date of this letter. The request for reconsideration must state the issue(s), or the findings of fact with which you disagree and the reasons for the disagreement. You may submit additional information with the reconsideration request that you believe may have a bearing on the decision. Failure to timely request a reconsideration is deemed a waiver of all rights to further administrative review. The request for reconsideration should be sent to:

Highmark Medicare Services  
Medicare Reconsideration Request  
P.O. Box 890326  
Camp Hill, PA 17089-0326

If you disagree with any other portion of this initial determination or have any questions regarding the above information, please call Highmark Medicare Services at 866-488-0549 between the hours of 8:00 a.m. and 3:30 p.m. Monday through Friday.

Medicare participating providers will be listed in the annual Medicare Participating Physician and Supplier directory which is made available to all Social Security offices, Medicare Carrier offices and Senior Citizen Centers for Medicare beneficiaries to consult. Please take time to verify your name and mailing address information. Non-participating providers are not included in the directory. If you are non-participating and would like to become a participating provider, please complete the Medicare Participating Physician or Supplier Agreement and return it within ninety (90) days from the date of this letter with a copy of this notice. Send this document to the following address:

Highmark Medicare Services  
Provider Enrollment Services  
P.O. Box 890157  
Camp Hill, PA 17089-0157

For Medicare Part B fee information, please visit our website at [www.highmarkmedicare.com/partb/index-feeinfo.html](http://www.highmarkmedicare.com/partb/index-feeinfo.html) to access the fee schedule calculator.



STATE OF MARYLAND

DHMH

Maryland Department of Health and Mental Hygiene

Office of Health Care Quality

Spring Grove Center • Bland Bryant Building

55 Wade Avenue • Catonsville, Maryland 21228-4663

*Larry Hogan, Governor - Boyd K. Rutherford, Lt. Governor - Van T. Mitchell, Secretary*

August 2, 2016

Ms. Alicia Ahern, Administrator  
**Bethesda Chevy Chase Surgery Center**  
6931 Arlington Road, 1st Floor  
Bethesda, MD 20814

**RE: ACCEPTABLE PLAN OF CORRECTION**

Dear Ms. Ahern:

We have reviewed and accepted the Plan of Correction submitted as a result of a Recertification Survey completed at your facility on **July 12, 2016**.

Please be advised that an unannounced follow-up visit may occur prior to the standard survey to ensure continual compliance.

If there are any questions concerning this notice, please contact this Office at 410-402-8040.

Sincerely,

Leon Carlton, Program Coordinator  
Ambulatory Care Programs  
Office of Health Care Quality





STATE OF MARYLAND

DHMH

Maryland Department of Health and Mental Hygiene

Office of Health Care Quality

Spring Grove Center • Bland Bryant Building

55 Wade Avenue • Catonsville, Maryland 21228-4663

Larry Hogan, Governor - Boyd K. Rutherford, Lt. Governor - Van T. Mitchell, Secretary

July 18, 2016

Alicia Ahearn, Business Administrator  
Bethesda Chevy Chase Surgery Center  
6931 Arlington Road, Suite E  
Bethesda, MD 20814

Dear Ms. Ahearn:

Enclosed is a list of Federal deficiencies resulting from a recertification survey which was completed at your facility on July 5, 11 and 12, 2016.

Please note that an Acceptable Plan of Correction (POC) for the identified deficiencies must include the following information:

1. State how the management team will evaluate the scope of each deficiency cited.
2. State what process changes the management team will make to correct each specific deficiency identified.
3. Define the projected time line for each step in the corrective action plan for each deficiency cited.
4. Define the projected completion date for each deficiency cited.
5. Identify who will be responsible for assuring each step in the plan of correction is implemented.
6. State what specific quality indicators that the management team will monitor and evaluate the effectiveness of the corrective actions.
7. Define what will be the on-going schedule of the quality monitoring activities for each deficiency cited.

Toll Free 1-877-4MD-DHMH – TTY/Maryland Relay Service 1-800-735-2258

Web Site: [www.dhmh.maryland.gov](http://www.dhmh.maryland.gov)

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IT IS IMPERATIVE THAT YOUR POC CONTAIN THE ABOVE COMPONENTS.

Please complete Forms CMS 2567 as follows:

1. Use the official form provided to you for your response.
2. Your Plan of Correction must be entered in the appropriate column on the right.
3. An authorized representative of your facility must sign and date the form in the designated space provided.

PLEASE RETURN COMPLETED CMS 2567:

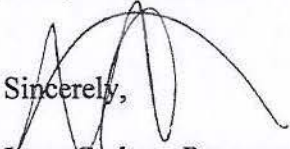
Barbara Fagan, Program Manager  
Ambulatory Care Programs  
Office of Health Care Quality  
Spring Grove Center  
Bland Bryant Building  
55 Wade Avenue  
Catonsville, Maryland 21228

You have one opportunity to question cited deficiencies through an informal dispute resolution process. To be given such an opportunity, you are required to send your written request, along with the specific deficiency(ies) being disputed, and an explanation of why you are disputing those deficiencies, to Dr. Patricia Nay, Director, Office of Health Care Quality, Bland Bryant Building, Spring Grove Center, 55 Wade Avenue, Catonsville, Maryland 21228, fax 410-402-8211. This request must be sent during the same 10 days you have for submitting a PoC for the cited deficiencies. An incomplete informal dispute resolution process will not delay the effective date of any enforcement action.

Please submit a Plan of Correction within 10 calendar days of receipt of this letter. Please be advised that failure to submit an acceptable POC could result in a recommendation to terminate your facility from the Medicare program.

If you have any questions regarding these instructions, please call the undersigned at (410) 402-8040.

Sincerely,

  
Leon Carlton, Program Coordinator  
Ambulatory Care  
Office of Health Care Quality

Cc: file



STATE OF MARYLAND

**DHMH**

**Maryland Department of Health and Mental Hygiene**

201 W. Preston Street Baltimore, Maryland 21201

Marlin O'Malley, Governor - Anthony G. Brown, Lt. Governor - Joshua M. Sharfstein, M.D., Secretary

DATE OF ISSUE: 05/25/11

BETHESDA CHEVY CHASE SURG CTR LLC  
6931 ARLINGTON RD  
STE F  
BETHESDA MD 20814-0000

Provider Type: 39 AMBUL SURG  
Primary Speciality:

Welcome to the Maryland Medicaid Program.

The enrollment application you submitted has been approved. Your Maryland Medicaid provider number is 4204750 00. Your service begin date is 04/26/11 . Please use this number when corresponding with this agency or whenever you bill Medicaid for service beginning 04/26/11 .

If any of the information you supplied on your application changes, (mailing address, practice locations, speciality, tax I.D., etc.) you must notify the Provider Enrollment Section immediately in writing.

Thank you for participating in the Maryland Medical Assistance Program.

Sincerely,

Provider Enrollment Section





**COMMONWEALTH of VIRGINIA**

**Department of Medical Assistance Services**

**Provider Enrollment Services**

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BETHESDA CHEVY CHASE SURGERY CENTER LLC  
6931 ARLINGTON RD STE E  
BETHESDA MD 20814-5268

NOVEMBER 13, 2015

NPI: 1134431323

Dear Provider:

REVALIDATION COMPLETE -- THANK YOU

Thank you for completing revalidation of your enrollment information with Virginia Medicaid. No further action is required at this time.

A reminder notice will be sent prior to your next revalidation date.

If you have any questions regarding this letter, please call Provider Enrollment Services at 888-829-5373 or 804-270-5105 (local) or visit [www.virginiamedicaid.dmas.virginia.gov](http://www.virginiamedicaid.dmas.virginia.gov) for additional information regarding the revalidation process.

Thank you,

(5 yr validation)

Provider Enrollment Services



# **EXHIBIT 18**

## LABORATORY SERVICES AGREEMENT

This Laboratory Services Agreement ("Agreement"), made as of the date of the last signature below ("Effective Date"), is by and between BETHESDA CHEVY CHASE SURGERY CENTER, with offices at 6931 Arlington Road, Suite E, Bethesda, MD 20814 ("Client"), and BIO-REFERENCE LABORATORIES, INC., including its GenPath business unit, a New Jersey corporation with offices at 481 Edward H. Ross Drive, Elmwood Park, NJ 07407 ("Laboratory").

### RECITALS

WHEREAS, Laboratory is a duly licensed and accredited clinical testing laboratory; and

WHEREAS, Client desires to contract with Laboratory to receive laboratory testing services, and Laboratory desires to provide such services to Client.

NOW THEREFORE, in consideration of the foregoing premises and mutual promises herein contained, and intending to be bound legally hereby, Laboratory and Client agree as follows:

1. **TERM & TERMINATION.** This Agreement shall commence on the Effective Date. This Agreement may be terminated by either party at any time, with or without cause, by giving the other party thirty (30) days prior written notice. This Agreement shall have an initial term of one (1) year and shall be automatically renewed for successive periods of one (1) year, unless previously terminated by either party.
2. **TESTING SERVICES**
  - 2.1. **Test Requests.** Laboratory agrees to perform or arrange for the performance of the laboratory testing requested by Client and offered by Laboratory. Each requisition or other order for laboratory services delivered to Laboratory shall be deemed a representation and warranty by Client on the date thereof that all requested services are being ordered by a person authorized by applicable law to order the services (an "Authorized Provider").
  - 2.2. **Consents & Authorizations.** Client shall obtain all consents and authorizations from its patients, customers or others as may be required by applicable law (e.g., consent to genetic testing) to enable Laboratory to perform the requested services and report the results thereof. Upon request, Client shall provide Laboratory with a copy of such consents and authorizations.
  - 2.3. **Testing & Report Delivery.** Laboratory will provide testing services 365 days per year, 7 days per week, and 24 hours per day. Laboratory will transmit test result reports to Client within Laboratory's then-current turnaround time schedule, provided such schedule is within the standards for turnaround times in the laboratory services industry. Client shall be solely responsible for the delivery of the test result reports to Authorized Providers.
  - 2.4. **Supplies.** Laboratory will provide, as part of its fee for services, certain items, devices, or supplies that are necessary, and used solely to, collect, transport, process or store specimens to be submitted to Laboratory for testing, subject to applicable law.
  - 2.5. **Consultation.** Laboratory staff shall be available 365 days per year, 7 days per week, and 24 hours per day to consult with Client by telephone (numbers available at [www.bioreference.com/contact-us/](http://www.bioreference.com/contact-us/)) to discuss Laboratory's procedures and to provide the status of test results.



3. **BILLING.** Laboratory shall not bill Client for laboratory testing services performed pursuant to this Agreement. Instead, Laboratory shall bill the patient or the patient's third-party payor, as directed by Client and as appropriate. Client shall provide Laboratory with all patient information necessary for Laboratory to bill the patient or the patient's third-party payor. Client shall not bill any third-party for services performed by Laboratory pursuant to this Agreement.

4. **Accreditation & Compliance**

4.1. **Laboratory.** Laboratory's testing facilities are and shall remain duly licensed clinical laboratories under applicable law. Reasonable documentation of such credentials shall be provided upon request. Laboratory shall comply with applicable standards under the Clinical Laboratory Improvement Amendments of 1988 ("CLIA") and College of American Pathologists (CAP).

4.2. **HIPAA Compliance.** Both parties agree to comply with applicable provisions of the Administrative Simplification Section of the Health Insurance Portability and Accountability Act of 1996 as codified at 42 U.S.C. § 1320d through d-8 ("HIPAA"), and the requirements of any regulations promulgated thereunder including, without limitation, the federal privacy regulation as contained in 45 C.F.R. part 164 (the "Federal Privacy Regulations"), the federal security standards as contained in 45 C.F.R. Part 142 (the "Federal Security Regulation"), and Subtitle D of the Health Information Technology for Economic and Clinical Health Act ("HITECH"). Both parties agree not to use or further disclose any protected health information, as defined in 45 CFR 164.504, or individually identifiable health information, as defined in 42 U.S.C. § 1320d (collectively the "Protected Health Information"), concerning a patient other than as permitted by this Agreement and the requirements of HIPAA or regulations promulgated under HIPAA including, without limitation, the Federal Privacy Regulations, the Federal Security Regulations, and HITECH.

4.3. **Anti-Kickback Statute & Stark Laws.** The parties shall comply with applicable law, including applicable provisions of the Federal Anti-Kickback Statute (42 U.S.C. § 1320a-7b), and the Physician Self-Referral Act (42 U.S.C. § 1395nn).

4.4. **Access to Books & Records.** If the services provided by Laboratory hereunder are subject to the disclosure requirements of 42 U.S.C. § 1395x(v)(1)(I), Laboratory shall, for the required period of time, make available, upon written request of the Secretary of Health and Human Services, the Comptroller General, or any of their duly authorized representatives, a copy of this Agreement and the books, documents and records of Laboratory that are necessary to certify the nature and extent of the costs incurred under this Agreement through a subcontractor with a value or cost of \$10,000 or more over a twelve month period. In addition, with respect to any applicable subcontract, it shall contain a clause to the effect that, should the third-party be deemed a related organization, until the expiration of the applicable period of time after the furnishing of services pursuant to such subcontract, the third-party shall make available, upon such a request, a copy of the subcontract, and the books, documents and records of such third-party that are necessary to verify the nature and extent of the costs incurred under this Agreement.

5. **Warranty.**

5.1. **CLIENT WARRANTS TO LABORATORY, AND LABORATORY WARRANTS TO CLIENT, THAT NEITHER IT NOR ANY OF ITS EMPLOYEES OR OWNERS HAVE BEEN DEBARRED, SUSPENDED, DECLARED INELIGIBLE, OR EXCLUDED FROM MEDICARE, MEDICAID OR ANY OTHER HEALTHCARE PROGRAM.**



**5.2. LABORATORY WARRANTS TO CLIENT THAT ALL SERVICES PROVIDED HEREUNDER SHALL BE PERFORMED IN ACCORDANCE WITH ESTABLISHED AND RECOGNIZED CLINICAL LABORATORY TESTING PROCEDURES AND WITH REASONABLE CARE IN ACCORDANCE WITH APPLICABLE LAW AND IN ACCORDANCE WITH THE POLICIES AND PROCEDURES OF CLIENT. NO OTHER WARRANTIES ARE MADE BY LABORATORY.**

## **6. Miscellaneous**

- 6.1. Change in Law.** The terms of this Agreement are intended to be in compliance with applicable law as of the Effective Date. Should legal counsel for either party reasonably conclude that any portion of this Agreement is or may be in violation of applicable law, or subsequent enactments of applicable law, or if any such change or proposed change would materially alter the amount or method of compensating Laboratory for testing performed for Client, or would materially increase the cost of Laboratory's performance hereunder, this Agreement shall terminate by giving the other party thirty (30) days advance written notice thereof, unless within said thirty (30) day period the parties agree to such modifications of this Agreement as may be necessary to establish compliance.
- 6.2. Non-Assignability.** This Agreement may not be assigned, delegated, or transferred by either party without the written consent of the other party which shall not be unreasonably withheld or delayed; any unauthorized assignment, delegation or transfer shall be void.
- 6.3. Notice.** Any notice required hereunder will be deemed to have been properly provided if mailed with automated delivery confirmation by either FedEx, UPS or U.S. Postal Service, and properly addressed to the parties hereto at the following addresses. Notice will be deemed given on the delivery date set forth in the automated delivery confirmation details.

To Laboratory:           Bio-Reference Laboratories, Inc.  
481 Edward H. Ross Dr.  
Elmwood Park, NJ 07407  
Attention: Legal Department

To Client:                Bethesda Chevy Chase Surgery Center  
6931 Arlington Road, Suite E  
Bethesda, MD 20814  
Attention:  
Title:

- 6.4. Independent Relationship.** None of the provisions of this Agreement are intended to create, nor shall be deemed or construed to create, any relationship between Client and Laboratory other than that of independent entities contracting solely for the purposes set forth herein. Neither party shall be construed to be the agent, employer or representative of the other party.
- 6.5. Force Majeure.** Neither party shall be liable for any claims or damages resulting or arising out of a failure or delay that is due to a force majeure event beyond the control of such party.
- 6.6. Benefit.** This Agreement is intended to inure only to the benefit of Laboratory and Client, and is not intended to create, nor shall be deemed or construed to create, any right in any third-party.
- 6.7. Non-Discrimination.** All services provided by Laboratory hereunder shall be in compliance with applicable law prohibiting discrimination on any basis.
- 6.8. Headings.** The headings herein are for convenience only, and are not intended to, and shall not, define or limit the scope of the provisions to which they relate.

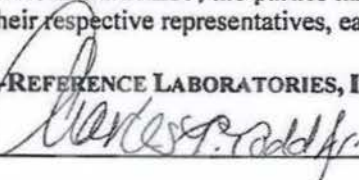
- 6.9. Severance Clause.** The invalidity or unenforceability of any provision of this Agreement in any jurisdiction shall in no way affect the validity or enforceability of any other provision in that jurisdiction, or of the entire Agreement in any other jurisdiction.
- 6.10. Choice of Law.** The laws of the State of New Jersey shall govern the terms of this Agreement, irrespective of either choice- or conflict-of-law law principles. No party shall bring or maintain any action or proceeding with respect to this Agreement except in either the Superior Court of New Jersey, Bergen County, or the United States District Court for the District of New Jersey. Each party irrevocably submits and consents to the jurisdiction of such courts, and no party shall object to the laying of venue in any such court, or claim that any such court is an inconvenient forum.
- 6.11. Integration.** This Agreement is intended by the parties as a final expression of their contractual agreement and as a complete statement of the terms thereof, and shall supersede all previous understandings and agreements, whether written or oral. The parties shall not be bound by any representation, promise, or inducement made by either party or agent of either party that is not set forth in this Agreement. If the terms or conditions contained in any exhibit to this Agreement or any document incorporated by reference is in conflict with the terms and conditions set forth in the body of this Agreement, this Agreement shall control. Any provisions required by applicable law is hereby incorporated by reference.
- 6.12. Waiver.** No course of dealing between Client and Laboratory, and/or any delay by a party in exercising its respective rights under this Agreement, shall operate as a waiver of any of the rights of such party hereunder, and no express waiver shall affect any condition, covenant, rule or regulation other than the one specified in such waiver and only for the time and in the manner specifically stated in such waiver.
- 6.13. Modification.** Except as expressly set forth herein, this Agreement may not be modified except in a writing duly executed by the parties. Any requisition, purchase order, invoice, or other document issued by a party with respect to the subject matter of this Agreement shall be subject to and governed by the terms and conditions hereof, and the terms and conditions of this Agreement shall supersede any conflicting, different or additional terms and conditions of such document irrespective of whether it would materially alter this Agreement.

*[signature page follows]*



IN WITNESS HEREOF, the parties have caused this Agreement to be executed in their names as their official acts by their respective representatives, each of whom is duly authorized to execute the same.

BIO-REFERENCE LABORATORIES, INC.

By: 

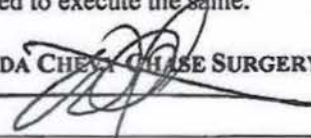
Print: Charles T. Todd Jr.

Title: Executive Vice President

Date: 05/26/2017

Fed ID: 22-2405059

BETHESDA CHEST CHASE SURGERY CENTER

By: 

Print: Dr Wayne Olan

Title: CEO medical Director

Date: 5/26/17

Fed ID: \_\_\_\_\_

# **EXHIBIT 19**

**TABLE 1: STATISTICAL PROJECTIONS - ENTIRE FACILITY**

CY or FY (Circle)	Two Most Actual Ended Recent Ye		Current Year Proj	Projected Years (ending with first full year at full utilization)			
	2015	2016	2017	2018	2019	2020	20---
<b>Ambulatory Surgical Facilities</b>							
a. Number of operating rooms (ORs)	1	1	1	2	2	2	
● Total Procedures in ORs	5,800	5,850	6,665	8,023	8,111	8,199	
● Total Cases in ORs	1,342	1,335	1,521	1,831	1,851	1,871	
● Total Surgical Minutes in ORs*	117,674	105,763	126,865	152,764	154,400	156,049	
b. Number of Procedure Rooms (PRs)	1	1	1	1	1	1	
● Total Procedures in PRs	2,692	2,640	3,008	3,621	3,660	3,700	
● Total Cases in PRs	930	852	971	1,169	1,181	1,194	
● Total Minutes in PRs*	52,215	46,852	53,380	64,259	64,961	65,663	

\*Do not include turnover time.

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

CY or FY (Circle)	Projected Years (ending with first full year at full utilization)			
	2018	2019	2020	20---__
<b>Ambulatory Surgical Facilities</b>				
a. Number of operating rooms (ORs)	1	1	1	
● Total Procedures in ORs	4,012	4,056	4,099	
● Total Cases in ORs	916	926	936	
● Total Surgical Minutes in ORs*	76,382	77,200	78,025	
b. Number of Procedure Rooms (PRs)				
● Total Procedures in PRs				
● Total Cases in PRs				
● Total Minutes in PRs*				

\*Do not include turnover time.





**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)			
	2018	2019	2020	20--
<b>Revenue</b>				
a. Inpatient services				
b. Outpatient services	\$42,874,517	\$43,341,849	\$43,809,941	
c. Gross Patient Service Revenue	\$42,874,517	\$43,341,849	\$43,809,941	
d. Allowance for Bad Debt	\$0	\$0	\$0	
e. Contractual Allowance	\$35,916,286	\$36,307,907	\$36,700,067	
f. Charity Care	\$15,280	\$15,313	\$15,444	
g. Net Patient Services Revenue	\$6,942,951	\$7,018,629	\$7,094,430	
h. Other Operating Revenues (Specify)	\$486	\$486	\$486	
<b>Expenses</b>				
a. Salaries, Wages, and Professional Fees, (including fringe benefits)	\$1,158,503	\$1,158,503	\$1,158,503	
b. Contractual Services	\$137,723	\$139,224	\$154,260	
c. Interest on Current Debt	\$0	\$0	\$0	
d. Interest on Project Debt	\$27,481	\$21,847	\$16,005	
e. Current Depreciation	\$16,542	\$9,397	\$8,338	
f. Project Depreciation	\$69,297	\$69,297	\$69,297	
g. Current Amortization	\$4,859	\$4,859	\$4,859	
h. Project Amortization	\$0	\$0	\$0	
i. Supplies	\$1,641,649	\$1,659,542	\$1,677,466	
j. Other Expenses (Specify)				
Building and Equipment Costs	\$337,554	\$349,196	\$361,317	
Charitable Donations	\$2,669	\$2,669	\$2,669	
Conference Seminar	\$338	\$338	\$338	
Continuing Education	\$1,225	\$1,225	\$1,225	
Credit Card Discount Fees	\$21,950	\$25,929	\$30,630	
Gifts	\$1,095	\$1,095	\$1,095	
Insurance	\$11,130	\$11,130	\$11,130	
Licenses and Permits	\$4,468	\$4,468	\$4,468	
Dues/Memberships/Subscriptions	\$700	\$700	\$700	
Meals and Entertainment	\$4,881	\$4,881	\$4,881	
Parking Fees	\$16,585	\$16,585	\$16,585	
Patient Transport & After Care	\$712	\$720	\$727	
Postage & Delivery	\$2,043	\$2,168	\$2,105	
Printing & Reproduction	\$4,905	\$4,905	\$4,905	
Reference Materials	\$444	\$444	\$444	
Travel Expense	\$125	\$125	\$125	
Tax Expense	\$11,888	\$11,888	\$11,888	
Finance Charge/Misc	\$969	\$969	\$969	
Utilities	\$57,500	\$57,500	\$57,500	
k. Total Operating Expenses	\$3,537,228	\$3,559,600	\$3,602,424	
<b>3. Income</b>				
a. Income from Operation	\$3,406,209	\$3,459,515	\$3,492,492	
b. Non-Operating Income	\$0	\$0	\$0	
c. Subtotal	\$3,406,209	\$3,459,515	\$3,492,492	
d. Income Taxes	\$0	\$0	\$0	
e. Net Income (Loss)	\$3,406,209	\$3,459,515	\$3,492,492	
<b>4. Patient Mix:</b>				
<b>A. Percent of Total Revenue</b>				
1. Medicare	29.0%	29.0%	29.0%	
2. Medicaid	0.0%	0.0%	0.0%	
3. Blue Cross	34.0%	34.0%	34.0%	
4. Commercial Insurance	33.0%	33.0%	33.0%	
5. Self-Pay	0.0%	0.0%	0.0%	
6. Other (Specify)	4.0%	4.0%	4.0%	
7. TOTAL	100.0%	100.0%	100.0%	
<b>B. Percent of Patient Procedures (as applicable)</b>				
1. Medicare	29%	29%	29%	
2. Medicaid	0%	0%	0%	
3. Blue Cross	35%	35%	35%	
4. Commercial Insurance	32%	32%	32%	
5. Self-Pay	0%	0%	0%	
6. Other (Specify)	4%	4%	4%	
7. TOTAL	100%	100%	100%	

**TABLE C. CONSTRUCTION CHARACTERISTICS**

**INSTRUCTION:** If project includes non-hospital space structures (e.g., parking garges, medical office buildings, or energy plants), complete an additional Table C for each structure.

	NEW CONSTRUCTION	RENOVATION
<b>BASE BUILDING CHARACTERISTICS</b>	<b>Check if applicable</b>	
<b>Class of Construction</b> (for renovations the class of the building being renovated)*		
Class A	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Class B	<input type="checkbox"/>	<input type="checkbox"/>
Class C	<input type="checkbox"/>	<input type="checkbox"/>
Class D	<input type="checkbox"/>	<input type="checkbox"/>
<b>Type of Construction/Renovation*</b>		
Low	<input type="checkbox"/>	<input type="checkbox"/>
Average	<input type="checkbox"/>	<input type="checkbox"/>
Good	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Excellent	<input type="checkbox"/>	<input type="checkbox"/>
<b>Number of Stories</b>		

\*As defined by Marshall Valuation Service

PROJECT SPACE	List Number of Feet, if applicable	
<b>Total Square Footage</b>	<b>Total Square Feet</b>	
Basement		NA
First Floor		3,027
Second Floor		NA
Third Floor		NA
Fourth Floor		NA
<b>Average Square Feet</b>		
<b>Perimeter in Linear Feet</b>	<b>Linear Feet</b>	
Basement		NA
First Floor		650
Second Floor		NA
Third Floor		NA
Fourth Floor		NA
<b>Total Linear Feet</b>		
<b>Average Linear Feet</b>		
<b>Wall Height (floor to eaves)</b>	<b>Feet</b>	
Basement		NA
First Floor		12
Second Floor		NA
Third Floor		NA
Fourth Floor		NA
<b>Average Wall Height</b>		
<b>OTHER COMPONENTS</b>		
<b>Elevators</b>	<b>List Number</b>	
Passenger		0
Freight		0
<b>Sprinklers</b>	<b>Square Feet Covered</b>	

Wet System		3,027
Dry System		0
<b>Other</b>	<b>Describe Type</b>	
Type of HVAC System for proposed project	Air Handler Unit	
Type of Exterior Walls for proposed project	Existing	



**TABLE D. ONSITE AND OFFSITE COSTS INCLUDED AND EXCLUDED IN MARSHALL VALUATION COSTS**

complete an additional Table D for each structure.

	NEW CONSTRUCTION COSTS	RENOVATION COSTS
<b>SITE PREPARATION COSTS</b>		
Normal Site Preparation	\$0	
Utilities from Structure to Lot Line	\$0	
<b>Subtotal included in Marshall Valuation Costs</b>		
Site Demolition Costs		
Storm Drains		
Rough Grading		
Hillside Foundation		
Paving		
Exterior Signs		
Landscaping		
Walls		
Yard Lighting		
Other (Specify/add rows if needed)		
Sediment Control & Stabilization		
<b>Subtotal On-Site excluded from Marshall Valuation Costs</b>	\$0	
<b>OFFSITE COSTS</b>		
Roads		
Utilities		
Jurisdictional Hook-up Fees		
Other (Specify/add rows if needed)		
<b>Subtotal Off-Site excluded from Marshall Valuation Costs</b>	\$0	
<b>TOTAL Estimated On-Site and Off-Site Costs not included in Marshall Valuation Costs</b>	\$0	\$0
<b>TOTAL Site and Off-Site Costs included and excluded from Marshall Valuation Service*</b>	\$0	\$0
<b>BUILDING COSTS</b>		
Normal Building Costs	\$0	\$1,139,000
<b>Subtotal included in Marshall Valuation Costs</b>	\$0	<b>\$1,139,000</b>
Canopy		
Signs		
<b>Subtotal Building Costs excluded from Marshall Valuation Costs</b>	\$0	
<b>TOTAL Building Costs included and excluded from Marshall Valuation Service*</b>	\$0	\$1,139,000
<b>A&amp;E COSTS</b>		
Normal A&E Costs	\$0	\$85,000
<b>Subtotal included in Marshall Valuation Costs</b>	\$0	<b>\$85,000</b>
<b>Subtotal A&amp;E Costs excluded from Marshall Valuation Costs</b>	\$0	\$0
<b>TOTAL A&amp;E Costs included and excluded from Marshall Valuation Service*</b>	\$0	\$85,000
<b>PERMIT COSTS</b>		
Normal Permit Costs		\$50,000
<b>Subtotal included in Marshall Valuation Costs</b>		<b>\$50,000</b>
Jurisdictional Hook-up Fees		
Impact Fees		
<b>Subtotal Permit Costs excluded from Marshall Valuation Costs</b>		
<b>TOTAL Permit Costs included and excluded from Marshall Valuation Service*</b>		\$50,000



**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.*

*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.d as a use of funds and on line B.8 as a source of funds*

		<b>Total</b>
<b>A. USE OF FUNDS</b>		
<b>1. CAPITAL COSTS</b>		
<b>a. New Construction</b>		
(1) Building		\$0
(2) Fixed Equipment		\$0
(3) Site and Infrastructure		\$0
(4) Architect/Engineering Fees		\$0
(5) Permits (Building, Utilities, Etc.)		\$0
<b>SUBTOTAL</b>		<b>\$0</b>
<b>b. Renovations</b>		
(1) Building		\$1,139,000
(2) Fixed Equipment (not included in construction)		\$0
(3) Architect/Engineering Fees		\$85,000
(4) Permits (Building, Utilities, Etc.)		\$50,000
<b>SUBTOTAL</b>		<b>\$1,274,000</b>
<b>c. Other Capital Costs</b>		
(1) Movable Equipment		\$268,300
(2) Contingency Allowance		\$116,100
(3) Gross interest during construction period		\$0
(4) Other (Specify/add rows if needed)		\$0
<b>SUBTOTAL</b>		<b>\$384,400</b>
<b>TOTAL CURRENT CAPITAL COSTS</b>		<b>\$1,658,400</b>
<b>d. Land Purchase</b>		
<b>e. Inflation Allowance</b>		
		\$23,218
<b>TOTAL CAPITAL COSTS</b>		<b>\$1,681,618</b>
<b>2. Financing Cost and Other Cash Requirements</b>		
a. Loan Placement Fees		\$3,000
b. Bond Discount		\$0
<b>c. CON Application Assistance</b>		
c1. Legal Fees		\$50,000
c2. Other (Consultant)		\$25,000
<b>d. Non-CON Consulting Fees</b>		
d1. Legal Fees		\$0
d2. Other (Specify/add rows if needed)		\$0
e. Debt Service Reserve Fund		\$0
f. Other (Specify/add rows if needed)		\$0
<b>SUBTOTAL</b>		<b>\$78,000</b>

3. Working Capital Startup Costs	\$0
<b>TOTAL USES OF FUNDS</b>	<b>\$1,759,618</b>
<b>B. Sources of Funds</b>	
1. Cash	\$620,618
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. Loans	\$1,139,000
7. Grants or Appropriations	
a. Federal	\$0
b. State	\$0
c. Local	\$0
8. Other (Specify/add rows if needed)	\$0
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$1,759,618</b>
	<b>Total</b>
<b>Annual Lease Costs (if applicable)</b>	
1. Land	\$0
2. Building	\$159,000
3. Major Movable Equipment	\$0
4. Minor Movable Equipment	\$0
5. Other (Specify/add rows if needed)	\$0

\* 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.



**TABLE L. WORKFORCE 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 uninflated projections in Tables F and G.*

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 G, if submitted).	FTEs	Average Salary per FTE	Total Cost	FTEs	Total Cost (should be consistent with projections in Table G)
<b>1. Regular Employees</b>											
Administration (List general categories, add rows if needed)											
Administrator	1.00	\$116,326	\$116,326			\$0			\$0	1.0	\$116,326
Clinical Manager	1.00	\$59,497	\$59,497			\$0			\$0	1.0	\$59,497
			\$0			\$0			\$0	0.0	\$0
			\$0			\$0			\$0	0.0	\$0
<b>Total Administration</b>	<b>2.00</b>		<b>\$175,822</b>			<b>\$0</b>			<b>\$0</b>	<b>2.0</b>	<b>\$175,822</b>
Direct Care Staff (List general categories, add rows if needed)											
Nurses	7.51	\$113,296	\$851,163	1.0	\$113,296	\$113,296			\$0	8.5	\$964,460
Scub Tech	2.67	\$96,767	\$257,927	1.0	\$96,767	\$96,767			\$0	3.7	\$354,694
Sterile Processor	2.11	\$58,659	\$123,705			\$0			\$0	2.1	\$123,705
			\$0			\$0			\$0	0.0	\$0
<b>Total Direct Care</b>	<b>12.29</b>		<b>\$1,232,796</b>		<b>\$210,063</b>	<b>\$210,063</b>			<b>\$0</b>	<b>12.3</b>	<b>\$1,442,859</b>
Support Staff (List general categories, add rows if needed)											
Front Desk Staff	3.09	\$53,882	\$166,654			\$0			\$0	3.1	\$166,654
Biller	1.02	\$69,228	\$70,613			\$0			\$0	1.0	\$70,613
Collections	1.02	\$53,428	\$54,250			\$0			\$0	1.0	\$54,250
			\$0			\$0			\$0	0.0	\$0
<b>Total Support</b>	<b>5.13</b>		<b>\$291,516</b>			<b>\$0</b>			<b>\$0</b>	<b>5.1</b>	<b>\$291,516</b>
<b>REGULAR EMPLOYEES TOTAL</b>	<b>19.42</b>		<b>\$1,700,134</b>		<b>\$210,063</b>	<b>\$210,063</b>			<b>\$0</b>	<b>19.4</b>	<b>\$1,910,197</b>
<b>2. Contractual Employees</b>											
Administration (List general categories, add rows if needed)											
			\$0			\$0			\$0	0.0	\$0
			\$0			\$0			\$0	0.0	\$0
			\$0			\$0			\$0	0.0	\$0
			\$0			\$0			\$0	0.0	\$0
<b>Total Administration</b>			<b>\$0</b>			<b>\$0</b>			<b>\$0</b>	<b>0.0</b>	<b>\$0</b>
Direct Care Staff (List general categories, add rows if needed)											
PRN Nurses	1.81	\$99,324	\$180,071			\$0			\$0	0.0	\$180,071
			\$0			\$0			\$0	0.0	\$0
			\$0			\$0			\$0	0.0	\$0
			\$0			\$0			\$0	0.0	\$0
<b>Total Direct Care Staff</b>	<b>1.81</b>		<b>\$180,071</b>			<b>\$0</b>			<b>\$0</b>	<b>1.8</b>	<b>\$180,071</b>
Support Staff (List general categories, add rows if needed)											
			\$0			\$0			\$0	0.0	\$0
			\$0			\$0			\$0	0.0	\$0
			\$0			\$0			\$0	0.0	\$0
			\$0			\$0			\$0	0.0	\$0
<b>Total Support Staff</b>			<b>\$0</b>			<b>\$0</b>			<b>\$0</b>	<b>0.0</b>	<b>\$0</b>
<b>CONTRACTUAL EMPLOYEES TOTAL</b>	<b>1.81</b>	<b>\$99,324</b>	<b>\$180,071</b>			<b>\$0</b>			<b>\$0</b>	<b>1.8</b>	<b>\$180,071</b>
Benefits (State method of calculating benefits below):			\$212,576			\$14,162					\$226,738
2017 Benefits were calculated by taking actual benefits paid through 5/2017 and annualizing that number and then based upon percentage of salary											
<b>TOTAL COST</b>	<b>21.23</b>		<b>\$2,092,780</b>	<b>0.0</b>		<b>\$224,225</b>	<b>0.0</b>		<b>\$0</b>		<b>\$2,317,005</b>

# **EXHIBIT 20**





ANDREW M. HAYNIE, CPA  
SUSAN P. KEEN, CPA  
MICHAEL C. KLEGER, CPA  
E. LEE McCABE, CPA  
JEFFREY A. MICHALIK, CPA  
DANIEL M. O'CONNELL II, CPA  
JOHN M. STERN, JR., CPA

[www.pkscpa.com](http://www.pkscpa.com)

**Salisbury**

1801 SWEETBAY DRIVE  
P.O. Box 72  
SALISBURY, MD 21803  
TEL: 410.546.5600  
FAX: 410.548.9576

**Ocean City**

12216 OCEAN GATEWAY  
SUITE 800  
OCEAN CITY, MD 21842  
TEL: 410.213.7185  
FAX: 410.213.7638

**Lewes**

1143 SAVANNAH ROAD  
SUITE 1  
LEWES, DE 19958  
TEL: 302.645.5757  
FAX: 302.645.1757

*MEMBERS OF:*

*AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS*

*MARYLAND ASSOCIATION OF  
CERTIFIED PUBLIC ACCOUNTANTS*

*DELAWARE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS*

*ALLNIAL GLOBAL*

July 25, 2017

Stephanie Leventis  
Vice President of Development  
SurgCenter Development

Re: Bethesda Chevy Chase Surgery  
Center, LLC

Dear Ms. Leventis,

We have been engaged to review certain documents provided to us by Bethesda Chevy Chase Surgery Center, LLC in order to make a determination as to the viability of Bethesda Chevy Chase Surgery Center, LLC's proposal to the Maryland Health Care Commission with respect to adding a second operating room facility.

We are independent with respect to Bethesda Chevy Chase Surgery Center, LLC, and any of their officers, directors, and LLC members. We have no financial interest in the determination by the Commission as it relates to the proposal. During our engagement, we have reviewed and analyzed documents in order to arrive at our conclusion, including, but not limited to:

- Review of internally prepared financial statements for Bethesda Chevy Chase Surgery Center, LLC, including the balance sheet, profit and loss statement as of and for the six months ended June 30, 2017
- Review of estimated construction budget and related project costs
- Review of completed Federal and Maryland income tax returns for the years ended December 31, 2011 through 2016
- Review of operating account bank statements for the months of January 2017 through June 2017 to assess cash flow from operations
- Review of the expression of interest letter from Sun Trust Bank outlining the proposed terms and conditions for the project loan.

In addition to analyzing the above documents, we have also conferred with management as to their assumptions and believe that the assumptions included within the application are achievable.

It is our conclusion based upon the information made available to us, that Bethesda Chevy Chase Surgery Center, LLC generates sufficient cash flow from continuing operations and current available funds to provide cash contributions of \$621,000 towards the operating room facility project.

Certified Public Accountants

# **EXHIBIT 21**



Wayne J. Olan, MD  
Director, Minimally Invasive and Endovascular Neurosurgery  
The George Washington University Medical Center  
Washington, DC 20037  
Ph: 202-741-2739  
Fax: 202-741-2742  
[wjo39@aol.com](mailto:wjo39@aol.com)

8/27/2017

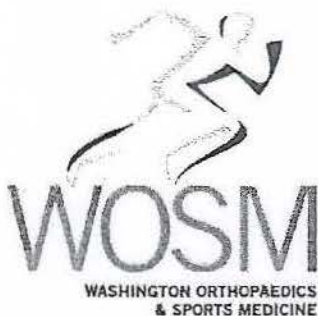
Attn: Maryland Healthcare Commission

Dear Dr. Tanio and Mr. Steffen,

I am a physician at the Bethesda Chevy Chase Surgery Center and we are in the process of trying to obtain a Certificate of Need for a second OR. The care we are able to provide at the Surgery Center is exemplary. Our patient satisfaction is without compare. Subsequently, we are outgrowing our current facility footprint and are desperately in need of a second operating room. Our efficiency and safety provided at the center, along with the quality of nursing, which is the best I have seen. We are seeing an unprecedented number of patients who are requesting treatment at the center and are at our limits for accommodating them. A second OR would allow us to continue to grow and provide the highest level of care with respect to expertise, safety and patient satisfaction available. I sincerely hope our request is met favorably and if there's anything else I can do please do not hesitate to contact me.

Sincerely,

Wayne J. Olan, MD



5454 Wisconsin Avenue, Suite 1000  
Chevy Chase, MD 20815  
Phone: 301.657.1996  
Fax: 301.951.6160

2021 K Street, NW, Suite 516  
Washington, DC 20006  
Phone: 202.833.1147  
Fax: 202.296.2515

5215 Loughboro Rd, NW, Suite 200  
Washington, DC 20016  
Phone: 202.787.5601  
Fax: 202.787.5606

**Richard W. Barth MD**  
*Hand and Wrist  
Upper Extremity*

**Marc D. Connell MD**  
*Sports Medicine and Arthroscopy  
Joint Replacement*

**Richard M. Grossman MD**  
*Sports Medicine and Arthroscopy  
Adult Reconstruction*

**John J. Klimkiewicz MD**  
*Knee and Shoulder Arthroscopy,  
Cartilage Preservation,  
Sports Medicine, Joint Replacement*

**Edward G. Magur MD**  
*Foot and Ankle  
General Orthopaedics and Arthroscopy*

**Benjamin A. McArthur MD**  
*Hip and Knee Replacement  
Young Adult Hip Disease*

**David P. Moss MD**  
*Hand, Wrist, Elbow,  
& Upper Extremity*

**Jonas R. Rudzki MD**  
*Sports Medicine and Arthroscopy  
Shoulder, Elbow and Knee*

**John K. Starr MD**  
*Spine Surgery  
Complex Reconstruction*

**Anthony S. Unger MD**  
*Joint Replacement  
Hip, Knee and Shoulder*

**Andrew B. Wolff MD**  
*Hip Arthroscopy and Preservation,  
Sports Medicine*

www.wosm.com

August 28, 2017

Attn: Maryland Healthcare Commission

Dear Dr. Tanio and Mr. Steffen,

I am a practicing orthopaedic surgeon and member of Bethesda Chevy Chase Surgical Center. I am writing in support of our Certificate of Need application for a second operating room. At BCC, we run a single operating room to capacity five days a week. We start at 0600 daily and often run well past 1800. We often move cases to our procedure room to allow bigger surgeries into the limited OR space. Our patient care is consistently outstanding and our complication and infection rates are miniscule. At this point, we simply have more demand for operating space than we can accommodate. I also operate at Sibley Hospital, but am routinely unable to get cases onto the main OR schedule, particularly on short notice. This necessitates operating into the evening or wee hours of the morning as an add-on. This phenomenon benefits neither the patient nor the surgeon. The turnover times at Sibley are never less than 40 minutes and average over an hour. The complication rates are higher as are infection rates and the infectious issues tend to be resistant organisms such as MRSA. In short, we provide superior care at BCC but cannot reasonably accommodate the surgical volume demanded. Moving those cases to the hospital is a poor option from a patient care perspective. I urge you to approve the CON so that we may continue to provide outstanding service and meet the increasing demand. Please do not hesitate to reach me with any comments, questions or concerns.

Sincerely,

Edward G. Magur, MD





www.Summit-Orthopedics.com

Chevy Chase Building  
5530 Wisconsin Avenue  
Suite 1660  
Chevy Chase, MD 20815-4430

tel: 301.657.9876  
fax: 301.657.8240

Philip D. Bobrow, M.D.  
*General Orthopedics,  
Adult Reconstruction and  
Sports Medicine*

Michael E. Goldsmith, M.D.  
*Adult and Pediatric  
Spine Surgery*

Steven H. Bernstein, M.D.  
*Arthroscopic Surgery  
and Sports Medicine*

Mustafa A. Haque, M.D.  
*Hand and Upper  
Extremity Surgery*

Guatam Siram, M.D.  
*Adult Reconstruction and  
General Orthopedics*

Jatinder Narula, M.D.  
*Interventional Pain Management  
Physical Medicine and Rehab.*

Andrea Elliott, P.A.-C

Elizabeth Mosca, P.A.-C

Cortney E. Tanner, P.A.-C

Ashley T. Walton, P.A.-C

Credentialing Committee,

My name is Steve Bernstein. I am an orthopedic surgeon at The Bethesda Chevy Chase Surgery Center (BCCSC). As you are aware, we are applying for a Certificate of Need for a second operating room at our center. I have been a member of BCCSC since 2014 and it has truly changed my practice. Our center is incredibly efficient allowing us to do twice as many cases in the same day as compared to our alternative at the hospital. We are only bringing the healthiest cases to BCCSC, all of which are pre – screened by our anesthesia staff. We allow no infected cases resulting in a negligible infection rate. Lastly, the surgeons have chosen the staff in order to provide the best patient experience possible. Our current staff is superb and engaged in the entire patient process from check in, preop preparation, OR experience, recovery, and next day follow-up.

We are at about maximum capacity with our current group of physicians. We work very well with one another and accommodate each other when add-ons have to occur or physicians are in need of more OR time. Our staff has been expanded to cover after hours. This has really become our new normal and it is rare for the center to be finished within a “regular” working day. As the core physician group looks to add new physicians to this efficient and effective patient care model, we would need to open a second operating room to accommodate the increase in surgical volume.

We are confident the new space would be utilized. We would maintain the same standards for quality care that we currently provide for our BCCSC patient experience. We very much appreciate your consideration of our application of a CON for a second OR at BCCSC. If you have any further questions about the center, our need for a CON, patient care, etc... please feel free to reach out to me at any time.

Sincerely,

Steve Bernstein, MD



# MedStar Montgomery Medical Center

MedStar Georgetown University Hospital  
Department of Neurosurgery at MedStar Montgomery Medical Center

18109 Prince Phillip Dr.  
Suite 300  
Olney MD 20832  
301-570-8554 PHONE  
301-570-8556 FAX

Alexandros D. Powers, MD  
Neurosurgeon

August 29, 2017

Maryland Health Care Commission  
ATTN: Craig P. Tanio, MD, Chair MHCC  
Ben Steffen, Executive Director, MHCC

**PATIENT NAME:** - , -  
**MR NUMBER:** 123456  
**DATE OF BIRTH:** 08/29/2017  
**DATE OF SERVICE:** 08/29/2017

Dear Dr. Tanio and Mr. Steffen:

My name is Alexandros D. Powers, MD, and I am a neurological surgeon who is a member of the Bethesda/Chevy Chase Surgery Center (BCCSC). I am writing this letter to provide additional information for consideration in conjunction with BCCSC's application for a certificate of need (CON) to expand to a second operative theater.

I joined BCCSC during its formation whenever I was in private practice in the Bethesda area. At the time I provided hospital-based care for patients and observed that, with the advancements of microsurgical techniques for the treatment of neurologic conditions, patients were well served by treatments on an outpatient basis. Although it was observed that this approach reduced risks such as infection and other nosocomial complications, I observed that satisfaction was much higher when surgical procedures would be performed on an outpatient basis. This experience prompted me to become a member of an outpatient surgical center.

Shortly after the operation of BCCSC it became evident that there were additional benefits to this setting in the treatment of patients. There was a family of health care professionals that were highly motivated and because of their extensive clinical skills developed efficiencies that were unrealized in other settings. A direct extension of this has been patient satisfactions which are extremely high and beyond those that were experienced in other health care delivery settings. As a result, the demands on my practice have increased with regard to patients requesting to be considered for treatment at BCCSC.

My experience with the improved outcomes, and the enhanced patient satisfaction, has put additional demands on the time constraints available within the current physical setting. Thus, in an effort to provide additional capacity, the BCCSC is submitting the application for a CON to expand the facility with additional surgical capabilities.

Parenthetically, my practice setting has changed to an academic position but I have not relinquished



PATIENT: -,-

Page 2

my privileges at BCCSC. In fact, given the benefits of improved outcomes, and the efficiencies of patient care, the hospitals where I do have inpatient admitting privileges have queried regarding the possibilities of my transfer of these techniques to their setting with a goal of reproducing the patient outcomes, satisfactions and efficiencies.

Respectfully submitted,

Alexandros D. Powers, MD

A handwritten signature in cursive script that reads "Alexandros D. Powers, MD". The signature is written in black ink and is positioned above a horizontal line.

Alexandros Powers, M.D.

00009/one/80990//14350/4026117

D: 08/29/2017 13:06

T: 08/29/2017 13:40

October 15, 2015

Dr. Alexandros Powers  
188109 Prince Phillip Drive  
Suite 306  
Olney, MD 20832

Dear Dr. Powers,

There are no words that can express the gratitude I owe you for my pain free life. I feel and act like a woman in my forties instead of my seventies. Since my surgery I have no pain radiating down my buttocks and my left leg. I am walking almost two miles twice a day and enjoy being able to walk in Little Bennett Park again. I am probably doing more than I am supposed to but I feel so terrific that I started the house hold chores a week after surgery. It is a miracle!

Your P.A. advised me to take muscle relaxers but after three days I stopped as I had no pain anywhere. I stopped taking Aleve and I took it for years and years to get me through my constant pain. Even the incision has not bothered me enough to take any pain relievers.

My only regret is I did not listen to you two years ago and get the surgery then. When I think of how I suffered and would have been without pain if I had listened to you.

In closing I have to thank Dr. Rita Sharma for referring me to Dr. Urquhart who insisted I contact you regarding my back. Thank goodness I have doctors who refer me to only the best doctors to care for my health.

Again, Dr. Powers thank you so much for giving me back a quality life.

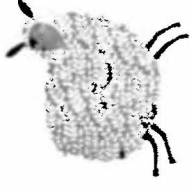
Sincerely,  


Marilynn Randall  
23828 Bennett Chase Drive  
Clarksburg, MD 20871

Cc: Rita Sharma, MD  
Joann Urquhart, MD

2016

Thank Ewe!



Dr. Powers and  
Celeste + the whole  
staff for making me  
pain free (97%!!!)

All best,


Sari Greenfield

P.S. And for Logan!  
Superb!!

# **EXHIBIT 22**



I hereby declare and affirm under the penalties of perjury that the facts stated in this Completeness and Additional Information response are true and correct to the best of my knowledge, information, and belief.

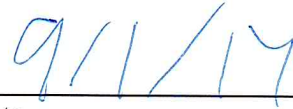
  
\_\_\_\_\_  
Signature

09/01/2017  
\_\_\_\_\_  
Date

I hereby declare and affirm under the penalties of perjury that the facts stated in this Completeness and Additional Information response are true and correct to the best of my knowledge, information, and belief.



Signature



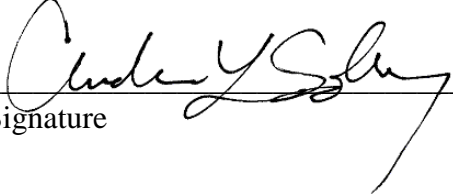
Date

I hereby declare and affirm under the penalties of perjury that the facts stated in this Completeness and Additional Information response are true and correct to the best of my knowledge, information, and belief.

*Amy Cox*  
Signature

9/1/2017  
Date

I hereby declare and affirm under the penalties of perjury that the facts stated in this Completeness and Additional Information response are true and correct to the best of my knowledge, information, and belief.

  
Signature

8/30/17  
Date