

**Kaiser Foundation Health Plan of Mid-Atlantic States, Inc., Ambulatory Surgery OR  
Addition, Matter No. 17-15-2390**

**Responses to completeness questions provided on January 30, 2017**

January 30, 2017

**VIA Email & U.S. MAIL**

Peter Mbugua, Senior Planning Consultant  
Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
2101 East Jefferson Street  
Rockville, Maryland 20852

**Re: Kaiser Foundation Health Plan of Mid-Atlantic States, Inc., Ambulatory Surgery OR Addition, Matter No. 17-15-2390**

Dear Mr. Mbugua:

Commission staff has reviewed the application from Kaiser Foundation Health Plan Mid-Atlantic States, Inc., Gaithersburg Medical Center ("GMO", or "the Applicant) for Certificate of Need ("CON") approval to build out shelled space for a third operating room. The total project costs are estimated to be \$1,998,352. Staff found the application incomplete, and accordingly, requests that you provide responses to the following questions:

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

1. The application directs the applicant to include scalable schematic drawings of the facility at least at 1/16" scale that are completely legible and include dates. These drawings should include the following, before (existing) and after (proposed), as applicable:
  - i. Floor plans for each floor affected with all rooms labeled by purpose or function, number of beds, location of bathrooms, 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".
  - ii. 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.
  - iii. Specify dimensions and square footage of patient rooms (for the purposes of this application, the shelled space).

Please be sure that the drawings show the entire surgical suite area, including the location of the existing ORs, pre-operative areas, PACU, staff stations, semi-restricted and restricted areas, and other support service areas for the surgical services program.

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***Applicant Response:***

One hard copy set of construction documents is included with responses to completeness questions.

2. Please submit a summary of the latest three complete years (last 3 years) volumes of surgical procedures by specialty currently performed in the two ORs at GMO. Then show the projected mix post-project. Explain any changes in the current or projected mix.

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***Applicant Response:***

Exhibit 1 shows the procedure volume by specialty over the last 3 years. The projected mix of specialties post-project is not expected to materially change from the most recent distribution.

**PART II – PROJECT BUDGET**

3. Please provide the sources of funds for this project.

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***Applicant Response:***

Table E has been updated to reflect sources of funds and is shown in Exhibit 2.

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

**DESIGN REQUIREMENTS**

4. Please submit affirmation from DHR Architecture that the additional OR is designed per the 2014 FGI guidelines and not the 2010 FGI guidelines.

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***Applicant Response:***

Exhibit 3 shows the letter from Array Architects affirming compliance with 2014 FGI design guidelines.

Please submit six copies of the responses to the additional information (one set of drawings and one set of requested exhibits is sufficient) requested in this letter within ten working days of receipt. Also submit the response electronically, in both Word and PDF format, to Ruby Potter ([ruby.potter@maryland.gov](mailto:ruby.potter@maryland.gov)).

Peter Mbugua  
January 30, 2017  
Page 3

All information supplementing the application must be signed by person(s) available for cross-examination on the facts set forth in the supplementary information, who shall sign a statement as follows: "I hereby declare and affirm under the penalties of perjury that the facts stated in this application and its attachments are true and correct to the best of my knowledge, information, and belief."

Should you have any questions regarding this matter, feel free to contact me at (410) 764-5982.

Sincerely,

Kevin McDonald  
Chief, Certificate of Need Division

cc: Andrew Solberg  
Uma S. Ahluwalia, Montgomery County Health Department

**Exhibit 1.**  
**GAITHERSBURG ASC PROCEDURES BY SERVICE - 2014 - 2016**

Specialty	2014		2015		2016	
	Count	Percentage	Count	Percentage	Count	Percentage
General Surgery	1232	31%	1275	22%	1674	24%
Gynecology	437	11%	935	16%	885	13%
Head and Neck	456	12%	762	13%	803	11%
Interventional Pain Management	7	0%	0	0%	0	0%
Obstetrics	5	0%	2	0%	0	0%
Orthopedics	836	21%	1391	23%	1673	24%
Plastics	450	11%	314	5%	252	4%
Podiatry	127	3%	296	5%	311	4%
Urology	410	10%	948	16%	1170	17%
Psychiatry	0	0%	0	0%	298	4%
<b>Total</b>	<b>3960</b>		<b>5923</b>		<b>7066</b>	

**Exhibit 2.**  
**Table E. Project Budget**

**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
<b>A. USE OF FUNDS</b>			
<b>1. CAPITAL COSTS</b>			
a. Land Purchase		\$0	\$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
<b>SUBTOTAL</b>	\$0	\$0	\$0
c. Renovations			
(1) Building		\$600,000	\$600,000
(2) Fixed Equipment (not included in construction)			\$0
(3) Architect/Engineering Fees		\$120,000	\$120,000
(4) Permits (Building, Utilities, Etc.)		\$49,556	\$49,556
<b>SUBTOTAL</b>	\$0	\$769,556	\$769,556
d. Other Capital Costs			
(1) Movable Equipment / Furnishings		\$617,349	\$617,349
(2) Contingency Allowance		\$163,501	\$163,501
(3) Gross interest during construction period			\$0
(4) PM recharge		\$199,835	\$199,835
(5) IT		\$52,171	\$52,171
(6) Terminal Cleaning		\$138,000	\$138,000
<b>SUBTOTAL</b>		\$1,170,856	\$1,170,856
<b>TOTAL CURRENT CAPITAL COSTS</b>	\$0	\$1,940,412	\$1,940,412
e. Inflation Allowance			\$57,940
<b>TOTAL CAPITAL COSTS</b>	\$0	\$1,940,412	\$1,998,352
<b>2. Financing Cost and Other Cash Requirements</b>			
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
<b>SUBTOTAL</b>			\$0
<b>3. Working Capital Startup Costs</b>			
			\$0
<b>TOTAL USES OF FUNDS</b>	\$0	\$1,940,412	\$1,998,352
<b>B. Sources of Funds</b>			
1. Cash		\$1,940,412	\$1,940,412
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
<b>TOTAL SOURCES OF FUNDS</b>		\$1,940,412	\$1,940,412
<b>Annual Lease Costs (if applicable)</b>			
1. Land			\$0
2. Building			\$0
3. Major Movable Equipment			\$0
4. Minor Movable Equipment			\$0
5. Other (Specify/add rows if needed)			\$0

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.

**Exhibit 3.**  
**FGI 2014 Letter of Compliance**



BOSTON / BOSTON / CLEVELAND / CHICAGO / DALLAS / NEW YORK CITY / PHILADELPHIA / WASHINGTON

February 6, 2017

Paul Braun  
Design Manager  
Kaiser Permanente National Facilities Services, Mid-Atlantic States  
11921-A Bournefield Way  
Silver Spring, MD 20904

**RE: KAISER PERMANENTE GAITHERSBURG MEDICAL CENTER - SURGERY SUITE RENOVATION**  
**Operating Room 3 (OR-03) Construction and Activation**

Dear Paul:

On behalf of Array Architects, as commissioned by Kaiser Permanente as their design professional and agent for the subject project, I am pleased to confirm the following regarding this project, namely the surgical suite renovation project at the existing Kaiser Permanente Gaithersburg Medical Center that involves the construction and activation of one additional operating room (OR-03) at that existing facility. As the architect of record for this project and for the initial project that activated the two original operating rooms at this facility, I am pleased to confirm that the existing facility has been designed and constructed to accommodate the increased case load from the fit-out of the proposed OR-03. This includes the sizing of waiting areas, pre-operative holding, PACU, staff stations, semi restricted and restricted areas and building engineering systems.

The requirements of an Outpatient Operating Room as defined by Section 3.7 of the 2014 edition of the FGI Guidelines include:

- *Class B Operating Rooms shall have a minimum clear floor area of 250 square feet with a minimum clear dimension of 15 feet between fixed cabinets and built-in shelves.*
- *Class C Operating Rooms shall have a minimum clear floor area of 400 square feet with a minimum clear dimension of 18 feet between fixed cabinets and built-in shelves.*
- *At least one scrub position must be located next to the entrance of each operating room.*

The design of OR-03 complies with Section 3.7 of the 2014 FGI Guidelines for Design and Construction of Healthcare Facilities currently enforced by the State of Maryland. These guidelines are based on considerations of minimizing infection risks and assuring sterility and appropriate air filtration and ventilation for operating rooms.

Sincerely,

Adrian Hagerty, AIA, LEED AP  
Principal, Regional Vice President



**Exhibit 4.  
Attestation**

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.



2/8/2017

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Signature

Date

Name: Peter Mbugua, Senior Consultant, Delivery System Planning