

Robert E. Moffit, Ph.D.
CHAIRMAN

STATE OF MARYLAND



Ben Steffen
EXECUTIVE DIRECTOR

MARYLAND HEALTH CARE COMMISSION

4160 PATTERSON AVENUE – BALTIMORE, MARYLAND 21215
TELEPHONE: 410-764-3460 FAX: 410-358-1236

December 10, 2018

Via E-mail and USPS

Walter Smith, Director
Encompass Health
9001 Liberty Parkway
Birmingham, Alabama 35242

Re: Encompass Health Rehabilitation Hospital of
Southern Maryland
Matter No. 18-16-2423

Dear Mr. Smith:

Staff of the Maryland Health Care Commission (“MHCC”) reviewed Encompass Health’s response to our second set of completeness questions re: the above-referenced application and have several follow-up questions. Upon receipt of satisfactory responses we should be prepared to docket the application.

PROJECT BUDGET

1. Your response to our question regarding the magnitude and composition of the line item for CON application assistance clarified that legal fees associated with the CON were budgeted at \$600,000, with “other” (listed as CON preparation costs for consultants and community support efforts) budgeted at \$750,000, while another \$150,000 in non-CON-related consulting fees was incurred.

CON staff and Commission members seek to better understand the costs to applicants associated with the CON regulatory function. To that end, please provide a specific, detailed breakdown of the costs associated with each CON-related cost category, including CON consultants, CON-related legal fees, and CON community support efforts (and describe the community support efforts) associated with this project, so these activities may be accurately included in Staff’s analysis and reporting to Commission members.

CHARITY CARE

2. Thank you for your submission of the Initial Financial Assistance Application, which reconciles Staff's concerns regarding the need to employ an initial, abridged set of information used to determine *probable eligibility*. Upon reviewing the existing Health South Chesapeake web site, it appears that the Initial Financial Assistance Application is not listed at: <http://www.healthsouthchesapeake.com/en/patients-and-family/financial-assistance>. Staff suggests that the Initial Financial Assistance Application be listed among the other documents, in order to make requirements clear to patients. Staff requests that the applicant commit to listing the Initial Financial Assistance Application on the proposed project's website, alongside the other documents currently listed that pertain to financial assistance.
3. With regard to the applicant's plan to disseminate information to the community about its charity care and financial assistance policies, please flesh out your previous response (to question #6 in our September 11 letter). Specifically:
 - a. Identify the names of non-profit community-based organizations, human service agencies, or other community stakeholders with which the applicant will work to ensure the community is aware of the availability of its charity care and financial assistance services.
 - b. Describe the methods of communication and communication schedules that will be used to disseminate the information.
 - c. Provide an update on the applicant's status to participate as a "stakeholder" in the Prince George's County Health Department's "Prioritization Meeting" and participate in the upcoming, new community needs assessment as a post-acute provider. Identify specific steps that have been taken or will be taken to participate in this initiative.

Please submit four copies of the responses to completeness questions and the additional information requested in this letter within ten working days of receipt. Also submit the response electronically, in both Word and PDF format, to Ruby Potter (ruby.potter@maryland.gov). All information supplementing the applicant must be signed by person(s) available for cross-examination on the facts set forth in the supplementary information, who shall sign a statement as follows: "I hereby declare and affirm under the penalties of perjury that the facts stated in this application and its attachments are true and correct to the best of my knowledge, information, and belief."

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

Sincerely,



Kevin McDonald
Chief, Certificate of Need

cc: Carolyn Jacobs, Esquire
Pamela Creekmur, Prince George's County Health Department