



Prince George's County Ambulatory Surgery Facility

Response to Request for Additional Information

Submitted to the Maryland Health Care Commission

June 29, 2018



1. Please provide a list of services provided at each of the existing ROCs, which are to be re-located to the proposed PG ROC. Are any surgical procedures performed at the existing Laurel Park and Upper Marlboro ROCs?

Applicant Response

The services to be relocated from the Laurel and Upper Marlboro ROCs to the PG ROC are listed in the table below.

Services To Be Relocated		
	Laurel, MD ROC	Upper Marlboro, MD ROC
Professional Medical Services (Specialties)	Audiology	Audiology
	Cardiology	Cardiology
	Dermatology	Endocrinology
	Developmental pediatrics	Gastroenterology
	Otolaryngology	Nephrology
	Endocrinology	Nutrition
	Gastroenterology	Ophthalmology
	Hematology	Plastic surgery
	Nephrology	Speech-language pathology
	Neuropsychology	General Surgery (office appointments only)
	Nutrition	Urology
	Ophthalmology	
	Orthopaedics	
	Pediatric rehabilitation medicine	
	Plastic surgery	
	Rheumatology	
	Speech-language pathology	
	General Surgery (office appointments only)	
	Urology	
Ancillary/Supportive Services	Health education	Health education
	Imaging services	Imaging services
Specialty Clinics	Sickle cell pulmonary clinic	N/A

Surgical procedures are not currently performed at the existing Laurel Park and Upper Marlboro ROCs.

2. The Financial Assistance Policy for Children's National Medical Center ("CNMC") states that "financial assistance will be determined in accordance with procedures that involve verifying income and residency in our PSA." (Exhibit 22, p. 3 of the policy).
- (a) Applying a qualifying test of residence within the facility's PSA will likely run afoul of the charity care standard. That said, staff would like to give you the opportunity to explain the rationale and justification for this provision. (Note that we may be returning to you with a judgement that such a provision could render the staff unable to recommend approval of the project.) Explain how this provision affects patients and families who do not reside in CNMC's PSA; are they ineligible for assistance?
- (b) This point may be moot given what I have conveyed immediately above. However, in the revised charity care policy submitted on March 22 the PSA for CNMC differs somewhat for the proposed ASF. That would need to be rectified by ensuring that the ASF PSA is included in the broader policy. Again, depending on how deliberations regarding the use of residence in the PSA as a qualifier proceed, this issue may be moot.
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Applicant Response

- (a) Children's revised FAP is provided as Exhibit 30. In the revised FAP, the service area to which the residency requirement applies has been expanded to include the entire State of Maryland, as well as the District of Columbia, and Alexandria City and Arlington, Fairfax, Fauquier, Loudon, Prince William, and Stafford Counties in Virginia. In addition, the time period for eligibility for full financial assistance, once approved, has been extended from six months to one year.

There are many reasons that Children's includes a geographical limitation on eligibility in the FAP and applies a qualifying test of residence within its service area, and that it strongly feels it must continue to do so. These reasons and related considerations are explained below:

- (i) Children's FAP is a public document and is available to all patients upon request; notices regarding the availability of financial assistance are posted across Children's network of campuses and facilities; it is made available to social service agencies and other entities that come into contact with people who may need financial assistance; Children's publishes the FAP in local newspapers on a regular basis; and, perhaps most importantly, it is posted on Children's website. Particularly given the evidence provided below that the financial assistance policies of the vast majority of the top children's hospitals in the United States include a geographical limitation on eligibility for financial assistance, eliminating this eligibility requirement could rapidly attract patients requiring financial assistance from across the country and the world. Additionally, it is reasonable to assume that other children's hospitals would likely seek to refer such patients to Children's because of its unrestricted policy. It should be noted that **the FAP does not solely apply to the proposed ASF; it applies to all Children's facilities**, services, programs, and settings, including Children's Hospital itself. Children's was just named to the list of top 5 pediatric hospitals in the country by US News & World Report, and its NICU was named #1 for the 2nd year in a row, along with 7 other specialties ranked in the top ten. As its national prominence increases with these most recent rankings, Children's expects to experience additional influx of patients, including those requiring financial assistance, from across the country and around the world. Absent the current geographic restriction included in the FAP, such an influx could constrain resources utilized to care for patients from the communities Children's exists to serve.

Children's strongly believes that its charity care resources should primarily be allocated to ensuring access to specialized pediatric care for residents of its wide service area, which includes all of Maryland and the District of Columbia and a large portion of Virginia, who are unable to pay their hospital and/or clinic bills due to difficult financial situations, regardless of age, gender, race, creed, disability, social or immigrant status, sexual orientation, or religious affiliation.

- (ii) Children's is a member of the Children's Hospital Association. Through that affiliation, Children's understands that it is fairly common practice among children's hospitals to have a geographical limitation on eligibility for financial assistance included in their financial assistance policy. To validate this understanding, Children's looked on the web sites of and obtained copies of the financial assistance policies for the top ten children's hospitals in the United States, as determined by U.S. News & World Report. The financial assistance policies of eight out of the top ten children's hospitals in the United States, based both on the 2017-2018 report and the recently released 2018-2019 report, include a geographical limitation on eligibility for financial assistance and apply a qualifying test of residence within the specified area. One children's hospital that was included in the top ten in the 2017-2018 report, Children's Hospital of Pittsburgh of UPMC, fell out of the top ten in the 2018-2019 report, and another children's hospital, Children's Hospital of Colorado, replaced it in the top ten. Both of these children's hospitals include a geographical limitation on eligibility in their financial assistance policy and apply a qualifying test of residence in the area. Accordingly, nine out of the eleven children's hospitals ranked in the top ten by U.S. News & World Report over the past two years include a geographical limitation on eligibility for financial assistance in their financial assistance policy and apply a qualifying test of residence in the area.

A summary of Children's findings are provided below. Copies of the financial assistance policies for these hospitals are provided in Exhibit 36.

2018-2019 U.S. News & World Report Best Children's Hospitals Honor Roll			
Rank	Hospital	Location	Residency Requirement
1	Boston Children's Hospital	Boston, MA	Commonwealth of Massachusetts
2	Cincinnati Children's Hospital Medical Center	Cincinnati, OH	State of Ohio or Primary Service Area: 4 OH counties, 3 KY counties, 1 IN county
3	Children's Hospital of Philadelphia	Philadelphia, PA	Primary Service Area: 9 PA counties, 13 NJ counties, 1 DE county
4	Texas Children's Hospital	Houston, TX	Primary Service Area: 8 TX counties
5	Children's National Medical Center	Washington, DC	Primary Service Area: District of Columbia, all Maryland counties, 6 VA counties
6	Children's Hospital Los Angeles	Los Angeles, CA	None
7	Nationwide Children's Hospital	Columbus, OH	State of Ohio
8	Johns Hopkins Children's Center	Baltimore, MD	None
9 (2017) ¹	Children's Hospital of Pittsburgh of UPMC	Pittsburgh, PA	Primary Service Area: All counties contiguous to a UPMC facility
9 (2018)	Children's Hospital Colorado	Aurora, CO	State of Colorado
10	Ann and Robert H. Lurie Children's Hospital of Chicago	Chicago, IL	State of Illinois

¹Children's Hospital of Pittsburgh of UPMC was replaced by Children's Hospital Colorado in the 2018-2019 rankings, but remains a top ten children's hospital for numerous specialties.

Including a geographical limitation on eligibility for financial assistance is clearly a standard practice among top children's hospitals. If Children's was to eliminate the limitation from its well-publicized FAP, Children's would undoubtedly become a referral destination for indigent patients from across the country and, potentially, the world.

- (iii) As a children's hospital, most patients who are unable to pay their hospital and/or clinic bills due to difficult financial situations will qualify for Medicaid in their home state or jurisdiction. Based on Children's experience, most states will not approve payment for

non-emergent care if that care is provided outside that state or a neighboring state. Children's works with patients who are not eligible for financial assistance because they reside outside of Children's service area to apply for and seek Medicaid coverage in their home state or jurisdiction.

- (iv) Children's waives the residency requirement for eligibility if, based on physician advisement, the needed specialized pediatric care is not available within the patient's home geographical area, with full knowledge that it will be difficult, if not impossible, for Children's to get payment for services rendered from the patient's state of residence.
- (v) Children's waives the residency requirement to treat and stabilize patients in emergency situations, which care can require substantial care and resources. In FY2017, to treat and stabilize just one such patient who resided out of the service area, Children's incurred a charity/FAP adjustment of \$4.2 million. The patient was in the area on a visitor's visa and the Emergency Maryland Medicaid Application was denied because the family did not meet residency requirements.
- (vi) Under Maryland's unique global budget revenue ("GBR") payment system, payment rates and revenues are set by the Health Services Cost Review Commission ("HSCRC") for all acute-care hospitals in Maryland. Under the GBR system, hospitals' rates are adjusted to account for uncompensated care they provide. For Maryland hospitals, there is no need to have a geographical limitation on eligibility for financial assistance, although some still do, because their revenue budgets are adjusted to account for that care.

Children's is located in the District of Columbia. Accordingly, Children's is not subject to Maryland's GBR system, and the rates Children's receives from Medicare, Medicaid, and third-party payers are not adjusted to account for the charity care it provides. Children's sites of care in Maryland are similarly excluded from Maryland's GBR payment system.

- (vii) If the patient does not reside in Children's service area, is non-emergent, and the needed care is available in the patient's home state; Children's may deny the request for financial assistance. Children's will then help the patient apply and go through the screening process to obtain coverage in their home state.

It should be noted that, in Maryland, in order for a child to be eligible for the Maryland Children's Health Program (MCHP), a child must be a resident of the State. See eligibility requirements at <https://www.benefits.gov/benefits/benefit-details/4776>: "In order to qualify for this benefit program, you must be a resident of Maryland (*emphasis added*), under 19 years of age or be a primary caregiver with a child under the age of 19 or be pregnant, a U.S. national, citizen, legal alien, or permanent resident. In addition, Maryland is the only State (of which Children's is aware) that denies Medicaid coverage for children who are born in and are residents of the United States if the child's parents are not residents.

For these reasons, Children's feels it is essential that it continue to have a geographical limitation, now expanded to include the entire State of Maryland, for eligibility for financial assistance and to apply a qualifying test of residence within Children's service area.

- (b) The service area defined in the attached, revised FAP has been expanded to include the entire State of Maryland. As a result, the primary service area for the proposed ASF is now encompassed within and consistent with the service area defined in the FAP.

3. The financial assistance policy states (p. 4) that “CNMC will make reasonable efforts to explore appropriate alternative sources of payment and coverage from public and private payment programs and to assist patients to apply for such programs.” What are these “alternative sources of payment and coverage”? Is this a substitute for providing charity care?
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Applicant Response

As the region’s only pediatric health system, Children’s often serves as the first encounter with the broader healthcare delivery system for its patients and their families, many of whom have yet to be enrolled in the appropriate public and private payment programs for which they may be eligible. With the objective of connecting patients and families with the appropriate resources and programs available to them, Children’s makes reasonable efforts to work with patients and their families to evaluate potential sources of coverage. Such sources of coverage and payment include, but are not limited to, medical coverage available through the following:

- An individual’s employer;
- A state-sponsored health benefit exchange (such as Maryland Health Connection); and
- Medicaid or the State Children’s Health Insurance Program (SCHIP).

As a children’s hospital, most of Children’s patients will qualify for a state Medicaid plan or for an income-based safety plan, such as Maryland Children’s Medical Service. Children’s also looks at programs such as Medical Care for Children Partnership Foundation (MCCP) in Fairfax County, VA; Care for Kids in Montgomery County, MD; and other programs to ensure patients have wrap-around services to meet their healthcare needs in the community. Children’s patient financial services staff assists with determining potential eligibility for such coverage and supports patient efforts to enroll in any available coverage options.

Children’s does not, however, rely upon these (and other) potential sources as substitutes for providing charity care to eligible patients. As highlighted in the FAP, included as Exhibit 30, Children’s provides financial assistance not only to uninsured patients and those ineligible for any of the sources of payment listed above, but also to insured patients whose out-of-pocket medical expenses exceed 30 percent of their family income. Eligibility for and enrollment in any of the sources of payment discussed herein does not preclude a patient from receiving financial assistance, and Children’s efforts on patients’ behalf to identify alternative sources of payment and coverage is not a substitute for providing charity care.

4. In your prior completeness response you stated that: "CNMC may make inquiries to obtain reports from third parties such as credit agencies, on certain patients to determine whether they may be presumptively eligible....." Please discuss when in the financial eligibility process (a) does Children's look at credit reports and (b) what type and how this information is used to determine the eligibility of patients and families.
- (a) What triggers and when in the process do you pull credit reports?
 - (b) What information are you looking for/do you expect to receive?
 - (c) How would you interpret and use the information?
 - (d) Finally, describing a scenario that illustrates this procedure and the outcome it led to might be helpful.
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Applicant Response

- (a) Children's does not obtain or look at credit reports in confirming eligibility for financial assistance. Like many other hospitals, Children's uses a nationally recognized industry standard software tool (the "Eligibility Tool") to assess a patient's need for charity. The tool flags those patients with high incomes so additional documentation can be requested, if appropriate. The tool utilizes data reported through the credit bureau, such as annual income, but it is not a credit bureau report and does not appear as a credit inquiry on a patient's credit report. The only information utilized to make a determination is estimated income.
- (b) The only information utilized to make a determination is estimated income.
- (c) The Eligibility Tool is used to validate presumptive eligibility applications since the patient is not providing any documentation at the time.
- (d) A patient applies for presumptive eligibility and reports no income. Children's checks the Eligibility Tool, which reports the applicant has substantial estimated income. Children's would then ask the patient if the income level had changed, e.g., perhaps the patient recently lost a job. If so, Children's would then approve the presumptive eligibility application.

5. The applicant revised its financial assistance policy, submitted in its response to Staff's completeness questions dated March 22 2018. Because the revised policy applies to the organization of CNMC and their related entities, please describe how CNMC has distributed and made the other CNMC-related entities aware of this policy change. Staff notes that Children's website still includes a policy dated July 1, 2016.
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Applicant Response

When a financial assistance policy update occurs, Children's evaluates the plain language summary that is distributed to families, signage, and information provided on its website to determine if changes are required. Children's leadership communicated information regarding the previously revised FAP throughout the Children's enterprise. This process included the following steps:

- Children's Vice President of Revenue Cycle announced the two-day eligibility determination at her Directors meeting for dissemination to key departments, including Registration, Case Management, and Social Work;
- Revenue cycle management placed new signage in registration areas and educated registration staff as the signs were being placed; and
- The plain language summary document distributed to families was reviewed and revised, as appropriate, to reflect the change in policy.

Children's updated the previously revised policy on its website in May 2018. In the past, the policy was located at multiple locations on the website and Children's mistakenly neglected to update the policy in the second location, viewed by MHCC staff. This issue has been rectified, and the site updated to include the most recent version of the FAP. The newly updated FAP may be located at the link below:

<https://childrensnational.org/specialty-care-patients/preparing-for-your-visit/financial-matters/financial-assistance>

The newly updated policy and the changes include therein are being communicated throughout the Children's enterprise through the same steps enumerated above.

6. Please provide a copy of the preliminary charity care application used for determination of probable eligibility.

Applicant Response

A copy of Children's financial assistance application, used both for determination of probable (presumptive) eligibility and full financial assistance, is included as Exhibit 31.

7. Please provide a copy of the notice of charity care policy that will appear in patient statements, in emergency rooms, at urgent care centers, admitting and registration departments, business offices, and patient financial services office, and other public places.

Applicant Response

A copy of the financial assistance notice, as it appears on patient statements, is included as Exhibit 32. Children's notes that the financial assistance notice will be moved to the front of the patient statement when Children's goes live with its new Cerner patient accounting system in late 2019.

Pictures of signage regarding the financial assistance policy that are posted in two prominent registration areas, the emergency room and pulmonary clinic, are included as Exhibit 33. Similar signage is posted at other locations throughout Children's system, including urgent care centers, admitting and registration departments, business offices, patient financial services office, and other public places.

8. Please revise the financial assistance policy to include the procedure(s) regarding how CNMC will address financial concerns of patients, prior to a patient's arrival for surgery.
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Applicant Response

Patients not requiring full financial assistance, such as those scheduling surgery, are able to request presumptive financial assistance. No documentation is required other than a completed application, and a decision on presumptive eligibility will be made within two business days. Once presumptive eligibility is granted for the specified date of service/surgery, the patient can then request full financial assistance by providing the required supporting documentation.

On Page 5 of the revised FAP, under "Method for Applying for Financial Assistance," the policy now states: "For patients requiring surgery, prior to their arrival for surgery, CNMC will address any financial concerns patients may have, and individual notice regarding this FAP shall be provided to the patient."

Children's revised FAP is provided as Exhibit 30.

9. The Charity Care Policy standard requires that an applicant have a specific plan for achieving the level of charitable care provision to which it is committed. Please provide a plan that includes steps regarding how the proposed ASF will provide targeted outreach to members of the community who may qualify for charity care, beyond the track record of the Montgomery County ASF referenced in the application.
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Applicant Response

Children's intent is to ensure anyone who needs financial assistance is aware of Children's financial assistance policy. Children's plan for achieving the level of charity care provision for which it is committed includes the following components:

- Children's places posters regarding its charity care policy in every clinic area where a patient would have a physician visit and will prominently post them throughout the PGC ROC and in the proposed ASF.
- Posters will continue to be located in Children's emergency rooms, urgent care centers, admitting and registration departments, hospital business offices, and patient financial services offices that are located on facility campuses, and at other public places, as Children's may select, and Children's will do the same at the PGC ROC and in the proposed ASF.
- Children's conducts annual walk-throughs to ensure that all posters are still prominently displayed (and not moved due to painting or remodeling) and will do so at the PGC ROC and the ASF.
- Children's publishes and widely publicizes a summary of the FAP on facility websites, in brochures available in patient access sites (including at the PGC ROC and the proposed ASF), and at other places within the community served by the hospital (including the area served by the proposed ASF), as Children's may select. Such notices and summary information are provided in the primary languages spoken by the population serviced by Children's, a practice Children's will maintain at the PGC ROC and the proposed ASF.
- Children's gives plain language summary notices to uninsured patients at registration, and it will do so for patients registering at the PGC ROC and the proposed ASF. Patient families are encouraged to meet with a Financial Information Center ("FIC") representative and apply for FAP. Children's will encourage patient families at the PGC ROC and the proposed ASF to do so as well.
- Scheduled self-pay patients that are not able to pay their bill on the day of an appointment will be strongly encouraged to go to the FIC office to apply for Medicaid and financial assistance.
- No further effort will be made to collect from an ASF patient who has screening verification unless it is determined that they are not eligible for financial assistance.
- Children's will annually remind referring physicians and surgeons about its financial assistance care policy.
- Children's will annually remind staff of the PGC ROC and the proposed ASF who interact with patients about Children's financial assistance policy so they may assist patients who request information or voice concerns about their ability to pay for services.
- Children's will annually publish its financial assistance policy in the newspaper of record in Prince George's County to ensure that members of the community who may qualify for charity care are aware of Children's policy and the availability of financial assistance.

It should be noted that the FAP **does not solely apply to the proposed ASF**; it applies to all Children's facilities, services, programs, and settings, including Children's Hospital. Children's does not anticipate any difficulty in achieving the level of charity care to which it is committed, as demonstrated by its past performance in providing charity care.

10. Regarding the amount of charity care provided by the applicant historically:

- (a) On p. 24 of the CON application, the applicant provides Montgomery County ASF's "most recent two years" of charity care provided, but did not identify the numeric year. Please provide the previous three most recent years of charity care for this facility and note the calendar or fiscal year reflected in that figure.
- (b) Provide the amount of charity care for Children's Hospital and the Laurel Park and Upper Marlboro ROCs for the previous three years. That is, a figure for charity care (not including bad debt) as a percentage of total expenses, and ensure that the years reflected in these figures are noted.

Applicant Response

- (a) The amounts of charity care provided at the Montgomery County ASF for the previous three most recent fiscal years are provided in the table below.

Montgomery County ASF Charity Care			
	FY 2015	FY 2016	FY 2017
Charity Care (as a % of Operating Expenses)	4.26%	4.46%	4.83%

- (b) The amounts of charity care provided at Children's Hospital, as reported in IRS Forms 990 for the years referenced, is summarized in the table below.

Children's Hospital Charity Care			
	FY 2015	FY 2016	FY 2017
Charity Care (as a % of Total Expenses)	0.85%	0.69%	0.93%

The amounts of charity care provided at the Laurel Park ROC and the Upper Marlboro ROC are summarized in the tables below.

Upper Marlboro, MD ROC Charity Care			
	FY 2016	FY 2017	FY 2018 (Annualized)
Charity Care (as a % of Total Expenses)	0.96%	0.56%	0.62%

Laurel Park, MD ROC Charity Care			
	FY 2016	FY 2017	FY 2018 (Annualized)
Charity Care (as a % of Total Expenses)	0.79%	0.38%	0.57%

11. Exhibit 24 lists the name of physicians projected to perform surgeries at the proposed ASF. The projections on page 7 appear to refer to two hematologists/oncologists, but not a specific physician. Please include the physician name/s associated with these procedures, or further explain why the applicant did not include the physician name(s).

Applicant Response

An updated version of the relevant table from Exhibit 24, which includes the names of the two hematologists/oncologists referenced herein, is included as Exhibit 34.

12. Please reconcile the slight inconsistencies between:

- (a) Dr. Petrosyan's individual submission in Exhibit 24 lists case minutes for FY16 as 35,695. Exhibit 25 lists it at 35,501.
- (b) Dr. Pena's individual submission in Exhibit 24 lists case minutes for Year 2 as 5,166, while. Exhibit 25 lists it at 5,116.

Applicant Response

- (a) An updated version of Exhibit 25, which contains the correct case minutes for Dr. Petrosyan in FY16, is included as Exhibit 35.
- (b) An updated version of Exhibit 25, which contains the correct case minutes for Dr. Pena in FY16, is included as Exhibit 35.

13. Does Children's not project that any cases will migrate from the Montgomery County ASF to PG ROC? (see pp. 62-64).

Applicant Response

Children's projections for the PGC ROC do not include any anticipated case migration from the existing Montgomery County ASF. As discussed in response to Standard .05B(2)(b) (Page 37 of the application), the existing surgeons who will be relocated to the PGC ROC currently perform most of their surgical cases on Children's main campus.

For purposes of the application, Children's attempted to be as conservative as possible and ensure that the proposed ASF could stand on its own. Having said that, Children's realizes that some patients who have previously been treated at the Montgomery County ASF may elect to receive care at the PGC ROC in the future. However, a decision to transition care to the new facility will rest solely with patients and their families.

14. Did Children's consider only locations in Prince George's County or consider developing the new ASF in any other county? Staff notes that the applicant submitted that "PGC ROC will ... serve children and their families from the eastern and southern portions of central Maryland," as noted on page 9 of the application.
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Applicant Response

Children's considered multiple alternatives to the proposed PGC ROC (as discussed in response to Standard 10.24.01.08G(3)(c), none of which included locations outside of Prince George's County. Children's decision to focus on Prince George's County is driven by numerous strategic, financial, and operational factors, including (but not limited to):

- Demonstrated need for pediatric outpatient services, including pediatric ambulatory surgical services, in Prince George's County;
- Proximity of Prince George's County to existing Children's outpatient centers, physician offices, and Children's Hospital; and
- Availability of adequate and cost-effective space for development of a regional outpatient facility.

Additionally, the proposed PGC ROC is located along the I-495 corridor, affording patients from eastern and southern portions of central Maryland convenient access via I-270 and I-95.

Schedule of Exhibits

Exhibit	Description
30	Financial Assistance Policy
31	Financial Assistance Application
32	Financial Assistance Notice – Patient Statements
33	Financial Assistance Notice – Public Posting
34	Completeness Questions, Table 1
35	Completeness Questions, Table 2
36	Financial Assistance Policies - Top Children's Hospitals