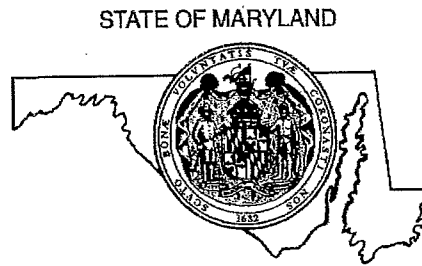


Robert E. Moffit, Ph.D.
CHAIRMAN



Ben Steffen
EXECUTIVE DIRECTOR

14

MARYLAND HEALTH CARE COMMISSION

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

January 11, 2019

VIA Email & U.S. MAIL

Kristy Blalock, Division Director
Gaudenzia, Inc.
107 Circle Drive
Crownsville, MD 21032

**Re: Gaudenzia-Crownsville
Matter No. 18-02-2421**

Dear Ms. Blalock:

After reviewing your response to our second completeness letter as well as your subsequent addendum to that response, there are still questions remaining. They follow.

Table Package

1. As there has been multiple submissions of the application tables through the course of this review, please provide a complete set that includes revisions submitted earlier, so as to eliminate any risk that the wrong “generation” of tables is analyzed as part of the staff recommendation.
2. Please define (a) “Entire facility”; and (b) “New facility” in the submitted tables package. Include the number of beds by ASAM level assumed in each of the *entire facility* and *new facility* definitions.
3. You still have not answered the question asked in the two previous completeness letters. That is: *Table D projects a profit margin that grows from 2.3% of expenses to 74% of expenses in 2020. Please comment on how profitability can be so strong and comment on how realistic that is. Add any assumptions behind these numbers that may not have been provided in the original submission.*
4. Following up on your response to question 22 on our original completeness letter and reiterated in our second completeness letter (October 23):

- a) Your response set Gaudenzia's average length of stay for Park Heights 3.7WM in 2017 at "&.2" days; staff suspects that you meant "7.2" or "8.2." What should it be?

The table immediately below is drawn from your responses. The following questions are based on that data.

Average length of Stay by ASAM Level, Gaudenzia and Maryland Facility Average

ASAM Level	Gaudenzia (3 year average, 2016-2018)	Maryland Facility Average
3.3/3.5	129.3	88 days (level 3.3)
3.7WM	7 days*	6
3.7	26.9	15

* assumes that the a ALOS for 2017 was 7.2 days

- b) Gaudenzia's ALOS for ASAM 3.3/3.5 is almost 50% longer than the Maryland Average. Please explain why, including any differences in programming or outcomes. Any references to outcomes should be well documented.
- c) Gaudenzia's ALOS for ASAM 3.7 is almost 80% longer than the Maryland Average. Please explain why, including any differences in programming or outcomes. Any references to outcomes should be well documented.

Please submit three copies of the responses to the additional information requested in this letter within ten working days of receipt (if needed, don't hesitate to request an extension). Also submit the response electronically, in both Word and PDF format, to Ruby Potter (ruby.potter@maryland.gov).

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: Billie Penley, Acting Health Officer, Anne Arundel County