



MARYLAND HEALTH CARE COMMISSION

4160 PATTERSON AVENUE – BALTIMORE, MARYLAND 21215
TELEPHONE: 410-764-3460 FAX: 410-358-1236
February 22, 2019

Via E-mail and USPS

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

Re: HealthSouth Chesapeake Rehabilitation Hospital
Matter No. 18-22-2435

Dear Mr. Smith

Staff of the Maryland Health Care Commission (“MHCC”) has reviewed the above-referenced Certificate of Need application. Thank you for your patience in allowing us the time we needed to be able to give it the attention it deserves.

We have the following completeness questions.

PROJECT IDENTIFICATION AND GENERAL INFORMATION

1. The application states that the “d/b/a” of the hospital was to change to “Encompass Health Rehabilitation Hospital of Salisbury” as of 1/1/2019. Please confirm whether that occurred and is how the applicant should now be identified.
2. Please provide a variant of Table A that augments the “before the project” configuration of licensed beds with the intended “after the project” configuration of licensed beds.

STATE HEALTH PLAN GENERAL REVIEW STANDARDS

Charity Care Policy.

3. Staff appreciates your response format, i.e., creating a table that displays each part of the standard with columns that quotes the relevant policy language and identifies where in the policy the statement can be found. HOWEVER, it appears that the applicant used the charity care standard from the Acute Care chapter rather than the (slightly different) charity care language from the Rehabilitation Hospital chapter (which you stated correctly above the table with the response). Please revise this response using the correct language from the standard.

That said, staff’s review of your responses identified several areas where “repair” of the policy and procedures is needed:

- Re: Determination of Probable Eligibility: The statement in the policy complies with this subpart. However, the Plain language Summary makes no reference to this initial determination, but instead says:

How to Apply for Assistance Under the Financial Assistance Policy

To apply for financial assistance, please submit a complete Financial Assistance Application with supporting documents to the address above.

http://encompasshealth.com/-/media/healthsouth/project/healthsouth/files/financial-assistance/2018_plain_language/salisbury_hospital_financial_assistance_policy_plain_language.pdf?la=en&hash=0E7447D8B4FAF24A094E77CCCA2765B66F6614C8

As we confirmed in your Encompass Health rehabilitation Hospital application process, requiring a completed application with considerable documentation like tax returns, bank statements, and pay stubs prior to determination of probable eligibility does not comply with the intent of this standard. The intent is to ensure that a procedure is in place to inform a potential charity care recipient of his/her probable eligibility *within two business days of initial inquiry* based on a simple and expeditious process. While final determination based on a completed application with the required documentation is permissible, the policy *and procedures* must include the more easily navigated determination of probable eligibility.

In short, your Plain Language Summary does not align with the statement in the policy. Please remedy this in your written and website Plain language Summary.

- Re: Notice of charity care policy: Please provide a copy of the Notice as posted. And re: individual notice, it needs to be provided prior to admission. Your response stated that “patients will be offered a plain language summary of the Financial Assistance Policy during discharge or intake.” The standard – and common sense – requires that it be disseminated prior to admission, not *at discharge* (by definition a time after the patient’s decisionmaking – perhaps without this information – has already occurred). So this provision is not in alignment with the standard, and needs to be revised.
4. Your application failed to respond to subparts 10.24.09.04A(1)(c)(i) and (ii) of the charity care standard.¹ Please complete your response by:
- a) Defining your level of commitment to charity care;
 - b) Disclosing the amount of charity care provided at Encompass Health’s HealthSouth Chesapeake Rehabilitation Hospital for the most recent two years;

¹ (c) A proposal to establish or expand an acute inpatient rehabilitation hospital or submit, for which third party reimbursement is available, and which is not subject to HSCRC regulations regarding financial assistance policies, shall commit to provide charitable rehabilitation services to eligible patients, based on its charity care policy, which shall meet the minimum requirements in .04A(1)(a) of this Chapter. The applicant shall demonstrate that:

(i) Its track record in the provision of charitable health care facility services supports the credibility of its commitment; and

(ii) It has a specific plan for achieving the level of charitable care provisions to which it is committed.

- c) Detail a specific plan for achieving the level of charitable care provisions to which the applicant committed for the proposed project.

Quality

5. As required by:
 - a) subpart (a)(iii) of the standard, provide documentation of compliance with the conditions of participation of the Medicare and Medicaid programs;
 - b) subpart (b) which requires an applicant to “report on all quality measures required by federal regulations or State agencies.”

Need

6. If the applicant wishes to provide further evidence of need, we offer the opportunity to augment your need case with outmigration data if so desired.

Impact

7. You state that “HSCRH is committing to 2% charity care and therefore this Project will increase access for patients who are indigent or uninsured.” 2% of what? Admissions? Patient days? Operating budget?

Transfer & Referral Agreements

8. The transfer and referral agreements provided are for treatment in general hospitals, whereas the intent of the standard is to ensure that there are “transfer and referral agreements with facilities, agencies, and organizations that: a) are capable of managing cases that exceed its own capabilities; and, b) provide alternative treatment programs appropriate to the needs of the persons it serves. Please revise the response to include such.²

AVAILABILITY OF MORE COST-EFFECTIVE ALTERNATIVES

9. The application makes reference to attachments 3 and 4 which seem to be mislabeled and the elements described are not included.
10. The application states: “HSCRH management has estimated that over the past 12 months, the Hospital has denied admission to **[insert number here]** patients for lack of an available and suitable bed due to high occupancy. Please provide this information.
11. You reference an alternative of “consider[ing] and reject[ing] the operation of a satellite hospital inpatient rehabilitation unit at a nearby health care facility.”
 - a) Which facilities came under such review?
 - b) Were any of them contacted (provide copies of any such written contact) regarding their interest?

² This standard assumes that comprehensive rehabilitation hospitals are not all the same in their capabilities and the types of patients they serve (i.e., see the range of CARF program certifications). Thus it may be appropriate that transfers occur between a rehab hospital that is strong in one type of therapy but less so in another may need to transfer a patient with certain needs to another rehab hospital that is stronger in that form of therapy... This standard is clearly based on an assumption that the required agreements are important as a way of assuring timely and effective transfer and referral. If an applicant will have every rehab specialty and can credibly make the case that it will have a substantive patient census in all these specialties, it could probably argue with some basis that it does not need agreements.

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- c) MHCC and HSCRC staff are cognizant that many CCFs believe themselves capable of such patient care. Please address the capability of such facilities in your service area to provide this care.

VIABILITY

12. The letters of support referenced on p. 40 were not provided.

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). As usual, extensions are readily available upon request.

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 me at (410) 764-5982.

Sincerely,



Kevin McDonald
Chief, Certificate of Need

cc: Carolyn Jacobs, Esquire
Ernest L. Carter, MD, PhD – Acting Director, Prince George's County Health Department