

STATE OF MARYLAND

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MARYLAND HEALTH CARE COMMISSION

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

October 19, 2018

VIA Email & U.S. MAIL

Peter D’Souza, CEO
Addiction Recovery, Inc. d/b/a Hope House
26 Marbury Drive
Crownsville, MD 21032

Re: Hope House - Matter No. 18-16-2416

Dear Mr. D’Souza:

Thank you and your colleagues at Hope House for taking the time to discuss the status of your application, in particular discussing your responses to our initial completeness letter. This second completeness letter will address the remaining elements needed to docket your application for review.

Part I- Project Identification and General Information

1. Following up on question 1 from the June 19 letter, please enhance your description of the facilities and services of Addiction Recovery, Inc. by showing the current (and proposed future) licensed bed configuration at your three facilities. As you suggested, a copy of the three licenses would be helpful to illustrate the current situation. I would suggest using a table like the one below to display that information in a clear way.

Current				After Approval			
Level	Crownsville	Laurel 1	Laurel 2	Level	Crownsville	Laurel 1	Laurel 2

Part III – Consistency with General Review Criteria at COMAR 10.24.01.08G(3)

A) State Health Plan: COMAR 10.24.14 STATE HEALTH PLAN FOR FACILITIES AND SERVICES: ALCOHOL AND DRUG ABUSE TREATMENT SERVICES standards

Identification of Intermediate Care Facility Alcohol and Drug Abuse Bed Need

2. Following up on question 4 from the June 19 letter, please discuss to the best of your ability how you convert the number of people on your waiting list to a projection of the number of beds needed. As we discussed in our phone call, factors such as average length of stay and a target occupancy rate would be involved in such a calculation.

Sliding Fee Scale

3. Your initial CON filing stated that stated that the vast majority of, but not all, patients would be Medicaid-funded, and that: "...Since there are no grey area patients a sliding fee scale is redundant." Question 6 in our June 19 letter asked you *to submit a sliding fee scale or document that there are/will be no private paying patients*, to which you responded that "... Hope House Treatment Centers self-pay rates are based off minimum operating costs for treatment. Therefore, the self-pay rates are the lowest possible rates for any given service." That response still does not satisfy what the standard is requiring. In our phone call you explained why you believe that a sliding fee scale is not needed or relevant; please carefully put that in writing.

Transfer and Referral Agreements

4. Regarding your response to question 11 in our June 19 letter, and following up on our conversation, staff is unable to match the transfer and referral agreements you provided with the category of provider they represent. As we discussed the standard requires Hope House to "provide documentation of transfer and referral agreements, in the form of letters of agreement or acknowledgement" from several types of facilities. I have inserted a table that might be useful to you in providing this information.

Category	Agreement(s) with:
Acute care hospitals	
Halfway houses, therapeutic communities, long-term care facilities	
local alcohol and drug abuse intensive and other outpatient programs	
Local community mental health center or center(s)	
The jurisdiction's mental health and alcohol and drug abuse authorities	

The Alcohol and Drug Abuse Administration (i.e., BHA)	
Mental Hygiene Administration (i.e., DHMH)	
The jurisdiction's agencies that provide prevention, education, driving-while-intoxicated programs, family counseling, and other services	

B) Need

5. Your response to question 16 stated that you were still awaiting letters from referral sources that would attest to the need for the program. Please submit when you have them, preferably as a package rather than having them come in piecemeal.

Revenue/Expense Projections (Table D)


6. Resubmit Table D to show the actual projected operating margin, reclassifying the “investment reserve” so as not to classify it as an expense. It should be shown as part of your operating margin, even if the Board then decides to set it aside for investment in future programming.
7. Salaries and benefits are projected to increase by 16%, even as the workforce grows by 5% (current year to 2020). Please explain.
8. Please explain the dramatic shift in payor mix toward Medicaid.

Please submit three copies of the responses to 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 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: Pamela Brown-Creekmur, Health Officer, Prince Georges County Health Department