



ADDICTION RECOVERY, INC

Hope House Treatment Centers

CON Completeness

Questions The attached questions and responses were created to accompany the revised application that was submitted July 31st and completeness questions submitted September 21st. Please contact me for any additional information that may be required for the completion of this application.

429 Main St. Laurel, MD 20707
410-923-6700



Hope House Treatment Centers
26 Marbury Drive
Crownsville, MD 21032

CON Completeness Questions for application at 429 Main Street, Laurel, MD 20707

The attached questions and responses were created to accompany the revised application that was submitted July 31st and the original completeness questions submitted on September 29, 2018. The updated responses to questions are colored red to differentiate the answers from the corresponding questions. Please contact me for any additional information that may be required for the completion of this application.

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.

Response:

State licensure attached.

Current				After Approval			
Level	Crownsville	419	429	Level	Crownsville	419	429
2.5	50	20	20	2.5	50	20	20
3.1	50	0	0	3.1	50	0	0
3.3	50	20	20	3.3	50	20	20
3.7	50	20	0	3.7	50	20	20
3.7WM	50	20	0	3.7WM	50	20	20

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.

Response:

In the first quarter of the fiscal year (July 1, 2018 – September 30, 2018), Hope House Treatment Centers had an average waitlist of 123 people seeking drug and alcohol treatment. Therefore, on average, Hope House Treatment Centers have a need for approximately 123 additional beds with an understanding that natural circumstances and events may decrease that number slightly. If we assume that we can successfully admit 80% of those patients, Hope House would still require an additional 98 beds. The current Certificate of Need application will satisfy 20 of those required beds.

Sliding Fee Scale

3. Your initial CON filing 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.

Response:

Hope House Treatment Centers is contracted with most major private insurances and Maryland Medicaid. All patients with insurance we are contracted with are able to use their insurance to cover the costs of treatment. There is a small portion of patients that do not have insurance and Hope House has to ability to get an “uninsured authorization” for coverage of benefits while the patient waits the application approval for Medicaid. The only individuals who would be uninsured, but do not qualify for Medicaid are individuals are above the Federal Poverty line and therefore self-pay fee structures would apply. For reasons that all patients are either financially able to pay self-pay fees or have health coverage, no sliding scale fee structure is required.

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.

Response:

Category	Agreement(s) with:
Acute care hospitals	Doctor's Hospital
Halfway houses, therapeutic communities, long-term care facilities	A+ Counseling Center, QCI, Precision Recovery
local alcohol and drug abuse intensive and other outpatient programs	A+ Counseling Center, QCI, Precision Recovery
Local community mental health center or center(s)	A+ Counseling Center, QCI
The jurisdiction's mental health and alcohol and drug abuse authorities	Behavioral Health Services Prince George's County (Drug Court System)
The Alcohol and Drug Abuse Administration (i.e., BHA)	Behavioral Health Services Prince George's County (Health Department) Anne Arundel County Mental Health Agency, Inc (Provides stabilization services to our Laurel location)
Mental Hygiene Administration (i.e., DHMH)	Behavioral Health Services Prince George's County
The jurisdiction's agencies that provide prevention, education, driving-while-intoxicated programs, family counseling, and other services	A+ Counseling, QCI, Precision Recovery

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.

Response:

Letters attesting to need are attached to this document.

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.

Response:

Table D is adjusted and attached to this document.

7. Salaries and benefits are projected to increase by 16%, even as the workforce grows by 5% (current year to 2020). Please explain.

Response:

The salaries and benefits figures shown on Table D are **including** benefits such as health insurance. The figures shown on Table G are just salaries and **do not** include benefits.

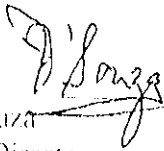
8. Please explain the dramatic shift in payor mix toward Medicaid.

Response:

This is due to the fact that effective 7/1/17 Medicaid began paying inpatient levels of care (III.7 and III.7D). In the previous years, we were only able to bill for Partial Hospitalization (III.3), which is an outpatient level of care. During those years, we were billing patients a per diem charge for room and board.

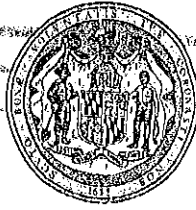
Hope House
Treatment Center

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.



Peter D'Souza
Executive Director

Date Nov 6, 2018



MARYLAND DEPARTMENT OF HEALTH
BEHAVIORAL HEALTH ADMINISTRATION
SGHC – VOCATIONAL REHABILITATION BUILDING
55 WADE AVENUE
CATONSVILLE, MARYLAND 21228

License No.: BH001122

Issued to:

Addiction Recovery, Inc. dba Hope House Treatment Centers
419 Main Street
Laurel, MD 20707

PROGRAM TYPE/SERVICE LEVEL:

Outpatient Treatment Program Level 1 (OP-1)
Intensive Outpatient Treatment Program Level 2.1 (IOP-2.1)
Partial Hospitalization Treatment Program Level 2.5 (PHP-2.5)
Residential Medium Intensity Level 3.3 (Res-3.3)
Residential Intensive Inpatient Level 3.7 (Res-3.7)
Withdrawal Management Service (WM)

- Total Beds: 20

Effective Date: August 8, 2018

Expiration Date: December 30, 2019

Deputy Secretary for Behavioral Health

(Not Transferable)

Authority to operate in the State is granted to the above entity pursuant to the Health-General Article, Sections 7.5 - 204, 8-44, and 10.901, Annotated Code of Maryland, and is subject to any and all statutory provisions, including all applicable rules and regulations promulgated thereunder. This document is not transferable and may be revoked by the Department. Falsification of a license shall subject the perpetrator to criminal prosecution and the imposition of civil fines.



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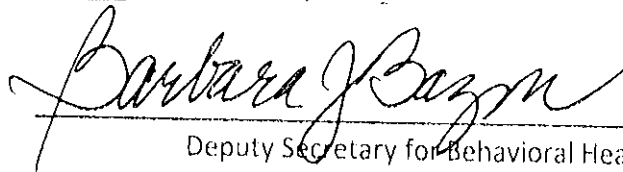
PROGRAM TYPE/SERVICE LEVEL:

DUI Education Program (DUI)
Early Intervention Program Level 0.5 (0.5)
Outpatient Treatment Program Level 1 (OP-1)
Intensive Outpatient Treatment Program Level 2.1 (IOP-2.1)
Partial Hospitalization Treatment Program Level 2.5 (PHP-2.5)
Residential Medium Intensity Level 3.3 (Res-3.3)

- Total Beds: 18

Effective Date: August 8, 2018

Expiration Date: December 30, 2019


Deputy Secretary for Behavioral Health

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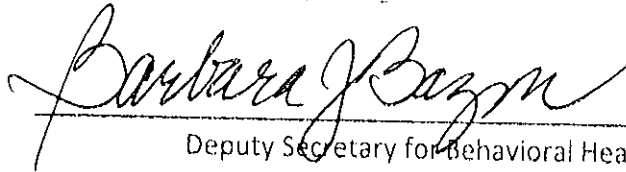
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Partial Hospitalization Treatment Program Level 2.5 (PHP-2.5)
Residential Medium Intensity Level 3.3 (Res-3.3)

- Total Beds: 18

Effective Date: August 8, 2018.

Expiration Date: December 30, 2019.


Deputy Secretary for Behavioral Health

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Memorandum of Understand

THIS MEMORANDUM OF UNDERSTANDING

Is made this 1st day of NOVEMBER 2018.

By and between

Hope House Treatment Center and Doctors Community Health System

The partners entering into this Memorandum of Understanding have agreed to form collaborative services as given in the following Articles and clauses:

Hope House Treatment Center
429 Main Street
Laurel, Maryland 20707
Peter D'Souza, Executive Director / Laura Adler, Director of Nursing

And

Doctors Community Health System
8118 Good Luck Road
Lanham, Maryland 20706

Article I) Purpose and Scope: To identify substance abusing patients and make referrals for assessments, detoxification and other treatment services as indicated by Doctors Community Health System.

Article II) Background: Doctors Community Health System has identified a need for some of its consumers/customers to receive inpatient substance abuse treatment, which Hope House Treatment Center can provide. Doctors Community Health System provides ongoing Medical Care. Ideally, those

who are being provided Medical Care and have been assessed with Chemical Dependency Disorder have the overall goal to be guided toward healthy and socially successful lives. Abstinence and stabilization is the goal of Hope House Treatment Center.

Article III) Roles and Responsibilities of Party A: Hope House Treatment Center is licensed and certified by the State of Maryland as a detoxification, residential treatment, and outpatient alcohol and drug treatment facility for adult men and women over the age of 18. Hope House is accredited by the Commission on Accreditation of Rehabilitation Facilities (CARF). Hope House Treatment Center accepts most major medical insurances, Maryland Medicaid, and private pay. Hope House will provide inpatient treatment services pending completion of initial screening and approval for inpatient level of care.

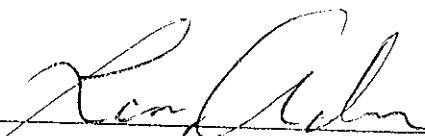
Article IV) Roles and Responsibilities of Party B: Doctors Community Health System will refer the consumers who could benefit from the substance abuse treatment services provided by Hope House Treatment Center. Although this is a collaborative effort between the parties named above, Hope House is not under contract with Doctors Community Health System. To that extent, Doctors Community Health System remains its own entity and is not obligated to make any payment to Hope House Treatment Center, as Hope House is not employed by Doctors Community Health System.

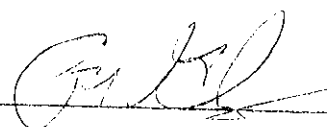
Article V) Issues of Mutual Understanding: Hope House is a substance abuse treatment provider and Doctors Community Health System is a Community Based Hospital. These boundaries are clear to staff and potential participants in the collaboration. Consents to obtain and release patient information must be obtained for each referral in order to communicate regarding their individual circumstances.

Article VI) Compensation Details: See information above regarding insurance reimbursement.

Article VII) Terms of Understanding: The term of this MOU is for a period of 3 years from the effective date of this agreement and may be extended upon written mutual agreement. It shall be reviewed at least annually to ensure that it is fulfilling its purpose and to make any necessary revisions.

Article VIII) Signatures and Effective Date:

(Party A)  Date 11/1/18
Laura Adler, Director of Nursing

(Party B)  Date 11-1-18

Doctors Community Health System
Paul R. Grimaldo
Executive Vice President
Chief Operating Officer



October 30, 2018

To Whom It May Concern:

I am writing this letter to support the proposed increase in detox beds at Hope House Treatment Center in Laurel, MD. Maryland House Detox (a Delphi Behavioral Health Group facility) and Hope House Treatment Center have established a referral relationship to close the gaps of availability of substance use treatment in our state.

Maryland House Detox has a limited number of beds available to individuals who qualify for Medicaid. Currently, Hope House serves a large portion of indigent and gray-area patients that Maryland House Detox cannot serve; therefore, it is crucial for an organization like Hope House Treatment Center to have access to additional detox beds to serve a traditionally underserved population. Additionally, with the current status of the opioid epidemic, if Maryland House Detox acquires a waitlist, Hope House Treatment Center could be another resource to refer potential patients.

A handwritten signature in black ink, appearing to read 'David Stup', is written over a white background.

David Stup
Director of Corporate Business Development
M: 443.900.7585
O: 954.487.1246
F: 954.337.0473
1901 West Cypress Creek Rd, 6th Floor
Fort Lauderdale, FL 33309
Inspiring Wellness at delphihealthgroup.com
Addiction and Mental Health Treatment



SERENITY SISTAS' INC.
WWW.SERENITYSISTAS.ORG

Serenity Sistas' Inc.

311 Epping Way
Annapolis, Maryland 21401

443-214-5526

10/20/2018

Hope House
429 Main St.
Laurel, MD 20707

Greetings,

As you know, families and individuals in our community are currently facing an epidemic with substance abuse and are either directly or indirectly affected by the disease of addiction. While all of us are susceptible to hard times, young adults are at the most risk, and they make up the largest number of clients we serve.

As the director of Serenity Sistas, I field calls every day from individual or family members looking for help. Often these calls are desperate request for detoxification services. As a supportive housing provider I help to the best of my ability, however the lack of or waitlist for "detox beds" is alarming. If individuals cannot access this service in a timely manner, it can certainly mean death.

With the expansion of organizations such as Hope House, we can help many of these individuals live a healthy life style without substances.

It's amazing how far we have come from the inception of our program in 2012. Yet despite our success, the demand for our program continues to grow, making your services more important than ever. Your continued partnership will enable us to spread the magic of the program to many more individuals from around the state (and country) in the months ahead.

For more information on how your organization is helping to make a difference in the lives of so many in our community, we invite you to visit our website at www.serenitysistas.org.

Thank you again, and we look forward to your continued support.

Respectfully,

Angel Traynor
Program Director
443-214-5526 | Office Phone
410-507-7583 | Cell Phone
serenitysista1@gmail.com | Email

*Serenity Sistas' Inc. is a 501 (c)(3) non-profit organization. You may be able to deduct some or the entire amount for tax purposes. Please consult with your attorney or accountant. This letter affirms that neither goods nor services were provided in consideration for your gift.

TABLE D. REVENUES & EXPENSES, UNINFLATED - ENTIRE FACILITY

INSTRUCTION: Complete this table for the entire facility, including the proposed project. Table D should reflect current dollars (no inflation). Projected revenues and expenses should be consistent with the projections in Table C and with the costs of Manpower listed in Table G. Manpower. Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). In an attachment to the application, provide an explanation or basis for the projections and specify all assumptions used. Applicants must explain why the assumptions are reasonable. Specify the sources of non-operating income. See additional instruction in the column to the right of the table.

Indicate CY or FY	Two Most Recent Years (Actual)		Current Year Projected	Projected Years (ending at least two years after project completion and full occupancy) Add columns if needed in order to document that the hospital will generate excess revenues over total expenses consistent with the Financial Feasibility standard.	
	FY'16	FY'17		FY'18	FY'19
1. REVENUE					
a. Inpatient Services	\$ 4,558,924	\$ 4,959,339	\$ 6,727,889	\$ 7,106,238	\$ 7,106,238
b. Outpatient Services	\$ 122,061	\$ 96,994	\$ 106,195	\$ 158,909	\$ 158,909
Gross Patient Service Revenues	\$ 4,680,985	\$ 5,056,333	\$ 6,834,084	\$ 7,265,147	\$ 7,265,147
c. Allowance For Bad Debt	\$ 330,346	\$ 283,920	\$ 202,276	\$ 47,115	\$ 47,115
d. Contractual Allowance					
e. Charity Care					
Net Patient Services Revenue	\$ 4,350,639	\$ 4,772,413	\$ 6,631,808	\$ 7,218,032	\$ 7,218,032
f. Other Operating Revenues					
Grants	\$ 209,800	\$ 86,541	\$ 82,102	\$ 78,600	\$ 78,600
Contributions	\$ 7,790	\$ 30,779	\$ 32,583	\$ 4,856	\$ 4,856
Other	\$ 7,364	\$ 2,667	\$ 12,988	\$ 12,417	\$ 12,417
NET OPERATING REVENUE	\$ 4,575,593	\$ 4,892,400	\$ 6,759,481	\$ 7,313,905	\$ 7,313,905
2. EXPENSES					
a. Salaries & Wages (including benefits)	\$ 3,286,182	\$ 3,738,534	\$ 4,662,284	\$ 5,152,603	\$ 5,410,233
b. Contractual Services	\$ 135,752	\$ 167,106	\$ 176,480	\$ 180,655	\$ 189,688
c. Interest on Current Debt	\$ 3,917	\$ 2,351	\$ 2,200	\$ 2,000	\$ 2,000
d. Interest on Project Debt					
e. Current Depreciation	\$ 128,658	\$ 148,247	\$ 135,091	\$ 155,659	\$ 163,442
Project Depreciation					
f. Current Amortization					
Project Amortization					
Supplies	\$ 21,404	\$ 25,350	\$ 26,528	\$ 38,201	\$ 40,111
Other Expenses (See attached detail)	\$ 735,593	\$ 765,699	\$ 955,192	\$ 1,162,667	\$ 1,220,800
TOTAL OPERATING EXPENSES	\$ 4,311,506	\$ 4,847,387	\$ 5,957,775	\$ 6,691,785	\$ 7,026,274
3. INCOME					
a. Income From Operation	\$ 264,087	\$ 45,013	\$ 801,706	\$ 622,120	\$ 287,631
b. Non-Operating Income					
SUBTOTAL	\$ 264,087	\$ 45,013	\$ 801,706	\$ 622,120	\$ 287,631
Income Taxes					
NET INCOME (LOSS)	\$ 264,087	\$ 45,013	\$ 801,706	\$ 622,120	\$ 287,631

Detail of Other Expenses
 (From Table D)

	FY'16	FY'17	FY'18	FY'19	FY'20
Food Service	193,149	214,476	317,847	311,143	326,700
Utilities	126,285	132,457	131,277	175,451	184,224
Building maintenance, and security	110,587	121,631	146,747	183,574	192,753
Professional fees	105,421	84,096	85,809	93,333	98,000
Purchase of service	59,952	66,989	68,895	75,908	79,703
Medical supplies	60,444	54,146	68,827	148,562	155,990
Insurance	37,714	43,073	44,711	49,585	52,064
Bank fees	6,392	11,817	9,686	3,909	4,104
Miscellaneous	12,220	12,675	35,170	36,786	38,625
Auto and travel	12,182	11,251	11,397	20,131	21,138
Professional dues	4,186	5,718	5,826	10,231	10,743
Loss on claim	2,369	2,723	-	-	-
Advertising	15	2,707	24,000	51,961	54,559
Staff training	4,677	1,940	5,000	2,093	2,198
Total	735,593	765,699	955,192	1,162,667	1,220,800