

June 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. 18-22-2417

Dear Mr. D'Souza:

Commission staff has reviewed the CON request for the above-referenced project and found it incomplete. Please respond to the following completeness questions. Please be aware that staff needs answers to be detailed and complete enough to support a report and recommendation to the Commission. Many of your responses are exceeding sparse, making staff's ability to meet that task very difficult.

Part I- Project Identification and General Information

1. Provide a thorough description of the facilities and services of Addiction Recovery, Inc.
Updated program/facility description.
2. Even though the project as described does not involve construction, please provide drawings of the facility that meet the description in Part 1, number 12, i.e., *Floor plans for each floor affected with all rooms labeled by purpose or function, number of beds, location of bath rooms, nursing stations*, if such drawings are available.
Floor plans for Laurel location added to Appendix A. Includes buildings 419 and 429 Main Street. CON for 429 Main Street.

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

3. Please respond to this standard by indicating the proportion of beds that are expected to serve publicly funded patients vs. private pay patients.
Updated response. Added waitlist numbers to Appendix C.
4. You failed to address subpart (2)(a) of this standard, which requires you to "Document the need for the number and types of beds being applied for." Your response stated: "We already have a big waiting list of patients who require Detoxification, Stabilization and Treatment. Maryland is already experiencing a Heroin Epidemic and the Governor has declared a State of Emergency."

Please be more quantitative and specific regarding patients requiring this service and documenting the waiting list. The longer the time frame you can provide quantitative documentation for, the stronger your response would be.

Updated response. Added waitlist numbers to Appendix C.

5. You also failed to make assurances and agreements required under (2) b, c, and d, i.e.:

(b) Agree to co-mingle publicly-funded and private-pay patients within the facility;

Updated response.

(c) Assure that indigents, including court-referrals, will receive preference for admission, and

Updated response.

(d) Agree that, if either the Alcohol and Drug Abuse Administration, or a local jurisdiction terminates the contractual agreement and funding for the facility's clients, the facility will notify the Commission and the Office of Health Care Quality within 15 days that that the facility is relinquishing its certification to operate, and will not use either its publicly- or privately-funded intermediate care facility beds for private-pay patients without obtaining a new Certificate of Need.

Updated response.

Sliding Fee Scale

6. You have stated that the vast majority, but not all, patients would be Medicaid-funded; thus your response that: "...Since there are no grey area patients a sliding fee scale is redundant" seems contradictory. Please submit a sliding fee scale or document that there are/will be no private paying patients.

Updated response.

Information Regarding Charges

7. You responded that this standard is not applicable. Please explain why that is so, or provide a list of services and prices.

Updated response.

Age Groups

8. Part (1) of this standard requires the applicant to *document age-specific treatment protocols for...adults ages 18 and older*. Please provide.

Updated response. See Appendix D for Treatment Protocols.

Quality Assurance

9. You failed to respond to subpart (2) of this standard, which states: *A Certificate of Need-approved ICF must be certified by the Office of Health Care Quality before it begins operation, and must maintain that certification as a condition of continuing authority to operate an ICF for substance abuse treatment in Maryland*. Please respond acknowledging and asserting agreement to comply with this requirement.

Updated response.

Utilization Review and Control Programs

10. Applicant responded by including its utilization management plan as an exhibit. In order to demonstrate the plan's alignment with the specifications in the standard, please quote the statements and cite the section in the plan that addresses each of the following:
- a) treatment protocols **Appendix D**
 - b) policies governing admission **Appendix H**
 - c) policies governing length of stay, **Appendix I**
 - d) policies governing discharge planning, and **Appendix J**
 - e) policies governing referral. **Appendix H and Appendix J**
 - f) documentation that each patient's treatment plan includes, or will include, at least one year of aftercare following discharge from the facility

Updated response.

Transfer and Referral Agreements

11. Hope House failed to provide a response to standard 05J. Transfer and Referral Agreements. As subpart (2) of the standard demands, "provide documentation of transfer and referral agreements, in the form of letters of agreement or acknowledgement from each of the following types of facilities:

- (a) Acute care hospitals;
- (b) Halfway houses, therapeutic communities, long-term care facilities, and local alcohol and drug abuse intensive and other outpatient programs;
- (c) Local community mental health center or center(s);
- (d) The jurisdiction's mental health and alcohol and drug abuse authorities;
- (e) The Alcohol and Drug Abuse Administration and the Mental Hygiene Administration;
- (f) The jurisdiction's agencies that provide prevention, education, driving-while-intoxicated programs, family counseling, and other services; and,
- (g) The Department of Juvenile Justice and local juvenile justice authorities, if applying for beds to serve adolescents.

Updated response. See **Appendix K**.

Sources of Referral

12. Please document that 50 percent of the facility's annual patient days will be generated by the indigent or gray area population. Document the statement made in the application that: *More than 80% of the patients that we serve are on Medicaid and are considered indigent or gray area population.* This can be done by documenting the payor mix at Addiction management's existing facilities for the last several years.

Updated response. See **Appendix L**.

Sub-Acute detoxification

13. Please describe the applicant's admission standards, treatment protocols, staffing standards, and physical plant configuration which enable it to treat alcohol or drug abusers requiring sub-acute detoxification.

Updated response. See Appendix H, D, N, and A.

Voluntary Counseling, Testing, and Treatment Protocols

14. The applicant failed to respond to this standard (.05N). Please rectify that omission.

Updated response. See Appendix O and P.

Outpatient Alcohol & Drug Abuse Programs

15. Provide a listing of the outpatient programs to which Hope House refers its patients for outpatient care, and provide copies of the referral agreements with those organizations. Also, respond to each subpart of this standard.

Updated response. See Appendix Q.

B) Need

16. Document the need for III.7/III.7D services by a) providing data for Hope House showing the number of such patients served, patient-days, and waiting lists covering the last three complete fiscal years, and; b) providing letters from referral sources attesting to the need.

Updated response. See Appendix C and R.

C) Availability of More Cost Effective Alternatives

17. As the instructions request, a) specify the project's goals and objectives; b) describe any alternative approaches considered, and why the chosen alternative is the most cost-effective.

Updated response.

D) Viability of the Proposal

Project Budget

18. There is no cost projected to implement this project, despite the apparent addition of 6 beds to the existing 16 bed residential services. Please confirm that this is accurate.

This is correct. There are no additional capital expenditures needed for this project.

Statistical and Revenue/Expense Projections (Tables C,D,F)

19. Please indicate what facility(s) and/or locations the data on Table C (Entire Facility) refers to. Indicate the locations of each bed listed in section 4 of that table.

This includes 26 Marbury Drive, Crownsville, MD, 419 Main Street, Laurel, MD and 429 Main Street, Laurel, MD locations.

20. What does "PHP" and "PHP III.3" stand for?

Partial Hospitalization which is Level III.3 of care.

21. Why is the line for III.7 and III.7D vacant of occupancy % data? Submit a corrected Table C if necessary.
See corrected table for FY '18, '19, and '20. For FY '16 and FY '17, we were not contracted for level III.7 and III.7D with Medicaid.
22. Please indicate what facility(s) and/or locations the data on Table D (Entire Facility) refers to.
This includes 26 Marbury Drive, Crownsville, MD, 419 Main Street, Laurel, MD and 429 Main Street, Laurel, MD locations.
23. Tables D and E are incomplete; section 4, Patient Mix, was left blank on Table D, and the occupancy percentages were left blank on Table E. Submit corrected and complete tables.
See revised schedules (Table D and Table E).
24. Tables D and F, both of which are essentially an income statement, appear to be inconsistent. Table D (entire operation) shows a profit for 2016 and 2017 (cumulatively \$309,000), and projects break-even operations in the current year as well as for 2019 and 2020. Table F (the new service only) projects substantial profitability (close to \$700,000 over those two years). Logically that means that without adding this new service Hope House would face substantial losses in the future. Please explain this apparent inconsistency.
See revised tables. Also note the detail "other expenses" FY '18, '19, and '20 line item "Investment Reserve."

Workforce Information (Table G)

25. This table is not accurately completed.
- The columns showing the number of employees by category multiplied by the average salary of, and total cost for, employees in that category do not align.
 - Total employee cost shown on this table does not agree with the salaries line in the revenue/expense tables.
 - Projected staffing – and staffing costs – do not change from the current year to the projected years, meaning 1) there are no staffing changes, and 2) no salary increases, over that time; is that accurate?
- See revised schedule (Table G).**

E) Impact on Existing Providers

26. Please provide a more thorough statement regarding your proposal's likely impact on the service area population's access to the service and on costs to the health care system.
Updated Response.

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