



Dimensions Healthcare System

July 7, 2016

VIA EMAIL

Ms. Eileen Fleck
eileen.fleck@maryland.gov
Chief for Specialized Services
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore MD 21215

Re: *Proposed Draft State Health Plan for Facilities and Service—
Freestanding Medical Facilities, COMAR § 10.24.19
Informal Comments Submitted by the University of Maryland Medical System*

Dear Ms. Fleck:

I am writing on behalf of Dimensions Healthcare System (“DHS”), to submit informal comments on the proposed draft State Health Plan for Facilities and Services: Freestanding Medical Facilities, which was presented for informal review and comment on June 23, 2016 (the “Draft Plan”). Dimensions’ comments are submitted in support of, and to supplement, the comments submitted by Donna Jacobs, Esq. on behalf of the University of Maryland Medical System (“UMMS”).

The Draft Plan is needed to facilitate the modernization of some smaller acute care hospitals, like Laurel Regional Hospital (“LRH”), which is a member facility managed by DHS. Therefore, DHS strongly supports implementation of the Draft Plan as a permanent regulation. However, like UMMS, DHS is of the opinion that the Draft Plan should be modified as outlined in Ms. Jacobs’ letter.

It is critically important for the Maryland Health Care Commission (the “Commission”) to provide a clear process that allows certain existing acute general hospitals to promptly transition to freestanding medical facilities (“FMFs”). A number of Maryland acute care hospitals, like LRH, are struggling financially as a result of the sweeping changes in health care. However, they still fill an important role in their communities and in improving the population health status of the citizens of Maryland. Those facilities must be preserved in a manner that allows for their long term viability. They are needed to help meet the challenge of converting Maryland’s health care system to one that is focused on wellness and population health.

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The Maryland General Assembly, in consultation with the Commission, wisely determined to allow for a CON exemption process for conversion of an existing hospital to an FMF. It also authorized the HSCRC to regulate rates for outpatient services to be provided in an FMF. In order to ensure that these converted facilities can meet the needs of their communities, it is necessary for the Draft Plan to be revised so that it permits converted FMFs to provide a broader range of services beyond emergency services.

As intended by the Maryland General Assembly, state health policy should encourage small community hospitals to convert to FMF's without having to submit to the full Certificate of Need ("CON") process, which is expensive, time consuming and administratively burdensome. Through the regulatory structure governing CON exemptions, the Commission will retain significant discretion to deny a requested exemption if it finds that the request is not in the public interest. For the reasons stated above, Dimensions Healthcare System strongly and respectfully urges the Commission to modify the Draft Plan to allow for the modernization of small acute care hospitals into Freestanding Medical Facilities that can offer their communities with a robust complement of health care services.

Thank you for your consideration of these comments. Please contact me if you have any questions.

Sincerely yours,



Carl Jean-Baptiste, JD, MBA
Senior Vice President &
General Counsel
Dimensions Healthcare System

cc: Neil J. Moore, MBA, MPA
Jeffrey Johnson, MBA, FACHE
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