

STATE OF MARYLAND

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**MARYLAND HEALTH CARE COMMISSION**

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**TO:** Commissioners

**FROM:** Kevin R. McDonald  
Chief, Certificate of Need 

**DATE:** November 21, 2019

**SUBJECT:** Consolidation of Adult Acute Psychiatric Beds: Three LifeBridge Health General Hospitals  
Docket 19-24-EX011

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The attached staff report and recommendation considers the proposed consolidation of the acute psychiatric bed capacity and psychiatric inpatient services currently provided at three LBH general hospitals into two of those hospitals and to increase overall psychiatric bed capacity. The three LBH hospitals are: Sinai, located in Baltimore City; Northwest, located in Randallstown (Baltimore County); and Bon Secours Baltimore Hospital (“Bon Secours”), located in Baltimore City. Bon Secours was acquired by LBH on November 1, 2019.

The applicants plan to add a total of 36 acute psychiatric beds to the existing inpatient psychiatric services at Sinai (24 beds) and Northwest (12 beds) and to cease operation of inpatient psychiatric services at Bon Secours when the expanded facilities at Sinai and Northwest become operational. The plan to consolidate acute psychiatric inpatient services that is the subject of this exemption request is described as the first stage of a larger plan by LBH to reconfigure health care services in the West Baltimore neighborhoods served by Bon Secours.

Total project cost is estimated to be \$8,000,000; sources of funds include \$6,000,000 in cash from Sinai Hospital and \$2,000,000 in cash from Northwest Hospital.

Staff recommends that the Commission **APPROVE** the project based on its review of the consistency of the project with the applicable criteria and standards.

<b>IN THE MATTER OF THE</b>	*	
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<b>CONSOLIDATION OF ADULT</b>	*	<b>BEFORE THE</b>
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<b>ACUTE PSYCHIATRIC BEDS:</b>	*	
	*	<b>MARYLAND HEALTH</b>
<b>THREE LIFEBRIDGE HEALTH</b>	*	
	*	
<b>GENERAL HOSPITALS</b>	*	<b>CARE COMMISSION</b>
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<b>Docket No. 19-24-EX011</b>	*	
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**STAFF REPORT AND RECOMMENDATION  
REQUEST FOR EXEMPTION FROM CERTIFICATE OF NEED REVIEW**

**I. INTRODUCTION**

LifeBridge Health, Inc. (“LBH”), Sinai Hospital of Baltimore, Inc. (“Sinai”), and Northwest Hospital Center, Inc. (“Northwest”) (collectively, “the applicants”) request an exemption from Certificate of Need (“CON”) review for their plan to consolidate the acute psychiatric bed capacity and psychiatric inpatient services currently provided at three LBH general hospitals into two of those hospitals and to increase overall psychiatric bed capacity. The three LBH hospitals are: Sinai, located in Baltimore City; Northwest, located in Randallstown (Baltimore County); and Bon Secours Hospital Baltimore, Inc. (“Bon Secours”), located in Baltimore City. Bon Secours was acquired by LBH on November 1, 2019.

**A. Background**

On August 26, 2019, LBH notified the Maryland Health Care Commission (“Commission”) of its intent to acquire Bon Secours Baltimore Hospital. The acquisition was described as pursuant to an August 19, 2019 Master Affiliation Agreement among: LBH; Bon Secours; Bon Secours Baltimore Health Corporation (“BSBHC”) the current sole member of Bon Secours; and Bon Secours Mercy Health Inc., the sole member of BSBHC. As of November 1, 2019, LBH is the sole member of Bon Secours (DI #1, Exh. 1).

The plan to consolidate acute psychiatric inpatient services that is the subject of this exemption request is described as the first stage of a larger plan by LBH to reconfigure health care services in the West Baltimore neighborhoods served by Bon Secours. The reconfiguration plan will terminate most of Bon Secours’ provision of medical and surgical inpatient care, the other inpatient service that the hospital has provided in recent years, with the exception of a 14-bed complement of medical/surgical beds that will remain in service to fulfill a contract that Bon Secours has with the Maryland Department of Corrections to provide inmates with inpatient hospital care.

LBH states that the second stage of the reconfiguration plan may take the form of a conversion of Bon Secours to a freestanding medical facility (“FMF”) or, alternatively,

replacement of the general hospital. An FMF is a freestanding emergency center that provides round-the-clock emergent and urgent care similar to that most typically<sup>1</sup> provided in a general hospital emergency department. Maryland law requires that an FMF be operated as an administrative unit of a parent general hospital which, in this case, would be Sinai.

The third stage of the LBH plan, following conversion of Bon Secours to an FMF or replacement of the general hospital, is establishment of a resource center to serve the Bon Secours Hospital community. The resource center is envisioned to include healthy food initiatives, job training programs, school mentoring programs, and population health initiatives. It is expected to be sized at approximately 40,000-square feet, and will be located either in an existing building in the community to be acquired and repurposed by LBH, or new construction on or near the existing Bon Secours Hospital campus.

This exemption request is limited to the relocation and addition of inpatient psychiatric beds within a merged asset system from Bon Secours to Sinai (24 additional beds) and Northwest (12 additional beds), and the renovations required to accommodate the expansion of bed capacity at those two hospitals. (DI #1, Exh. 2, 3).

After the completion of the renovations, all inpatient behavioral health services will be transitioned from Bon Secours to Sinai and Northwest. Although inpatient medical and surgical care will also be transitioned to Sinai and other LBH facilities, the plan does not include moving medical and surgical beds to either of these LBH hospitals, neither of which is planning to expand its current number of licensed medical and surgical beds.

## **B. The Applicants**

LBH is a health care system that, among a range of health care facilities and programs, includes six general and special hospitals on five campuses in Baltimore City, Baltimore County, and Carroll County. The LBH general hospitals are Sinai, Northwest, Carroll Hospital, and, as of November 1, 2019, Bon Secours Hospital. Sinai's campus also includes a special rehabilitation hospital, Levindale Hebrew Geriatric Center and Hospital, an LBH facility that includes a special

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<sup>1</sup> In Maryland, an FMF must have the ability to care for patients of all ages categorized as Emergency Medical Services Priority Levels 2 through 4, as well as EMS Priority Level 1 patients who suffer from either an unsecured airway, are in extremis, or suffer from a stroke and are brought to the FMF because an accredited primary or comprehensive stroke facility was greater than 15 additional minutes of drive time away. Priority level 1 patients presenting at the FMF are stabilized at the facility before transport to a full ED. The Maryland Institute for Emergency Medical Services Systems ("MIEMSS") uses the following classifications for patient priority level: Priority 1 patients are critically ill or injured person requiring immediate attention and unstable patients with life-threatening injury or illness; Priority 2 patients have less serious conditions not immediately endangering the patient's life but those conditions are potentially life-threatening injuries or illnesses requiring emergency medical attention; Priority 3 patients have non-emergency conditions, requiring medical attention but not on an emergency basis; Priority 4 patients do not require medical attention.

rehabilitation hospital, a special chronic care hospital, and a comprehensive care facility (nursing home).

Sinai, located in northwest Baltimore City, is a 348-bed general hospital that is currently licensed to operate 24 acute psychiatric beds for adults.

Northwest Hospital, located in Randallstown (Baltimore County), is a 190-bed general hospital with 37 licensed acute psychiatric beds for adults.

Bon Secours is a 71-bed general hospital with 27 licensed acute psychiatric beds for adults. It is a hospital that has historically been a member of hospital systems affiliated with the Roman Catholic Church. In 2018, it became a member of Bon Secours Mercy Health System when that system consolidated its operations with Bon Secours Health. It was the only Maryland hospital with membership in Bon Secours Mercy Health System.

Sinai is located approximately five miles from the Bon Secours campus and travel time between the two campuses is estimated at 14 to 19 minutes. Northwest is located approximately ten miles from the Bon Secours campus and travel time between the two hospital sites is estimated to be 23 to 29 minutes.<sup>2</sup>

### **C. The Project**

The project would redistribute the psychiatric bed capacity operated by Bon Secours to Sinai and Northwest, adding a total of 36 additional adult psychiatric beds to the latter hospitals. This results, from a licensed bed perspective, in a net addition of nine psychiatric beds over the licensed bed capacity currently in place at the three hospitals.<sup>3</sup> Post-project, Bon Secours would no longer provide inpatient psychiatric hospital services and Sinai and Northwest would operate larger adult psychiatric programs. Twenty-four of the 36 beds will be added to the psychiatric bed complement of Sinai Hospital, increasing the bed capacity of its adult psychiatric program to 48 beds, and 12 beds will be added at Northwest, expanding its psychiatric bed capacity to 49 beds. To accommodate the additional beds, both Sinai and Northwest will renovate existing building space, which are the capital projects that are included in this review.

Sinai proposes to renovate 13,000 square feet (“SF”), currently leased to Seasons Hospice and Palliative Care for operation of an inpatient hospice unit, to allow for the addition of six private

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<sup>2</sup> MapQuest.com

<sup>3</sup> Bon Secours currently has allocated 27 of its total licensed acute care bed capacity (71) to psychiatric services for fiscal year 2020 (effective July 1, 2019). It reports a physical bed capacity in its psychiatric unit of 35 beds. Bon Secours states that its average daily census of psychiatric patients in the first seven months of calendar 2019 was 28.2 patients. At the time of relicensure in 2020, this ADC, if it continues, would result in licensure of 39 adult psychiatric beds under Maryland's dynamic licensure law. Thus, in effect, this exemption request would add one bed to Bon Secours psychiatric bed unit. Under the applicants' plan, Bon Secours would actually have physical capacity for 39 beds in FY2021 since most inpatient services (i.e., for non-incarcerated patients) will be provided at Sinai or Northwest.

and nine semi-private rooms for adult psychiatric services. These renovations are estimated to cost \$4.87 million. The relocation of the hospice program to a vacant medical surgical unit, a necessary precursor for creating the additional space proposed for expansion of psychiatric bed capacity, is estimated to require an additional \$1.13 million in renovation and other expenses. (DI #6, Table E-Sinai).

At Northwest, an existing 6,500 SF patient care unit, currently used for medical surgical “surge” capacity during high patient census periods, will be converted into a 12-bed psychiatric unit with 12 private rooms. The required renovations at Northwest Hospital are estimated to cost \$2 million. (DI #6 Table E-Northwest). LBH anticipates that the required renovations at the two hospitals will take approximately one year to complete.

## **II. LEGAL QUALIFICATION FOR AN EXEMPTION FROM CERTIFICATE OF NEED REVIEW**

The Commission may exempt certain actions proposed by a health care facility or merged asset system comprised of two or more health care facilities from the requirement of CON review and approval. Under COMAR 10.24.01.04A(3), one of those permitted actions is “a change in the bed capacity of an existing health care facility pursuant to the consolidation or merger of two or more health care facilities,” subject to certain notification, information, and demonstration requirements. In this case, the relocation of Bon Secours’ psychiatric bed capacity is made pursuant to the consolidation of Bon Secours into Life Bridge Health, a merged asset system that also contains Northwest and Sinai.

## **III. NOTICE BY THE COMMISSION TO THE PUBLIC**

Notice of this request for an exemption from CON review was published in the *Baltimore Sun* on September 21, 2019. Notice of the request was also published in the *Maryland Register* on September 12, 2019. No comments were received in response to publication of these notices.

## **IV. PUBLIC INFORMATION HEARING**

A public informational hearing is required under certain circumstances when a hospital requests an exemption from CON review for the closure or partial closure of a hospital, if the hospital is located in a jurisdiction with fewer than three acute general hospitals. All three of the hospitals proposed to see a change in bed capacity as a result of this request are located in jurisdictions, Baltimore City and Baltimore County, containing more than three acute general hospitals. Thus, no public informational hearing was required as part of this review.

## V. PROCEDURAL HISTORY

Docket Item #	Description	Date
1	Request for exemption from CON review	Aug. 30, 2019
2	Letter of support - Samuel Ross, Bon Secours	Sept. 4, 2019
3	Request to publish notice of request for exemption in <i>Baltimore Sun</i>	Sept. 12, 2019
4	Request to publish notice of request for exemption in <i>Maryland Register</i>	Sept. 12, 2019
5	MHCC staff request for additional information	Sept. 3, 2019
6	Submission of additional information by LBH	Sept. 30, 2019
7	Submission of opioid use policy by LBH	Oct. 4, 2019
8	Submission of alcohol use policy by LBH	Oct. 4, 2019

## VI. DETERMINATION OF EXEMPTION FROM CERTIFICATE OF NEED REVIEW

### Determination of Exemption from Certificate of Need Review

COMAR 10.24.01.04E(2) directs the Commission to issue an exemption from CON review for the relocation of bed capacity if the merged asset system proposing the project has provided the required information, and the Commission, in its sole discretion, finds that the proposed action:

- (a) Is in the public interest;
- (b) Is not inconsistent with the State Health Plan; and
- (c) Will result in more efficient and effective delivery of health services.

#### A. Is in the Public Interest

The applicants state that elimination of the inpatient behavioral health program at Bon Secours and expansion of the programs at Sinai and Northwest is in the public interest because it will provide for “the inpatient behavioral health care needs of the Bon Secours Hospital community to be met in modern, state of the art inpatient units at Sinai Hospital and Northwest Hospital” where these patients will have access to a wider array of supportive acute care hospital resources and services while, at the same time, critical community-based outpatient behavioral health programs will be maintained at Bon Secours West Baltimore location. (DI #1, pp. 13-14).

More broadly, the applicants place the proposed projects in the context of its longer-term plan for reconfiguring the Bon Secours site to an outpatient medical service campus or a replacement hospital.<sup>4</sup> The applicants state the planned changes mean that patients who have historically used the facilities and services of Bon Secours will have better access to specialty physicians and advanced treatments and that this will enable better and more consistent follow-up care. They note that some patients visiting the Bon Secours emergency department are already

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<sup>4</sup> See Background, *supra*, pp. 1-2.

transferred to other hospitals because they need services (e.g., otolaryngology, neurology, pulmonology, dialysis-related vascular surgical services, and gastroenterology) that are not accessible or consistently available on site at Bon Secours. (DI #1, pp. 3-4). The applicants state that this project will primarily benefit area residents by modernizing the physical facilities and improving the quality of care and the integration of care currently achievable by Bon Secours.

The applicants point out that, although this exemption request is narrowly defined as a change in the bed capacity of hospitals within a merged asset system, the initiative of which it is a part, a broader consolidation and expansion of services in conjunction with eliminating inpatient facilities and services available to the general public, will provide the community that is traditionally dependent upon Bon Secours with significant benefits. They state that the savings realized from the reconfiguration and expansion of services will result in:

significant investment by LBH to create a modern health care campus providing high quality, affordable health care and health care-related services improving access to care and tailored to the needs of its community. Further, the savings resulting from the reconfiguration of services under the [merger] will be reinvested in the community to further address health care needs and the social determinants of health, reduce health disparities, improve the delivery of healthcare in, and benefit the poor and underserved of, the West Baltimore community. The reconfiguration of the behavioral health service at Bon Secours Hospital is a central – and indispensable – component of the overall reconfiguration of services under the [Master Affiliation Agreement] that will bring about these significant benefits to the public. (DI #1, pp.13-14).

With respect to impact on the patient population that has recently used the psychiatric hospital services of Bon Secours, the applicants project that 95% of the demand for psychiatric hospitalization experienced by this hospital will be handled by Sinai and Northwest after this service is consolidated at those two hospitals. The applicants provided an analysis of patient origin for the twelve-month period that ended on March 31, 2019, identifying residents of 20 ZIP code areas as accounting for 960 psychiatric cases at Bon Secours during that period, which was 75% of the hospital's total cases. The applicants calculated that Bon Secours had a 10.5% market share of psychiatric hospital patients for this service area. The applicants calculated that the John Hopkins Hospital commanded the largest market share of psychiatric inpatients in this service area during the study period (10.8% or 988 patients), followed by Bon Secours, Sinai (10.3% or 946 patients), Johns Hopkins Bayview Medical Center (10.0% or 913 patients), and Northwest (8.5% or 776 patients).

If we focus on the eight Maryland zip code areas that accounted for 30 or more psychiatric cases at Bon Secours during the study period,<sup>5</sup> we find the following, based on the data set provided by the applicants. See Tables IV-1 and 2 below. This service area accounted for approximately

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<sup>5</sup> Zip code area 23227, a Richmond Virginia zip code area, was reported as contributing 35 psychiatric cases at Bon Secours during the study period. It is excluded here because it is anomalous and the applicants did not provide information that would allow any calculation of market share for this zip code area.

57% of Bon Secours total psychiatric cases, based on the information provided by the applicant. As such, it is an approximate primary service area as defined in CON regulations<sup>6</sup>.

**Table IV-1: Psychiatric Cases at LBH Hospitals Originating from Nine Maryland Zip Code Areas  
Fiscal Year Ending March 31, 2019**

Zip Code Area	Total Discharges	Discharges from			
		Bon Secours	Sinai	Northwest	Combined Sinai/Northwest
21223-Baltimore	460	170	16	9	25
21217-Baltimore	603	129	47	32	79
21216-Baltimore	581	129	83	55	138
21229-Baltimore	481	116	26	48	74
21215-Baltimore	1,150	59	457	199	656
21218-Baltimore	668	50	51	35	86
21213-Baltimore	547	39	23	26	49
21202-Baltimore	385	37	20	26	46
Total	4,875	729	723	430	1,153

Source: MHCC staff analysis of additional information provided by applicants. (DI#6, pp. 3-12).

*Market Analyst*, a subscription service of St. Paul Group, based on HSCRC discharge tapes, was cited by the applicants as the source of the data.

**Table IV-2: Market Share of Psychiatric Cases at LBH Hospitals Originating from Nine Maryland  
Zip Code Areas - Fiscal Year Ending March 31, 2019**

Zip Code Area	Total Discharges	Discharges from			
		Bon Secours	Sinai	Northwest	Combined Sinai/Northwest
21223-Baltimore	460	37.0%	3.5%	2.0%	5.4%
21217-Baltimore	603	21.4%	7.8%	5.3%	13.1%
21216-Baltimore	581	22.2%	14.3%	9.5%	23.8%
21229-Baltimore	481	24.1%	5.4%	10.0%	15.4%
21215-Baltimore	1,150	5.1%	39.7%	17.3%	57.0%
21218-Baltimore	668	7.5%	7.6%	5.2%	12.9%
21213-Baltimore	547	7.1%	4.2%	4.8%	9.0%
21202-Baltimore	385	9.6%	5.2%	6.8%	11.9%
Total	4,875	15.0%	14.8%	8.8%	23.7%

Source: MHCC staff analysis of additional information provided by applicants. (DI #6, pp. 3-12).

*Market Analyst*, a subscription service of St. Paul Group, based on HSCRC discharge tapes, was cited by the applicants as the source of the data.

As can be seen, Sinai and Northwest have relatively modest market share, for the most part, in Bon Secours four top ZIP code areas, in which Bon Secours has a market share range of 22% to 37%. This pattern is reversed in area 21215, Sinai Hospital's large home ZIP. All three hospitals have relatively modest market share in the remaining three ZIP code areas. The combined market share of Sinai and Northwest is higher than Bon Secours' market share in five of the eight areas.

This information suggests that LBH's assumption of minimal attrition of the case load of Bon Secours after the provision of inpatient psychiatric services ceases at this hospital may be overly optimistic. Substantive levels of migration from the Bon Secours service area to other Baltimore hospitals for psychiatric hospitalization is occurring and this existing pattern indicates that these hospitals may be well-positioned to increase admissions from the west Baltimore City

<sup>6</sup> COMAR 10.24.01.01B(34)

neighborhoods that have supported Bon Secours. The data also shows that the two expanding LBH hospitals have market power in the service area and their system relationship to Bon Secours is likely to give them an edge in redirecting patients to Sinai or Northwest. Maintaining the physician workforce and the emergency department services will be an important LBH necessity in order to realize the vision of improving the ability of the Bon Secours programs to enable appropriate hospitalization as part of an effective continuum of care. This will benefit the public and the reduction in inpatient psychiatric hospital programs does not relocate the Bon Secours beds relative to its historic service area to an extent that reasonable access and availability is compromised.

The applicants also state that both Sinai and Northwest coordinate all necessary aftercare for their psychiatric discharges in the community where the patient resides, initiating collaboration with outpatient providers to arrange discharge plans that include coordination with schools, agencies, and community psychiatrists. The applicants note that Bon Secours Hospital's outpatient behavioral health and substance use disorder programs are located within a mile of Sinai Hospital, closer than they are to Bon Secours.

Staff recommends that the Commission find that the relocation of the Bon Secours inpatient psychiatric beds to Sinai and Northwest and the addition of psychiatric bed capacity proposed is in the public interest. It is a first step in an initiative that will provide future patients with improved inpatient facilities supported by a more complete array of medical and behavioral health services than is currently available at Bon Secours. Staff notes that the larger vision and initiative outlined by LBH is a key consideration in this review and LBH has effectively articulated the benefits it sees for the local community that relies on Bon Secours and the region served by the expanded LBH system.

#### **B. Is not inconsistent with the State Health Plan**

The applicable standards of the State Health Plan are discussed in the Appendix to this report. Staff recommends that the Commission find that the proposed projects and the elimination of the psychiatric inpatient program at Bon Secours are not inconsistent with the applicable standards of the State Health Plan.

#### **C. Will result in the delivery of more efficient and effective health care services**

The applicants project that the consolidation of inpatient psychiatric beds from Bon Secours to Sinai and Northwest will result in more efficient delivery of services, pointing out that “the regulatory definitions of ‘merger’ and ‘consolidation’ in the State Health Plan inherently recognize [that] centralizing health care services at fewer facilities within a merged asset system enable fixed cost savings and economies of scale ....” They state that savings will result from the elimination of the fixed cost of the Bon Secours’ program while enabling economies of scale in the inpatient behavioral health programs at Sinai and Northwest by spreading their fixed costs over a larger number of beds and patients. (DI #1, pp. 11, 12).

The applicants estimate that this bed reallocation will save approximately \$2.3 million in annual operating expenses, an estimated reduction of 19%. (DI # 6, Table E-inflated combined). Most of the spending reduction (\$1.7 million) is expected to come from elimination of contractual

and purchased services that Bon Secours relies upon to provide ancillary services such as food services, maintenance, and housekeeping. These costs should be directly achievable. Another expenditure that is expected to be reduced is the cost of physician locums tenens services that the Bon Secours psychiatric unit depends on currently. (DI #6, pp. 14-15). The applicants state that psychiatric expenses per patient day are expected to decrease from current \$1,197 per day to \$966 per day, a reduction of 24%. (DI #6, p. 15).

The applicants believe that their plan to relocate psychiatric beds to Sinai and Northwest and add adult psychiatric bed capacity at those hospitals will also result in more effective facilities and programs for the community over what is possible through retaining beds at the current Bon Secours campus. They note that Bon Secours physical plant is in poor condition and is considered to lack an array of medical facilities that are essential to care for those patients who may have complex physical illnesses as well as psychiatric disorders. Furthermore, the applicants note that if these beds were not relocated to Sinai and Northwest, proceeding with construction of an FMF to replace the existing emergency department or a replacement hospital would be likely to result in the psychiatric beds needing “to be shut down during construction, taking critical psychiatric bed capacity out of the State’s inventory for a year or more, at a time when the beds are in critical need as most recently demonstrated by Bon Secours Hospital’s ADC so far in 2019.” (DI#6, p. 16).” See footnote 3, *supra*.

Also, as discussed under “in the Public Interest,” the applicants state that the reconfiguration of the behavioral health service at Bon Secours Hospital is a “central – and indispensable – component of the overall reconfiguration of services” in the multi-phase plan that will enable LBH to make the necessary investments to construct a new state of the art emergency department and facilities for ambulatory services designed specifically around promoting and improving the health care status of the West Baltimore community. (DI#6, p. 15)

Staff concludes that the applicants have made a strong case that the relocation of the Bon Secours inpatient psychiatric beds to Sinai and Northwest will result in the delivery of more efficient and effective health care services based on cost savings and improved accommodations and support services for patients. Thus, we recommend that the Commission find that approval of the exemption request will result in the delivery of more efficient and effective health care.

## **VII. STAFF RECOMMENDATION**

Staff recommends that the Commission find that the applicants have demonstrated that the relocation/addition of psychiatric bed capacity and the proposed projects at Sinai and Northwest are in the public interest. As noted, staff concludes that the projects will create a more stable basis for the ongoing provision of behavioral health services to the residents of West Baltimore and the region served by Sinai and Northwest. Staff also recommends that the Commission find that the applicants demonstrated that the projects for which approval is sought in their exemption request are not inconsistent with COMAR 10.24.07, the Psychiatric Services Chapter of the State Health Plan, and that implementing the proposed projects will result in a more efficient and effective delivery of health services.

For the reasons set forth above, staff recommends that the Commission APPROVE LifeBridge Health's request for exemption to add a total of 36 acute psychiatric beds to the existing inpatient psychiatric programs at Sinai and Northwest and to cease operation of the inpatient psychiatric program at Bon Secours when the expanded facilities at Sinai and Northwest become operational. The estimated cost of the two renovation projects is \$8 million.

**IN THE MATTER OF THE**

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**CONSOLIDATION OF ADULT**

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**BEFORE THE**

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**ACUTE PSYCHIATRIC BEDS:**

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**MARYLAND HEALTH**

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**THREE LIFEBRIDGE HEALTH**

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**GENERAL HOSPITALS**

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**CARE COMMISSION**

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**Docket No. 19-24-EX011**

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**ORDER**

Having reviewed and considered the information and analysis contained in the Staff Report and Recommendation, it is, this 21st day of November 2019, hereby **ORDERED** that:

The request for exemption from Certificate of Need review filed by LifeBridge Health, Inc. to add a total of 36 acute psychiatric beds to the existing inpatient psychiatric services at Sinai (24 beds) and Northwest (12 beds) and to cease operation of inpatient psychiatric services at Bon Secours when the expanded facilities at Sinai and Northwest become operational, is hereby **APPROVED**.

**MARYLAND HEALTH CARE COMMISSION**

**APPENDIX 1**  
**CONSISTENCY WITH THE STATE HEALTH PLAN**

The following is a review of the proposed project against the SHP standards contained in COMAR 10.24.07 in order to assess the proposal's consistency with the State Health Plan.

<p style="text-align: center;"><b>COMAR 10.24.07 State Health Plan for Facilities and Services: Overview, Psychiatric Services, and Emergency Medical Services</b></p>
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Since COMAR 10.24.07 ("Psychiatric Services Chapter") was last updated, there have been significant changes in the role and scope of State-operated psychiatric hospital facilities, as well as substantial changes in use of acute psychiatric beds, which are predominantly operated in private hospitals. As a result, some of the standards in the Chapter are out of date. In particular, Standards AP 1a-d (which reference an obsolete bed need methodology), and Standard AP10 (referencing a minimum required occupancy before bed expansion can be considered) are no longer applicable. Standard AP 11, referring to psychiatric beds at a private psychiatric hospital, is not applicable.

**Standard AP 2a. All acute general hospitals with psychiatric units must have written procedures for providing psychiatric emergency inpatient treatment 24 hours a day, 7 day a week with no special limitation for weekdays or late night shifts.**

The applicants documented that procedures for psychiatric emergency inpatient treatment are in place at Sinai and Northwest, each of which accepts involuntary and emergency psychiatric emergency admissions on a 24/7 basis with no special limitation for weekdays or late-night shifts. (DI#1, Exh. 5, p.1). Staff concludes that the applicants have met this standard.

**Standard AP 2b. Any acute general hospital containing an identifiable psychiatric unit must be an emergency facility, designated by the Department of Health and Mental Hygiene to perform evaluations of persons believed to have a mental disorder and brought in on emergency petition.**

The applicants documented that Sinai and Northwest are designated by the Maryland Department of Health's Behavioral Health Administration as psychiatric emergency facilities, and as such perform mental disorder evaluations of persons brought in on emergency petition. (DI#1, Exh. 5, p.1). Staff concludes that the applicants have met this standard.

**Standard AP 2c. Acute general hospitals with psychiatric units must have emergency holding bed capabilities and a seclusion room.**

The applicants state that the psychiatric units at Sinai and Northwest have emergency holding beds and seclusion rooms to be used in emergency psychiatric situations where the patient is deemed to be an imminent danger to self or others. The applicants state that each hospital's staff are trained in CMS' regulations and behavior management techniques to minimize the use and/or duration of said interventions through development of therapeutic milieu and rapport with patients. (DI #1, Exh. 5, p.1). Staff concludes that the applicants have met this standard.

**Standard AP 3a. Inpatient acute psychiatric programs must provide an array of services. At a minimum, these specialized services must include: chemotherapy, individual psychotherapy, group therapy, family therapy, social services, and adjunctive therapies, such as occupational and recreational therapies.**

The applicants state that the psychiatric units at Sinai and Northwest provide an array of services including: individual and group therapy; family therapy; case management; and expressive therapies. Both hospitals are accredited by the Joint Commission. (DI #1, Exh. 5, p. 2). Staff concludes that the applicants have met this standard.

**Standard AP 3b. In addition to the services mandated in Standard 3a, inpatient child and adolescent acute psychiatric services must be provided by a multidisciplinary treatment team which provides services that address daily living skills, psycho educational and/or vocational development, opportunity to develop interpersonal skills within a group setting, restoration of family functioning and any other specialized areas that the individualized diagnostic and treatment process reveals is indicated for the patient and family. Applicants for a Certificate of Need for child and/or adolescent acute psychiatric beds must document that they will provide a separate physical environment consistent with the treatment needs of each age group.**

This standard is not applicable as no inpatient child and adolescent psychiatric services will be provided.

**Standard AP 3c. All acute general hospitals must provide psychiatric consultation services either directly or through contractual arrangements.**

The psychiatric units at Sinai and Northwest provide psychiatric consultation services through full time and part time staff psychiatrists, a Psychiatric Nurse Practitioner and Licensed Clinical Social Workers. (DI #1, Exh. 5, p. 2) Staff concludes that the applicants have met this standard.

**Standard AP 4a. A Certificate of Need for child, adolescent or adult acute psychiatric beds shall be issued separately for each age category. Conversion of psychiatric beds from one of these services to another shall require a separate Certificate of Need.**

This standard is not applicable as no inpatient child and adolescent psychiatric services will be provided.

**Standard AP 4b. Certificate of need applicants proposing to provide two or more age specific acute psychiatric services must provide that physical separations and clinical/programmatic distinctions are made between the patient groups.**

This standard is not applicable as no inpatient child and adolescent psychiatric services will be provided.

## *Accessibility*

**Standard AP 5. Once a patient has requested admission to an acute psychiatric inpatient facility, the following services must be made available:**

- (i) intake screening and admission;**
- (ii) arrangements for transfer to a more appropriate facility for care if medically indicated;**
- (iii) necessary evaluation to define the patient's psychiatric problem and/or**
- (iv) emergency treatment.**

The applicants state that the Behavioral Health Emergency Psychiatric Evaluators (EPEs) clinical staff at both Sinai and Northwest provide face-to-face evaluation to determine psychiatric needs and most appropriate level of care. The Emergency Department physician will evaluate and determine whether the individual is medically stable and able to participate in psychiatric care. The EPEs will arrange for an appropriate transfer only if needed services are not available. (DI #1, Exh. 5, p. 3). Staff concludes that the applicants have met this standard.

**Standard AP 6. All hospitals providing care in designated psychiatric units must have separate written quality assurance programs, program evaluations and treatment protocols for special populations, including children, adolescents, patients with a secondary diagnosis of substance abuse, and geriatric patients, either through direct treatment or through referral.**

Sinai Hospital and Northwest Hospital provided written quality assurance programs for their psychiatric programs. In addition, they provided hospital-wide policies for those patients with substance use disorder. (DI #7, pp. 1-11; DI #8, pp. 1-6). Neither program will be admitting either child or adolescent patients, so no policies or procedures were required for dealing with those populations. Staff concludes that the applicants have met this standard.

**Standard AP 7. An acute general or private psychiatric hospital applying for a Certificate of Need for new or expanded acute psychiatric services may not deny admission to a designated psychiatric unit solely on the basis of the patient's legal status rather than clinical criteria.**

The applicants state that Sinai nor Northwest denies admission based solely on the fact that the patient has an active arrest. However, if the patient has been arrested for a violent crime, or has a known active arrest warrant for a violent crime, neither Sinai nor Northwest is able to admit the patient in order to ensure the safety of other patients, visitors, and staff. A patient who has been arrested or has a known active arrest warrant for a non-violent crime is not denied admission. In addition, the applicants accept involuntary patients whose admission is ordered by the courts; however, neither Sinai nor Northwest admit patients requiring a court-ordered forensic evaluation because they are not able to provide such evaluations. Instead these patients are directed to State hospitals. (DI #6, p. 13).

Staff concludes that the applicants have met this standard.

**Standard AP 8. All acute general hospitals and private freestanding psychiatric hospitals must provide a percentage of uncompensated care for acute psychiatric patients which is equal to the average level of uncompensated care provided by all acute general hospitals located in the health service area where the hospital is located, based on data available from the HSCRC for the most recent 12-month period.**

As written, this standard obligates all general acute and private freestanding psychiatric hospitals to provide a percentage of uncompensated care *for acute psychiatric patients* that is equal to the average level of uncompensated care provided by all acute general hospitals located in the health service area where the hospital is located. HSCRC data does not disaggregate the percentage of uncompensated care that goes to acute psychiatric patients, so the Commission has interpreted this standard as requiring all acute or specialty hospitals proposing to offer inpatient psychiatric care to meet the average uncompensated care level for all patients.

The applicants state that in FY 2018-FY 2019 Sinai provided the equivalent of 3.7% of acute psychiatric revenue as uncompensated care while Northwest provided uncompensated care equivalent to 4.5% of acute psychiatric revenue. By comparison, all Central Maryland general hospitals provided, as a combined average, uncompensated care equivalent to 3.7% of gross revenue in that time period. Therefore, Sinai’s and Northwest’s track record for uncompensated care for psychiatric inpatients each equals or exceeds the average. (DI #6, p. 14).

**Acute Psychiatric Uncompensated Care Rates at Applicant Hospitals**

	Sinai Hospital UCC %	Northwest Hospital UCC%
<b>FY 2018</b>	4.1%	4.3%
<b>FY2019</b>	3.3%	4.7%
<b>Average, 2018 and 2019</b>	3.7%	4.5%
<b>Central Maryland Hospital Average</b>	3.7%	3.7%

Staff concludes that the applicants have met this standard.

**Standard AP 9. If there are no child acute psychiatric beds available within a 45 minute travel time under normal road conditions, then an acute child psychiatric patient may be admitted, if appropriate, to a general pediatric bed. These hospitals must develop appropriate treatment protocols to ensure a therapeutically safe environment for those child psychiatric patients treated in general pediatric beds.**

This standard is not applicable as no inpatient child and adolescent psychiatric services will be provided.

## *Quality*

### **Standard AP 12a. Acute inpatient psychiatric services must be under the clinical supervision of a qualified psychiatrist.**

The applicants state that all psychiatric care at Sinai and Northwest is directed by a board-certified psychiatrist who is the head of a multidisciplinary team of mental health professionals. All staff psychiatrists are evaluated by the Chair of the LifeBridge Health Psychiatric Department. (DI #1, Exh. 5, p. 5). Staff concludes that the applicants have met this standard.

### **Standard AP 12b. Staffing of acute psychiatric programs should include therapists for patients without a private therapist and aftercare coordinators to facilitate referrals and further treatment. Staffing should cover a seven-day per week treatment program.**

The applicants state that patients admitted to the psychiatric unit at either Sinai Hospital or Northwest Hospital receive therapeutic programming that provides active treatment in compliance with standards of practice, seven days a week. Each patient's case manager is responsible for coordinating aftercare planning to promote continuity of care. In addition to making appointments and referrals to outpatient providers, the case manager ensures that an aftercare plan with recommendations is transmitted to the patient's next level care provider. (DI #1, Exh. 5, p. 5)

Staff concludes that the applicants have met this standard.

### **Standard AP 12c**

#### **Child and/or adolescent acute psychiatric units must include staff who have experience and training in child and/or adolescent acute psychiatric care, respectively.**

This standard is not applicable as no inpatient child and adolescent psychiatric services will be provided.

## *Continuity*

### **Standard AP 13: Facilities providing acute psychiatric care shall have written policies governing discharge planning and referrals between the program and a full range of other services including inpatient, outpatient, long-term care, aftercare treatment programs, and alternative treatment programs. These policies shall be available for review by appropriate licensing and certifying bodies.**

The applicants state that Sinai and Northwest have discharge planning and referral policies to ensure the patient's aftercare needs are met through a variety of services including outpatient, partial hospitalization and other alternative programs. These policies are available for review by licensing and certifying bodies. (DI #1, Exh. 5, p. 6). Staff concludes that the applicants have met this standard.

**Standard AP 14: Certificate of Need applications for either new or expanded programs must include letters of acknowledgement from all the following:**

- (i) the local and state mental health advisory council(s);**
- (ii) the local community mental health center(s);**
- (iii) the Department of Health and Mental Hygiene; and**
- (iv) the city/county mental health department(s).**

**Letters from other consumer organizations are encouraged.**

The applicants are not seeking to establish a new program or to expand its system-wide psychiatric program capacity. The applicants seek the transfer of beds from Bon Secours to Sinai and Northwest.