




TO: Thomas Dame, Esquire, Counsel for Pyramid Walden, LLC
Marta D. Harting, Esquire, Counsel for Luminis Health Pathways, Inc.

FROM: Mark T. Jensen, Commissioner/Reviewer 

RE: Recommended Decision
Pyramid Walden, LLC
Docket No. 22-16-2452

DATE: September 27, 2022

Enclosed is my Recommended Decision in the review of the Certificate of Need (CON) application by Pyramid Walden, LLC (Pyramid Walden) to establish a 50-bed Alcohol and Drug Treatment Intermediate Care Facility (ICF) in Bowie.

The relevant State Health Plan (SHP) chapter considered in the review of this project is COMAR 10.24.14, State Health Plan for Facilities and Services: Alcoholism and Drug Abuse Intermediate Care Facility Treatment Services. I also considered the general CON review criteria at COMAR 10.24.01.08G(3). Based on my consideration of the application, the comments of Luminis Health Pathways, Inc., an interested party, and the entire record in this review, I recommend that the Maryland Health Care Commission **APPROVE** Pyramid Health's application for a Certificate of Need to establish a 50-bed ICF with the following conditions:

1. Prior to first use approval, Pyramid Walden LLC shall document that it has posted a statement of charges and information regarding the range and types of its services online and in a prominent place in the registration area, and shall also provide a copy of the document with this information that it will provide to the public upon request;
2. Prior to first use approval, Pyramid Walden LLC shall provide proof of preliminary accreditation of its Bowie, Maryland facility by the Commission on the Accreditation of Rehabilitation Facilities (CARF) or another accrediting body approved by the Maryland Department of Health and must timely receive final accreditation by CARF or another approved accrediting body; and
3. Pyramid Walden shall notify the Commission and the Behavioral Health Administration, in writing, within fifteen days after it receives notice that its accreditation has been revoked or suspended or should it lose its State certification. Pyramid shall cease operation until the Behavioral Health Administration notifies the Commission that deficiencies have been corrected.

Project Description

Pyramid Walden proposes to establish a 100-bed facility that will include 50 ICF beds and 50 beds providing “clinically managed high intensity residential services” (ASAM Level 3.5). A CON is only required for the ICF services. The facility will only serve adults and will be located at 3000 Lottsford Vista Road in Bowie (Prince George’s County). Pyramid Walden proposes to convert a one-story building that formerly housed a developmental disability program to establish the ICF, with completion projected by early 2023.

The total cost of the project (both ICF and residential) is estimated at \$9,861,800. The applicant allocates \$4,930,900, 50 percent of the total budget, to the ICF portion of the project.

Recommendation

I recommend that the Maryland Health Care Commission **APPROVE** Pyramid Walden’s application for a Certificate of Need to establish a 50-bed ICF in Bowie with the above conditions. I find that the project proposed by Pyramid Walden, LLC to establish a 50-bed ICF in Bowie complies with the applicable State Health Plan standards established for this category of facility. The applicant has demonstrated need for the project, its cost-effectiveness and viability. The proposed project should have a positive impact on availability and access to alcohol and drug treatment services to patients across the full range of income levels, especially for lower income individuals and families.

Further Proceedings

This matter will be placed on the agenda of a meeting of the Maryland Health Care Commission on October 20, 2022, which begins at 1:00 p.m. at 4160 Patterson Avenue in Baltimore. This meeting is expected to be a “hybrid” meeting at which Commissioners and persons with matters before the Commission may attend in person or attend virtually through a Zoom webinar format. However, I request that representatives who plan to speak on behalf of the applicant and interested parties attend the meeting in person. Please let the Commission know as soon as possible if there are any concerns with my request to appear in person. The link to register to attend the meeting will be placed on the Commission’s meeting page: https://mhcc.maryland.gov/mhcc/pages/home/meeting_schedule/meeting_schedule.aspx?id=0. After registering, each person will receive a confirmation email containing information about joining the Commission meeting via the Internet. The Commission will issue a final decision based on the record of the proceeding.

As provided in COMAR 10.24.01.09B, an applicant or interested party may submit written exceptions to the enclosed Recommended Decision. Written exceptions must identify specifically those findings or conclusions to which exception is taken, citing the portions of the record on which each exception is based. Copies of exceptions and responses to exceptions must be communicated to all parties, via regular mail or email, by the due date and time shown below. If



Thomas Dame, Esquire
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the deadline is met via email, please assure that paper copies of the exceptions or response to exceptions are also mailed to the Commission the same day.

Oral argument during the exceptions hearing before the Commission will be limited to 10 minutes for the applicant, and 10 minutes for the interested party unless extended by the Chairman. The schedule for the submission of exceptions and any response to exceptions is as follows:

Submission of exceptions:	Wednesday, October 5, 2022, no later than 4:00 pm.
Submission of responses:	Monday, October 10, 2022, no later than 4:00 p.m.
Exceptions hearing:	Thursday, October 20, 2022, Monthly Commission meeting starts at 1:00 p.m.

cc: Jonathan Wolf, President, Pyramid Healthcare
Brandon J. Golder, Vice President of Development and Strategy, Pyramid Healthcare
Ella R. Aiken, Esq., counsel for Pyramid Healthcare
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Moirra Lawson, Program Manager
Ernest L. Carter, MD, PhD, Health Officer, Prince George's Health Department



IN THE MATTER OF
PYRAMID WALDEN, LLC

Docket No. 22-16-2452

*** BEFORE THE**
*** MARYLAND HEALTH**
*** CARE COMMISSION**
*** ***

REVIEWER’S RECOMMENDED DECISION

October 20, 2022

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I. INTRODUCTION

A. Background

Pyramid Walden, LLC (Pyramid Walden) proposes to establish a 50-bed alcoholism and drug abuse intermediate care facility (ICF) in Prince George's County. The Maryland Health Care Commission (MHCC or the Commission) defines this term in the State Health Plan (COMAR 10.24.14) as:

a facility designed to facilitate the sub-acute detoxification and rehabilitation of alcohol and drug abusers by placing them in an organized therapeutic environment in which they receive medical services, diagnostic services, individual and group therapy and counseling, vocational rehabilitation, and work therapy while benefiting from the support that a residential setting can provide.

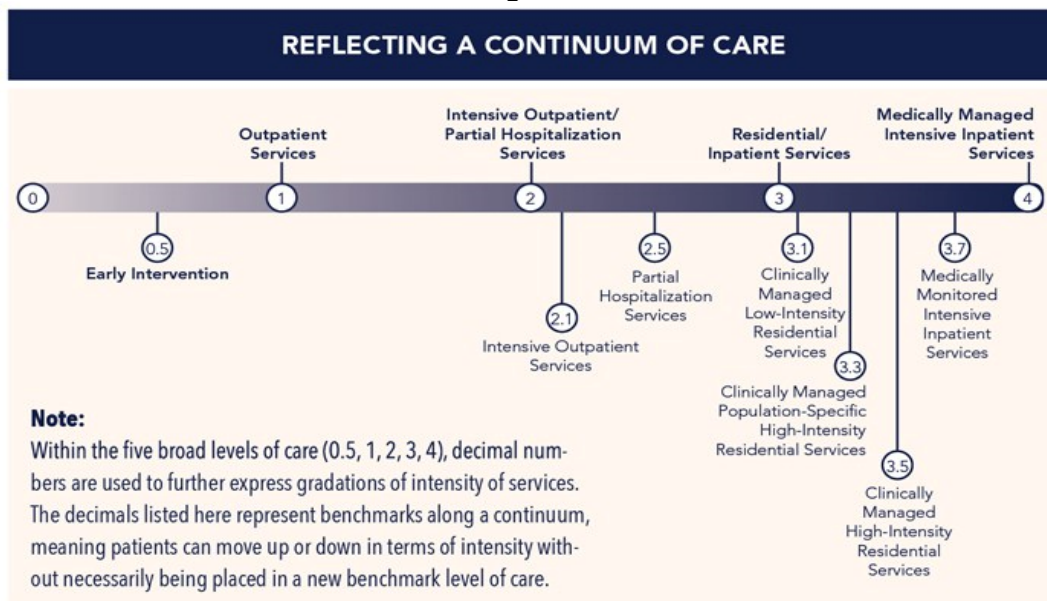
This definition corresponds with a level of treatment for substance abuse disorder (SUD) defined by the American Society of Addiction Medicine (ASAM) for health care facilities that provide “medically monitored intensive inpatient services.” Maryland state agencies use the ASAM level of care taxonomy to classify facilities and programs providing SUD services. Medically monitored intensive inpatient service, categorized as Level 3.7 care in the ASAM taxonomy, is the highest level of sub-acute (i.e., non-hospital services) for SUD. (See Figure 1 below.) ICFs typically operate as facilities providing withdrawal management (WM), commonly referred to as “detoxification” services, and post-WM treatment services. Some recently developed ICFs in Maryland focus on withdrawal management without describing themselves as having a significant post-WM program of treatment for SUD. Such facilities coordinate with other providers of ICF or stepdown inpatient/residential facilities and outpatient programs for ongoing treatment and management of SUD. As expected, these ICFs have shorter lengths of stay than the more common model of ICFs reporting the provision of WM and on-going treatment. Average length of stay at ICFs recently considered by MHCC can range up to 30 days.

A Certificate of Need is required to establish or relocate an ICF (ASAM Level 3.7), or to establish, relocate, or add beds to a hospital-level alcoholism and drug abuse treatment service (ASAM Level 4). Md. Code Ann., Health-Gen. §19-120. Once established, a licensed and operating ICF may add beds without CON review and approval. §19-120(h)(2)(v). This latter feature became an effective change in the scope of CON regulation in 2019. Bed additions by ICFs required CON review and approval prior to this change in the law. Because the change eliminated the Commission's control of the inventory of ICF beds, it made the bed need projection standard in the State Health Plan (SHP), at COMAR 10.24.14.05B, obsolete.

That standard, when effective, was only applicable to ICFs with “private beds” which are beds in private facilities not sponsored by local government and that derive no “significant funding by the state or local jurisdictions.” COMAR 10.24.14.08B(20). These ICFs are categorized in the SHP as Track One ICFs. There was no bed need projection standard applied to ICFs with “publicly funded beds” prior to the law amendments referenced in the preceding paragraph. Such beds are operated in ICFs which are “owned and wholly operated by the State or substantially funded by

the budget process of the State; or in facilities substantially funded by one or more jurisdictional governments, which are established jointly by providers and the jurisdictions to meet the special needs of their residents and that reserve at least 50 percent of their proposed annual adolescent or adult bed capacity for indigent and gray area patients.” COMAR 10.24.14.08B(21). These ICFs are categorized in the SHP as Track Two ICFs.

Figure 1



The “indigent population” is defined, in the SHP, as “persons who qualify for services under the Maryland Medical Assistance Program (Medicaid) regardless of whether Medical Assistance will reimburse for alcohol and drug abuse treatment.” COMAR 10.24.14.08B(11). The “gray area population” is defined, in the SHP as “persons who do not qualify for services under the Maryland Medical Assistance Program but whose annual income from any source is no more than 180 percent of the most recent Federal Poverty Index, and who have no insurance for alcohol and drug abuse treatment services.”.08B(9).

ASAM describes “medically monitored inpatient care and medically monitored inpatient withdrawal management programs” as programs directly provided by an interdisciplinary staff of nurses, counselors, social workers, addiction specialists, or other health and technical personnel under the direction of a licensed physician. Medical monitoring is provided through an appropriate mix of direct patient contact, review of records, team meetings, 24-hour coverage by a physician, 24-hour nursing and a quality assurance program. Additionally, Level 3.7WM, medically monitored inpatient withdrawal management services: “...are delivered in a freestanding withdrawal management center with inpatient beds; are provided 24 hours daily with observation, monitoring and treatment...(and) include specialized clinical consultation; supervision for

cognitive, biomedical, emotional and behavioral problems; medical nursing care; and direct affiliation with other levels of care.”¹

B. The Applicant

Pyramid Walden, LLC is owned by Pyramid Healthcare, Inc., a for-profit company established in 1999 that operates over eighty inpatient and outpatient facilities in Pennsylvania, New Jersey, North Carolina, Georgia, and Maryland. Pyramid Healthcare facilities have over 1,000 beds used for residential treatment and/or detoxification services for individuals with SUD.

Pyramid Walden currently operates several facilities in Maryland, including two ICFs. Charlotte Hall, in St. Mary’s County, is a 52-bed ICF used for WM and treatment. A 64-bed ICF is also operated in Joppa (Harford County) which also provides both WM and treatment services. The company operates a 16-bed residential facility for SUD in California (St. Mary’s County) that provides ASAM Level 3.1 and 3.5 treatment and three outpatient facilities in St. Mary’s and Charles Counties that offer ASAM Levels 1 through 2.5 outpatient treatment assessment. These programs refer patients to the applicant’s other residential and ICF programs in St. Mary’s County.

The applicant’s organizational chart is included as Appendix 2.

C. The Project

The proposed 100-bed facility will include 50 ICF beds and 50 beds providing “clinically managed high intensity residential services” (ASAM Level 3.5). A Certificate of Need (CON) is only required for the ICF services. The facility will only serve adults and will be located at 3000 Lottsford Vista Road in Bowie (Prince George’s County).

Pyramid Walden proposes to convert a one-story building that formerly housed a developmental disability program to establish the ICF, with completion projected by early 2023. The project will renovate 26,843 square feet (SF) of the existing building space and add 6,797 SF of new construction. (DI #10, p. 2). Licensure by the Behavioral Health Administration of the Maryland Department of Health is anticipated by March 2023. (DI #4, p. 38). The license proposed will also allow the applicant to provide outpatient services at the site.

The new facility will have a single story floor plan that includes an intake unit and separate women’s and men’s units, both providing WM and on-going treatment services. (DI #4, Appendix 3, DI #10, Appendix 22). Pyramid Walden plans for the unit for women to include 40 beds leaving 60 beds in the men’s unit. (DI #12, p. 1). The total cost of the project (both ICF and residential) is estimated at \$9,861,800. The applicant suggests that simply allocating 50 percent of this total budget estimate is a satisfactory approach to estimating the cost of the regulated ICF component.

¹<https://www.medicaid.gov/state-resource-center/innovation-accelerator-program/iap-downloads/reducing-substance-use-disorders/asam-resource-guide.pdf>, p.13

Table I-1: Pyramid Walden Bowie - Project Budget Estimate – Uses and Sources

<i>Project Element</i>	<i>Cost Estimate</i>
Building	\$1,1970
Fixed Equipment (non-construction)	197,000
Site and Infrastructure	95,000
Architect/Engineering Fees	65,000
Permits (Building, Utilities, etc.)	12,000
<i>Subtotal</i>	\$2,339,000
Building	\$5,135,000
Fixed Equipment (non-construction)	168,000
Architect/Engineering Fees	205,000
Permits	15,000
<i>Subtotal</i>	\$5,523,000
<i>Other Capital Costs</i>	
Movable Equipment)	\$389,000
Contingency Allowance	507,000
Gross Interest During Construction	597,800
<i>Subtotal</i>	\$1,493,800
<i>Total Current Capital Costs</i>	\$9,355,800
Land Purchase	\$375,000
<i>Total Capital Costs</i>	\$9,730,800
Legal Fees	\$131,000
<i>Total Uses of Funds</i>	\$9,861,800
Cash	\$2,465,450
Loans	\$7,396,350
<i>Total Sources of Funds</i>	\$9,861,800

Source: DI #10, Exh. 25, Table B.

D. Reviewer's Recommendation

I find that the project proposed by Pyramid Walden complies with the applicable State Health Plan standards; that the need for the project, its cost effectiveness, and its viability have been demonstrated; and that the impact on the availability and accessibility of intensive inpatient alcohol and drug treatment services is positive. I also find that it will provide drug treatment services in Prince George's County to patients across the full range of income levels.

Based on these conclusions and as further explained in the rest of my decision, I recommend that the Commission approve the application of Pyramid Walden, LLC for a Certificate of Need to establish a 50-bed adult ICF providing medically monitored intensive inpatient services and withdrawal management (ASAM Levels 3.7 and 3.7WM), at an approved cost of \$4,930,900, with three conditions:

1. Prior to first use approval, Pyramid Walden LLC shall document that it has posted a statement of charges and information regarding the range and types of its services online and affirm that this statement of charges and information will

- be posted in a prominent place in the registration areas of its ICF and that it will also provide the statement of charges and the information of services to the public upon request;
2. Prior to first use approval, Pyramid Walden LLC shall provide proof of preliminary accreditation of the ICF by the Commission on the Accreditation of Rehabilitation Facilities (CARF) or another accrediting body approved by the Maryland Department of Health and must timely receive final accreditation by CARF or another approved accrediting body; and
 3. Pyramid Walden shall notify the Commission and the Behavioral Health Administration, in writing, within fifteen days after it receives notice that its accreditation has been revoked or suspended or should it lose its State certification. Pyramid shall cease operation until the Behavioral Health Administration notifies the Commission that deficiencies have been corrected.

II. PROCEDURAL HISTORY

A. Record of the Review

Please see Appendix 1, Record of the Review.

B. Interested Party in the Review

Luminis Health Pathways, Inc., d/b/a/ Pathways Alcohol and Drug Treatment Center, (Pathways), a subsidiary of Anne Arundel Medical Center, is a 40-bed ICF functioning as a Track Two facility. It is located in Annapolis (Anne Arundel County). This private, not-for-profit ICF provides WM and ongoing treatment. It also provides ASAM Level 3.5 residential services and outpatient services.

I recognized Pathways as an interested party in this review because it is authorized to provide the same services as Pyramid Walden in a contiguous planning region. COMAR 10.24.01.01B(2) & (20). While the facilities are not in the same planning region—Pyramid Walden would be located in the Southern Planning Region while Pathways is in the Central Planning Region—Pathways is only 5.1 miles away from Pyramid Walden’s proposed location. Due to Pathways’ close geographic proximity to the site of the proposed ICF, I determined that the proposed ICF could reasonably provide services to the residents in the region served by Pathways.

Pathways submitted comments, stating that the applicant failed to document the need for additional ICF beds, consistent with a review standard of the SHP. Additionally, in its consideration of two other review criteria, the interested party recommends that the Commission find that the project is not viable and that the new ICF has an unacceptable impact on existing ICFs within short travel times of the Bowie site, because of insufficient bed need, and on the health care delivery system, because of the types of patient rooms that are proposed. For these reasons, Pathways argued that Pyramid Walden’s CON application should be denied.(DI #19).

C. Local Government Review and Comment

No comments from local governments have been received.

D. Other Support and Opposition to the Project

Pyramid Walden submitted letters supporting the project from the following:

- Erin Knight, Deputy Director Consumer Quality Team, Mental Health Association Of Maryland
- Morgan Pagels, Outreach Manager, Summit Behavioral Healthcare LLC
- Michael Darling, Director of Clinical Outreach, Discovery Healthcare/New Life Addiction Counseling and Mental Health Services
(DI #4, Exh. 11).

III. REVIEW AND ANALYSIS

A. STATE HEALTH PLAN

COMAR 10.24.01.08G(3)(a) State Health Plan. An application for a Certificate of Need shall be evaluated according to all relevant State Health Plan standards, policies, and criteria.

The relevant State Health Plan chapter is COMAR 10.24.14, Alcoholism and Drug Abuse Intermediate Care Facility Treatment Services (the ICF Chapter). The ICF Chapter, at Regulation .05, includes the following sixteen “Certificate of Need Approval Rules and Review Standards for New Substance Abuse Treatment Facilities and for Expansions of Existing Facilities.”

.05A. Approval Rules Related to Facility Size. Unless the applicant demonstrates why a relevant standard should not apply, the following standards apply to applicants seeking to establish or to expand either a Track One or a Track Two intermediate care facility.

- (1) The Commission will approve a Certificate of Need application for an intermediate care facility having less than 15 beds only if the applicant dedicates a special population as defined in Regulation .08.**
- (2) The Commission will approve a Certificate of Need application for a new intermediate care facility only if the facility will have no more than 40 adolescent or 50 adult intermediate care facility beds, or a total of 90 beds, if the applicant is applying to serve both age groups.**
- (3) The Commission will not approve a Certificate of Need application for expansion of an existing alcohol and drug abuse intermediate care facility if its approval would result in the facility exceeding a total of 40 adolescent or 100 adult intermediate care facility beds, or a total of 140 beds, if the applicant is applying to serve both age groups.**

Reviewer's Analysis and Findings

Pyramid Walden seeks to establish a new 50-bed ICF for adults. The proposed bed capacity complies with this standard. Subsection 3 is not applicable.

.05B. Identification of Intermediate Care Facility Alcohol and Drug Abuse Bed Need.

- (1) An applicant seeking Certificate of Need approval to establish or expand an intermediate care facility for substance abuse treatment services must apply under one of the two categories of bed need under this Chapter:**
- (a) For Track One, the Commission projects maximum need for alcohol and drug abuse intermediate care beds in a region using the need projection methodology in Regulation .07 of this Chapter and updates published in the Maryland Register.**

Reviewer's Analysis and Findings

The applicant is applying as a Track Two facility. This need methodology does not apply. Additionally, as noted in the Background section of this Recommended Decision's Introduction, 2019 amendments in the law governing CON regulation that are not yet reflected in these SHP regulations have the effect of making this standard obsolete. MHCC no longer controls the supply of Track One ICF beds because existing ICFs, of any type, have been able to add bed capacity without CON requirements during the last three years.

(b) For Track Two, as defined at Regulation .08, an applicant who proposes to provide 50 percent or more of its patient days annually to indigent and gray area patients may apply for:

- i. Publicly funded beds, as defined in Regulation .08 of this chapter, consistent to the level of funding provided by the Maryland Medical Assistance Programs (MMAP). And Alcohol and Drug Abuse Administration², or a local jurisdiction or jurisdictions; and**
- ii. A number of beds to be used for private pay patients in accordance with Regulation .08, in addition to the number of beds projected to be needed in Regulation .07 of this chapter.**

Applicant's Response

The applicant provides assurance that it will provide a minimum of 50% of annual bed days for indigent and gray area patients by relying on a call center tracking procedure of such

² The Alcohol and Drug Abuse Administration merged with the Mental Hygiene Administration in July of 2014 to become the Behavioral Health Administration in the Maryland Department of Health.

patients. Pyramid Walden states that the call center monitors bed availability and admissions to Pyramid-Walden facilities. The applicant states:

Pyramid Healthcare utilizes a business intelligence tool and reporting to monitor client ratios. If under ratio, Pyramid Healthcare's outreach team will work to engage with social services and community-based organizations to ensure easy and seamless access to services for the indigent and gray area population seeking treatment. As a result, we have consistently found that more than 85% of clients admitted to ICF Charlotte Hall and Joppa have been indigent and grey (sic) area individuals. As further demonstration of this commitment, applicant agrees to prioritize the indigent person in the event that two persons are referred for treatment at the same time with only one remaining bed. (DI #10, pp.2-3).

(DI #4, pp. 12-13).

The applicant's proposed Track Two ICF will not reserve beds for private-pay patients. The applicant proffers its history of serving indigent and gray area patients and references the Track Two ICFs operated by Pyramid Healthcare in St. Mary's and Harford Counties. It reports that over 85% of the total patient days at these facilities are indigent or gray area patients, as per the definitions in the SHP. (DI #4, p.13).

Reviewer's Analysis and Findings

Subparagraph (b)(i) applies to this project, which will effectively operate as a Track Two ICF. Maryland reimburses ICFs through a fee-for-service arrangement using an Administrative Services Organization (ASO). The Behavioral Health Administration (BHA) states that the fee-for-service arrangement is a contract held by Medicaid with significant input from BHA. This means that if a provider is willing to serve a person with Medicaid eligibility, it can admit that person to its facility, provide services as authorized under its license, and submit bills for reimbursement, based on pre-specified fee-for-service rates. Under the reimbursement structure, the ASO, Optum Maryland, authorizes admission for everyone admitted to this level of care. Patients must meet medical necessity criteria to receive that approval.

The applicant states it is not seeking beds for the exclusive use of private-pay patients and it seeks beds that are funded by the State. I find that the applicant complies with this standard.

(2) To establish or expand a Track Two intermediate care facility, an applicant must:

(a) Document the need for the number and types of beds being applied for.

Applicant's Response

Pyramid Walden has a call center that tracks requests for inpatient SUD services that it is unable to accommodate at either of its two Maryland ICFs. The applicant used data from the call center to estimate and project bed need. Pyramid Walden states that it accepts patients based on

bed availability and, when possible, the call center places patients needing ICF services in its St. Mary's County or Harford County ICFs. The call center operates 24 hours a day and seven days a week. (DI #4, p. 17) Pyramid Walden states that it accepts patients from all regions of the State and provides transportation to all persons needing to travel up to four hours to receive inpatient treatment at any of its facilities. (DI #4, p. 17).

Pyramid Walden presented data from its call center for a twelve-month period (calendar year 2021). The applicant identified 6,360 unduplicated calls from adult Maryland residents in need of ICF services that Pyramid Walden could not accept into treatment because there were no available beds. (DI #10, p.4). Using an assumption that the average length of stay (ALOS) of an ICF patient is 20.1 days, the applicant calculated a statewide need for an additional 350 beds to accommodate all ICF patients its call center turned away in 2021. (DI #12, p. 2). The applicant describes its proposed project as entering a Maryland market with unmet need, defining that market as Prince George's, Montgomery, and Frederick Counties. It projects a need for 85 additional ICF beds in this service area. (DI #12, p. 2). While Pyramid Walden used this service area for its need projections, Pyramid Walden anticipates that its service area will actually be much larger. (DI #25, p. 2).

The applicant projects reaching a bed occupancy rate of 85% for the full complement of 100 ICF and residential beds within two years of project completion. (Table III-1). It is anticipated that a certain number of these patients would receive SUD services at both levels of care. (DI #10, Exh. 25, p.3).

**Table III-1: Projected Patient Volume, Pyramid Walden-Bowie
Year Three of Operation**

	Beds	Projected Discharges	Average Length of Stay (Days)	Patient Days	Bed-Days Available	Occupancy Rate
ICF	50	772	20.1	15,513	18,250	85%
Level 3.5 Residential Services	50	546	28.4	15,513	18,250	85%

Source: Table E - Statistical Projections, DI #4.

Interested Party Comments

Pathways states that Pyramid Walden has not successfully documented the need for the proposed 50 ICF beds. The interested party states that the methodology used by the applicant to demonstrate bed need is unverifiable and that need remains undocumented. (DI #19, p. 7). Pathways also stated that the ALOS assumption used in the applicant's need calculation (20.1 days) is contrary to the State Health Plan's assumption of a 14-day ALOS in the bed need projection methodology applicable to consideration of Track One ICFs. Using its own methodology, Pathways calculated a need for only 28 ICF beds in the same region assumed for the project service area. (DI #19, pp. 8-9).

Applicant Response to Interested Party Comments

Pyramid Walden states that its call center methodology is a valid basis for needs assessment. The applicant referenced a 2020 decision, Docket No. 20-12-2440, where the

Commission previously accepted call center turndown data as a reasonable method of documenting bed need for a Track Two ICF. (DI #23, p 9). Pyramid Walden adds that the call center uses trained professionals to assess a caller's likely need for inpatient services, although it acknowledges that its data includes patients in need of ASAM Level 3.5 services, as well as ICF services. (DI #23, p. 11). Based on data from its other two facilities, Pyramid projects that approximately 55% of the callers turned away from its existing facilities were likely in need of 3.7 or 3.7WM level of care, and 45% in need of 3.5 level of care. Using these percentages, Pyramid Walden calculated a bed need of 63 ICF beds in the Southern Maryland region (Prince George's, Charles, Calvert, and St. Mary's Counties) where the proposed ICF would be located. (DI #23, p. 12).

Pyramid Walden states that the length of stay of 20.1 days is appropriately calculated and consistent with the length of stay at both its existing ICFs in Joppa and Charlotte Hall and with other Maryland Track Two providers. (DI #23, pp. 7-8). Further, the applicant states that the 14-day average length of stay cited by the interested party is used to calculate Track One facility bed need and not appropriate for consideration of Track Two facilities. The applicant argues that this methodology is outdated and does not purport to be a parameter for clinically appropriate care. (DI #23, pp. 6-7). The applicant cites the Maryland Department of Health's July 19, 2021 Report on Substance Use Disorder (SUD) Treatment in the Medicaid Program as supporting the validity of its ALOS assumption. The report is cited as finding an ALOS of 20.4 days for patients entering treatment and requiring ICF services for WM and ongoing treatment. (See the following table.)

Table III-2 SUD Residential/ICF Services by ASAM Level of Care, July 1, 2017–December 31, 2019

Metric	SUD ASAM LEVEL OF CARE				
	Level 3.1	Level 3.3	Level 3.5	Level 3.7	Level 3.7WM
Number of Individuals	1,481	3,940	6,809	13,745	12,005
Total Number of days	104,025	194,357	277,451	265,017	89,404
Days paid out of state funds because of the two episode 30-day limit rule but have MA eligibility	74,272 (71%)	99,818 (51%)	122,630 (44%)	26,110 (10%)	8,742 (10%)
Days paid out of state funds because of lack of MA eligibility	1,826 (2%)	11,084 (6%)	18,740 (7%)	14,323 (5%)	6,020 (7%)
Number of discharges	1,824	4,723	8,281	17,936	15,969
Average length of stay (in days)	57.0	41.2	33.5	14.8	5.6

Source: DI #23, p.8

Reviewer's Analysis and Findings

COMAR 10.24.14 provides guidance for calculating bed need for Track One ICFs. The rationale for using this approach to control bed supply is strained by recent changes in CON regulation law. However, for Track Two facilities, the SHP regulations allow the applicant to provide a rational basis to justify the size and scope of the proposed project without the former limitations of an official bed need forecast.

Pyramid Walden's bed need projections are based on its existing ICF experience in Charlotte Hall and Joppa, which are supported by a call center that receives facility intake requests.

Pyramid Walden submitted affirmations under the penalties of perjury as to the accuracy of the turn down data with its application and its response to interested party comments. (DI #4 p. 10; DI# 23). I do not doubt the applicant's credibility and find the data to be reliable. The Commission has previously accepted the use of turn down data to demonstrate need for a Track Two ICF. This data demonstrates patients who are already seeking but unable to obtain services from Pyramid Walden. The applicant uses call center data and its experience in existing ICFs in the State to support the need projection of 85% average annual bed occupancy by the third year of operation. For these reasons I accept the use of call center data as evidence of bed need.

Pathways also challenges Pyramid's assumed ALOS of 20.1 days and proposes that an assumption of a 14-day ALOS, drawn from the SHP's bed need projection methodology for Track One ICFs, is a more appropriate assumption. Pyramid Walden states that the 14-day ALOS is not applicable and outdated. It further states that the Commission has found the methodology to be obsolete. (DI #23, p. 6)

Since there is no prescribed methodology to determine Track Two bed need, the applicant's approach of observing the number of individuals turned away for lack of timely bed availability is a reasonable approach. It is also reasonable for Pyramid Walden to use its actual ALOS experience in its Maryland facilities in modeling future demand for ICF beds. (Table III-2).

Table III-2: ICF Bed Need Projection Based on Pyramid Walden Call Center Data

	Annualized Turndowns	ALOS	Bed Days Required	Additional Beds Needed (or Average Daily Census)
State of Maryland	6,360	20.1	127,836	350
Prince George's and Adjacent Counties*	1,999	20.1	40,180	110
Southern Maryland	2,587	20.1	51,999	142

Source: DI #10, p.4

* Adjacent counties include Anne Arundel, Howard, Montgomery, Calvert and Charles County.

I find that the applicant has provided sufficient support for the proposition that 50 additional ICF beds are needed in the region of Maryland from which a Bowie ICF would be likely to draw patients, based on call center counts of patients that could not be accepted for ICF services on a timely basis. An assessment of unfulfilled demand of this type is an acceptable proxy for assessing need. I find that the applicant has documented the number and types of ICF beds needed, in conformance with this standard.

- (b) Agree to co-mingle publicly funded and private-pay patients within the facility;**
- (c) Assure that indigents, including self-referrals, will receive preference for admission, and**
- (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 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.

Applicant's Response

Pyramid Walden affirmed that: (1) it will co-mingle publicly-funded and private-pay patients within the facility; (2) indigent persons, including court-referrals, will receive preference for admission; and (3) if its contractual agreement and funding is terminated, it will notify the Commission and the Behavioral Health Administration³ within 15 days, relinquish its certification to operate, and will not use any of its beds for private-pay patients without obtaining a new Certificate of Need. (DI #4, p.17).

Reviewer's Analysis and Findings

I find that the applicant affirmation is consistent with this standard.

.05C. Sliding Fee Scale. An applicant must establish a sliding fee scale for gray area patients consistent with the client's ability to pay.

Applicant's Response

Pyramid Walden states that its sliding fee scale for gray area patients is "consistent with the client's ability to pay based on the 2018 Federal Poverty Guidelines." (DI #4, pp. 17-18). The applicant notes that it will apply its sliding fee scale based on total gross household income, the number of individuals in the household, and the number of individuals under 18 in the household. The applicant states that it will not base its decisions on a patient's equity in a primary residence or total net worth. (DI #10, Exh. 23). Pyramid Walden states that it will utilize the Sliding Fee Schedule, shown in the following table.

Table III.3 Pyramid Walden's Sliding Fee Schedule		
Income level is	< 100% of Federal Poverty level (FPL)	75% discount
Income level is	< 150% but > 100% of FPL	50% discount
Income level is	< 200% but > 150% of FPL	25% discount

Source: DI #4, p 17-18.

Reviewer's Analysis and Findings

I find that the applicant's proposed policy for discounting charges complies with this standard.

³ The responsibility for the licensing of ICF beds has been transferred from The Office of Health Care Quality to the Behavioral Health administration.

05D. Provision of Service to Indigent and Gray Area Patients.

Reviewer's Analysis and Findings

This standard is only applicable to applicants for Track One facilities.

.05E. Information Regarding Charges. An applicant must agree to post information concerning charges for services, and the range and types of services provided, in a conspicuous place, and must document that this information is available to the public upon request.

Applicant's Response

Pyramid Walden states that it will post information regarding the range and types of services it will provide and a statement of charges in a prominent place in the registration area of the proposed ICF and that it will provide this information to the public upon request. (DI #4, p. 19). The applicant has provided a copy of the charges for services, as well as the range and types of services it will provide. (DI#10, Exh. 24).

Reviewer's Analysis and Findings

I find that the applicant complies with this standard but I recommend that, if the Commission approves this application, it attach the following condition:

Prior to first use approval, Pyramid Walden LLC shall document that it has posted a statement of charges and information regarding the range and types of its services online and affirm that this statement of charges and information will be posted in a prominent place in the registration areas of its ICF and that it will also provide the statement of charges and the information of services to the public upon request.

.05F. Location. An applicant seeking to establish a new intermediate care facility must propose a location within a 30-minute one-way travel time by automobile to an acute care hospital.

Applicant's Response

Pyramid Walden states that the location of the proposed Bowie ICF is 3.3 miles from University of Maryland Capital Region Medical Center (CRMC) in Largo and 13.2 miles from MedStar Washington Hospital Center in the Washington, District of Columbia. It states that these distances place these hospitals within a 30 minute travel time by automobile. (DI #4, p. 19) I note that Bowie has a freestanding medical facility campus affiliated with CRMC.

Reviewer's Analysis and Findings

I find that the proposed ICF location is consistent with this standard.

.05G. Age Groups.

- (1) An applicant must identify the number of adolescent and adult beds for which it is applying, and document age-specific treatment protocols for adolescents ages 12-17 and adults ages 18 and older.**
- (2) If the applicant is proposing both adolescent and adult beds, it must document that it will provide a separate physical, therapeutic, and educational environment consistent with the treatment needs of each age group including, for adolescents, providing for continuation of formal education.**
- (3) A facility proposing to convert existing adolescent intermediate care substance abuse treatment beds to adult beds, or to convert existing adult beds to adolescent beds, must obtain a Certificate of Need.**

Reviewer's Analysis and Findings

This project does not propose conversion of existing adolescent ICF beds to adult beds. Thus, it is not applicable in this review.

Pyramid Walden states that the proposed ICF will only serve adults at least 18 years of age and older. (DI #4, p. 19).

.05H. Quality Assurance.

- (1) An applicant must seek accreditation by an appropriate entity, either the Joint Commission on the Accreditation of Healthcare Organizations (JCAHO), in accordance with CFR, Title 42, Part 440, Section 160, the CARF...The Rehabilitation Accreditation Commission, or any other accrediting body approved by the Department of Health and Mental Hygiene. The appropriate accreditation must be obtained before a Certificate of Need-approved ICF begins operation and must be maintained as a condition of continuing authority to operate an ICF for substance abuse treatment in Maryland.**
 - (a) An applicant seeking to expand an existing ICF must document that its accreditation continues in good standing, and an applicant seeking to establish an ICF must agree to apply for, and obtain, accreditation prior to the first use review required under COMAR 10.24.01.18; and**
 - (b) An ICF that loses its accreditation must notify the Commission and the Office of Health Care Quality in writing within fifteen days after it receives notice that its accreditation has been revoked or suspended.**
 - (c) An ICF that loses its accreditation may be permitted to continue operation on a provisional basis, pending remediation of any deficiency that caused**

its accreditation to be revoked, if the Office of Health Care Quality advises the Commission that its continued operation is in the public interest.

Applicant's Response

The applicant states that it “will apply for state licensure and accreditation through the CARF International and the Maryland Behavioral Health Administration” upon receiving a certificate of occupancy. (DI #4, p. 20). The applicant provided documentation that its existing SUD programs are CARF accredited and stated that if the proposed Bowie facility loses its CARF accreditation, it will notify the Commission and the Behavioral Health Administration within 15 days. (DI #4 p. 20).

Reviewer's Analysis and Findings

Based on Pyramid Walden's history and stated commitment, I find that the proposed project complies with this standard. To assure compliance, I recommend that, if the Commission approves this application, it attaches the following condition:

Prior to first use approval, Pyramid Walden LLC shall provide proof of preliminary accreditation of its Bowie, Maryland facility by the Commission on the Accreditation of Rehabilitation Facilities (CARF) or another accrediting body approved by the Maryland Department of Health and must timely receive final accreditation by CARF or another approved accrediting body.

(2) 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.

- (a) An applicant seeking to expand an existing ICF must document that its certification continues in good standing, and an applicant seeking to establish an ICF must agree to apply for certification by the time it requests that Commission staff perform the first use review required under COMAR 10.24.01.18.**
- (b) An ICF that loses its State certification must notify the Commission in writing within fifteen days after it receives notice that its accreditation has been revoked or suspended and must cease operation until the Office of Health Care Quality notifies the Commission that deficiencies have been corrected.**
- (c) Effective on the date that the Office of Health Care Quality revokes State certification from an ICF, the regulations at COMAR 10.24.01.03C governing temporary delicensure of a health care facility apply to the affected ICF bed capacity.**

Applicant's Response

The applicant states that the ICF will be certified by the Behavioral Health Administration “before it begins operation and will maintain that certification as a condition of continuing authority to operate an ICF for substance abuse treatment in Maryland.” If the ICF loses its certification, the applicant confirms that it will notify the Commission within 15 days and will cease operation until the Behavioral Health Administration notifies the Commission that the deficiencies have been corrected. (DI #4, p. 21).⁴

Reviewer’s Analysis and Findings

I find that the applicant’s history and response to this standard are compliant with this standard. I recommend that accountability be highlighted in this review by attaching the following condition to approval of the CON, if the Commission’s final action on the project is for approval.

Pyramid Walden shall notify the Commission and the Behavioral Health Administration, in writing, within fifteen days after it receives notice that its accreditation has been revoked or suspended or should it lose its State certification. Pyramid shall cease operation until the Behavioral Health Administration notifies the Commission that deficiencies have been corrected.

.05I. Utilization Review and Control Programs.

- (1) An applicant must document the commitment to participate in utilization review and control programs, and have treatment protocols, including written policies governing admission, length of stay, discharge planning, and referral.**

Applicant’s Response

Pyramid Walden states that it is committed to participating in utilization review and control programs and provided copies of its written protocols and policies governing admission, length of stay, discharge planning, and referral. The applicant states that these policies are currently implemented at its Maryland facilities. (DI #4, p. 21; DI #4 Exh. 9).

Reviewer’s Analysis and Findings

My review of the documentation provided supports a finding of compliance with this standard.

- (2) An applicant must document that each patient’s treatment plan includes, or will include, at least one year of aftercare following discharge from the facility.**

Applicant’s Response

⁴ The responsibility for the licensing of ICF beds has been transferred from The Office of Health Care Quality to the Behavioral Health administration.

Pyramid Walden states that each patient’s discharge plan will include at least one year of aftercare. (DI #4, p. 21). The applicant references Pyramid Walden’s Continuum of Care Model of treatment, which includes providing outpatient treatment near the proposed Bowie ICF and providing same day/next day appointments. The applicant states that “aftercare” will include “warm hand-offs”⁵ to the next level of care, support through recovery professionals and monitoring through quarterly follow-up calls. (DI #4, p 21-22)

Reviewer’s Analysis and Findings

I find that the application is consistent with the utilization review standard.

.05J. Transfer and Referral Agreements.

- (1) An applicant must have written transfer and referral agreements with facilities capable of managing cases which exceed, extend, or complement its own capabilities, including facilities which provide inpatient, intensive and general outpatient programs, halfway house placement, long-term care, aftercare, and other types of appropriate follow-up treatment.**
- (2) The applicant must provide documentation of its transfer and referral agreements, in the form of letters of agreement or acknowledgement from 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.**

Applicant’s Response

Pyramid Walden provided transfer and referral agreement documentation. (DI #3, Exh. 11, DI #10, pp 6-10). It identified transfer and referral agreements with the entities shown in the following table:

Table III.4 Pyramid Walden Transfer and Referral Agreements

⁵ A warm handoff is a handoff that is conducted in person, between two members of the health care team, in front of the patient (and family if present).

Provider Category	Agreement(s) with:
Acute care hospitals	UM Upper Chesapeake Medical Center Suburban Hospital Johns Hopkins Hospital
Halfway houses, therapeutic communities, long-term care facilities, and local alcohol and drug abuse intensive and other outpatient programs	Stepping Stones Recovery House, LLC
	Praising Through Recovery, Inc.
	Ashley Addiction Treatment
	Recovery Centers of America
	The Bergand Group
Local community mental health center or center	Harford County Health Department ⁶
The jurisdiction's mental health and alcohol and drug abuse authorities	Harford County Health Department ⁷
Behavioral Health Administration/MDH	Harford County Health Department ⁷
The jurisdiction's agencies that provide prevention, education, driving-while-intoxicated programs, family counseling, and other services	The Bergand Group Grassroots Crisis Intervention Addictions Connections Resource, Inc

Reviewer's Analysis and Findings

I find that the applicant has met this standard.

.05K. Sources of Referral.

- (1) An applicant proposing to establish a new Track Two facility must document to demonstrate that 50 percent of the facility's annual patient days, consistent with Regulation .08 of this Chapter, will be generated by the indigent or gray area population, including days paid under a contract with the Alcohol and Drug Abuse Administration or a jurisdictional alcohol or drug abuse authority.**
- (2) An applicant proposing to establish a new Track One facility must document referral agreements to demonstrate that 15 percent of the facility's annual patient days required by Regulation .08 of this Chapter will be incurred by the indigent or gray area populations, including days paid under a contract with the Alcohol or Drug Abuse Administration or a jurisdictional alcohol or drug abuse authority, or the Medical Assistance program.**

Applicant's Response

The applicant states that 50 percent of the facility's annual patient days will be generated by indigent or gray area populations, and that it will monitor its performance against this requirement in real time using metrics collected through the call center. To demonstrate the organization's commitment to indigent and gray area populations, the applicant points to metrics collected from its Charlotte Hall and Joppa facilities for the 12 months from January 2021 through May 2021. During that time, more than 85% of patients admitted were indigent/gray area patients.

⁶ Prince George's County has provided a letter of cooperation but does not provide specific referral agreements.

(DI#4, p.23). Subsection (2) of the standard is not applicable because the project does not involve establishment of a Track One ICF.

Reviewer's Analysis and Findings

I find that the applicant has met this standard.

.05L. In-Service Education. An applicant must document that it will institute or, if an existing facility, maintain a standardized in-service orientation and continuing education program for all categories of direct service personnel, whether paid or volunteer.

Applicant's Response

The applicant provided the policy governing orientation and in-service education that is reportedly used for all its SUD facilities and stated that this policy will be used at the Bowie facility for all service personnel. (DI #4, Exh. 13).

Reviewer's Analysis and Findings

I have reviewed the policy and conclude that the applicant has met this standard.

.05M. Sub-Acute Detoxification. An applicant must demonstrate its capacity to admit and treat alcohol or drug abusers requiring sub-acute detoxification by documenting appropriate admission standards, treatment protocols, staffing standards, and physical plant configuration.

Applicant's Response

Pyramid Walden states that it has an "Admissions Criteria Policy and Procedure and Detox Treatment Protocols for the evaluation, treatment, and detoxification for patients in the medically monitored intensive treatment program." (DI #4, p. 30). These policies and procedures will be used in the Bowie facility. Staff has reviewed these protocols and found them to be sufficient. (DI #4, Exh. 14).

Reviewer's Analysis and Findings

I find that the applicant has met this standard.

.05N. Voluntary Counseling, Testing, and Treatment Protocols for Human Immunodeficiency Virus (HIV). An applicant must demonstrate that it has procedures to train staff in appropriate methods of infection control and specialized counseling for HIV-positive persons and active AIDS patients.

Applicant's Response

The applicant states that staff at the Bowie facility will be trained on current Pyramid Walden protocols for the treatment, care, and management of patients with Human Immunodeficiency Virus. (DI #4, p. 24). I have reviewed these protocols and found them to be sufficient. (DI #4, Exh. 15).

Reviewer's Analysis and Findings

I find that the applicant has met this standard.

.05O. Outpatient Alcohol & Drug Abuse Programs.

- (1) An applicant must develop and document an outpatient program to provide, at a minimum: individual needs assessment and evaluation; individual, family, and group counseling; aftercare; and information and referral for at least one year after each patient's discharge from the intermediate care facility.**
- (2) An applicant must document continuity of care and appropriate staffing at off-site outpatient programs.**
- (3) Outpatient programs must identify special populations as defined in Regulation .08, in their service areas and provide outreach and outpatient services to meet their needs.**
- (4) Outpatient programs must demonstrate the ability to provide services in the evening and on weekends.**
- (5) An applicant may demonstrate that outpatient programs are available to its patients, or proposed patient population, through written referral agreements that meet the requirements of (1) through (4) of this standard with existing outpatient programs.**

Applicant's Response

Pyramid Walden states that it has agreements with outpatient facilities throughout Maryland for patient referrals. (DI #10, pp. 7-9). It further notes that each patient's treatment plan will include at least one year of aftercare following discharge from the facility. In addition, Pyramid Walden stated that it has plans to open an outpatient program on the new Bowie site, which will offer at least one year of care after discharge from the inpatient program. The applicant discusses plans to open a larger outpatient facility in Prince George's County within a year of opening the new Bowie facility. The proposed facility will take referrals from the Bowie facility, provide access to services in the evening and on weekends, and offer at least one year of care after

discharge from the inpatient program. The new outpatient facility will also provide specialized services to special populations,⁷ as defined in Regulation .08. (DI #4, p.25).

Reviewer's Analysis and Findings

I find that the applicant has met this standard.

.05P. Program Reporting. Applicants must agree to report, on a monthly basis, utilization data and other required information to the Alcohol and Drug Abuse Administration's Substance Abuse Management Information System (SAMIS) program and participate in any comparable data collection program specified by the Department of Health and Mental Hygiene.

Applicant's Response

Pyramid Walden states that it will report, monthly, utilization data and all other required information to the Behavioral Health Administration. The applicant adds that its existing Maryland facilities currently provide outcome data to the State of Maryland through its Outcome Measurement System, which is administered by Optum Maryland's administrative service organization, as required of publicly funded programs. (DI #4, p. 25).

Reviewer's Analysis and Findings

I find that the applicant has met the program reporting standard.

B. NEED

COMAR 10.24.01.08G(3)(b) Need. The Commission shall consider the applicable need analysis in the State Health Plan. If no State Health Plan need analysis is applicable, the Commission shall consider whether the applicant has demonstrated unmet needs of the population to be served and established that the proposed project meets those needs.

Applicant's Response

As discussed earlier in this Recommended Decision, under the Need standard at COMAR 10.24.14.05B,⁸ the applicant provided a calculation of Track Two ICF bed need based on the demand illustrated by the call center numbers of potential clients turned away due to lack of bed availability. This proposal would add 50 Track Two ICF beds in Southern Maryland, a region

⁷ COMAR 10.24.14.08 defines special populations as "those populations that historically have not been, or are not now served by the alcohol and drug abuse treatment delivery system including, women and women with dependent children, the elderly, the homeless, the poor, adolescents, persons with mixed dependencies, hearing impaired, the disabled, minorities, and others with special needs."

⁸ Discussion of Identification of Intermediate Care Facility Alcohol and Drug Abuse Bed Need, *supra*, pp. 8-12.

with a current need for Track Two beds, using the applicant's approach to needs assessment and its ICF use assumptions.

Reviewer's Analysis and Findings

There is no applicable need analysis in the State Health Plan for the Commission's consideration. The SHP comes from a policy perspective that the supply of Track Two ICF services is likely to be in chronic deficit relative to the demand for ICF services by lower income households. For this reason, the SHP does not contain any bed need projection for Track Two ICFs that would limit growth in ICFs and ICF bed capacity that primarily serves the indigent and gray area population. I note that this perspective is 20 years old.

I note that Pathways, the interested party opposing this project, finds fault with the applicant's approach to needs assessment, including its ALOS assumption. This was discussed earlier in this Recommended Decision in my consideration of the Need standard of the SHP.

I recommend that the Commission find that the applicant has demonstrated unmet needs of the population to be served and established that the project will meet those needs. In this case, a proprietary operator of ICF services, in Maryland and other states, is using call center information to gauge the demand for ICF services and investing in establishment of a new ICF, presumably with confidence that there is a sufficient demand queue to make the project successful. I believe that these circumstances warrant a finding by the Commission that the applicant has demonstrated need for the project.

C. AVAILABILITY OF MORE COST-EFFECTIVE ALTERNATIVES

COMAR 10.24.01.08G(3)(c) Availability of More Cost-Effective Alternatives. The Commission shall compare the cost effectiveness of the proposed project with the cost effectiveness of providing the service through alternative existing facilities, or through an alternative facility that has submitted a competitive application as part of a comparative review.

Applicant's Response

Pyramid Walden states that the project's goals are to:

1. Provide access to additional Track Two ICF beds for Maryland residents, and
2. Locate the additional beds in a geographic location with a shortage of Track Two ICF beds. (DI#4, p.32).

Pyramid Walden states that renovating an existing building is the most cost-effective and efficient alternative to providing the additional ICF beds. The applicant states that other sites were considered but rejected due to zoning issues, building size, acreage surrounding the building for parking, and recreational activity space. (DI #10, p. 11).

Reviewer's Findings and Conclusions

From a cost perspective, adding bed capacity at existing ICFs in Prince George's County could, arguably, achieve operating scale that might allow lower unit costs than most new ICF development opportunities, with the larger increment of overhead costs likely to be introduced by a new facility. However, with reference to this criterion, no "competitive application" for a comparative review has been filed. Pyramid Walden does not currently operate an ICF in this jurisdiction that it could expand as an alternative to entering the market with a new ICF.

I recommend that the Commission find that the proposal is a cost-effective and efficient option for achieving the applicant's objective of providing ICF services in Prince George's County. The SHP, as currently configured, clearly supports development of more Track Two ICF beds.

D. VIABILITY OF THE PROPOSAL

COMAR 10.24.01.08G(3)(d) Viability of the Proposal. The Commission shall consider the availability of financial and nonfinancial resources, including community support, necessary to implement the project within the time frames set forth in the Commission's performance requirements, as well as the availability of resources necessary to sustain the project.

Applicant's Response

Availability of Financial Resources

Pyramid Walden proposes an addictions treatment facility with an estimated total cost of \$9,861,800 and estimates the cost of the ICF component as half of this total (\$4,365,400) on the basis that its proposed programming is 50 beds for ICF services and 50 beds for residential services of that total cost. Most of the estimated expenditure (\$9,730,800) will cover the purchase and renovation of a former motel. The balance (\$131,000) of the budget is estimated as legal and consultant expenses.

Pyramid Healthcare Acquisition Corporation, LLC, the parent company of Pyramid Walden, Inc. submitted consolidated financial statements for 2020 and 2021 (DI #4, Exhibit 19), which show that it had sufficient cash to fund project costs (including working capital) in line with its projected cash equity contribution (approximately \$2.5 million) and that also show the organization is strong enough to have the likely ability to finance the balance of project cost (approximately \$7.4 million).

Ability to Sustain the Program

Pyramid Walden's financial projections are based on an assumption that the program will achieve a 90% average annual occupancy rate by 2024, with a payor mix in that year of 85% Medicaid, 3% self-pay, and 12% private insurance. (DI #4, Exhibit 15). Based on the experience of existing Pyramid Walden ICFs (DI #10, p. 7), Pyramid Walden projects that the ICF will experience an ALOS of four days for patients receiving WM services and a 16-day ALOS for

ongoing ICF treatment, post WM. The applicant estimates that the facility will provide 2,626 ICF patient days in FY 2023 and that ICF use will increase to 30,101 patient days by FY 2025.

Pyramid Walden projects that it will generate net income in 2024, its first full calendar year of operation, as shown in Table III.6, below.

Table III.6 Pyramid Walden Bowie ICF, Projected Revenues and Expenses

	FY 2023	FY 2024	FY 2025
Revenues			
Inpatient services	\$844,287	\$9,225,674	\$10,322,018
Outpatient services	27,850	238,798	333,828
Gross patient service revenue	\$872,137	\$ 9,464,472	\$ 10,655,846
Allowance for bad debt	\$43,607	\$473,224	\$532,792
Net patient service revenue	\$828,530	\$8,991,249	\$10,123,053
NET OPERATING REVENUE	\$828,530	\$8,991,249	\$10,123,053
Expenses			
Salaries/wages/benefits	\$940,310	\$5,498,142	\$5,615,004
Contractual services	12,000	100,000	120,000
Project depreciation (5 years)	119,612	358,836	358,836
Supplies	16,913	182,388	189,679
Other expenses	299,686	1,958,567	2,185,606
TOTAL OPERATING EXPENSES	\$1,536,448	\$8,550,235	\$8,906,989
Income Tax	(\$197,139)	\$121,220	\$325,485
NET INCOME (loss)	(\$501,779)	\$319,794	\$890,579

Source: DI #12, Table F.

Work Force Projections

Pyramid Walden projects a need to employ 89.2 “regular” full-time equivalent (FTE) employees (exclusive of contract “nurses”) at the proposed ICF at a projected annual salary expenditure of cost of \$4,397,200. Benefit expenditure is assumed to be 19.5% of salary cost. (DI #10, Exh. 18, Table E). The staffing plan is shown in Table III.7 below.

**Table III-7 Pyramid Walden Bowie ICF, Projected Work Force
Year Two of Operation**

Job Category	FTEs	Average Salary per FTE	Total Salary Expense
Program Director	1.0	\$120,000	\$120,000
Clinical Director	1.0	90,000	90,000
Medical Director	0.2	250,000	50,000
Total Administration	2.2		\$260,000

Behavioral Health Technician	33.0	\$31,200	\$1,029,600
Behavioral Technician Supervisor	4.0	40,000	160,000
RN	7.0	73,000	511,000
LPN	11.0	58,000	638,000
Contract Nurses	-	-	120,000
Counselor	11.0	55,000	605,000
Clinical Supervisor	2.0	80,000	160,000
CRNP	2.0	130,000	260,000
Total Direct Care Staff	70.0		\$3,483,600
Administrative Assistant	3.0	\$31,200	\$93,600
Case Manager	4.0	40,000	160,000
Maintenance/Kitchen	10.0	40,000	400,000
Total Support Staff	17.0		\$653,600
TOTAL	89.2		\$4,397,200

Source: DI #10, Table G.

Community Support

Expressions of support for the project included two letters from behavioral health and substance abuse service providers and a letter from the Consumer Quality Team of the Mental Health Association of Maryland. (DI #4, Exh. 10). As a proprietary corporation, the applicant states it is not relying on philanthropic support from the community to fund the project.

Interested Party Comments

Pathways argues that applying an average length of stay assumption of 14 days, which is an SHP-specified variable used in regional bed need projection for Track One ICFs only, to Pyramid Walden's utilization model and using these lower use values in a financial projection model, demonstrates that Pyramid Walden's proposed project is not viable. (DI #19, p. 9). Pathways provided its own projection of the Pyramid Walden Revenues and Expense table, considering a 14-day average length of stay rather than the 20-day ALOS assumed by the applicant. (See the following table.) This alternative projection yields a projected \$2 million loss in year three of operation. (DI #19, Exh. 2).

Table III.8 Pathways' Alternative Projection of Revenues and Expenses for Pyramid Walden Bowie

	FY 2023	FY 2024	FY 2025
Net operating revenue	\$740,954	\$7,702,275	\$8,636,016
Salaries & wages	\$1,222,403	\$7,147,585	\$7,300,805
Contract labor expense	\$12,000	\$100,000	\$120,000
Total labor expense	\$1,234,403	\$7,247,585	\$7,420,805
Total operating expenses	\$1,818,541	\$10,199,678	\$10,592,790
Net income (loss)	(\$1,077,587)	(\$2,497,403)	(\$1,956,774)

Source: DI #19, Exh. 2

Additionally, Pathways stated that Pyramid Walden underestimated the costs of staffing the new program. Pathways claims that the costs of staffing ICF facilities in the Annapolis area are 30% higher than proposed by Pyramid Walden. (DI #19, p.10). Pathways comments suggest that the applicant is not accounting for Pathways experience of worker shortages and increasing salary demands by the few workers available to recruit. It also states that the supply of “qualified” substance use treatment staff is “very limited.”

Applicant Response to Interested Party Comments

As discussed previously (*supra*, p.9-10), Pyramid Walden argues that a 14-day average length of stay for the ICF it proposes to establish is not its experience in operation of Track Two facilities in Maryland. (DI #23, pp. 14-15). Additionally, the applicant states that even if market conditions led to a shorter 14-day ALOS, the faster turnover of beds would simply allow for a further reduction in waiting times for a Pyramid ICF service without necessarily leaving unused bed capacity. (DI #23, p. 15).

Pyramid Walden provided information on bed occupancy for the past year at its two Maryland ICFs. (Monthly average percentage of ICF beds occupied is shown in the following table.) It states this information on bed occupancy demonstrates that significant demand exists for additional ICF capacity at a Pyramid SUD treatment facility. (Table III.8).

**Table III.9: Bed Occupancy Rates - Pyramid’s St. Mary’s and Harford ICFs
FY 2022**

Year	Month	Charlotte Hall St. Mary’s (%)	Joppa Harford (%)
2021	Jul	71.3	87.1
	Aug	69.8	85.7
	Sep	76.4	72.9
	Oct	69.5	71.7
	Nov	78.5	83.0
	Dec	78.3	76.4
2022	Jan	72.1	77.1
	Feb	88.1	91.0
	Mar	82.6	88.6
	Apr	75.7	92.9
	May	79.7	85.2
	Jun	86.9	87.4

Source: DI #23, p. 16

In response to Pathways’ comment about understatement of staff salaries in the assumptions supporting the applicant’s financial projections, Pyramid Walden stated that its original projections were conservative, based on an assumption of operating a fully staffed ICF with no vacancies. It states that the increased salary cost proposed by Pathways would only be a 17.5% increase in its own overall salary expenditure projection. Pyramid Walden provided an alternative analysis (see the following table) assuming an increase in staff salaries facility-wide.

(DI #23, p. 18). Under this scenario, Pyramid’s alternative analysis yielded positive overall net income by the third year of operation, when factoring in a 17.5% increase in its most recent staff salary assumptions. (DI #23, pp. 17-18).

**Table III.10 Pyramid Alternative Revenue and Expense Projections
Using a 17.5% Compensation Increase**

	FY 2023	FY 2024	FY 2025
Net Operating Revenue	\$802,073	\$8,764,391	\$9,805,917
Salaries & Wages	\$1,059,516	\$6,232,673	\$6,337,950
Contract Labor	\$12,000	\$100,000	\$120,000
Total Labor	\$1,071,516	\$6,332,673	\$6,457,950
Total Operating Expenses	\$1,680,594	\$9,428,585	\$9,784,703
Income Taxes	(\$249,808)	(\$188,864)	\$6,032
Net Income (Loss)	(\$628,713)	(\$475,331)	\$15,182

Source: DI #23 p. 17

Pyramid Walden stated that its organization has staff recruitment and retention programs that have been successful in fully staffing all its existing facilities and that they do not anticipate difficulties in staffing the new program. (DI #23, pp. 18-20).

Reviewer Analysis and Findings

With respect to a key critique underpinning Pathways comments in opposition to this project, the assumed average of length of ICF stays, I find that Pyramid Walden’s use of a 20.1-day ALOS assumption, which is based on its experience in operating Track Two ICFs in Maryland, is reasonable. I believe that without definitive evidence that a shorter ALOS is likely to produce more effective courses of WM and ongoing treatment for the SUD patients using ICFs, the actual ALOS experience of Maryland ICF service providers, which can vary substantially from one ICF to another, should be accepted by the Commission unless it is an extreme outlier. The applicant’s assumption is not an outlier. No evidence has been provided that the 14-day average length of stay is a benchmarking standard used by any Track Two facilities in the state, including Pathways. Pathways chose it from a dated SHP variable used as a “plug” number for formulating a forecast of ICF bed need for Track One ICFs, not Track Two ICFs such as the proposed project.

There are clearly staffing and staff expense challenges across the board in health care delivery and no basis for believing that ICF development is not facing the same problems. Higher salaries are required to attract and retain qualified staff and future labor market conditions are likely to continue to be difficult to manage. The interested party comments highlighting this problem are reasonable.

However, the ICF market is organized to allow private firms to supply a substantial portion of needed service capacity. A substantial majority of ICF projects developed in Maryland in recent years have been proprietary. My consideration of the interested party comments lead me to find that tight labor market conditions cannot be fairly used to wall off development of new ICF bed capacity, when market demand is not in decline and appears to be increasing, at least at the applicant’s ICFs. Pyramid Walden reports that average occupancy of its Charlotte Hall ICF

increased from 74% to 81% between the first half of FY 2022 and the last six months of that year. The corresponding bed occupancy at its Joppa ICF increased from 79% to 87% over the same period.

My consideration of project viability must be strongly informed by the applicant's organization and Maryland ICF experience. It is bringing relevant experience and a background in the state, which give it credibility that might not exist with an applicant newly coming to Maryland. It is also affiliated with a larger organization that brings a scale of assets and operations that provide a greater level of confidence that the project can move forward and succeed if more difficult market conditions develop in the future.

That said in preface, I find that Pyramid has effectively responded to the interested party's comments on project viability. It would not be surprising to find that some labor cost assumptions used by the applicant may prove to be too low for the Bowie market, which is closer to Annapolis and the higher labor cost environment identified by Pathways, when compared with the Pyramid Walden experience in Harford and St. Mary's County. On balance, I recommend that the Commission allow development of this project to proceed and give Pyramid an opportunity to succeed, despite the difficult staffing and salary inflation environment it may confront. While it is easy to view market conditions as static in the face of assessing development risk, it is important to recognize that pressures do lead, over time, to changes. A pertinent example are the increases in Medicaid payment rates for ICF services, put into effect several years ago, to spur development of SUD facility and program development by providers serving the Medicaid population. The increased cost observed today, which is undoubtedly related to worker shortages and higher salary demands, may force additional adjustments of payment rates in the future and the assumptions being used in today's financial performance forecasts may not accurately reflect what those revenue adjustments may be.

Additionally, and importantly, the State Health Plan is clearly designed to support Track Two ICF development without imposing explicit capacity limits, through CON regulation, on this most accessible ICF resource for the broadest Maryland population.

For these reasons, I recommend that the Commission find the proposed project to be viable.

E. COMPLIANCE WITH CONDITIONS OF PREVIOUS CERTIFICATES OF NEED

COMAR 10.24.01.08G(3)(e) Compliance with Conditions of Previous Certificates of Need. An applicant shall demonstrate compliance with all terms and conditions of each previous Certificate of Need granted to the applicant, and with all commitments made that earned preferences in obtaining each previous Certificate of Need or provide the Commission with a written notice and explanation as to why the conditions or commitments were not met.

Applicant's Response

Pyramid Walden received a certificate of need (CON) to operate an ICF in Joppa in 2020 and a CON to operate an ICF in Charlotte Hall in 2003. Both programs have met all the terms and conditions of the approved CONs. (DI #4, p.35).

Reviewer Analysis and Findings

I find that the applicant has demonstrated compliance with all terms and conditions of previous Certificates of Need.

F. IMPACT ON EXISTING PROVIDERS AND THE HEALTH CARE DELIVERY SYSTEM

COMAR 10.24.01.08G(3)(f) Impact on Existing Providers and the Health Care Delivery System. An applicant shall provide information and analysis with respect to the impact of the proposed project on existing health care providers in the health planning region, including the impact on geographic and demographic access to services, on occupancy, on costs and charges of other providers, and on costs to the health care delivery system.

Applicant's Response

The applicant states that there is only one Track Two ICF (59 beds) and one Track One ICF (64 beds) located in Prince George's County. A majority of the patients treated at the proposed facility are expected to have low income and all within the SHP definitions of the indigent and gray area population. It also argues that the need for Track Two ICF beds exceeds the current supply of such beds in the area from which it expects to draw ICF patients. Pyramid Walden does not anticipate having a negative impact on any other ICF providers. (DI #4, p. 35). The applicant states that it selected the Bowie location for the project due to the lack of Track Two ICF beds in Southern Maryland, the number of people observed seeking treatment for SUD, and the short time frame needed to put additional beds into operation using the Bowie plan for which it seeks approval.

Additionally, Pyramid Walden provided transfer and referral agreements from Maryland Track One ICFs to show the support of those programs for the proposed project. (DI #4, Exh. 11) The applicant anticipates that the new facility will improve access for those requiring medically monitored treatment of SUD. At an average annual occupancy rate of 80% and assuming a 20.1-day ALOS, the applicant states that these 50 additional Track Two beds will potentially serve 726 additional patients annually. (DI #4, pp.35-36).

Interested Party Comments

Pathways states that the proposed program will have a negative financial impact on the health care system because a 20.1-day ALOS is longer than prescribed in the State Health Plan. It projects this excess cost at \$1,356,814 in FY 2024 and \$1,565,303 in FY 2025. (DI #19, p. 11). Pathways also states that the applicant failed to properly analyze current bed availability in the

state, mentioning only providers in Prince George’s County. It providing the following chart of existing ICFs it believes are within 30 miles of the proposed facility.

Table III-11: ICFs Within 30 Miles of Proposed Pyramid Walden Bowie ICF

ICF	Driving Distance
Hope House, Laurel (Prince George’s)	19 miles
Pathways, Annapolis (Anne Arundel)	19 miles
Gaudenzia at Park Heights, Baltimore City	20 miles
Hope House, Crownsville (Anne Arundel)	20 miles
Avery Road Treatment Center, Rockville (Montgomery)	30 miles

Source: DI #19, p 11

Pathways states that these facilities could experience a negative impact as a result of the development of the proposed Bowie ICF.

Finally, Pathways argues that the proposed project’s use of three-bed rooms will have a negative impact on patient care, which will affect low-income vulnerable clients, noting that most Track One (private pay) ICFs have, at most, semi-private (double occupancy) rooms. (DI #19, p. 12).

Applicant Response to Interested Party Comments

Pyramid Walden refutes Pathways claim that the proposed program will have a negative impact on other providers or to low-income clients in need of services. The applicant states that the need for Track Two beds is large enough that the impact to existing providers is anticipated to be minimal, while vulnerable individuals will have greater access to care. (DI #23, p. 21). Pyramid Walden argues that Pathways provided generalized statements of possible harm but did not provide a quantitative analysis of the numbers of clients it would lose, or the amount of money it would lose if the proposed project were implemented.

Pyramid Walden also defended the use of three-bed rooms. The applicant points to the fact that neither the Commission nor national accrediting body standards have indicated that placing three patients in a room creates a deficient standard of care. (DI #23, p. 24). Pyramid Walden stated that semi-private and three-bed rooms help its clients to develop strong relationships with other individuals undergoing treatment and helps clients stay engaged in treatment. (DI#23, p. 23).

Reviewer Analysis and Findings

I believe it is relevant that, according to Commission records, there are currently 245 Track Two ICF beds within a 30-mile radius of the proposed Pyramid Walden facility in Bowie, and only one ICF in this radius has requested interested party status for this application. It is also notable that a 2021 Rand report on health and human services needs in Prince George’s County states that “Substance use services and beds for co-occurring conditions were also noted as being limited in capacity”.⁹ The interested party did not provide a quantitative analysis of the negative impact on

⁹ *Assessing Health and Human Services Needs to Support an Integrated Health in All Policies Plan for Prince George’s County, Maryland.* https://www.rand.org/pubs/research_reports/RRA647-1-v2.html

ICF referrals or ICF revenues, making it difficult to assess the level of harm predicted by Pathways. I find that it is unlikely that the new program will have a significant impact on existing providers given my belief that strong demand for Track Two ICF services will continue in the region.

While more ICF facilities are opting to house patients in private or semi-private rooms, which I find to be desirable, three-bedded rooms and rooms accommodating up to six patients are still common in Maryland Track Two ICFs. While it seems likely that the standard of design for ICFs may be firmly established in the future as private or semi-private rooms only, an evolution which has occurred for other institutional health care services, the FGI Guidelines today do not clearly establish this design standard for ICFs with the LOS typically seen in Maryland, and no limitations of beds per patient room are established in Maryland licensure statute or regulation. (The FGI Guidelines are the definitive design and construction guidelines for U.S. health care facilities and are incorporated by reference in the SHP for several other categories of regulated health care facility.)

I do not find that the Pathways assertion that the 20.1-day average length of stay assumption employed by the applicant will have a negative financial impact on the health care system is well founded. Given that the state ALOS is over 20.4 days for medically monitored ICF services (*supra*, p. 9), I cannot find that Pyramid Walden's projected costs and charges are out of line with existing ICF providers based on length of patient stay.

I find that the proposed project will have a positive impact on the availability and accessibility of Track Two ICF services, consistent with the regulatory oversight policy of the current SHP regulations for ICF services. The project will have an impact on utilization of existing providers serving the Bowie area by increasing the supply of ICFs and ICF beds in that regional market. I do not believe this impact will be existential or significant enough to warrant a denial of the proposed project based on project impact. I find that the applicant has modeled cost estimates based on its Maryland ICF experience. Any impact of the project on charges will be muted by the very limited volume of service expected to be provided to private payers in which the applicant can exercise some price setting power (although I would not expect this pricing power to be substantial). A high proportion of reimbursement for the proposed ICF services will be set by state government (Medicaid) and these will not reflect the ICF's cost experience (i.e., the ICF will primarily be a "price taker" rather than a "price maker." I recommend that the Commission find that the proposed project will have an acceptable impact.

IV. REVIEWER'S RECOMMENDATION

I find that the project proposed by Pyramid Walden, LLC to establish a 50-bed ICF in Bowie complies with the applicable State Health Plan standards established for this category of facility. The applicant has documented need for the project and shown it to be a cost-effective and efficient alternative to meet its stated goals. The proposed project appears to be financially viable and should have an acceptable impact on availability and access to alcohol and drug treatment,

especially for lower income individuals and families. It should not have a negative impact on costs and charges or on other providers of health care services.

Accordingly, I recommend that the Commission **APPROVE** the application of Pyramid Walden, LLC for a Certificate of Need to establish a 50-bed adult ICF to accommodate 50 adult beds providing withdrawal management and ongoing treatment at a medically monitored intensive inpatient service level (ASAM Level 3.7), at a cost of \$4,930,900, with the following conditions:

1. Prior to first use approval, Pyramid Walden LLC shall document that it has posted a statement of charges and information regarding the range and types of its services online and affirm that this statement of charges and information will be posted in a prominent place in the registration areas of its ICF and that it will also provide the statement of charges and the information of services to the public upon request;
2. Prior to first use approval, Pyramid Walden LLC shall provide proof of preliminary accreditation of the ICF by the Commission on the Accreditation of Rehabilitation Facilities (CARF) or another accrediting body approved by the Maryland Department of Health and must timely receive final accreditation by CARF or another approved accrediting body; and
3. Pyramid Walden shall notify the Commission and the Behavioral Health Administration, in writing, within fifteen days after it receives notice that its accreditation has been revoked or suspended or should it lose its State certification. Pyramid shall cease operation until the Behavioral Health Administration notifies the Commission that deficiencies have been corrected.

IN THE MATTER OF
PYRAMID WALDEN, LLC
Docket No. 22-16-2452

* BEFORE THE
*
* MARYLAND HEALTH
*
* CARE COMMISSION
*

FINAL ORDER

Upon consideration of the full record of this review, the Reviewer's Recommended Decision, and any exceptions taken thereto, it is this 20th day of October 2022:

ORDERED, that the Recommended Decision of the Reviewer is adopted as the final decision of the Maryland Health Care Commission; and it is further

ORDERED, that the Recommended Decision's findings of fact and conclusions of law are adopted by the Maryland Health Care Commission and incorporated into this order; and it is further

ORDERED, that the application for a Certificate of Need submitted by Pyramid Walden, LLC to establish a 50-bed adult ICF providing medically monitored intensive inpatient services, including withdrawal management (ASAM Level 3.7 services) is **APPROVED**, at a cost of \$4,930,900, with three conditions:

1. Prior to first use approval, Pyramid Walden LLC shall document that it has posted a statement of charges and information regarding the range and types of its services online and in a prominent place in the registration area, and shall also provide a copy of the document with this information that it will provide to the public upon request; and
2. Prior to first use approval, Pyramid Walden LLC shall provide proof of preliminary accreditation of its Bowie, Maryland facility by the Commission on the Accreditation of Rehabilitation Facilities (CARF) or another accrediting body approved by the Maryland Department of Health and must timely receive final accreditation by CARF or another approved accrediting body; and
3. Pyramid Walden shall notify the Commission and the Behavioral Health Administration, in writing, within fifteen days after it receives notice that its accreditation has been revoked or suspended or should it lose its State certification. Pyramid shall cease operation until the Behavioral Health Administration notifies the Commission that deficiencies have been corrected.

MARYLAND HEALTH CARE COMMISSION

APPENDIX 1:

RECORD OF THE REVIEW

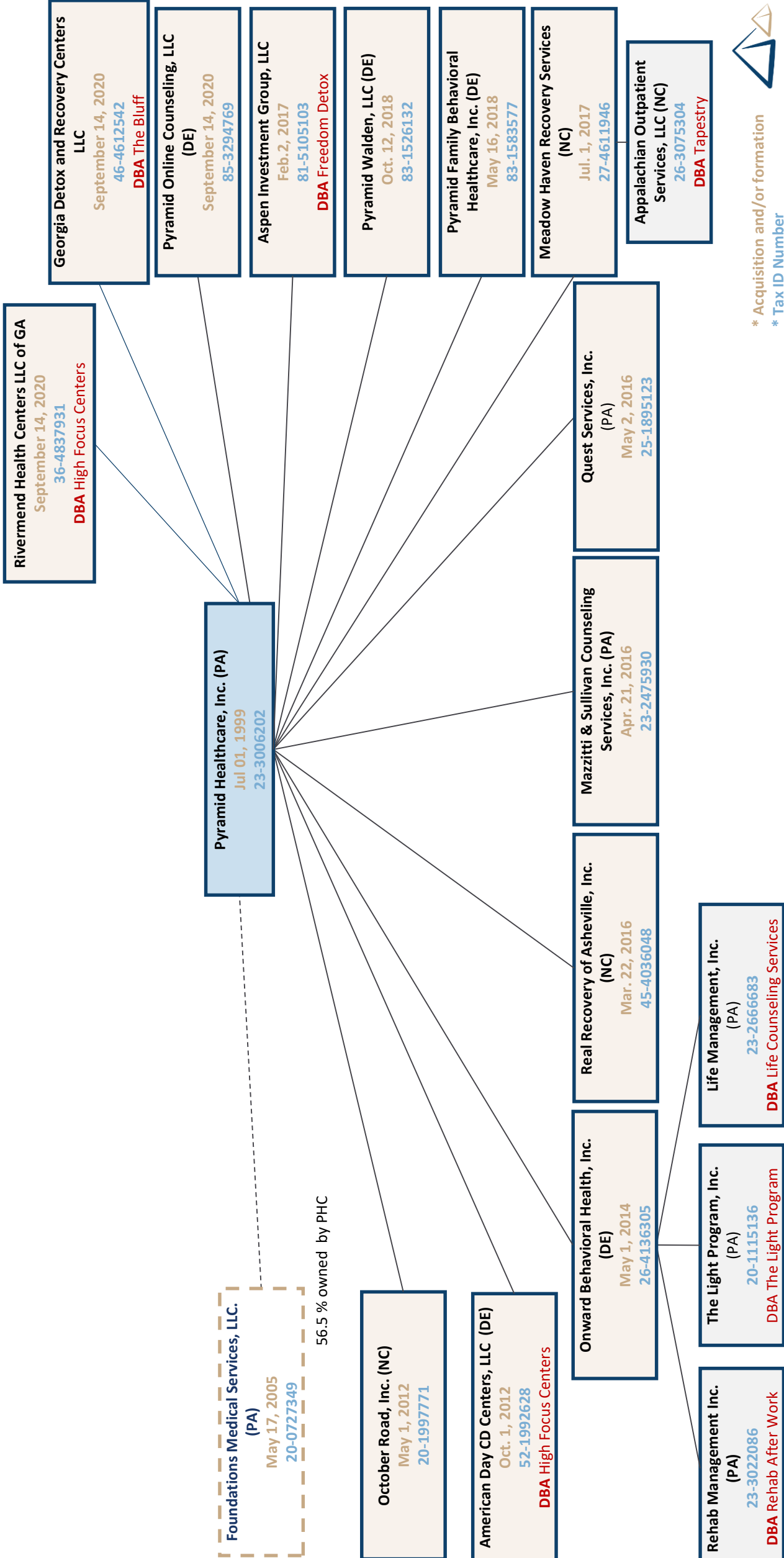
Record of the Review

Pyramid Walden, LLC – Docket #20-12-2440

Item #	Description	Date
1	Letter of Intent to establish a 50-bed Track Two Alcoholism and Drug Abuse Intermediate Care Facility in Prince George's County, Maryland	9/26/21
2	<i>Maryland Register</i> – Notice of Receipt of Letter of Intent	9/26/21
3	Letter of Support – Grass Roots Crisis Intervention	3/18/22
4	Certificate of Need application (CON) to establish a 50-bed Track Two Level 3.7 medically monitored intensive inpatient treatment program.	3/23/22
5	Commission staff acknowledges receipt of application for Pyramid Walden, LLC to Jonathan Wolf	3/30/22
6	Commission staff sends Notice of Receipt of Application from Pyramid Walden, LLC to <i>Washington Times</i> for publication.	3/30/22
7	Commission staff submits to <i>Maryland Register</i> a request to publish notice of receipt of CON application.	3/30/22
8	Notice of receipt as published in the <i>Washington Times</i> newspaper	3/31/22
9	Following completeness review, Commission staff sends applicant a request for completeness information.	4/8/22
10	Applicant responses to completeness information request	4/16/22
11	Commission staff sends applicant a request for completeness information	4/29/22
12	Applicant submits responses to completeness information request	5/9/22
13	Applicant submits clarification on project funding	5/12/22
14	Commission staff communication – Formal start of review of application will be 6/3/22	5/18/22
15	Commission staff sends notice for formal start of review to Washington Times for publication.	5/18/22
16	Commission staff submits to Maryland Register a request to publish the formal start of review	5/18/22
17	FORM – Request Local Health comments on application	5/18/22
18	Notice as published in the Washington Times for Formal Start of Review	5/20/22
19	Pathways Interested Party Comments	7/5/22
20	Email Lawson to Golder extension request	7/13/22
21	Commission staff re: extension request	7/20/22
22	Applicant extension request	7/22/22
23	Applicant Response to IP Comments	8/3/22
24	Reviewer Assignment and IP ruling	8/16/22
25	Applicant email	8/16/22

APPENDIX 2:

PYRAMID WALDEN'S ORGANIZATIONAL CHART



APPENDIX 3 :

TRACK 2 BED AVAILABILITY BY JURISDICTION

Maryland Track Two ICFs and ICF Bed Capacity

County	Facility	Beds
Allegany	Allegany County Health Department	114
Frederick	Mountain Manor	118
<i>Western Maryland total</i>		232
Montgomery	Avery Road Treatment Center	60
<i>Montgomery total</i>		60
Prince George's	Hope House – Laurel	59
St. Mary's	Anchor of Walden	27
<i>Southern Maryland total</i>		86
Anne Arundel	Gaudenzia Crownsville	27
	Hope House Crownsville	49
	Pathways	40
Baltimore City	Baltimore Crisis Response	7
	Gaudenzia Park Heights	67
	Mountain Manor	68
	Tuerk House	29
Carroll	Shoemaker Center	40
Harford	Pyramid Walden	50
<i>Central Maryland total</i>		377
Maryland total		755

Source: (DI#4, p.29)

APPENDIX 4:

PYRAMID WALDEN JOPPA CENTER FLOOR PLANS

- KITCHEN (2725 SQ. FT.)
- 21 BED DETOX (2044 SQ. FT.)
- 33 BED WOMEN'S (6645 SQ. FT.)
- 47 BED MEN'S (10801 SQ. FT.)
- GENERAL SERVICES (4000 SQ. FT.)
- CLINICAL AREAS (7283 SQ. FT.)
- ADMINISTRATION (2720 SQ. FT.)
- COMMON AREAS (7125 SQ. FT.)
- TOTAL GROSS AREA (33709 SQ. FT.)
- TOTAL NET AREA (25457 SQ. FT.)



PYRAMID PROPOSED FLOOR PLAN

P-K-100 Dwg. No.	Operations Approval:	REV	DESCRIPTION	DATE
	***	▲	ISSUED TO OPERATIONS FOR REVIEW	12-01-21
	E.V.P. of Engineering:	▲		
	***	▲		
Project Mgr.: Cad:		▲		
	.JSD TP	▲		

PYRAMID HEALTHCARE
 3000 LOTTSFORD VISTA ROAD
 BOWIE, MD. 20721

FUNCTIONAL REVIEW PLAN

270 LAKEMONT PARK BLVD.
 ALTOONA, PA. 16602



NEW BUILDING ADDITIONS

DETOX/ADMINISTRATION (1,960 SQ. FT.)

WOMENS (2,589 SQ. FT.)

MENS (1,459 SQ. FT.)

ADMINISTRATION 779 SQ. FT.)

TOTAL 6,797SQ. FT.)

EXISTING BUILDING

26,843 SQ. FT.)

PYRAMID PROPOSED FLOOR PLAN

SCALE: 3/32"=1'-0"

FILE NAME: O:\PYRAMID PROJECTS\BOWIE MARYLAND\COPN SUBMITTAL\COPN SUBMITTAL PLAN DRAWING.dwg

DATE	DESCRIPTION	REV
		0
		1
		2
		3
		4

Operations Approval:

E.V.P. of Engineering:

Project Mgr.: JSD

Cad: TP

Dwg. No.

PYRAMID HEALTHCARE
3000 LOTTSFORD VISTA ROAD
BOWIE, MD. 20721

Pyramid Healthcare

270 LAKEMONT PARK BLVD.
ALTOONA, PA. 16602