



**MARYLAND HEALTH CARE COMMISSION**

4160 PATTERSON AVENUE – BALTIMORE, MARYLAND 21215  
TELEPHONE: 410-764-3460 FAX: 410-358-1236

October 28, 2019

Marta D. Harting, Esquire  
Venable, L.L.P.  
750 E. Pratt Street, Suite 900  
Baltimore, Maryland 21202

**Re: Acquisition of Bon Secours Hospital, Inc.**

Dear Ms. Harting:

I write in response to your letter of August 26, 2019 notifying the Maryland Health Care Commission that LifeBridge Health, Inc. ("LBH") proposes the acquisition of Bon Secours Hospital Baltimore, Inc. ("BSH").

BSH is a licensed general hospital located in Baltimore City providing medical/surgical/gynecological/addictions ("MSGA") and acute psychiatric inpatient services. It also provides outpatient diagnostic and treatment services. BSH has a licensed bed capacity of 71 beds (FY 2020), including 44 MSGA beds and 27 psychiatric beds. Ten of the MSGA beds are dedicated, by contract, to use by the Maryland Department of Corrections.

The notice states that the health care services and service capacities of BSH will not change as a result of the acquisition. I note that LBH has filed a request for an exemption from Certificate of Need ("CON") review which proposes changes in the services provided at BSH.

Your letter included the information required by COMAR 10.24.01.03A with respect to acquisition of a health care facility and I have determined that a CON is not required for this transaction. This finding is valid for 180 days following the date of this determination. Please note that this determination does not authorize nor does it make any determination with respect to applicable regulatory requirements for any changes at BSH or other LBH facilities planned by LBH after execution of the proposed acquisition.

If the acquisition is completed, both buyer and seller must sign a notice of completion of the acquisition and file it with the Maryland Health Care Commission within 15 days of the completion of the acquisition. A copy of the completion of acquisition should also be sent to the Office of Health Care Quality ("OHCQ") of the Maryland Department of Health. Failure to document completion of this sale by the end of the 180-day period will require a new determination of coverage. Within 90 days of the completion of the acquisition, LBH shall

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undertake any requirements imposed by OHCQ with respect to amendment of the licensure or certification of BSH necessitated by the change in ownership and operation of this hospital.

Should you have questions, please contact Kevin McDonald, Chief, CON Division, at 410-764-5982.

Sincerely,

A handwritten signature in black ink that reads "Ben Steffen". The signature is written in a cursive, slightly slanted style.

Ben Steffen,  
Executive Director

cc: Katie Wunderlich, Executive Director, HSCRC  
Renee Webster, Office of Health Care Quality, MDH  
Letitia Dzirasa, M.D., Commissioner of Health, Baltimore City

Marta D. Harting

(410) 244-7542

mdharting@venable.com

August 26, 2019

**VIA ELECTRONIC MAIL  
AND HAND DELIVERY**

Mr. Kevin McDonald  
Chief, Certificate of Need  
Maryland Health Care Commission  
4160 Patterson Avenue  
Baltimore, MD 21215

Re: Notice of Acquisition of Bon Secours Hospital, Inc., by LifeBridge Health, Inc.

Dear Mr. McDonald:

This is written on behalf of LifeBridge Health, Inc. ("LBH") pursuant to COMAR 10.24.01.03A to notify the Commission of LBH's intent to acquire Bon Secours Hospital Baltimore, Inc. ("BSHI") on or about November 1, 2019. In the transaction, LBH will become the sole member of BSHI and replace Bon Secours Baltimore Health Corporation, the current sole member of BSHI. Upon the consummation of this transaction, BSHI will join Sinai Hospital, Northwest Hospital, Carroll Hospital Center and Levindale Hospital and Geriatric Center in the LBH system.

The following information required by COMAR 10.24.01.03A(1) is provided regarding the acquisition:

(a) BSHI is a licensed acute care general hospital located in Baltimore City providing acute care general hospital services. BSHI has 71 total beds, including 44 MSGA beds and 27 psychiatric beds effective July 1, 2019. BSHI also provides various outpatient services including outpatient psychiatric, partial hospitalization and substance abuse clinics and outpatient dialysis. Ten of BSHI's MSGA beds are dedicated Maryland Department of Corrections beds pursuant to a contract between BSHI and MDOC.

(b) Please refer to (a) for licensed bed information.

(c) In calendar year 2018, BSHI had 3,425 total hospital admissions, which included 2,217 MSGA admissions and 1,208 psychiatric admissions.

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(d) BSHI's gross operating revenues in the last Fiscal Year (ending 8/31/18) were \$168,238,400 and net operating revenues were \$110,525,500. See Exhibit 1.

The health care services and bed capacity of BSHI will not change as a result of the acquisition itself. Changes in the health care services or bed capacity of BSHI may occur after the acquisition in order to effectively and efficiently meet the health care needs of the BSHI community in modernized facilities providing high quality health care and align health care services within the LBH merged asset system. However, such changes will be undertaken only following such notices and/or applications to, and review and approvals by, the Commission as are required.

Based on the foregoing, we would appreciate your confirmation that a certificate of need is not required for this acquisition.

Should you need any additional information in order to evaluate this request, please let me know.

Very truly yours,



Marta D. Harting

MDH:rlh

Enclosure

cc: Renee Webster, Office of Health Care Quality  
Gregory Wm. Branch, Baltimore County Health Officer  
Letitia Dzirasa, MD, Baltimore City Health Officer  
Edwin Singer, L.E.H.S., Carroll County Health Officer

**STATEMENT OF REVENUE AND EXPENSES**

**RE**

INSTITUTION NAME: Bon Secours Baltimore Hospital

FISCAL

8/31/2018

INSTITUTION NUMBER: 210013

		COL 1	COL 2	COL 3	
		Regulated	Unregulated	Total	
<b>Operating Revenues:</b>		xxxx	xxxx	xxxx	
A	Gross Revenues from Daily Hospital Services	30,133.7	0.0	30,133.7	A
B	Gross Revenues from Ambulatory Services	22,575.0	0.0	22,575.0	B
C	Gross Revenues from Inpatient Ancillary Services	31,992.5	0.0	31,992.5	C
D	Gross Revenues from Outpatient Ancillary Services	25,386.7	58,150.4	83,537.1	D
E	Gross Patient Revenues	110,088.0	58,150.4	168,238.4	E
<b>Deductions from Revenues:</b>		xxxx	xxxx	xxxx	
F	Provision for Bad Debts	2,017.8	444.7	2,462.4	F
G	Charity/Uncompensated Care	323.9	164.7	488.6	G
H	Contractual Adjustments	10,755.6	40,991.7	51,747.3	H
H1	Uncompensated Care Fund Payments	479.1	0.0	479.1	H1
H2	Denials	4,263.0	0.0	4,263.0	H2
I	Other Deductions from Revenues	725.8	0.0	725.8	I
J	Total Deductions from Revenues	18,565.3	41,601.1	60,166.3	J
J1	Uncompensated Care Fund Receipts	0.0	0.0	0.0	J1
K	Net Patient Revenues	91,522.7	16,549.4	108,072.1	K
L	Other Operating Revenues	712.9	1,740.6	2,453.4	L
M	Net Operating Revenues	92,235.6	18,289.9	110,525.5	M
<b>Operating Expenses:</b>		xxxx	xxxx	xxxx	
N	Salaries, Wages, and Employee Benefits	37,279.4	16,059.8	53,339.2	N
O	Professional Fees	0.0	0.0	0.0	O
P	Supplies	7,636.5	0.0	7,636.5	P
Q	Depreciation/Amortization, Leases/Rentals	6,302.7	654.7	6,957.4	Q
R	Other Expenses	22,141.5	20,976.6	43,118.1	R
S	Total Operating Expenses	73,360.1	37,691.1	111,051.2	S
T	Excess (Deficit) Operating Revenues Over Operating Expenses	18,875.5	(19,401.2)	(525.7)	T
U	Non-Operating Revenues	xxxx	1,002.6	1,002.6	U
V	Non-Operating Expenses	xxxx	946.5	946.5	V
W	Excess (Deficit) Revenues Over Expenses-Regulated and Unregulated	18,875.5	(19,345.0)	(469.5)	W
X	Operating Expenses per EIPD	2,30689	xxxx	xxxx	X
Y	Operating Expenses per EIPA	12,57581	xxxx	xxxx	Y
Z	Working Capital Ratio = Current Assets/Current Liabilities	(3.1)	xxxx	xxxx	Z
AA	Admissions	3,292	0	3,292	AA
BB	EIPA's	5,833		8,915	BB