

MARYLAND HEALTH CARE COMMISSION

Exemption from Certificate of Need

TO: Holly Norelli, LNHA
CommuniCare Health Services
1302 Concourse Drive Suite 200
Linthicum Heights, MD 21090

October 19, 2023
Date

Howard L. Sollins, Esq.
100 Light Street
Baltimore, MD 21202

RE: Request for Exemption from Certificate
of Need Review – Change in Bed Capacity
of Fort Washington Health Center and
Clinton Healthcare Center

23-16-EX015
Docket No.

PROJECT DESCRIPTION

CommuniCare Health Services (CommuniCare) has been granted an Exemption from Certificate of Need (CON) review for their plan to change the bed capacity between two of its Comprehensive Care Facilities (CCF) in Prince George’s County, Maryland, Clinton Healthcare Center (Clinton) and Fort Washington Health Center (Fort Washington). The project will result in Fort Washington adding 46 beds, and a corresponding reduction of bed capacity operated at Clinton. Both facilities currently operate triple (three-bed) and quad (four-bed) rooms. After the project is completed neither facility will operate patient rooms that accommodate more than two patients. CommuniCare’s Request for Exemption from CON review maintains the existing bed supply.

The project plan is for Fort Washington to renovate 8,596 square feet (SF) of existing space and add 32,420 SF of new construction to its current 54,833 SF facility to accommodate the additional beds and eliminate all quad rooms. Clinton will need no additional structural renovations. The total cost of the project will be \$18,098,308. CommuniCare will finance the project with approximately \$3.6 million in cash, with the remaining balance of \$14.5 million financed through a U.S. Department of Housing and Urban Development (HUD) secured mortgage loan.

ORDER

MHCC reviewed and considered the information provided by the applicant on the proposed change in bed capacity and concluded that CommuniCare’s Request for an Exemption from a Certificate of Need is in the public interest, is not inconsistent with the State Health Plan, COMAR 10.24.20 and will result in the delivery of more efficient and effective health care services. Based on this analysis and the record, the Maryland Health Care Commission, on October 19, 2023,

APPROVED CommuniCare's Request for Exemption from Certificate of Need for a change in bed capacity at Fort Washington Health Center and Clinton Healthcare Center with the following condition:

CommuniCare shall execute a Memorandum of Understanding with Medicaid to maintain the required proportion of Medicaid patient days in accordance with COMAR 10.24.20.05A(2)(b) of this Chapter for the Clinton and Fort Washington facilities and provide a copy of the memoranda to the Commission before a request for first use review and approval.

PERFORMANCE REQUIREMENTS

In accordance with COMAR 10.24.01.12B-C(1)(b), each of the projects is subject to the following performance requirements:

1. Obligation of not less than 51 percent of the approved capital expenditures, as documented by a binding construction contract, within 24 months of the date of this Certificate of Need;
2. Initiation of construction no later than four months after the effective date of the binding construction contract; and
3. Documentation that the approved project has been completed, has been licensed, and has met all legal requirements and is providing the approved services no later than 24 months after the effective date of the binding construction contract.

Failure to meet these performance requirements will render this Exemption from Certificate of Need review void, subject to the requirements of COMAR 10.24.01.12 F through I.

PROPOSED CHANGES TO THE APPROVED PROJECT

Before making any changes to the facts in the Exemption from Certificate of Need review request and other information provided to the Commission, the applicant must notify the Commission in writing and receive Commission approval of each proposed change, including the obligation of any funds above those approved by the Commission in this exemption from Certificate of Need review, in accordance with COMAR 10.24.01.17. Pursuant to COMAR 10.24.01.17B(2), the project cannot incur capital cost increases that exceed the approved capital cost inflated by an amount determined by applying the Hospital Capital Market Baskets published on a quarterly basis by IHS Economics in *Healthcare Cost Review* unless the applicant obtains a modification of this Exemption from Certificate of Need review from the Commission. Instructions for determining the threshold that necessitates Commission review and approval of changes to the capital cost approved in this exemption from Certificate of Need review are located on the Commission's website at:

http://mhcc.maryland.gov/mhcc/pages/hcfs/hcfs_con/hcfs_con.aspx.

DESIGN APPROVAL AND FACILITIES LICENSURE BY MDH

This Exemption from Certificate of Need review does not constitute a license or replace any approvals required by the Office of Health Care Quality or others within the Maryland Department of Health (MDH) to renovate and operate altered space within an existing facility. The applicant must provide MDH with all information it requires for plan approval and putting into operation renovated space within its existing facility, including information pertaining to project design and specifications.

QUARTERLY STATUS REPORTS

The applicant must submit quarterly status reports on the approved project to the Commission, beginning April 19, 2024, and continuing, at three-month intervals, until the completion of the project.

REQUEST FOR FIRST USE REVIEW

The applicant must also document compliance with the conditions attached to the Exemption from CON review at the time of the first use request. Commission staff will review the request in consultation, as necessary, with OHCQ, and in accordance with COMAR 10.24.01.18 to determine whether the project is in conformance with the exemption from CON review. First use approval does not constitute a license or replace any approvals required by OHCQ or others within MDH to operate new space within an existing center or facility. Therefore, the applicant should assure that OHCQ is notified of the imminent completion of the project and should arrange for completion of any inspections and or approvals required by OHCQ in a timely manner. First use approval remains in effect for 90 days. If first use of the new operating room does not occur within 90 days of first use approval, the applicant shall reapply for first use approval.

ACKNOWLEDGEMENT OF RECEIPT OF EXEMPTION FROM CERTIFICATE OF NEED REVIEW

Acknowledgement of your receipt of this exemption from Certificate of Need review, stating acceptance of its terms and conditions, is required within thirty (30) days.

MARYLAND HEALTH CARE COMMISSION



Ben Steffen
Executive Director

cc: Patricia T. Nay, M.D., Executive Director, Office of Health Care Quality
Matthew D. Levy, M.D., Health Officer, Prince George's County