

MARYLAND HEALTH CARE COMMISSION

Exemption from Certificate of Need

To: Dana Farrakhan, MD, Senior VP, Strategy, Community and Business Development University of Maryland Medical Center, LLC
22 S. Greene Street
Baltimore, MD 21201

Date: July 18, 2024

Re: University of Maryland Rehabilitation and Orthopaedic Institute (UMROI) and the University of Maryland Medical Center (UMMC)

Docket No.: 23-24-EX017

PROJECT DESCRIPTION

This Exemption from Certificate of Need authorizes the University of Maryland Rehabilitation and Orthopaedic Institute (UMROI) and the University of Maryland Medical Center (UMMC) to relocate acute rehabilitation and chronic care beds from UMROI to UMMC's existing downtown facility in Baltimore City, Maryland. UMROI currently has 149 beds, and after the project, 58 of these beds will be relocated to UMMC. The relocated beds include 25 acute inpatient rehabilitation TBI beds, 18 SCI beds, and 5 chronic care beds (including 10 dually licensed beds). The proposed project has 107,246 square feet (SF) of new construction and 63,299 SF of renovations. The total estimated cost of the project is \$235,855,047 and will be funded by bonds, interest on bond proceeds, and state funding.

ORDER

The Maryland Health Care Commission (MHCC or Commission) reviewed the staff report and based on that analysis and the record in the review, ordered, on July 18, 2024, that an Exemption from Certificate of Need be issued for the project, with the following conditions:

1. Prior to its request for First Use approval, UMMC shall provide information that details the activities it has undertaken following approval of this Exemption request to increase the amount of charity care provided to patients and demonstrates its progress toward achieving a level of charity care that places it in at least the third quartile among all Maryland hospitals as documented in the HSCRC Community Benefit Report. If staff concludes that UMMC's progress is not satisfactory, further action regarding this Exemption request may be considered by the Commission at a public meeting before the issuance of First Use approval.
2. The applicant shall submit documentation of CARF accreditation to the Commission within a year of opening.

3. Any future change to the financing of this project involving adjustments in rates set by the HSCRC must exclude \$8,318,812, which includes the estimated new construction costs that exceed the Marshall Valuation Service guideline cost and portions of the contingency allowance, inflation allowance, and capitalized construction interest expenditure that is based on the excess construction cost.
4. The applicants shall document transfer and referral agreements, prior to First Use approval by the Commission.

PERFORMANCE REQUIREMENTS (10.24.01.12)

Project schedule:

Objective	Phase	Target Date of Completion
Obligation of the approved capital expenditure for new construction.	1	October 2024
Commencement of new construction	1	December 2024
Completion of new construction	1	July 2026
Obligation of the approved capital for the renovation	2	December 2025
Commencement of renovations	2	December 2026
Completion of renovations	2	February 2028
Commencement of services		April 2028

PROPOSED CHANGES TO THE APPROVED PROJECT

Before making any changes to the facts in this Exemption from Certificate of Need approved by the Commission, the holders must notify the Commission in writing and receive Commission approval of each proposed change in accordance with COMAR 10.24.01.17.

DESIGN APPROVAL AND FACILITIES LICENSURE BY MDH

This Exemption from CON does not constitute a license or replace any approvals required by the Office of Health Care Quality (OHCQ) or others within the Maryland Department of Health (MDH). UMMC must provide OHCQ and MDH with all information required for facility licensure.

SEMI-ANNUAL STATUS REPORTS

In accordance with COMAR 10.24.01.12 UMMC must submit semi-annual status reports to the Commission, beginning January 18, 2025, six months from the date of this Exemption from Certificate of Need, and continuing at six-month intervals, until the completion of the project.

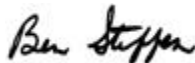
REQUEST FOR FIRST USE REVIEW

The holders must request in writing, not less than 60 days but not more than 120 days before first use from the Commission, specifying the anticipated date of first use and documenting that the project has been substantially completed within 120 days or less, in a manner consistent with this Exemption from Certificate of Need. Commission staff will review the request in consultation with the Office of Health Care Quality, as provided in COMAR 10.24.01.18, to determine whether the project conforms to this Exemption from this Certificate of Need. First use approval does not constitute a license or replace any approvals required by OHCQ or others within MDH to operate a health care facility. Therefore, UMMC 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 does not occur within 90 days of approval, the holders shall reapply for first use approval.

ACKNOWLEDGEMENT OF RECEIPT OF EXEMPTION FROM CERTIFICATE OF NEED

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

MARYLAND HEALTH CARE COMMISSION



Ben Steffen
Executive Director

cc: Heather Reed, Office of Health Care Quality
Ihuoma Emenuga, MD, MPH, MBA, Commissioner of Health, Baltimore City
Scott Tinsley-Hall, Senior Director, Strategic Planning, UMMC
Marina Bogin, CPA, Vice President of Financial Services, Chief Financial Officer, UMROI
Julie Nemens, RN, MSN, Chief Administrative Officer & Senior Vice President, UMROI

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Laura Kautz, RA, Director of Planning, Design & Development, UMMS
Alicia Cunningham, SVP Corporate Finance & Revenue Advisory Services, UMMS
Lucas Sater, Director - Revenue and Reimbursement, UMMS
Craig Wheelless, UMMC
Ella Aiken, Gallagher, Evelius & Jones
Alison Lutich, Gallagher, Evelius & Jones